

2022

INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO

ANNUAL COMPREHENSIVE  
FINANCIAL REPORT (ACFR)

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LOS ALAMOS

**Incorporated County of Los Alamos, New Mexico**



# LOS ALAMOS

**Annual Comprehensive Financial Report**

**Fiscal Year Ended**

**June 30, 2022**

*Prepared by Finance of Administrative Services*

**TABLE OF CONTENTS**  
**June 30, 2022**

	<b>Page</b>
<b>INTRODUCTORY SECTION:</b>	
Letter of Transmittal	i-vii
Certificate of Achievement for Excellence in Financial Reporting, presented by the Government Finance Officers Association	viii
Organizational Chart	ix
Elected and Appointed Officials	x
<b>FINANCIAL SECTION:</b>	
Independent Auditors' Report	1-4
Management's Discussion and Analysis	5-26
<b>Basic Financial Statements:</b>	
Government-wide Financial Statements:	
Statement of Net Position	28-29
Statement of Activities	30
Governmental Fund Financial Statements:	
Balance Sheet	32-33
Reconciliation of Balance Sheet to the Statement of Net Position	35
Statement of Revenues, Expenditures, and Changes in Fund Balance	36-39
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	41
Statement of Revenues, Expenditures, Encumbrances, and Changes in Fund Balance - Budget and Actual (Budget Basis)	
General Fund	42-52
Economic Development Fund	54-55
Emergency Declarations Fund	56
Proprietary Fund Financial Statements:	
Statement of Net Position	58-59
Statement of Revenues, Expenses, and Changes in Net Position	60
Reconciliation of Revenues, Expenses and Changes in Net Position to the Statement of Activities	61
Statement of Cash Flows	62-63
Fiduciary Fund Financial Statements:	
Statement of Net Position	65
Statement of Changes in Net Position	66
Notes to the Financial Statements	67-130
Required Supplementary Information - NM PERA Pension Liability	131-137
Required Supplementary Information - NM RHCA Other Post Employment Benefits Liability	138-140

**SUPPLEMENTARY INFORMATION:****Combining and Individual Fund Financial Statements and Schedules:**

Other (nonmajor) Governmental Funds:	
Combining Balance Sheet	141
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	142-143
Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balance - Budget and Actual (Budget Basis)	
State Shared Revenues Fund	144
Lodgers' Tax Fund	145
State Grants/Other Fund	146
Health Care Assistance Fund	147
Other Special Revenues Fund	148-149
Gross Receipts Tax Revenue Bonds Fund	150
Capital Projects Permanent Fund (Major Governmental Fund)	151
Project-length Schedule of Construction Projects - Capital Improvement Projects Fund	152
Joint Utility System Enterprise Subfunds:	
Combining Schedule of Net Position	154-155
Combining Schedule of Revenues, Expenses, and Changes in Net Position	157
Combining Schedule of Cash Flows	158-159
Schedules of Revenues, Expenses, Encumbrances, and Changes in Net Position - Budget and Actual (Budget Basis):	
Joint Utility System Fund	160-161
Electric Subfund	162-163
Gas Subfund	164-165
Water Subfund	166-167
Wastewater Subfund	168-169
Other Enterprise Funds:	
Schedules of Revenues, Expenses, Encumbrances, and Changes in Net Position - Budget and Actual (Budget Basis):	
Environmental Services	172-173
Transit Fund	174-175
Fire Fund	176-177
Airport Fund	178-179
Internal Service Funds:	
Combining Statement of Net Position	182
Combining Statement of Revenues, Expenses, and Changes in Net Position	183
Combining Statement of Cash Flows	184-185
Schedules of Revenues, Expenses, Encumbrances, and Changes in Net Position - Budget and Actual (Budget Basis):	
Equipment Fund	186-187
Risk Management Fund	188-189
Custodial Funds:	
Combining Statement of Net Position	190
Combining Statement of Changes in Net Position	191



**TABLE OF CONTENTS**

June 30, 2022

<b>STATISTICAL SECTION:</b>	<b>Page</b>
Net Position by Component	193
Changes in Net Position	194-195
Fund Balance, Governmental Funds	197
Changes in Fund Balance, Governmental Funds	198-199
Joint Utility System Customer Base	200
Joint Utility System Operating Revenue and Sales	201
Joint Utility System Operating Revenue by Type of Customer	202
Joint Utility System Rate Structure	203
Taxable Gross Receipts by Business Sector (in \$1,000s)	204
Gross Receipts Tax (GRT) Revenues and Rates	205
Property Tax Levies and Collections	206
Assessed and Estimated Actual Value of Taxable Property	207
Property Tax Rates and Levies - All Direct and Overlapping Governments	208
Ten Principal Property Taxpayers	209
Ratios of Outstanding Debt by Type	210
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	211
Computation of Direct and Overlapping Debt	212
Computation of Legal Debt Margin	213
Joint Utility System Revenue Bond Coverage	214
Demographic and Economic Statistics	215
Largest Employers	216
Census Population by Age Bracket, Counts, and Percentages	217
Full-time Equivalent Employees by Function/Program	218
Operating Indicators by Function/Program	219
Capital Asset Statistics by Functions/Program	220
Joint Utility System Profit Transfer and In Lieu Payments	221
<b>OTHER SUPPLEMENTARY INFORMATION:</b>	
Exhibit 1 - Schedule of Reconciliation of Tax Receipts and Disbursements	223
Exhibit 2 - County Treasurer's Property Tax Schedule	224-225
Exhibit 3 - Schedule of Pledged Collateral	226
Exhibit 3a - Detail of Pledged Collateral by Financial Institution	227
Exhibit 4 - Schedule of Depository Accounts	229
Exhibit 5 - Supplemental Schedule of Joint Powers Agreements	230-231
Exhibit 6 - Schedule of Expenditures of Federal Awards	232-233
Exhibit 7 - Schedule of Expenditures of State Awards	234-235
Exhibit 8 - Utility Subfunds Combining Balance Sheet - Industry Format	236-237
Exhibit 9 - Utility Subfunds Combining Schedule of Revenues, Expenses, and Changes in Proprietary Capital - Industry Format	238-239
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	240-241
Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance	242-244
Schedule of Findings and Questioned Costs	245-246
Exit Conference	247

December 1, 2022

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 2022. The Finance Division of the Administrative Services Department has prepared this report to present the financial position of the County as of June 30, 2022, 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

Denise Derkacs  
Council Vice Chair

**COUNCILORS**

Melanee Hand  
David Izraelevitz  
Keith Lepsch  
David Reagor  
Sara Scott

**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 no findings from the independent auditors. The Schedule of Findings and Questioned Costs, is included in the Other Financial Information Section of this report beginning on page 246.

## **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**

Like other communities around the nation, Los Alamos County has had to quickly adapt to rapidly changing situations as the pandemic situation evolved. The County has continued to adapt to hybrid work formats and continued its efforts in working together with community counterparts to maximize resources on testing and reduction of spread of the virus. 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 73.6% and Property Taxes accounts for 9.7% 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, our guidance for budget development was to begin with the FY2022 Adopted budget, less one-time items, then allow for an average 5% adjustment in salaries (2% merit, 3% cost of labor) for non-collective bargaining employees, a 4% increase in medical premiums, and a non-labor expenditure target of an overall projected 3% increase from the prior year. Current projected revenues are in line with the County financial policy guidance to maintain a 20% reserve. The County also adopted \$6.15 million in budget options which includes recurring and non-recurring expenditures. The budget options added a total of 17.25 full time equivalent (FTE) employees.

The overall County adopted FY2023 expenditure budget is \$280.4 million as compared to FY2022 adopted expenditures of \$245.1 million. Overall County budgeted revenues are \$261.7 million as compared to FY2022 adopted revenues of \$237.2 million.

## **MAJOR ACCOMPLISHMENTS AND FUTURE INITIATIVES**

FY2022 continued to be a challenging year for our community. Like so many other local governments, 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 moving along. We also faced a fire emergency with the Cerro Pelado Fire that broke out in May but acted fast and collaborated with the LANL to minimize threats to the public. The following are a list of highlights and continued initiatives:

- Housing initiatives continue to be a priority and we're excited to see progress being made. Along DP Road, the affordable housing project Canyon Walk Apartments is fully occupied. And just across the street, the Bluffs, senior affordable apartments are well underway. 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 2022 on the same property. These projects will bring more options and housing availability to Los Alamos County in the near future.

- The Hill apartments at the former LASO site is also under construction with expected completion in late 2023.
- 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 County has hired a consultant to begin the feasibility study as agreed to by the County and LAPS. The feasibility study is being finalized and will be made public in the next fiscal year which will provide recommendations for a workforce housing project.
- The Downtown Master Plans for Los Alamos and White Rock were approved and the related work on two sections of the County's code (Chapter 16 and 18) is ongoing. Chapter 16 and 18 to be presented to Council in FY2023.
- Capital projects moved to construction for four quality of life initiatives. The Leisure Lagoon addition to the Aquatic Center began and is nearing completion; and planning for Phase 1 and Phase II of the Golf Course improvements is underway.
- A variety of infrastructure projects occurred, design for DP Road infrastructure is complete and public outreach for use of the WAC building has occurred; two major road improvement projects were completed for Canyon Road in Los Alamos and Sherwood Blvd. In White Rock which included new driving surfaces, utility services and storm water collection upgrades.
- The County adopted a plan to earmark its ARPA funds to primarily combat the negative economic impacts of the pandemic on small businesses by allocating \$2M for a Small Business Assistance program; along with setting aside \$600k for Social Services initiatives; and the remainder of the County's \$3.762M allotment to assist with Utilities Water/Waste Water capital infrastructure projects that have seen extremely high cost escalations from supply chain impacts.
- The County acted fast when faced with the Cerro Pelado Fire by activating the Emergency Operations Center, and providing key communications for the "ready, set, go" guidance to the community. The County worked with FEMA and the State to account for a claim for resources and equipment acquired to keep water lines available for crews. The quick actions of setting up project accounting streamlined the claim process which is expected to be processed in early FY2023.

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:

- FY2023 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, and an additional \$1.2M in capital grants to LAPS and UNM.
- FY2023 and forward includes planned operational costs within Community Services and Public Works Facilities for the Leisure Lagoon and other facilities.
- FY2023 includes a 3% increase to salaries, a 5% increase in medical premiums and a 3% increase in non-salary/benefit expenditures; and mid-year compensation adjustments will include an additional 10% increase to salaries and 5% benefits.
- 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 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 Custodial 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, 2021. 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 thirty consecutive years (fiscal years 1991 through 2021). 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 2022. This was the twenty-ninth 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 sixth year it has been compiled for FY2022. 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.

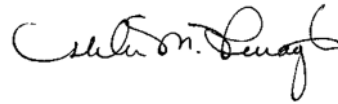
**ACKNOWLEDGEMENTS**

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 also like to 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 Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

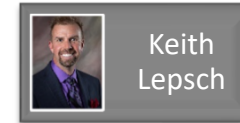
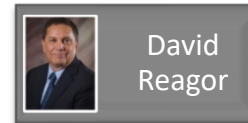
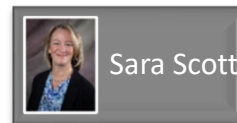
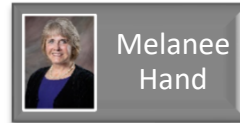
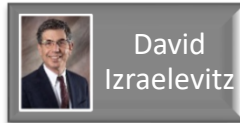
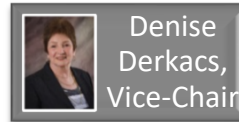
Executive Director/CEO

# INCORPORATED COUNTY OF LOS ALAMOS ELECTED AND APPOINTED OFFICIALS

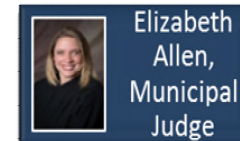
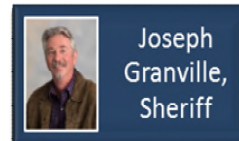
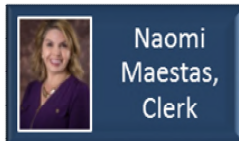
As of June 30, 2022

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## Elected: Council



## Elected: Officials



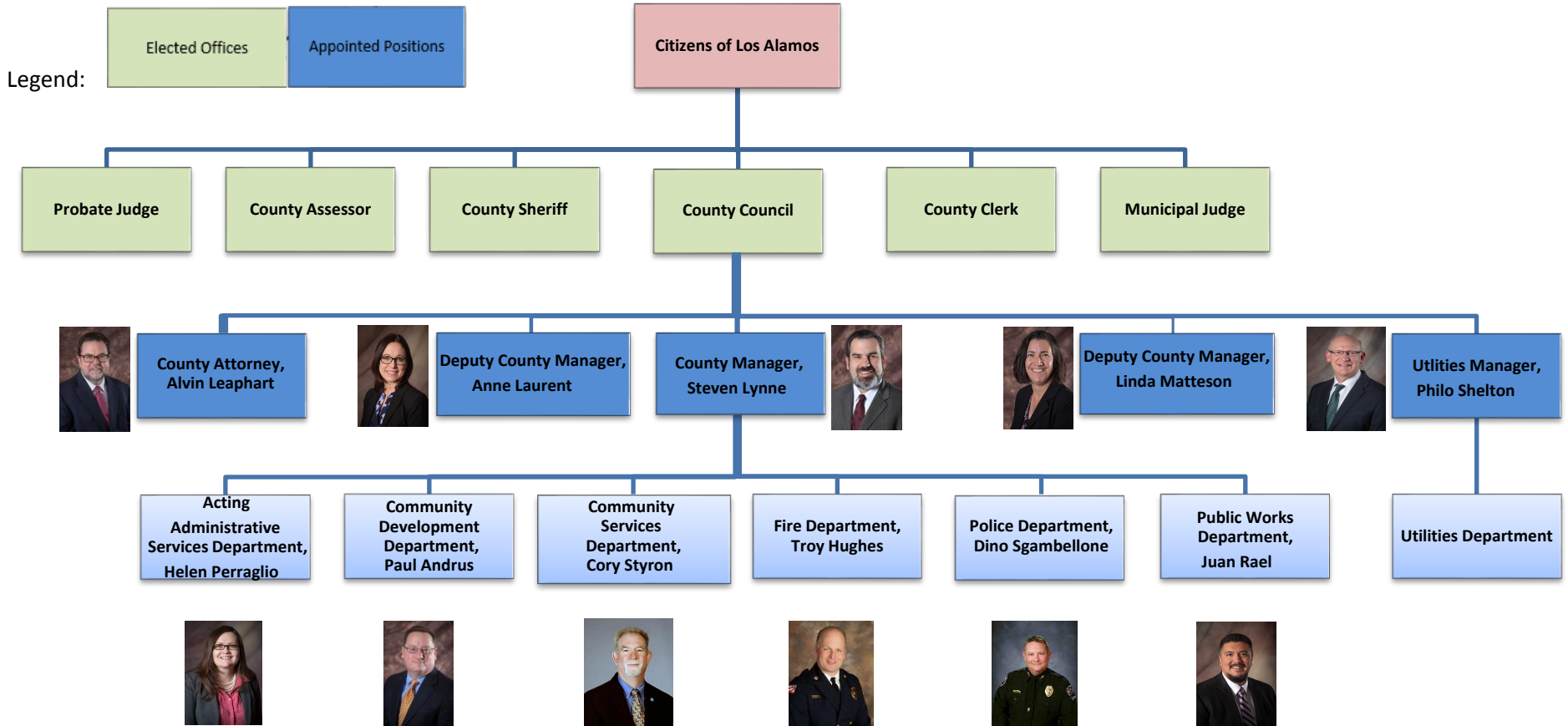
## Appointed:

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

Steven Lynne  
Anne Laurent and Linda Matteson  
Alvin Leaphart  
Philo Shelton  
Paul Andrus  
Cory Styron  
Troy Hughes  
Dino Sgambellone  
Juan Rael  
Marty Martinez  
Adrianna Ortiz

# INCORPORATED COUNTY OF LOS ALAMOS ORGANIZATIONAL CHART

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1512 Pacheco Street  
Suite D-204  
Santa Fe, NM 87505  
505.303.3557 (o)

## 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, 2022, 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, 2022, 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 twelve months beyond the financial statement date, including any known information that may raise substantial doubt shortly thereafter.

### ***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 – 26 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 131 – 140 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.

### ***Other Information***

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. Management is responsible for the other information included in the introductory and statistical sections of the Annual Comprehensive Financial Report (ACFR). The other information comprises the introductory 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

statistical sections of the ACFR but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2022 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, 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  
December 1, 2022



**Management's Discussion and Analysis**



# INCORPORATED COUNTY OF LOS ALAMOS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2022

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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, 2022. 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 193.

### FINANCIAL HIGHLIGHTS

#### New Accounting Standards

In fiscal year 2022, 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 leases, interest cost incurred during construction and interbank offered rates:

- GASB Statement No. 87 (GASB 87), "Leases"
- GASB Statement No. 89 (GASB 89), "Accounting for Interest Cost Incurred before the End of a Construction Period"
- GASB Statement No. 93 (GASB 93), "Replacement of Interbank Offered Rates"

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. The County has implemented GASB 87 as it is effective in fiscal year 2022.

In fiscal year 2022, the County has reported lease receivable of \$21,559,385 in the governmental activities. The County has also reported right to use assets for buildings, net of amortization, of \$260,569 in the governmental activities and \$864,915 in the business-type activities. The County has reported a right to use asset for machinery and equipment, net of amortization, in the governmental activities of \$127,928. The lease liability for the County is \$393,355 for governmental activities and \$876,307 for business-type activities. A deferred inflow of resources in the amount of \$21,347,935 has also been recorded for governmental activities.

GASB 89 simplifies accounting for interest cost incurred before the end of a construction period and enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period by establishing accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The County is in compliance with this Statement and has been reporting interest costs that incurred before the end of a construction period as an expense in the period in which the cost is incurred for financial statement reporting purposes.

GASB 93 addresses agreements some governments have entered into in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is being phased out and being replaced with Alternative Reference Rates (ARRs), prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. GASB 93 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 \$492.5 million at fiscal year-ended June 30, 2022. This represents an increase of \$22.9 million in net position, or approximately 4.88%, as compared to the prior fiscal year-end. The largest contributors to this increase relate County's settlement from New Mexico Taxation and Revenue Department of \$11.7 million, an increase of \$9.4 million in gross receipts tax revenue, a \$.7 million increase in state shared revenue, an increase of \$6.2 million in program revenues an increase in General Government expenses of \$2.9 million, an increase in Physical and Economic Environment expenses of \$1.4 million, and an increase in the expenses of Joint Utility System-Water Subfund in the amount of \$.8 million. Overall, the County continues to have a strong financial position, operating reserves, and assets available to provide services to citizens.
- The County's Governmental long-term liabilities decreased from \$106.3 million in fiscal year 2021 to \$78.9 million in fiscal year 2022 while the Business-Type Activities long-term liabilities decreased from \$136.4 million in fiscal year 2021 to \$117.1 million in fiscal year 2022. The total decrease of \$46.7 million is driven by the pension actuarial study. This study is one year in arrears; therefore, the liability for fiscal year 2022 is based on an actuarial study for period ending June 30, 2021. Market conditions were very positive leading to a higher net position for PERA investments. Although the total pension liability increased, the plan net position was higher, leading to a lower net pension liability for purposes as of June 30, 2022.
- Governmental activities increased the County's net position by \$16.1 million to \$325.7 million for the fiscal year-ended June 30, 2022. The largest contributing factor to this increase was from an \$11.1 million settlement from New Mexico Taxation and Revenue Department. Revenues exceeded expenses by \$19.4 million. The County's program expenses increased by \$5.3 million from \$60.8 million in fiscal year 2021 to \$66.1 million in fiscal year 2022. Total revenues decreased by \$6.2 million from \$91.7 in fiscal year 2021 to \$85.5 million in fiscal year 2022 largely due to a loss on investment earnings.
- Business-type activities increased the County's net position by \$6.8 million to \$166.8 million for the fiscal year-ended June 30, 2022. This compares to a \$7.8 million increase during the previous fiscal year. The largest contributing factor to this increase was due to the \$6.7 million increase in program revenues. Revenues also exceeded expenses for total business-type activities by \$3.5 million exclusive of transfers. Total revenue from business-type activities was \$109.6 million for fiscal year 2022, approximately \$3.5 million more than the previous year. The increase was due to the increase in program revenues. Expenses in fiscal year 2022 increased by \$8.5 million or 8.7 percent. This change was primarily due to the Electric fund experiencing a \$.4 million increase in cost of purchased power, wheeling charges and contractual services combined; the Gas fund experiencing a \$2.4 million increase in cost of gas; the Water fund experiencing an increase of \$.8 million in materials and supplies; and the Wastewater fund experiencing an increase of \$.4 million in salaries and benefits, contractual services, materials and supplies combined.

- For the fiscal year-ended June 30, 2022, the County's Governmental Funds reported combined ending fund balance of approximately \$140.5 million. This is an \$8.6 million increase from the end of fiscal year 2021. In large part, the increase in fund balance is attributable to the \$11.1 million settlement received from New Mexico Taxation and Revenue Department in the fiscal year, offset by a \$2.1 million increase in General government salaries and benefits as well as a \$.4 million increase in Health and welfare expenditures. The fund balance in the General Fund increased by \$11.8 million from prior year to \$59.5 million in fiscal year 2022. Cumulatively all other governmental fund balances decreased by \$3.2 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.

<b>Table 1: Major Features of the Basic Financial Statements</b>				
	<b>County-wide Financial Statements</b>	<b>Fund Financial Statements</b>		
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
<b>Scope</b>	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
<b>Required financial statements</b>	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
<b>Accounting basis and measurement focus</b>	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
<b>Type of asset/liability information</b>	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
<b>Type of inflow/outflow information</b>	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 67-130 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 \$492.5 million at fiscal year-ended June 30, 2022. This is an increase of \$22.9 million in net position, or 4.88%, 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 2022 compared to fiscal year 2021.

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

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, 2022, this amount was \$438.6 million (89.1% of total net position). This compares to \$436.9 million (93.0% of total net position) net investment in capital assets for the previous fiscal year-end, a net increase of \$1.7 million or .39%. 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 \$63.2 million (12.8% of total net position) at fiscal year-end 2022, a decrease of \$2.3 million or negative 3.51% compared to the prior year. Restricted net position balances in the business-type activities increased \$3.7 million as the County's debt requirement has increased based on the amount of debt owed in the Joint Utility Fund. Restricted net position balances in the government-type activities decreased \$6.0 million. The most significant changes were in the Capital Project Permanent Fund where the restricted balance for income stabilization decreased \$10.4 million due to the decrease in investment income, in the Capital Improvement Projects Fund where the restricted balance for capital projects increased \$2.0 million for additional capital projects. in the Health Care Assistance Fund where the restricted balance for health care claims increased \$.6 million, in the State Grants Fund where the restricted balance for grants increased \$.5 million, and in the General Fund where the restricted balance for cash requirements increased \$1.1 million due to the increase in the current year revised budget. Cumulatively other net position balances increased by \$.2 million.

The County reported a negative \$9.3 million as unrestricted net position in fiscal year 2022. Unrestricted net position improved in fiscal year 2022 by \$23.5 million from negative \$32.8 million in fiscal year 2021 to negative \$9.3 million in 2022. The most significant reason for the improvement in the County's unrestricted net position is due to the increase in gross receipts tax revenue combined with the settlement the County received from New Mexico Taxation and Revenue Department the County received during fiscal year 2022.

#### 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, 2022**  
**(in millions of \$)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2021</u>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 3.6	3.1	81.4	76.1	85.0	79.2
Operating grants and contributions	3.7	4.3	24.7	24.0	28.4	28.3
Capital grants and contributions	<u>1.7</u>	<u>2.1</u>	<u>1.1</u>	<u>0.4</u>	<u>2.8</u>	<u>2.5</u>
Total program revenues	<u>9.0</u>	<u>9.5</u>	<u>107.2</u>	<u>100.5</u>	<u>116.2</u>	<u>110.0</u>
General revenues:						
Gross receipts taxes	44.2	34.9	3.5	3.4	47.7	38.3
Property taxes	8.3	8.0	0.0	0.0	8.3	8.0
Franchise taxes	0.5	0.5	0.0	0.0	0.5	0.5
Grants and contributions not restricted to specific programs	12.0	0.9	0.0	0.0	12.0	0.9
State shared revenue	24.5	23.8	0.0	0.0	24.5	23.8
Unrestricted interest and investment earnings (loss)	(13.0)	14.6	(1.1)	2.0	(14.1)	16.6
Gain (loss) on exchange of capital assets	<u>0.0</u>	<u>(0.5)</u>	<u>0.0</u>	<u>0.2</u>	<u>0.0</u>	<u>(0.3)</u>
Total general revenues	<u>76.5</u>	<u>82.2</u>	<u>2.4</u>	<u>5.6</u>	<u>78.9</u>	<u>87.8</u>
Total Revenues	<u>85.5</u>	<u>91.7</u>	<u>109.6</u>	<u>106.1</u>	<u>195.1</u>	<u>197.8</u>
<b>Program expenses:</b>						
General government	16.3	13.4	0.0	0.0	16.3	13.4
Public safety	18.3	18.3	0.0	0.0	18.3	18.3
Physical and economic environment	5.4	4.0	0.0	0.0	5.4	4.0
Transportation	9.0	9.2	0.0	0.0	9.0	9.2
Health and welfare	5.3	4.9	0.0	0.0	5.3	4.9
Culture and recreation	10.7	9.7	0.0	0.0	10.7	9.7
Interest on long-term debt	1.1	1.3	0.0	0.0	1.1	1.3
Electric	0.0	0.0	47.7	47.3	47.7	47.3
Gas	0.0	0.0	8.3	5.9	8.3	5.9
Water	0.0	0.0	8.2	7.4	8.2	7.4
Wastewater	0.0	0.0	4.9	4.5	4.9	4.5
Environmental services	0.0	0.0	4.2	4.2	4.2	4.2
Transit (Atomic City Transit)	0.0	0.0	4.2	3.9	4.2	3.9
Fire	0.0	0.0	27.4	23.6	27.4	23.6
Airport	<u>0.0</u>	<u>0.0</u>	<u>1.2</u>	<u>0.8</u>	<u>1.2</u>	<u>0.8</u>
Total expenses	<u>66.1</u>	<u>60.8</u>	<u>106.1</u>	<u>97.6</u>	<u>172.2</u>	<u>158.4</u>
<b>Change in net position before transfers</b>	<b>19.4</b>	<b>30.9</b>	<b>3.5</b>	<b>8.5</b>	<b>22.9</b>	<b>39.4</b>
Transfers	(3.3)	0.7	3.3	(0.7)	0.0	0.0
<b>Total Change in net position</b>	<b>16.1</b>	<b>31.6</b>	<b>6.8</b>	<b>7.8</b>	<b>22.9</b>	<b>39.4</b>
Beginning net position	309.6	278.0	160.0	153.1	469.6	431.1
Prior period adjustment	0.0	0.0	0.0	(0.9)	0.0	(0.9)
Ending net position	\$ <u>325.7</u>	<u>309.6</u>	<u>166.8</u>	<u>160.0</u>	<u>492.5</u>	<u>469.6</u>

**Governmental Activities**

Governmental activities during the year increased the County's net position by \$16.1 million for fiscal year 2022 as compared to the prior year. This section compares results of governmental activities for fiscal year 2022 to fiscal year 2021 as summarized in Table 3.

Total revenues were \$85.5 million in fiscal year 2022, approximately \$6.2 million less than the previous year. Key variances include:

- An increase of \$9.3 million in gross receipts tax revenue and \$.7 million in state shared revenue from fiscal year 2021 primarily due to increases in spending at LANL, the largest single employer in the county;
- Interest and investment earnings decreased by \$27.6 million compared to the prior fiscal year. In fiscal year 2021, interest and investment earnings was \$13 million. In fiscal year 2022, interest and investment earnings is negative \$14 million. This was reflected primarily in balances invested in market-based funds with the New Mexico State Investment Council;
- Grants and contributions not restricted to specific programs increased by \$11.1 million compared to the prior fiscal year primarily due to a settlement the County received from New Mexico Taxation and Revenue Department; and
- Property taxes increased by \$.3 million from fiscal year 2021.

Total expenses for governmental activities were \$66.1 million in fiscal year 2022, or approximately \$5.3 million more than the previous year. Key variances include:

- An increase of \$2.9 million in General Government costs primarily due to increases in salaries and benefits;
- An increase of \$1.4 million in Physical and Economic Environment costs mainly related to contractual and professional services; and
- An increase of \$1.0 million in Culture and Recreation 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 2022. 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 \$57.1 million in general revenues and accumulated net position from governmental activities. Approximately 13.6% of governmental program expenses were covered by program revenues during fiscal year 2022, which is a decrease compared to last year, at 16.3%.

**Figure 1. 2022 Expenses and Program Revenues for Governmental Activities**

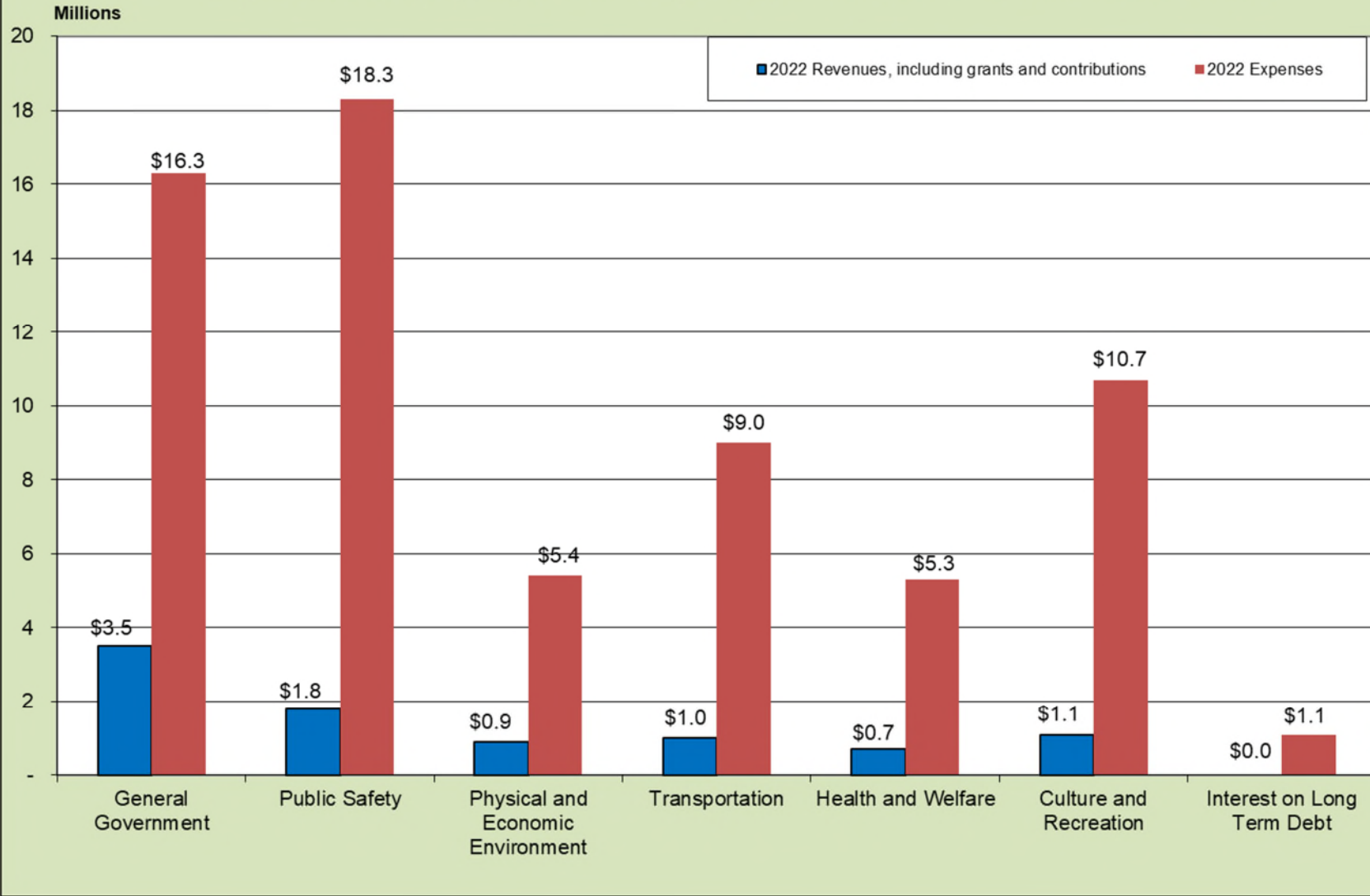
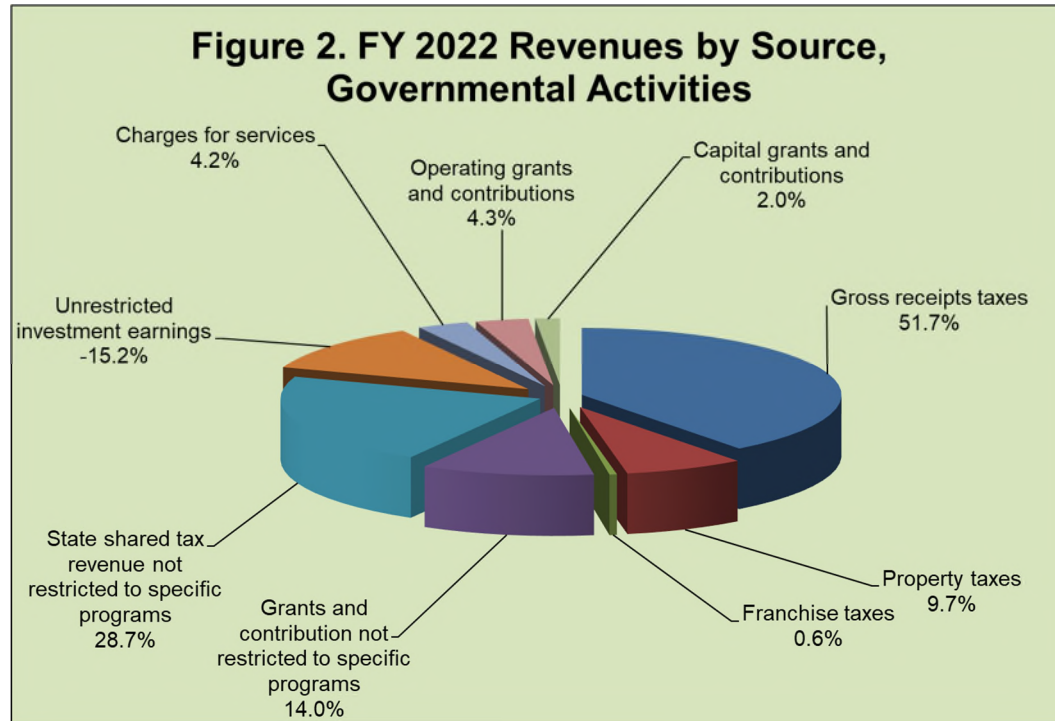


Figure 2 shows the mix of revenues by source for Governmental Activities. This chart demonstrates the relative importance of different types of taxes to the mix of general revenue in 2022. It should be noted that the State shared tax revenue not restricted to specific programs is almost entirely State Shared GRT revenue, so combined with locally imposed GRT tax increments, total GRT revenues made up approximately 80.4% of Governmental Activities revenues, which is a 16.7% increase from the prior year. This change is primarily due to the \$27.6 million decrease in unrestricted interest and investment earnings from fiscal year 2021.



### Business-type Activities

Business-type activities increased the County's net position by \$6.8 million for the fiscal year-ended June 30, 2022. This compares to a \$7.8 million decrease during the previous fiscal year. This section compares results of business-type activities for fiscal year 2022 to fiscal year 2021 as summarized in Table 3.

Total revenues and contributions were \$109.6 million in fiscal year 2022; approximately \$3.5 million more than the previous year. This includes an increase of \$5.3 million in charges for services due to higher utility electric consumption. There was also a \$3.1 million decrease in interest and investment income, a combined increase of \$1.4 million in operating and capital grants and contributions. There was an increase in gross receipts taxes of \$.1 million, and a decrease in the gain on sale of capital of \$.2 million.

Total expenses were \$106.1 million in fiscal year 2022, an \$8.5 million increase over the previous year. The total Joint Utility System experienced an increase of \$4.0 million in expenses from prior year. The Electric fund experienced a \$.4 million increase in cost of purchased power, wheeling charges and contractual services combined. The Gas fund had a \$2.4 million increase in cost of gas while the Water fund had an increase of \$.8 million in materials and supplies and the Wastewater fund had an increase of \$.4 million in salaries and benefits, contractual services, materials and supplies combined. The Transit fund had a \$.3 million increase in salaries and benefits and contractual services combined. The Fire fund had a \$3.3 million increase in salaries and benefits, a \$.3 million increase in materials and supplies, and a \$.2 million increase in depreciation expense. The Airport fund had a \$.3 million increase in contractual services and a \$.1 million increase in salaries and benefits.

Figure 3 compares program revenues to expenses for business-type activities for fiscal year 2022. 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 \$1.1 million in fiscal year 2022 as compared to fiscal year 2021 where program expenses exceeded program revenues by \$2.9 million. The gas function has program losses due to the significant increase in cost of gas purchased.

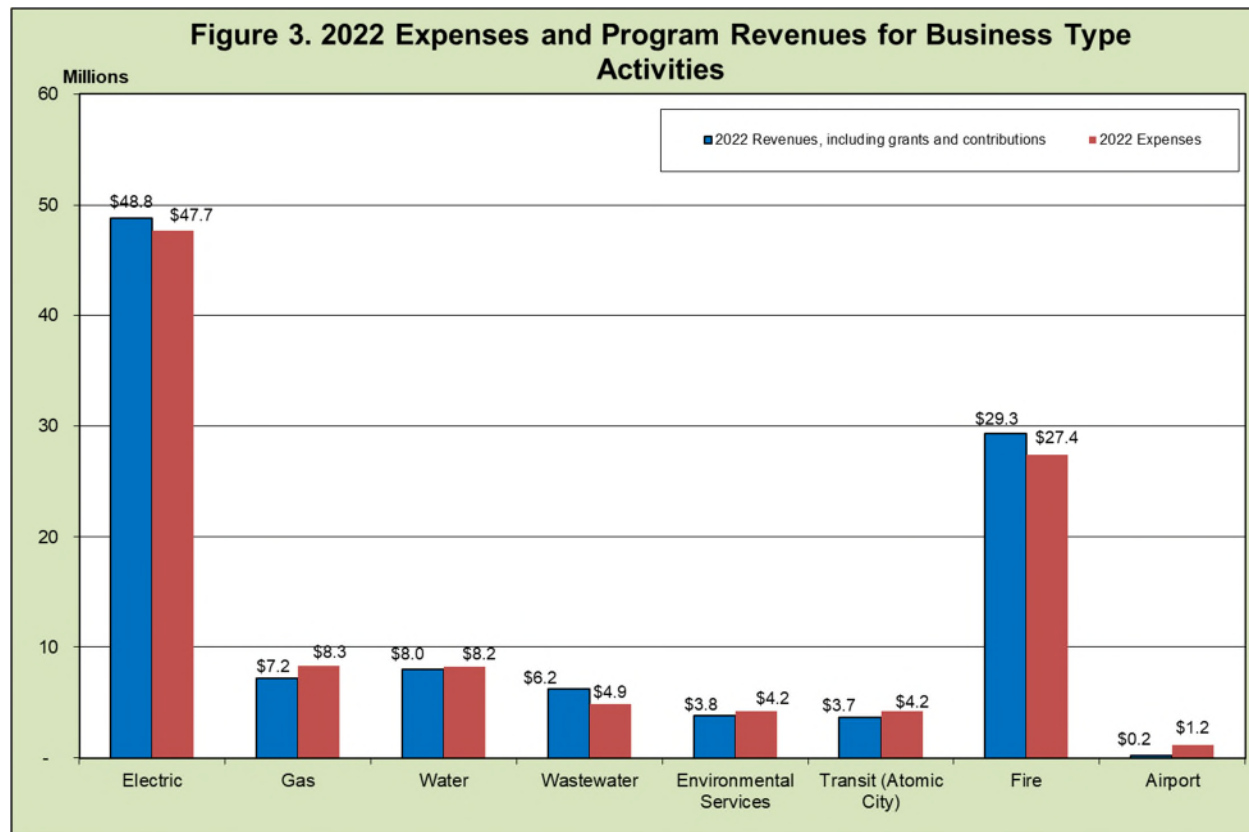
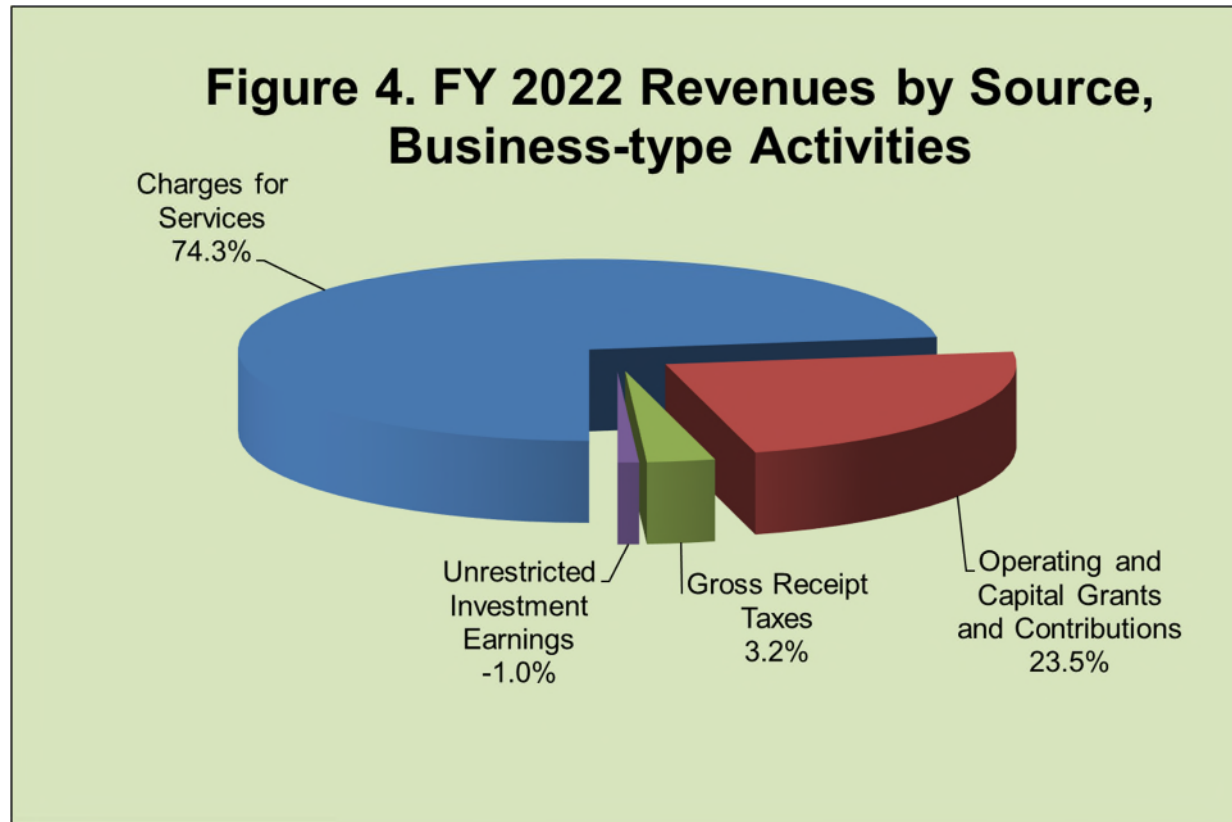


Figure 4 demonstrates that approximately 74.3% of business-type activities revenues were generated from user charges for services in fiscal year 2022, which is an increase of 2.4% when compared to fiscal year 2021. In fiscal year 2022, operating and capital grants made up 23.0% of revenues, which remained respectively unchanged when compared to fiscal year 2021. The loss on investment earnings made up negative 1.0% of revenues, which is a decrease of 2.9% when compared to fiscal year 2021.



#### 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, 2022, the County's governmental funds reported combined ending fund balance of approximately \$140.5 million. Overall, this was a \$8.6 million increase from the prior year. Activities that impacted fund balance compared to the prior year include a \$9.6 million decrease in investment income, a \$9.1 million increase in gross receipts taxes, \$10.7 million settlement from New Mexico Taxation and Revenue Department, a \$.3 million decrease in licenses and permits, a \$.9 million increase in intergovernmental revenue of

state grants and state shared revenue, a \$2 million increase in General Government expenditures related to salaries and benefits, a \$.4 million increase in Physical and Economic Environment expenditures due to salaries and benefits, and \$.2 million decrease in Transportation expenditures.

Fund balances are comprised of four categories:

- \$1.9 million was *nonspendable* at fiscal year-end 2022, 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.
- \$44.6 million of fund balance in governmental funds was *restricted* at fiscal year-end 2022, a \$6.1 million decrease from the prior year. The largest single restricted balance is \$30.7 million in the Capital Projects Permanent Fund, which represents the restricted principal balance (\$29.6M) and income stabilization (\$1.1M) which is restricted per the County code. The income stabilization restricted balance decreased \$10.4 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 \$2.2 million mainly due to an increase in restricted cash requirements.
- \$58 thousand of governmental funds' fund balance was *committed* at fiscal year-end 2022. 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 a decrease of \$.5 million over the prior year.
- \$57.3 million of governmental funds' fund balance was *assigned* at fiscal year-end 2022 which was a \$6 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 FY2022 increased \$4.7 million as capital expenditures to fund new and existing projects increased from prior year. The balance assigned for *continuing appropriations* increased \$1.1 million as \$9.8 million was approved to be carried over to fiscal year 2023 compared to \$8.7 million which was approved to be carried over to fiscal year 2022 from fiscal year 2021. The balance assigned for *fire services* increased by \$.3 million as a result of assigning 1% to total program incurred costs. The balance assigned for economic development decreased \$.9 million from prior year.
- The remaining \$36.7 million of fund balance was *unassigned*. \$36.6 million in the General Fund and \$.1 million in the Emergency Declarations Fund. This is a \$9.2 million increase 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 General Fund revenues.

**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, 2022 was approximately \$59.5 million as compared to \$47.7 million at the prior year-end, amounting to a net \$11.8 million increase. Revenues exceeded expenditures by \$11.8 million, and some notable differences over prior year include a one-time settlement from New Mexico Taxation and Revenue Department for \$10.7 million; an increase in gross receipts tax revenue in fiscal year 2022 by \$9.1 million; a decrease in investment income of \$9.6 million over prior year; an increase in interdepartmental services of \$.8 million, and an increase in state shared revenue of \$.8 million. See page 22 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 99.4% of expenditures and the spendable/unrestricted component was 80.9% of expenditures. Both liquidity measures increased as compared to the prior year as a result of the larger fund balance increase in fiscal year 2022. Significant account balances and transactions in the General Fund included:

- \$24.1 million transferred out to other funds which includes \$4.6 million to the Gross Receipts Tax Revenue Bond Debt Service Fund (for debt service). Other notable transfers out were \$12.4 million to the Capital Improvement Projects Fund (for capital projects), \$2.4 million to the Environmental Services Fund (to support operations), \$1.6 million to the Economic Development Fund (related to the Los Alamos Public Schools (LAPS) grant for \$1.2 million and the University of New Mexico-Los Alamos (UNMLA) grant for \$.4 million), \$1.0 million to the Transit Fund (to support operations), \$.7 million to the Health Care Assistance Fund (to support local health programs), \$.3 million to the Emergency Declarations Fund (to support emergency health programs), \$.3 million to the Joint Utility System Water Fund (for water reservoir project) and \$.8 million to the Airport Fund (to support operations).
- \$10.5 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 \$3.0 million higher than the prior year as a result of increased gross receipts tax accruals recorded in fiscal year 2022.
- \$9.0 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 increased by \$9.2 million as a result of the increase in the County's gross receipts taxes received.

**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 \$5.5 million of fund balance is recognized as 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 \$5.5 million total fund balance at the end of fiscal year 2022 was \$.9 million lower than in the prior fiscal year. Expenditures exceeded revenues by \$.9 million with the balance resulting from transfers in of \$1.6 million.

Housing Sub-fund: During fiscal year 2022, the County issued mortgage loans totaling \$107 thousand under its Housing Rehabilitation Program and \$75 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 \$3.4 million, an increase of \$.7 million from the prior year. The increase is attributable to the County's allotment of the American Recovery Plan Act (ARPA) funds distributed from the US Department of the Treasury to the County in an amount of \$1.8 million. A transfer in the amount of \$1.1 million was made to the Joint Utility System-Water Fund to support the Barranca Mesa Tank #2 project. The Snow and Wind Events were closed out after receiving reimbursement from NMDHSEM and transferred \$.4 million to the General Fund and \$.1 million to the Airport Fund. The County also received \$.2 million from FEMA to close out the Flood Disaster Declaration, Public Assistance Program as well as \$.2 million from Homeland Security and Emergency Management Department for Disaster Assistance for the Severe Winter Storm. The Emergency Declarations Fund also received a transfer in from the General Fund for \$.3 million and disbursed \$.2 million in Coronavirus Aid, Relief, and Economic Security Act (CARES) funds during FY2022.

**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 \$36.6 million, which represents the unspent portion of previously approved and funded capital projects. The fund balance increased by \$4.2 million from the prior fiscal year as transfers in exceeded expenditures to fund new and existing projects. Significant capital expenditures in fiscal year 2022 include the following: \$5.1 million on the Leisure Lagoon, \$1.1 million on the Sherwood Blvd Reconstruction, and \$2.0 million on the Canyon Rim Trail Underpass.

**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 \$29.6 million, as of June 30, 2022 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 2022, \$1.4 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, 2022 was \$30.8 million, a decrease of \$8.3 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:

- \$178.4 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 increased by approximately \$2.1 million in fiscal year 2022;
- \$27.1 million in debt related to the Utility plant in service, which is \$3.6 million higher than the prior year with the fiscal year regularly scheduled debt service payments in the amount of \$1.9 million and the issuance of loans which include a \$.3 million loan from New Mexico Finance Authority for the Effluent Booster Station for Overlook Park, a \$1.4 million loan from New Mexico Finance Authority, and a \$3.8 million loan from New Mexico Environment Department for the White Rock Treatment Plant;

- \$11.3 million restricted for future liabilities special closure costs related to the San Juan Plant decommissioning and Laramie River decommissioning. This decreased \$.3 million from the prior year because work on reclamation has ramped up with the impending closure of the San Juan Power Plant;
- \$8.8 million in pension liability decreased by \$4.8 million, deferred pension outflows decreased by \$2.4 million from a \$1.4 million increase in prior year, and \$2.8 million in deferred pension inflows increased by \$2.4 million from the prior year, all related to the increase in the County's share of the pension liability;
- Operating revenues were \$69.6 million in fiscal year 2022, an increase of \$4.3 million compared to the prior year. The increase is the result of a \$2.8 million increase in revenues in electric (due mostly to an increase in wholesale sales to LANL based on its demand) and a \$1.5 million increase in gas revenues (due to higher demand);
- Operating expenses were \$.8 million lower at \$63.3 million in fiscal year 2022, compared to \$64.1 million in fiscal year 2021. The decrease is the net result of: a decrease of \$1.3 million in the Electric subfund, related to increased contractual services, a \$1.4 million increase in the Gas subfund, related to increased contractual services, a \$1.4 million decrease in the Water subfund, related to increased contractual services, and a \$.5 million increase in the Wastewater subfund contractual services.
- Overall the Joint Utility System Fund ended the fiscal year with \$1.6 million higher in net position compared to FY2021.

**Environmental Services Fund** – The Environmental Services Fund has a long-term liability balance of \$5.6 million. Of this, \$1.1 million is for landfill closure and monitoring and \$3.0 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 \$1.5 million. Total operating and non-operating revenues of \$5.0 million exceeded expenses of \$4.2 million by \$.7 million in fiscal year 2022, compared to a \$0.6 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 federal grants (\$2.3 million), payments from the North Central Regional Transit District (\$1.3 million), and transfers in from the general fund (\$1.0 million). Other notable balances include the net other post employment benefits liability of \$.8 million, a decrease of \$.2 million from the prior year and the net pension liability of \$2.0 million, a decrease of \$1.1 million from the prior year. The Transit Fund has an ending negative net position of \$131 thousand, an increase of \$1 thousand from fiscal year 2021, primarily related to the cumulative result of recording pension and post employment benefit liabilities in prior years.

**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 2022 was \$6.9 million. The intergovernmental revenue of \$21.1 million in the Fire Fund includes all operating grant revenue under the cooperative agreement. Per GASB 87, *Leases*, the Fire Fund recorded an initial lease liability in the amount of \$1.0 million for the use of 999 Central Avenue in fiscal year 2022. As of fiscal year 2022, the value of the lease liability is \$.7 million. The Fire Fund is required to make monthly fixed payments of \$18 thousand. The lease has an interest rate of 1.1380%. The value of the right to use asset as of June 30, 2022, is \$1.0 million with accumulated amortization of \$.2 million. The Fire Fund has an ending negative net position of \$44.9 million, an increase of \$1.8 million from fiscal year 2021, primarily related to the cumulative result of recording pension and post

employment benefit liabilities in prior years. Total operating and non-operating revenues of \$31.4 million exceeded expenses of \$27.2 million by \$4.2 million in fiscal year 2022.

**Airport Fund** – Net position decreased \$0.1 million as expenses of \$1.2 million exceeded revenues of \$.2 million and transfers-in of \$.9 million. Depreciation on capital assets represents 47.4% 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 \$3.0 million less than the final revised budget of \$95.7 million. The variance between actual revenue and the revised budget was largely due to the interest income variance of \$7.5 million less than projected due to a loss of on interest income of \$5.8 million. Gross receipts tax revenue was \$5.4 million more than projected. State shared revenue was \$1.8 million less than projected. Charges for services revenue was \$.2 million more than projected. Interdepartmental services was \$.4 million more than projected. Pension forfeitures were \$.2 million more than projected. Local units in-lieu taxes was \$.1 million more than projected.

Actual General Fund expenditures were approximately \$20.1 million less than the final revised fiscal year 2022 budget. This variance was achieved through careful cost management measures across all departments while, simultaneously, deferring spending due to the COVID19 pandemic. Most variances were less than 5% of budget, as the County has been managing to tighten budgets and cutting back for several years. The County Manager's Office is \$5.3 million or 55.8% under budget, Administrative Services is \$1.3 million or 13.0% below budget, Community Services is \$2.0 million or 14.2% below budget, Police is \$1.4 million or 11.7% below budget, Public Works is \$4.6 million or 24.0% below budget and the Community Development Department is 63.1% or \$5.0 million under in its expenditure budget.

The revised budget for revenues of \$95.8 million is \$11.7 million higher than the adopted annual budget primarily as a result of a \$10.7 million settlement budget increase and a \$1 million budget increase for grant revenue. The revised budget for expenditures of \$84.4 million is \$16.3 million higher than the adopted budget. The increase is comprised of the following: approximately \$8.7 million for encumbrance carry overs, \$2.0 million for Progress through Partnering, \$3.0 million for Housing and Economic Development Improvements, \$.8 million for Pavement Preservation, \$1.7 million for Major Facilities Maintenance, \$.2 million for Organization Excellence, \$.5 million for Public Health Office, and \$.5 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, 2022 was \$493.2 million, net of \$414.4 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, and a right to use assets, which are a building and equipment that the County is leasing. Total capital assets for the County increased by approximately \$3.0 million from 2021 to 2022 or .61%. Capital assets associated with governmental activities increased by \$2.4 million mostly due to the \$5.8 million cumulative addition of improvements and infrastructure, \$.1 million disposal of machinery and equipment, depreciation of \$8.5 million, infrastructure, construction in progress of \$4.8 million and the addition of right to use assets of \$.4 million, net of amortization, due to the implementation of GASB 87 *Leases*. Capital assets associated with business-type activities increased by \$.6 million due to the cumulative effect of \$8.7 million increase in accumulated depreciation, \$4.2 million addition in utility plant in

service, \$.2 million increase in machinery and equipment, an increase of \$4.0 million in construction work in progress and the addition of the right to use asset of \$.6 million, net of amortization, due to the implementation of GASB 87 Leases. Additional information about the County's capital assets can be found on pages 88-91.

A year over year comparison of changes in capital assets is shown in Table 4.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2021</u>
Land	\$ 40.3	\$ 40.3	8.4	8.4	48.7	48.7
Right of Way	18.0	18.0	0.0	0.0	18.0	18.0
Utility Plant in Service	0.0	0.0	335.2	331.0	335.2	331.0
Buildings	143.8	143.8	25.0	25.0	168.8	168.8
Improvements other than buildings	31.6	27.0	18.2	18.2	49.8	45.2
Machinery and Equipment, Art and Historic Treasures	23.5	23.6	38.6	38.4	62.1	62.0
Infrastructure	196.0	194.8	0.0	0.0	196.0	194.8
Less Accumulated Depreciation	(190.3)	(181.8)	(224.1)	(215.4)	(414.4)	(397.2)
Construction in Progress	10.4	5.6	17.3	13.3	27.7	18.9
Right to use assets						
Buildings - Leases, net of amortization	0.3	0.0	0.9	0.0	1.2	0.0
Machinery and equipment - Leases, net of amortization	0.1	0.0	0.0	0.0	0.1	0.0
<b>Total</b>	<b>\$ 273.7</b>	<b>\$ 271.3</b>	<b>\$ 219.5</b>	<b>\$ 218.9</b>	<b>\$ 493.2</b>	<b>\$ 490.2</b>

**Administration of Debt** - From fiscal year 2021 to 2022, the County's total debt payable for governmental and business-type activities combined decreased by \$.7 million as additions were made in the amount of \$5.4 million and regularly scheduled debt service payments were made in the amount of \$6.1 million. Additions to debt include a \$.3 million loan from New Mexico Finance Authority for the Effluent Booster Station for Overlook Park, a \$1.4 million loan from New Mexico Finance Authority, and a \$3.7 million loan from New Mexico Environment Department for the White Rock Treatment Plant. 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, 2022, the total landfill closure liability to the estimated \$1.2 million. The County has applied a method to reserve 5 years or \$.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 the nature of continuous monitoring of the landfill. The reserve of \$.3 million is reflected in restricted assets in the Environmental Services Fund as of June 30, 2022. Closure costs for the Joint Utility System Fund decreased by \$.3 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 FY2022 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 Annual Comprehensive 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.



**Government-wide Financial Statements**

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



**INCORPORATED COUNTY OF LOS ALAMOS**
**Government-wide  
Statement of Net Position  
June 30, 2022**

	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Equity in pooled cash and investments	\$ 97,758,322	36,075,835	133,834,157
Investments	32,645,754	0	32,645,754
Receivables, net of allowance for uncollectibles			
Accounts	1,262,015	8,265,695	9,527,710
Interest	406,164	0	406,164
Pension forfeitures	228,278	0	228,278
Property taxes	126,647	0	126,647
Unbilled	0	1,961,268	1,961,268
Loans receivable, net of discounts/reserve for loan losses	1,361,342	0	1,361,342
Leases receivable	21,559,385	0	21,559,385
Due from other governments	11,543,861	6,597,119	18,140,980
Internal balances	(710,845)	710,845	0
Inventories and prepayments			
Inventories	777,741	1,291,730	2,069,471
Prepayments	24,243	717,352	741,595
Restricted assets			
Cash and cash equivalents			
Debt reserves and debt service	37,635	3,782,391	3,820,026
Operations and maintenance	0	25,526,033	25,526,033
Investments			
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	335,188,545	335,188,545
Buildings	143,854,418	25,054,555	168,908,973
Improvements other than buildings	31,588,652	18,210,971	49,799,623
Machinery, equipment, art and historic treasures	23,546,890	38,556,677	62,103,567
Infrastructure	195,982,739	0	195,982,739
Less accumulated depreciation	(190,301,594)	(224,138,152)	(414,439,746)
Construction in progress	10,365,332	17,329,175	27,694,507
Right to use assets			
Buildings - Leases, net of amortization	260,569	864,915	1,125,484
Machinery and equipment - Leases, net of amortization	127,928	0	127,928
<b>TOTAL ASSETS</b>	<b>440,757,106</b>	<b>304,422,498</b>	<b>745,179,604</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred amounts (debits) from refunding of debt	3,447,793	214,789	3,662,582
Deferred other post employment benefits	4,915,069	4,707,893	9,622,962
Deferred pension	4,221,058	5,956,039	10,177,097
Deferred decommissioning cost	0	3,093,613	3,093,613
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>12,583,920</b>	<b>13,972,334</b>	<b>26,556,254</b>

**LIABILITIES**

Accounts payable	3,126,123	5,345,688	8,471,811
Claims and judgments payable	0	1,722,625	1,722,625
Accrued salaries and benefits payable	1,616,787	357,292	1,974,079
Customer deposits payable	115,053	508,694	623,747
Due to other governments	0	139,959	139,959
Due to fiduciary funds	248,150	0	248,150
Unearned revenue	159,370	0	159,370
Noncurrent liabilities			
Due within one year			
Accrued compensated absences	2,807,790	2,983,155	5,790,945
Revenue bonds payable	3,545,000	1,300,001	4,845,001
Contracts and intergovernmental debt payable	0	772,829	772,829
Special closure costs	0	58,077	58,077
Deferred revenues	1,483,244	0	1,483,244
Interest payable on non-current liabilities	84,195	85,320	169,515
Due in more than one year			
Accrued compensated absences	1,312,205	1,790,271	3,102,476
Claims and judgments payable	0	929,276	929,276
Revenue bonds payable	23,020,426	12,692,429	35,712,855
Contracts and intergovernmental debt payable	0	15,670,059	15,670,059
Special closure costs	0	12,402,926	12,402,926
Other post employment liability	15,963,858	15,115,470	31,079,328
Pension liability	30,273,243	52,400,219	82,673,462
Lease liability	393,355	876,307	1,269,662
<b>TOTAL LIABILITIES</b>	<b>84,148,799</b>	<b>125,150,597</b>	<b>209,299,396</b>

**DEFERRED INFLOWS OF RESOURCES:**

Deferred other post employment benefits	10,542,528	10,151,450	20,693,978
Deferred pension	11,611,446	16,269,453	27,880,899
Deferred leases	21,347,935	0	21,347,935
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>43,501,909</b>	<b>26,420,903</b>	<b>69,922,812</b>

**NET POSITION**

Net investment in capital assets	250,225,576	188,397,394	438,622,970
Restricted for (Restricted by):			
Capital projects (Bond agreements)	29,654,458	0	29,654,458
Debt service (Bond and loan agreements)	314,456	17,565,599	17,880,055
Perpetual care (County code)	930,529	0	930,529
Lodgers' tax (State law)	318,699	0	318,699
Clerk records and files (State law)	256,892	0	256,892
Health care assistance (State law)	1,304,428	0	1,304,428
Property tax valuation (State law)	501,359	0	501,359
Grants (Granting entities)	1,532,028	0	1,532,028
Cash requirements (State law)	9,050,063	0	9,050,063
Recreation (County code and contributors)	36,486	0	36,486
Library operations (Contributors)	181,511	0	181,511
Major street maintenance (State law)	352,275	0	352,275
Income stabilization (County code)	1,120,334	0	1,120,334
Unrestricted	29,911,224	(39,139,661)	(9,228,437)
<b>TOTAL NET POSITION</b>	<b>\$ 325,690,318</b>	<b>166,823,332</b>	<b>492,513,650</b>

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS**  
**Government-wide**  
**Statement of Activities**  
**Year ended June 30, 2022**

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>FUNCTIONS / PROGRAMS</b>							
<b>Governmental activities</b>							
General government	\$ 16,360,363	1,153,161	2,389,999	0	(12,817,203)	0	(12,817,203)
Public safety	18,264,576	128,997	1,071,013	607,362	(16,457,204)	0	(16,457,204)
Physical and economic environment	5,431,571	848,415	0	54,513	(4,528,643)	0	(4,528,643)
Transportation	8,994,009	0	0	974,014	(8,019,995)	0	(8,019,995)
Health and welfare	5,335,149	448,462	203,757	0	(4,682,930)	0	(4,682,930)
Culture and recreation	10,656,894	1,037,267	59,837	46,204	(9,513,586)	0	(9,513,586)
Interest on long-term debt	1,097,603	0	0	0	(1,097,603)	0	(1,097,603)
Total governmental activities	<b>66,140,165</b>	<b>3,616,302</b>	<b>3,724,606</b>	<b>1,682,093</b>	<b>(57,117,164)</b>	<b>0</b>	<b>(57,117,164)</b>
<b>Business-type activities</b>							
Joint Utilities							
Electric	47,692,328	48,751,796	0	101,926	0	1,161,394	1,161,394
Gas	8,319,740	7,164,213	0	0	0	(1,155,527)	(1,155,527)
Water	8,177,163	7,511,526	0	528,251	0	(137,386)	(137,386)
Wastewater	4,940,905	6,158,366	0	0	0	1,217,461	1,217,461
Environmental Services	4,175,763	3,745,170	31,808	0	0	(398,785)	(398,785)
Transit (Atomic City Transit)	4,226,671	0	3,224,705	469,784	0	(532,182)	(532,182)
Fire	27,372,994	7,981,002	21,290,057	0	0	1,898,065	1,898,065
Airport	1,240,670	76,289	179,536	0	0	(984,845)	(984,845)
Total business-type activities	<b>106,146,234</b>	<b>81,388,362</b>	<b>24,726,106</b>	<b>1,099,961</b>	<b>0</b>	<b>1,068,195</b>	<b>1,068,195</b>
<b>Total government</b>	<b>\$ 172,286,399</b>	<b>85,004,664</b>	<b>28,450,712</b>	<b>2,782,054</b>	<b>(57,117,164)</b>	<b>1,068,195</b>	<b>(56,048,969)</b>
<b>General revenues:</b>							
					44,209,808	3,549,824	47,759,632
					8,262,390	0	8,262,390
					526,930	0	526,930
					12,008,825	0	12,008,825
					24,504,284	0	24,504,284
					(13,043,668)	(1,075,381)	(14,119,049)
					(3,285,725)	3,285,725	0
					<b>73,182,844</b>	<b>5,760,168</b>	<b>78,943,012</b>
					16,065,680	6,828,363	22,894,043
					309,624,638	159,994,969	469,619,607
					<b>\$ 325,690,318</b>	<b>166,823,332</b>	<b>492,513,650</b>

# 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. During 2022, the County added a sub-fund related to the Coronavirus Aid, Relief, and Economic Security Act (Public Law 115-136) as well as the American Rescue Plan Act to account for 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, 2022

	GENERAL	ECONOMIC DEVELOPMENT SPECIAL REVENUE	EMERGENCY DECLARATIONS SPECIAL REVENUE	CAPITAL IMPROVEMENT PROJECTS	CAPITAL PROJECTS PERMANENT	OTHER GOVERNMENTAL	TOTAL
<b>ASSETS</b>							
Equity in pooled cash and investments	\$ 46,865,792	5,520,459	3,258,436	37,988,948	0	4,124,687	97,758,322
Investments	1,136,583	0	0	0	31,509,171	0	32,645,754
Receivables, net of allowance for uncollectibles							
Accounts	1,222,239	3,869	0	0	0	35,907	1,262,015
Interest	237,020	121,902	0	0	0	17	358,939
Property taxes	126,647	0	0	0	0	0	126,647
Loans receivable, net of discounts/reserve for loan losses	0	1,361,342	0	0	0	0	1,361,342
Due from other governments	10,544,917	0	214,329	257,424	0	527,191	11,543,861
Due from other funds	2,100,751	0	0	0	0	0	2,100,751
Inventories and prepayments							
Inventories	777,741	0	0	0	0	0	777,741
Prepayments	8,793	0	0	0	0	15,450	24,243
Advances to other funds	146,799	0	0	0	0	0	146,799
Restricted assets							
Cash and cash equivalents	0	0	0	0	0	37,635	37,635
Debt reserves and debt service	0	0	0	0	0	0	0
<b>TOTAL ASSETS</b>	<b>\$ 63,167,282</b>	<b>7,007,572</b>	<b>3,472,765</b>	<b>38,246,372</b>	<b>31,509,171</b>	<b>4,740,887</b>	<b>148,144,049</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 1,477,250	1,478	54,095	1,491,788	0	101,512	3,126,123
Accrued salaries and benefits payable	1,613,723	0	0	0	0	3,064	1,616,787
Customer deposits payable	115,053	0	0	0	0	0	115,053
Due to other funds	248,150	0	0	0	734,379	0	982,529
Unearned revenue	159,370	0	0	0	0	0	159,370
Deferred revenues	0	1,483,244	0	0	0	0	1,483,244
<b>TOTAL LIABILITIES</b>	<b>3,613,546</b>	<b>1,484,722</b>	<b>54,095</b>	<b>1,491,788</b>	<b>734,379</b>	<b>104,576</b>	<b>7,483,106</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>							
Federal and state grants (unavailable)	53,393	0	0	108,161	0	0	161,554
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>53,393</b>	<b>0</b>	<b>0</b>	<b>108,161</b>	<b>0</b>	<b>0</b>	<b>161,554</b>
<b>FUND BALANCE</b>							
Nonspendable							
Principal - Perpetual care	930,529	0	0	0	0	0	930,529
Advances	146,799	0	0	0	0	0	146,799
Inventories	777,741	0	0	0	0	0	777,741
Prepaid items	8,793	0	0	0	0	15,450	24,243
Restricted for							
Clerk records and files (State law)	0	0	0	0	0	256,892	256,892
Debt service (Bond and loan agreements)	0	0	0	0	0	314,456	314,456
Grants (Granting entities)	0	0	0	0	0	1,532,028	1,532,028
Library operations (County code and contributors)	177,273	0	0	0	0	4,238	181,511
Lodgers' tax (State law)	0	0	0	0	0	318,699	318,699
Health care claims (State law)	0	0	0	0	0	1,304,428	1,304,428
Principal (Capital projects)	0	0	0	0	29,654,458	0	29,654,458
Property tax valuation (State law)	0	0	0	0	0	501,359	501,359
Recreation (County code and contributors)	0	0	0	0	0	36,486	36,486
Income stabilization (County code)	0	0	0	0	1,120,334	0	1,120,334
Major street maintenance (State law)	0	0	0	0	0	352,275	352,275
Cash requirements (State law)	9,050,063	0	0	0	0	0	9,050,063
Committed to							
Art in Public Places (County code)	0	0	0	57,700	0	0	57,700

Assigned for								
Capital projects	0	0	0	36,588,723	0	0	0	36,588,723
Fire services	1,957,474	0	0	0	0	0	0	1,957,474
Continuing appropriations	9,845,356	0	0	0	0	0	0	9,845,356
Economic development	0	5,522,850	0	0	0	0	0	5,522,850
Emergency response and recovery	0	0	3,348,677	0	0	0	0	3,348,677
Unassigned	36,606,315	0	69,993	0	0	0	0	36,676,308
<b>TOTAL FUND BALANCE (deficit)</b>	<u>59,500,343</u>	<u>5,522,850</u>	<u>3,418,670</u>	<u>36,646,423</u>	<u>30,774,792</u>	<u>4,636,311</u>	<u>140,499,389</u>	
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<u>\$ 63,167,282</u>	<u>7,007,572</u>	<u>3,472,765</u>	<u>38,246,372</u>	<u>31,509,171</u>	<u>4,740,887</u>	<u>148,144,049</u>	

LOS ALAMOS



# INCORPORATED COUNTY OF LOS ALAMOS

## Governmental Funds

### Reconciliation of Balance Sheet to the Statement of Net Position June 30, 2022

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:	\$ 140,499,389
Capital assets (\$463,649,661), net of accumulated depreciation (\$190,301,594), used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	273,348,067
Right to use assets (\$530,214), net of accumulated amortization (\$141,718), used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	388,497
Long-term liabilities, including bonds payable (\$23,930,000), bond premium/discount (\$2,635,426), net pension liability (\$30,273,243), net other post employments liability (\$15,963,858), compensated absences (\$4,119,995), and leases payable (\$393,355) are not due and payable in the current period and, therefore are not reported in the governmental funds.	(77,315,877)
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.	3,447,793
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.	9,136,127
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.	(84,195)
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.	(22,153,974)
Deferred inflow of resources related to leases are not recorded in the governmental funds, but are included in the government-wide statement of net position.	(21,347,935)
Other long-term receivables are not available to pay for current period expenditures and, therefore are recorded as deferred inflows in the governmental funds.	21,768,164
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.	(1,995,738)
Net position of governmental activities	\$ <u><u>325,690,318</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, 2022

	<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>
<b>REVENUES</b>							
Taxes							
Property taxes-current	\$ 8,262,390	0	0	0	0	0	8,262,390
Local units in-lieu taxes	553,651	0	0	0	0	0	553,651
Gross receipts taxes	41,487,425	0	0	0	0	2,366,549	43,853,974
Lodgers' tax	0	0	0	0	0	355,834	355,834
Franchise tax-privately owned	123,109	0	0	0	0	0	123,109
Franchise tax-County owned	403,821	0	0	0	0	0	403,821
Penalties and interest-taxes	53,444	0	0	0	0	0	53,444
	<u>50,883,840</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,722,383</u>	<u>53,606,223</u>
Licenses and permits							
Business	40,280	0	0	0	0	0	40,280
Nonbusiness	269,727	0	0	0	0	0	269,727
	<u>310,007</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>310,007</u>
Intergovernmental							
Federal direct	0	0	1,881,101	0	0	0	1,881,101
Federal indirect	448,669	0	193,180	798,736	0	0	1,440,585
Federal shared revenues	4,909	0	0	0	0	0	4,909
Federal in-lieu taxes	392,379	0	0	0	0	0	392,379
State grants-fire	0	0	0	0	0	843,003	843,003
State grants-library	29,537	0	0	0	0	0	29,537
State grants-major street maintenance	0	0	0	212,168	0	0	212,168
State grants-police	168,581	0	0	0	0	39,800	208,381
State grants-other	214,614	0	264,540	322,611	0	132,823	934,588
State shared revenues	24,116,547	0	0	0	0	397,696	24,514,243
	<u>25,375,236</u>	<u>0</u>	<u>2,338,821</u>	<u>1,333,515</u>	<u>0</u>	<u>1,413,322</u>	<u>30,460,894</u>
Fines and forfeitures							
Fines	30,829	0	0	0	0	0	30,829
Correction fees	26,033	0	0	0	0	0	26,033
Special fees	6,800	0	0	0	0	0	6,800
Court ordered reimbursements	29,712	0	0	0	0	900	30,612
Noncourt fines and forfeitures	606	0	0	0	0	0	606
	<u>93,980</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>900</u>	<u>94,880</u>
Charges for services							
Court fees	1,124	0	0	0	0	0	1,124
Clerk fees	67,919	0	0	0	0	26,106	94,025
Planning fees	127,221	0	0	0	0	0	127,221
Finance/treasurer fees	0	0	0	0	0	216,918	216,918
Administrative charges for services	49,109	0	0	0	0	0	49,109
Sales of food or merchandise	80,233	0	0	0	0	0	80,233
Other charges for services	87,508	0	0	0	0	0	87,508
Sheriff fees	3,645	0	0	0	0	0	3,645
Police charges for services	22,572	0	0	0	0	0	22,572
Miscellaneous services	677	0	0	0	0	0	677
Cemetery services	97,898	0	0	0	0	0	97,898
Perpetual care services	68,750	0	0	0	0	0	68,750
Animal shelter fees	3,045	0	0	0	0	0	3,045
Daily fees/passes	253,132	0	0	0	0	0	253,132

Annual passes	129,042	0	0	0	0	0	0	129,042
Three-month passes	24,780	0	0	0	0	0	0	24,780
Punch passes	71,478	0	0	0	0	0	0	71,478
Recreation fees	56,373	0	0	0	0	0	0	56,373
Other fees	43,743	0	0	0	0	0	0	43,743
	<u>1,188,249</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>243,024</u>	<u>1,431,273</u>
Interfund/interdepartmental charges								
Interdepartmental services	8,826,224	0	0	0	0	0	0	8,826,224
Miscellaneous revenue								
Investment income (loss)	(5,846,777)	(162,964)	0	0	(6,934,453)	(99,474)		(13,043,668)
Interest charges-delinquent accounts	1,147	0	0	0	0	0	0	1,147
Building rental	131,535	0	0	0	0	32,522	0	164,057
Land rental	447,001	0	0	0	0	8,825	0	455,826
Miscellaneous rentals	174,701	0	0	0	0	0	0	174,701
Pension forfeitures	273,138	0	0	0	0	0	0	273,138
Economic development loan principal	0	94,208	0	0	0	0	0	94,208
Economic development loan interest	0	1,297	0	0	0	0	0	1,297
Donations	30,490	0	0	0	0	300	0	30,790
Miscellaneous revenues	0	0	0	30,772	0	0	0	30,772
Other judgments and settlements	10,699,235	0	0	0	0	420,156	0	11,119,391
Other	210,412	0	0	0	0	960	0	211,372
	<u>6,120,882</u>	<u>(67,459)</u>	<u>0</u>	<u>30,772</u>	<u>(6,934,453)</u>	<u>363,289</u>	<u>(486,969)</u>	
<b>TOTAL REVENUES</b>	<b>92,798,418</b>	<b>(67,459)</b>	<b>2,338,821</b>	<b>1,364,287</b>	<b>(6,934,453)</b>	<b>4,742,918</b>		<b>94,242,532</b>



<b>Capital outlay:</b>								
General government								
Administrative Services	0	0	0	436,640	0	0	436,640	
County Assessor	0	0	0	0	0	5,276	5,276	
Community and Economic Development	0	0	0	54,513	0	0	54,513	
Public Works	20,098	0	0	0	0	0	20,098	
County Clerk	6,404	0	0	0	0	110,127	116,531	
Public safety								
Fire	0	0	0	0	0	7,047	7,047	
Police	106,472	0	0	0	0	7,107	113,579	
Emergency response and recovery	264,613	0	0	0	0	0	264,613	
Transportation								
Public Works	0	0	0	5,435,062	0	267,716	5,702,778	
Culture and recreation								
Community Services	54,749	0	0	5,065,894	0	0	5,120,643	
	<u>452,336</u>	<u>0</u>	<u>0</u>	<u>10,992,109</u>	<u>0</u>	<u>397,273</u>	<u>11,841,718</u>	
<b>Debt service:</b>								
Principal	0	0	0	0	0	3,380,000	3,380,000	
Interest	0	0	0	0	0	1,176,409	1,176,409	
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,556,409</u>	<u>4,556,409</u>	
<b>TOTAL EXPENDITURES</b>	<u>59,875,201</u>	<u>2,404,208</u>	<u>211,245</u>	<u>10,992,109</u>	<u>0</u>	<u>8,952,929</u>	<u>82,435,692</u>	
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<b>32,923,217</b>	<b>(2,471,667)</b>	<b>2,127,576</b>	<b>(9,627,822)</b>	<b>(6,934,453)</b>	<b>(4,210,011)</b>	<b>11,806,840</b>	
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	2,993,718	1,600,000	250,000	13,874,887	0	5,307,743	24,026,348	
Transfers out	(24,113,970)	0	(1,680,015)	0	(1,439,845)	0	(27,233,830)	
	<u>(21,120,252)</u>	<u>1,600,000</u>	<u>(1,430,015)</u>	<u>13,874,887</u>	<u>(1,439,845)</u>	<u>5,307,743</u>	<u>(3,207,482)</u>	
<b>NET CHANGE IN FUND BALANCE</b>	<b>11,802,965</b>	<b>(871,667)</b>	<b>697,561</b>	<b>4,247,065</b>	<b>(8,374,298)</b>	<b>1,097,732</b>	<b>8,599,358</b>	
<b>FUND BALANCE</b>								
Beginning of fiscal year	47,697,378	6,394,517	2,721,109	32,399,358	39,149,090	3,538,579	131,900,031	
<b>FUND BALANCE - END OF FISCAL YEAR</b>	<b>\$ <u>59,500,343</u></b>	<b><u>5,522,850</u></b>	<b><u>3,418,670</u></b>	<b><u>36,646,423</u></b>	<b><u>30,774,792</u></b>	<b><u>4,636,311</u></b>	<b><u>140,499,389</u></b>	



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, 2022**

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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:	\$ 8,599,358
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 (\$11,841,718) exceeded depreciation (\$9,317,285) in the current period.	2,524,433
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.	(362,090)
Transfers of capital assets to/from governmental capital assets from/to proprietary funds are not recorded in governmental funds.	(78,243)
The repayment of debt is reflected as a use of current financial resources in the governmental funds, but has no effect on net position.	3,380,000
The amortization of debt premiums and discounts does not use current financial resources, and therefore is not reported in the governmental funds.	754,281
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.	14,327
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)
Amortization of right to use assets related to leases is not recorded in the governmental funds, but is included in the government-wide statement of activities.	(141,718)
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.	38,197
Expenses, such as lease principal payments, reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in governmental funds.	136,372
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.	2,029,979
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	75,262
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.	(214,920)
Change in net position of governmental activities	<u>\$ 16,065,680</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, 2022

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
<b>Taxes</b>				
Property taxes-current	\$ 8,291,268	8,291,268	8,262,390	(28,878)
Local units in-lieu taxes	392,851	392,851	553,651	160,800
General gross receipts taxes	36,065,000	36,065,000	41,487,425	5,422,425
Franchise tax-privately owned	140,000	140,000	123,109	(16,891)
Franchise tax-County owned	365,101	365,101	403,821	38,720
Penalties and interest-taxes	42,000	42,000	53,444	11,444
	<b>45,296,220</b>	<b>45,296,220</b>	<b>50,883,840</b>	<b>5,587,620</b>
<b>Licenses and permits</b>				
Business	44,650	44,650	40,280	(4,370)
Nonbusiness	220,115	220,115	269,727	49,612
	<b>264,765</b>	<b>264,765</b>	<b>310,007</b>	<b>45,242</b>
<b>Intergovernmental</b>				
Federal direct	0	2,650	0	(2,650)
Federal indirect	0	490,409	448,669	(41,740)
Federal shared revenues	0	0	4,909	4,909
Federal in-lieu taxes	384,000	384,000	392,379	8,379
State grants-library	0	43,190	29,537	(13,653)
State grants-police	0	210,143	168,581	(41,562)
State grants-other	155,000	385,247	214,614	(170,633)
State shared revenues	25,979,000	25,979,000	24,116,547	(1,862,453)
	<b>26,518,000</b>	<b>27,494,639</b>	<b>25,375,236</b>	<b>(2,119,403)</b>
<b>Fines and forfeitures</b>				
Fines	54,103	54,103	30,829	(23,274)
Correction fees	39,568	39,568	26,033	(13,535)
Special fees	9,932	9,932	6,800	(3,132)
Court ordered reimbursements	35,208	35,208	25,722	(9,486)
Noncourt fines and forfeitures	2,827	2,827	606	(2,221)
Magistrate Court Ordered Reimbursements	11,912	11,912	3,990	(7,922)
	<b>153,550</b>	<b>153,550</b>	<b>93,980</b>	<b>(59,570)</b>



<b>Charges for services</b>				
Court fees	855	855	1,124	269
Clerk fees	53,409	53,409	67,919	14,510
Planning fees	38,000	38,000	127,221	89,221
Administrative charges for services	43,035	43,035	49,109	6,074
Sales of food or merchandise	99,750	99,750	80,233	(19,517)
Other charges for services	21,850	21,850	87,508	65,658
Sheriff fees	3,990	3,990	3,645	(345)
Police charges for services	20,520	20,520	22,572	2,052
Miscellaneous services	808	808	677	(131)
Cemetery services	28,150	28,150	97,898	69,748
Perpetual care services	55,000	55,000	68,750	13,750
Animal shelter fees	5,500	5,500	3,045	(2,455)
Daily fees/passes	185,760	185,760	253,132	67,372
Annual passes	130,320	130,320	129,042	(1,278)
Three-month passes	31,040	31,040	24,780	(6,260)
Monthly passes	16,000	16,000	0	(16,000)
Punch passes	66,400	66,400	71,478	5,078
Recreation fees	127,440	134,583	56,373	(78,210)
Other fees	16,280	16,280	43,743	27,463
	<b>944,107</b>	<b>951,250</b>	<b>1,188,249</b>	<b>236,999</b>
<b>Interfund/interdepartmental charges</b>				
Interdepartmental services	8,379,256	8,379,256	8,826,224	446,968
	<b>8,379,256</b>	<b>8,379,256</b>	<b>8,826,224</b>	<b>446,968</b>
<b>Miscellaneous revenue</b>				
Interest income	1,729,000	1,729,000	(5,846,777)	(7,575,777)
Interest charges-delinquent accounts	0	0	1,147	1,147
Buildings rental	109,200	109,200	131,535	22,335
Land rental	356,920	356,920	447,001	90,081
Other rental	119,600	119,600	174,701	55,101
Pension forfeitures	80,000	80,000	273,138	193,138
Donations	50,000	50,000	30,490	(19,510)
Other judgments and settlements	700	10,699,935	10,699,235	(700)
Other	75,500	75,500	206,742	131,242
	<b>2,520,920</b>	<b>13,220,155</b>	<b>6,117,212</b>	<b>(7,102,943)</b>
<b>TOTAL REVENUES</b>	<b>84,076,818</b>	<b>95,759,835</b>	<b>92,794,748</b>	<b>(2,965,087)</b>

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, 2022

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>EXPENDITURES AND ENCUMBRANCES</b>				
<b>County Council</b>				
Employee salaries and benefits	93,288	93,288	92,091	1,197
Outside services	323,130	323,655	237,960	85,695
Materials and supplies	18,000	18,000	12,913	5,087
Intrafund/interfund services	2,570	2,570	2,570	0
	<b>436,988</b>	<b>437,513</b>	<b>345,534</b>	<b>91,979</b>
<b>County Courts (Municipal judge)</b>				
Employee salaries and benefits	475,976	485,107	477,867	7,240
Outside services	88,668	117,604	74,682	42,922
Materials and supplies	18,727	18,227	11,654	6,573
Intrafund/interfund services	11,489	11,489	11,489	0
Debt and fiscal charges	1,000	1,000	1,613	(613)
	<b>595,860</b>	<b>633,427</b>	<b>577,305</b>	<b>56,122</b>
<b>County Manager</b>				
Operations				
Employee salaries and benefits	1,471,589	1,479,705	1,242,945	236,760
Outside services	1,534,000	5,697,338	841,389	4,855,949
Materials and supplies	6,500	6,500	368,829	(362,329)
Intrafund/interfund services	15,069	15,069	15,069	0
	<b>3,027,158</b>	<b>7,198,612</b>	<b>2,468,232</b>	<b>4,730,380</b>
Communications and Public Relations				
Employee salaries and benefits	344,206	349,279	319,562	29,717
Outside services	138,700	138,700	63,324	75,376
Materials and supplies	15,700	15,700	15,650	50
	<b>498,606</b>	<b>503,679</b>	<b>398,536</b>	<b>105,143</b>
Human Resources				
Employee salaries and benefits	1,285,454	1,353,443	1,166,684	186,759
Outside services	279,281	454,101	159,501	294,600
Materials and supplies	39,066	47,066	27,237	19,829
Intrafund/interfund services	12,091	12,091	12,091	0
	<b>1,615,892</b>	<b>1,866,701</b>	<b>1,365,513</b>	<b>501,188</b>
<b>Total County Manager</b>	<b>5,141,656</b>	<b>9,568,991</b>	<b>4,232,281</b>	<b>5,336,710</b>

**County Assessor**

Employee salaries and benefits	434,627	445,787	437,634	8,153
Outside services	11,686	11,686	11,475	211
Materials and supplies	1,030	1,030	1,193	(163)
Intrafund/interfund services	7,191	7,191	7,191	0
	<b>454,534</b>	<b>465,694</b>	<b>457,493</b>	<b>8,201</b>

**County Attorney**

Employee salaries and benefits	883,160	891,276	822,635	68,641
Outside services	220,419	1,039,942	990,580	49,362
Materials and supplies	16,236	19,497	12,940	6,557
Intrafund/interfund services	7,616	7,616	7,616	0
	<b>1,127,431</b>	<b>1,958,331</b>	<b>1,833,771</b>	<b>124,560</b>

**County Clerk**

Employee salaries and benefits	682,543	692,481	616,378	76,103
Outside services	60,200	67,805	43,808	23,997
Materials and supplies	30,240	30,240	35,282	(5,042)
Intrafund/interfund services	13,754	13,754	13,348	406
Capital outlay	7,000	7,000	12,836	(5,836)
Debt and fiscal charges	800	800	1,002	(202)
	<b>794,537</b>	<b>812,080</b>	<b>722,654</b>	<b>89,426</b>

**County Probate Judge**

Employee salaries and benefits	4,845	5,045	5,039	6
Outside services	900	700	220	480
Materials and supplies	134	134	294	(160)
Intrafund/interfund services	53	53	53	0
	<b>5,932</b>	<b>5,932</b>	<b>5,606</b>	<b>326</b>

**County Sheriff**

Employee salaries and benefits	7,601	7,601	7,634	(33)
Outside services	4,820	4,820	952	3,868
Materials and supplies	3,160	3,160	103	3,057
Intrafund/interfund services	115	115	115	0
	<b>15,696</b>	<b>15,696</b>	<b>8,804</b>	<b>6,892</b>

**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, 2022

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>Administrative Services</b>				
Information Management				
Employee salaries and benefits	3,018,714	3,045,091	2,553,195	491,896
Outside services	3,313,584	2,900,367	2,398,858	501,509
Materials and supplies	239,887	239,887	300,207	(60,320)
Intrafund/interfund services	69,583	69,583	69,603	(20)
Capital outlay	0	145,000	0	145,000
	<u>6,641,768</u>	<u>6,399,928</u>	<u>5,321,863</u>	<u>1,078,065</u>
Finance				
Employee salaries and benefits	1,852,654	1,853,958	1,730,289	123,669
Outside services	135,000	145,000	133,761	11,239
Materials and supplies	16,000	16,000	24,229	(8,229)
Intrafund/interfund services	15,003	15,003	15,003	0
Debt and fiscal charges	6,000	6,000	4,270	1,730
	<u>2,024,657</u>	<u>2,035,961</u>	<u>1,907,552</u>	<u>128,409</u>
Procurement				
Employee salaries and benefits	1,182,102	1,203,407	1,161,698	41,709
Outside services	21,300	51,300	20,642	30,658
Materials and supplies	52,150	52,150	59,106	(6,956)
Intrafund/interfund services	56,369	56,369	56,538	(169)
	<u>1,311,921</u>	<u>1,363,226</u>	<u>1,297,984</u>	<u>65,242</u>
<b>Total Administrative Services</b>	<b>9,978,346</b>	<b>9,799,115</b>	<b>8,527,399</b>	<b>1,271,716</b>
<b>Fire</b>				
Fire Mitigation				
Outside services	0	113,252	3,600	109,652
Materials and supplies	0	5,000	0	5,000
	<u>0</u>	<u>118,252</u>	<u>3,600</u>	<u>114,652</u>
Fire - County Shared Costs				
Intrafund/interfund services	7,252,747	7,330,747	7,305,829	24,918
<b>Total Fire</b>	<b>7,252,747</b>	<b>7,448,999</b>	<b>7,309,429</b>	<b>139,570</b>

**Community Services-Administration**

Employee salaries and benefits	1,083,032	998,759	782,913	215,846
Outside services	861,708	957,256	911,956	45,300
Materials and supplies	20,750	20,750	15,850	4,900
Intrafund/interfund services	9,356	9,356	9,356	0
Debt and fiscal charges	0	0	1	(1)
	<u>1,974,846</u>	<u>1,986,121</u>	<u>1,720,076</u>	<u>266,045</u>

## Grants

Employee salaries and benefits	0	7,027	6,330	697
Outside services	147,567	140,540	126,605	13,935
	<u>147,567</u>	<u>147,567</u>	<u>132,935</u>	<u>14,632</u>

**Total Community Services-Admin.**

<b>2,122,413</b>	<b>2,133,688</b>	<b>1,853,011</b>	<b>280,677</b>
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**Community Services-Library**

## Library operations

Employee salaries and benefits	2,158,240	2,213,666	1,976,434	237,232
Outside services	150,739	159,979	142,080	17,899
Materials and supplies	35,428	35,428	46,819	(11,391)
Intrafund/interfund services	38,683	38,683	38,724	(41)
Capital outlay	13,000	20,489	14,188	6,301
	<u>2,396,090</u>	<u>2,468,245</u>	<u>2,218,245</u>	<u>250,000</u>

## Collection development

Outside services	0	0	559	(559)
Materials and supplies	287,742	306,503	285,115	21,388
	<u>287,742</u>	<u>306,503</u>	<u>285,674</u>	<u>20,829</u>

## Outside funding sources

Outside services	0	43,190	627	42,563
Materials and supplies	0	185,352	39,280	146,072
Capital outlay	0	0	11,362	(11,362)
	<u>0</u>	<u>228,542</u>	<u>51,269</u>	<u>177,273</u>

**Total Community Services-Library**

<b>2,683,832</b>	<b>3,003,290</b>	<b>2,555,188</b>	<b>448,102</b>
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**Community Services-Parks**

## Parks Maintenance

Employee salaries and benefits	1,767,305	1,519,024	1,147,503	371,521
Outside services	142,500	290,518	173,913	116,605
Materials and supplies	192,407	192,407	156,089	36,318
Intrafund/interfund services	693,276	693,276	771,514	(78,238)
Capital outlay	88,000	81,872	74,351	7,521
Debt and fiscal charges	2,100	2,100	2,596	(496)
	<u>2,885,588</u>	<u>2,779,197</u>	<u>2,325,966</u>	<u>453,231</u>

## Cemetery

Materials and supplies	22,200	22,200	16,082	6,118
Intrafund/interfund services	37,000	37,000	4,619	32,381
Debt and fiscal charges	0	0	4,183	(4,183)
	<u>59,200</u>	<u>59,200</u>	<u>24,884</u>	<u>34,316</u>

**Total Community Svcs.-Parks**

<b>2,944,788</b>	<b>2,838,397</b>	<b>2,350,850</b>	<b>487,547</b>
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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, 2022**

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
Recreation				
Employee salaries and benefits	265,650	456,199	389,919	66,280
Outside services	64,407	90,002	32,634	57,368
Materials and supplies	33,998	75,195	70,329	4,866
Intrafund/interfund services	18,307	18,307	18,307	0
	<u>382,362</u>	<u>639,703</u>	<u>511,189</u>	<u>128,514</u>
Recreation -Aquatic Center				
Employee salaries and benefits	1,063,378	1,004,123	704,071	300,052
Outside services	106,163	94,163	130,134	(35,971)
Materials and supplies	118,429	108,429	50,491	57,938
Intrafund/interfund services	279,975	279,975	194,891	85,084
Capital outlay	15,000	95,000	5,619	89,381
Debt and fiscal charges	8,560	8,560	6,478	2,082
	<u>1,591,505</u>	<u>1,590,250</u>	<u>1,091,684</u>	<u>498,566</u>
Recreation - Ice Rink				
Employee salaries and benefits	79,462	140,187	113,700	26,487
Outside services	3,460	3,460	3,463	(3)
Materials and supplies	18,800	18,800	15,833	2,967
Intrafund/interfund services	16,513	16,513	16,513	0
Debt and fiscal charges	1,500	1,500	1,614	(114)
	<u>119,735</u>	<u>180,460</u>	<u>151,123</u>	<u>29,337</u>
Recreation -Golf Course				
Employee salaries and benefits	556,124	571,672	585,917	(14,245)
Outside services	69,413	163,172	146,861	16,311
Materials and supplies	144,550	146,520	159,508	(12,988)
Intrafund/interfund services	280,165	280,165	310,713	(30,548)
Capital outlay	0	29,407	29,407	0
Debt and fiscal charges	9,000	9,000	14,403	(5,403)
	<u>1,059,252</u>	<u>1,199,936</u>	<u>1,246,809</u>	<u>(46,873)</u>
<b>Total Community Svcs.-Recreation</b>	<b>3,152,854</b>	<b>3,610,349</b>	<b>3,000,805</b>	<b>609,544</b>
<b>Community Services-Social Services</b>				
Employee salaries and benefits	136,177	184,220	160,943	23,277
Outside services	2,103,053	2,128,669	2,012,478	116,191
Materials and supplies	26,750	26,750	3,597	23,153
Intrafund/interfund services	80,024	80,024	80,317	(293)
<b>Total Community Svcs.-Social Services</b>	<b>2,346,004</b>	<b>2,419,663</b>	<b>2,257,335</b>	<b>162,328</b>
<b>Total Community Svcs. Department</b>	<b>13,249,891</b>	<b>14,005,387</b>	<b>12,017,189</b>	<b>1,988,198</b>

**Police**

## Operations

Employee salaries and benefits	8,626,771	8,621,472	8,082,920	538,552
Outside services	476,166	665,994	429,622	236,372
Materials and supplies	334,677	628,845	349,494	279,351
Intrafund/interfund services	624,479	624,479	627,706	(3,227)
Capital outlay	0	344,768	358,322	(13,554)
Debt and fiscal charges	0	0	975	(975)

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	10,062,093	10,885,558	9,849,039	1,036,519
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## Emergency Management

Employee salaries and benefits	261,467	264,511	239,560	24,951
Outside services	102,445	136,661	65,212	71,449
Materials and supplies	24,190	24,190	45,017	(20,827)
Intrafund/interfund services	1,776	1,776	1,776	0
Capital outlay	0	47	13,767	(13,720)

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	389,878	427,185	365,332	61,853
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## Police Grants

Employee salaries and benefits	0	41,333	34,837	6,496
Outside services	0	767,334	222,779	544,555
Materials and supplies	0	0	24,850	(24,850)
Capital outlay	0	51,819	250,846	(199,027)

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	0	860,486	533,312	327,174
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<b>Total Police</b>	<b>10,451,971</b>	<b>12,173,229</b>	<b>10,747,683</b>	<b>1,425,546</b>
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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, 2022**

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>Public Works</b>				
Administration				
Employee salaries and benefits	452,541	458,790	475,877	(17,087)
Outside services	11,327	11,327	7,980	3,347
Materials and supplies	4,357	4,357	2,467	1,890
Intrafund/interfund services	7,300	7,300	7,310	(10)
	<u>475,525</u>	<u>481,774</u>	<u>493,634</u>	<u>(11,860)</u>
Engineering & Project Management				
Employee salaries and benefits	1,689,149	1,700,308	1,550,041	150,267
Outside services	17,409	1,347,359	1,185,916	161,443
Materials and supplies	18,270	18,270	14,356	3,914
Intrafund/interfund services	55,556	55,556	55,556	0
	<u>1,780,384</u>	<u>3,121,493</u>	<u>2,805,869</u>	<u>315,624</u>
Traffic and Streets				
Employee salaries and benefits	2,190,284	2,230,864	1,969,326	261,538
Outside services	360,957	459,979	174,069	285,910
Materials and supplies	444,577	462,399	444,505	17,894
Intrafund/interfund services	927,743	927,743	954,358	(26,615)
Capital outlay	0	14,300	32,800	(18,500)
Debt and fiscal charges	0	0	7	(7)
	<u>3,923,561</u>	<u>4,095,285</u>	<u>3,575,065</u>	<u>520,220</u>
Pavement management				
Outside services	982,880	1,813,953	465,620	1,348,333
Materials and supplies	0	0	15,390	(15,390)
	<u>982,880</u>	<u>1,813,953</u>	<u>481,010</u>	<u>1,332,943</u>
Custodial				
Employee salaries and benefits	1,207,136	1,240,863	1,097,039	143,824
Outside services	86,330	86,330	20,878	65,452
Materials and supplies	155,500	155,500	113,588	41,912
Intrafund/interfund services	53,720	53,720	53,720	0
	<u>1,502,686</u>	<u>1,536,413</u>	<u>1,285,225</u>	<u>251,188</u>



Facilities maintenance				
Employee salaries and benefits	1,390,273	1,419,694	1,329,541	90,153
Outside services	440,799	425,081	498,354	(73,273)
Materials and supplies	284,392	284,392	259,555	24,837
Intrafund/interfund services	1,069,583	1,069,583	947,487	122,096
Capital outlay	0	0	20,098	(20,098)
Debt and fiscal charges	515	515	0	515
	<u>3,185,562</u>	<u>3,199,265</u>	<u>3,055,035</u>	<u>144,230</u>
Facilities maintenance projects				
Employee salaries and benefits	449,646	449,646	0	449,646
Outside services	1,732,354	4,431,190	2,899,144	1,532,046
Materials and supplies	0	0	2,433	(2,433)
Capital outlay	75,000	75,000	0	75,000
	<u>2,257,000</u>	<u>4,955,836</u>	<u>2,901,577</u>	<u>2,054,259</u>
<b>Total Public Works</b>	<b>14,107,598</b>	<b>19,204,019</b>	<b>14,597,415</b>	<b>4,606,604</b>
<b>Community Development (CDD)</b>				
CDD - Administration				
Employee salaries and benefits	555,460	560,532	519,372	41,160
Outside services	27,564	27,564	8,328	19,236
Materials and supplies	11,660	11,660	6,852	4,808
Intrafund/interfund services	23,112	23,112	23,112	0
Debt and fiscal charges	12,000	12,000	12,085	(85)
	<u>629,796</u>	<u>634,868</u>	<u>569,749</u>	<u>65,119</u>
CDD - Community Development				
Employee salaries and benefits	1,490,337	1,511,641	1,373,859	137,782
Outside services	2,356,897	5,767,393	918,259	4,849,134
Materials and supplies	22,325	22,325	39,246	(16,921)
Intrafund/interfund services	22,150	22,150	22,202	(52)
Capital outlay	0	0	11,559	(11,559)
	<u>3,891,709</u>	<u>7,323,509</u>	<u>2,365,125</u>	<u>4,958,384</u>
<b>Total Community Development</b>	<b>4,521,505</b>	<b>7,958,377</b>	<b>2,934,874</b>	<b>5,023,503</b>
<b>TOTAL EXPENDITURES AND ENCUMBRANCES</b>	<b>68,134,692</b>	<b>84,486,790</b>	<b>64,317,437</b>	<b>20,169,353</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES</b>	<b>15,942,126</b>	<b>11,273,046</b>	<b>28,477,311</b>	<b>17,204,266</b>

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, 2022

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Transfers in from:</b>				
Emergency Declarations Fund	0	440,718	440,718	0
Joint Utility System Fund-Electric	594,979	0	0	0
Joint Utility System Fund-Gas	224,287	0	0	0
Fire Fund	2,553,000	2,553,000	2,553,000	0
	<u>3,372,266</u>	<u>2,993,718</u>	<u>2,993,718</u>	<u>0</u>
<b>Transfers out to:</b>				
State/Other Grants Fund	(14,950)	(14,950)	(14,950)	0
Health Care Assistance Fund	(650,000)	(650,000)	(650,000)	0
Economic Development Fund	(400,000)	(1,600,000)	(1,600,000)	0
Other Special Revenues Fund	(27,500)	(86,384)	(86,384)	0
Emergency Declarations Fund	0	(250,000)	(250,000)	0
Gross Receipts Tax Revenue Bonds Fund	(4,556,409)	(4,556,409)	(4,556,409)	0
Capital Improvement Projects Fund	(12,545,680)	(12,435,042)	(12,435,042)	0
Joint Utility System Fund-Water	(250,000)	(250,000)	(250,000)	0
Environmental Services Fund	(2,400,000)	(2,400,000)	(2,400,000)	0
Transit Fund	(1,050,000)	(1,050,000)	(1,050,000)	0
Airport Fund	(784,063)	(784,063)	(784,063)	0
Risk Management Fund	0	(37,122)	(37,122)	0
	<u>(22,678,602)</u>	<u>(24,113,970)</u>	<u>(24,113,970)</u>	<u>0</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b><u>(19,306,336)</u></b>	<b><u>(21,120,252)</u></b>	<b><u>(21,120,252)</u></b>	<b><u>0</u></b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ <u>(3,364,210)</u></b>	<b><u>(9,847,207)</u></b>	<b><u>7,357,059</u></b>	<b><u>17,204,266</u></b>
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			4,486,517	
Bad debt expense			3,670	
Adjustments to inventory			(44,281)	
			<u>4,445,906</u>	
<b>GAAP BASIS</b>			<b>11,802,965</b>	
<b>FUND BALANCE</b>				
Beginning of fiscal year			47,697,378	
<b>FUND BALANCE - END OF FISCAL YEAR</b>			<b>\$ <u>59,500,343</u></b>	

See accompanying notes to financial statements

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where discoveries are made

**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, 2022

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
<b>Miscellaneous revenues</b>				
Investment income	154,000	154,000	(162,964)	(316,964)
Economic development loan repayment (principal)	46,429	46,429	94,208	47,779
Economic development loan repayment (interest)	0	0	1,297	1,297
	<u>200,429</u>	<u>200,429</u>	<u>(67,459)</u>	<u>(267,888)</u>
<b>TOTAL REVENUES</b>	<b>200,429</b>	<b>200,429</b>	<b>(67,459)</b>	<b>(267,888)</b>
<b>EXPENDITURES AND ENCUMBRANCES</b>				
<b>Community and Economic Development</b>				
Outside services	2,348,750	4,548,750	2,239,059	2,309,691
Materials and supplies	0	0	0	0
Economic development and housing loans	400,000	588,500	165,149	423,351
Debt and fiscal charges	100,000	100,000	0	100,000
	<u>2,848,750</u>	<u>5,237,250</u>	<u>2,404,208</u>	<u>2,833,042</u>
<b>TOTAL EXPENDITURES AND ENCUMBRANCES</b>	<b>2,848,750</b>	<b>5,237,250</b>	<b>2,404,208</b>	<b>2,833,042</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES</b>	<b>(2,648,321)</b>	<b>(5,036,821)</b>	<b>(2,471,667)</b>	<b>2,565,154</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Transfer in from:</b>				
General Fund	400,000	1,600,000	1,600,000	0
<b>Transfers out to:</b>				
Joint Utilities Fund	(2,000,000)	(2,000,000)	0	(2,000,000)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (4,248,321)</b>	<b>(5,436,821)</b>	<b>(871,667)</b>	<b>565,154</b>

**ADJUSTMENTS TO GAAP**

0

**GAAP BASIS**

(871,667)

**FUND BALANCE**

Beginning of fiscal year

6,394,517

**FUND BALANCE - END OF FISCAL YEAR**

\$ 5,522,850

**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, 2022

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
<b>Intergovernmental</b>				
Federal direct	\$ 0	1,881,101	1,881,101	0
Federal indirect	\$ 0	0	193,180	193,180
State grants-other	0	0	264,540	264,540
	<u>0</u>	<u>1,881,101</u>	<u>2,338,821</u>	<u>457,720</u>
<b>EXPENDITURES AND ENCUMBRANCES</b>				
<b>Administrative Services - Finance Office</b>				
Employee salaries and benefits	0	230,600	10,630	219,970
Outside services	215,000	2,926,971	58,933	2,868,038
Materials and supplies	0	60,400	155,061	(94,661)
	<u>215,000</u>	<u>3,217,971</u>	<u>224,624</u>	<u>2,993,347</u>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES</b>	<b>(215,000)</b>	<b>(1,336,870)</b>	<b>2,114,197</b>	<b>3,451,067</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Transfers in from:</b>				
General Fund	0	250,000	250,000	0
<b>Transfers out to:</b>				
General Fund	0	(440,718)	(440,718)	0
Joint Utilities Fund	0	(1,134,346)	(1,134,346)	0
Airport Fund	0	(102,636)	(102,636)	0
Internal Fund	0	(2,315)	(2,315)	0
	<u>0</u>	<u>(2,315)</u>	<u>(2,315)</u>	<u>0</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (215,000)</b>	<b>(2,766,885)</b>	<b>684,182</b>	<b>3,451,067</b>
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			13,379	
<b>GAAP BASIS</b>			<b>697,561</b>	
<b>FUND BALANCE</b>				
Beginning of fiscal year			2,721,109	
<b>FUND BALANCE - END OF FISCAL YEAR</b>			<b>\$ 3,418,670</b>	

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, 2022

	ENTERPRISE FUNDS						BUSINESS- TYPE ACTIVITIES - INTERNAL SERVICE FUNDS
	JOINT UTILITY SYSTEM	ENVIRONMENTAL SERVICES	TRANSIT	FIRE	AIRPORT	TOTAL	
<b>ASSETS</b>							
<b>Current Assets:</b>							
Equity in pooled cash and investments	\$ 9,385,761	4,309,584	2,382,774	0	1,128,318	17,206,437	18,869,398
Receivables, net of allowance for uncollectibles							
Accounts	7,281,996	320,765	0	644,424	6,192	8,253,377	12,318
Unbilled	1,799,998	161,270	0	0	0	1,961,268	0
Due from other governments	20,675	173,918	819,545	5,536,478	46,503	6,597,119	0
Inventories and prepayments							
Inventories	1,291,730	0	0	0	0	1,291,730	0
Prepayments	717,352	0	0	0	0	717,352	0
<b>Total Current Assets</b>	<b>20,497,512</b>	<b>4,965,537</b>	<b>3,202,319</b>	<b>6,180,902</b>	<b>1,181,013</b>	<b>36,027,283</b>	<b>18,881,716</b>
<b>Non-current assets:</b>							
Restricted assets							
Cash and cash equivalents							
Debt reserves and debt service	3,245,039	537,352	0	0	0	3,782,391	0
Operations and maintenance	25,167,183	358,850	0	0	0	25,526,033	0
Capital assets							
Land	2,959,328	0	0	1,081,176	4,387,040	8,427,544	0
Utility plant in service	335,188,545	0	0	0	0	335,188,545	0
Buildings	0	6,112,038	63,147	17,336,040	1,543,330	25,054,555	0
Improvements other than buildings	0	1,683,448	929,533	143,285	15,454,705	18,210,971	0
Machinery and equipment	4,191,392	133,357	1,106,140	2,769,359	100,405	8,300,653	30,256,024
Less accumulated depreciation	(181,260,605)	(2,634,316)	(1,613,657)	(7,947,290)	(9,664,225)	(203,120,093)	(21,018,059)
Construction in progress	17,329,175	0	0	0	0	17,329,175	0
Right to use assets							
Buildings and Structures-Lease, net of amortization	0	0	0	864,915	0	864,915	0
<b>Total Non-current Assets</b>	<b>206,820,057</b>	<b>6,190,729</b>	<b>485,163</b>	<b>14,247,485</b>	<b>11,821,255</b>	<b>239,564,689</b>	<b>9,237,965</b>
<b>TOTAL ASSETS</b>	<b>227,317,569</b>	<b>11,156,266</b>	<b>3,687,482</b>	<b>20,428,387</b>	<b>13,002,268</b>	<b>275,591,972</b>	<b>28,119,681</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>							
Deferred amounts (debits) from refunding of debt	214,789	0	0	0	0	214,789	0
Deferred other post employment benefits	1,235,168	162,478	285,136	2,864,745	14,670	4,562,197	145,696
Deferred pensions	1,202,530	114,597	293,488	4,158,804	50,478	5,819,897	136,142
Deferred decommissioning cost	3,093,613	0	0	0	0	3,093,613	0
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>5,746,100</b>	<b>277,075</b>	<b>578,624</b>	<b>7,023,549</b>	<b>65,148</b>	<b>13,690,496</b>	<b>281,838</b>

## LIABILITIES

### Current Liabilities:

Accounts payable	4,473,759	86,136	34,982	37,147	35,429	4,667,453	678,234
Claims and judgments payable	0	0	0	0	0	0	1,722,625
Accrued salaries and benefits payable	118,932	13,675	25,819	182,392	1,255	342,073	15,219
Customer deposits payable	494,794	13,900	0	0	0	508,694	0
Due to other governments	136,825	3,134	0	0	0	139,959	0
Current portion of long-term liabilities							
Accrued compensated absences	791,262	110,358	139,713	1,814,975	4,566	2,860,874	122,281
Revenue bonds payable	1,300,001	0	0	0	0	1,300,001	0
Contracts and intergovernmental debt payable	528,165	244,664	0	0	0	772,829	0
Due to other funds (current portion of advances)	0	0	0	1,138,094	0	1,138,094	0
Special closure costs	0	58,077	0	0	0	58,077	0
Interest payable on revenue bonds and other debt	70,985	13,532	0	0	0	84,517	0
Interest payable on leases	0	0	0	803	0	803	0
<b>Total Current Liabilities</b>	<b>7,914,723</b>	<b>543,476</b>	<b>200,514</b>	<b>3,173,411</b>	<b>41,250</b>	<b>11,873,374</b>	<b>2,538,359</b>

### Noncurrent Liabilities:

Due in more than one year							
Accrued compensated absences	434,481	55,995	97,526	1,133,530	584	1,722,116	68,155
Claims and judgments payable	0	0	0	0	0	0	929,276
Revenue bonds payable	12,692,429	0	0	0	0	12,692,429	0
Contracts and intergovernmental debt payable	12,620,427	3,049,632	0	0	0	15,670,059	0
Advances from other funds	0	0	0	0	146,799	146,799	0
Special closure costs	11,299,458	1,103,468	0	0	0	12,402,926	0
Net other post employment benefits liability	3,783,326	446,894	842,945	9,462,281	65,797	14,601,243	514,227
Net pension liability	8,811,440	966,333	2,053,539	39,301,460	227,721	51,360,493	1,039,726
Lease Liability	0	0	0	876,307	0	876,307	0
<b>Total Noncurrent Liabilities</b>	<b>49,641,561</b>	<b>5,622,322</b>	<b>2,994,010</b>	<b>50,773,578</b>	<b>440,901</b>	<b>109,472,372</b>	<b>2,551,384</b>
<b>TOTAL LIABILITIES</b>	<b>57,556,284</b>	<b>6,165,798</b>	<b>3,194,524</b>	<b>53,946,989</b>	<b>482,151</b>	<b>121,345,746</b>	<b>5,089,743</b>

### DEFERRED INFLOWS OF RESOURCES:

Deferred other post employment benefits	2,564,636	315,623	562,309	6,347,276	34,573	9,824,417	327,033
Deferred pensions	2,828,552	364,213	639,894	12,077,309	21,504	15,931,472	337,981
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>5,393,188</b>	<b>679,836</b>	<b>1,202,203</b>	<b>18,424,585</b>	<b>56,077</b>	<b>25,755,889</b>	<b>665,014</b>

### NET POSITION

Net investment in capital assets	151,481,602	2,000,231	485,163	13,382,570	11,821,255	179,170,821	9,237,965
Restricted, net of related liabilities, for:							
Debt service	17,041,779	523,820	0	0	0	17,565,599	0
Unrestricted	1,590,816	2,063,656	(615,784)	(58,302,208)	707,933	(54,555,587)	13,408,797
<b>TOTAL NET POSITION</b>	<b>\$ 170,114,197</b>	<b>4,587,707</b>	<b>(130,621)</b>	<b>(44,919,638)</b>	<b>12,529,188</b>	<b>142,180,833</b>	<b>22,646,762</b>

Net position of business-type internal service funds

Net activity of internal service funds

22,646,762  
1,995,737  
**\$ 166,823,332**

**INCORPORATED COUNTY OF LOS ALAMOS**
**Proprietary Funds**

 Statement of Revenues, Expenses, and Changes in Net Position  
 Year ended June 30, 2022

	ENTERPRISE FUNDS						BUSINESS- TYPE ACTIVITIES - INTERNAL SERVICE FUNDS
	JOINT UTILITY SYSTEM	ENVIRONMENTAL SERVICES	TRANSIT	FIRE	AIRPORT	TOTAL	
<b>OPERATING REVENUES</b>							
Utility sales and other services	\$ 69,295,688	3,324,809	0	683,146	76,289	73,379,932	0
Sales of food or merchandise	0	2,219	0	0	0	2,219	0
Interfund charges for services	0	66,133	0	6,877,611	0	6,943,744	4,175,115
Insurance and pension contributions							
County	0	0	0	0	0	0	9,303,273
Employees and retirees	0	0	0	0	0	0	1,685,440
Rentals	179,905	0	0	0	0	179,905	0
Intergovernmental - charges for services	0	0	0	21,083,369	0	21,083,369	0
Miscellaneous operating revenue	110,308	141,931	0	90	0	252,329	149,737
	<b>69,585,901</b>	<b>3,535,092</b>	<b>0</b>	<b>28,644,216</b>	<b>76,289</b>	<b>101,841,498</b>	<b>15,313,565</b>
<b>OPERATING EXPENSES</b>							
Employee salaries and benefits	10,208,331	1,301,079	2,288,714	19,587,067	105,167	33,490,358	1,324,896
Contractual services	44,362,014	2,455,907	1,704,882	5,396,125	535,005	54,453,933	10,622,458
Materials and supplies	1,461,223	127,360	35,443	1,268,167	11,777	2,903,970	1,541,866
Depreciation and amortization	6,450,045	188,391	178,245	937,979	587,501	8,342,161	2,242,929
Special closure costs	636,020	0	0	0	0	636,020	0
Other	164,134	5,314	0	55,321	730	225,499	1,300
	<b>63,281,767</b>	<b>4,078,051</b>	<b>4,207,284</b>	<b>27,244,659</b>	<b>1,240,180</b>	<b>100,051,941</b>	<b>15,733,449</b>
<b>OPERATING INCOME (LOSS)</b>	<b>6,304,134</b>	<b>(542,959)</b>	<b>(4,207,284)</b>	<b>1,399,557</b>	<b>(1,163,891)</b>	<b>1,789,557</b>	<b>(419,884)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Gross receipts taxes for solid waste recycling	0	1,183,275	0	0	0	1,183,275	0
Fire excise tax	0	0	0	2,366,549	0	2,366,549	0
Gain (loss) on disposition of capital assets	(5,001,737)	0	0	0	0	(5,001,737)	493,104
Investment income (loss)	(927,450)	(61,700)	(66,290)	0	(19,941)	(1,075,381)	(507,107)
Miscellaneous nonoperating revenue	0	210,078	0	420,155	0	630,233	0
Interest on long-term debt	(757,120)	(84,785)	0	0	0	(841,905)	0
Interest on long-term lease liability	0	0	0	(12,195)	0	(12,195)	0
Inventory adjustment	(19,489)	0	0	0	0	(19,489)	0
Intergovernmental - non-capital grants	0	31,808	3,224,705	206,688	179,536	3,642,737	0
	<b>(6,705,796)</b>	<b>1,278,676</b>	<b>3,158,415</b>	<b>2,981,197</b>	<b>159,595</b>	<b>872,087</b>	<b>(14,003)</b>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS</b>	<b>(401,662)</b>	<b>735,717</b>	<b>(1,048,869)</b>	<b>4,380,754</b>	<b>(1,004,296)</b>	<b>2,661,644</b>	<b>(433,887)</b>
<b>TRANSFERS AND CONTRIBUTIONS</b>							
Transfers in	1,962,434	2,400,000	1,050,000	0	886,699	6,299,133	513,016
Transfers out	(578,088)	(3,795)	(469,784)	(2,553,000)	0	(3,604,667)	0
Intergovernmental - capital grants	630,177	0	469,784	0	0	1,099,961	0
Contributed capital assets - governmental activities	0	0	0	0	0	0	78,243
	<b>2,014,523</b>	<b>2,396,205</b>	<b>1,050,000</b>	<b>(2,553,000)</b>	<b>886,699</b>	<b>3,794,427</b>	<b>591,259</b>
<b>CHANGE IN NET POSITION</b>	<b>1,612,861</b>	<b>3,131,922</b>	<b>1,131</b>	<b>1,827,754</b>	<b>(117,597)</b>	<b>6,456,071</b>	<b>157,372</b>
<b>NET POSITION</b>							
Beginning of fiscal year	168,501,336	1,455,785	(131,752)	(46,747,392)	12,646,785	135,724,762	22,489,390
<b>NET POSITION - END OF FISCAL YEAR</b>	<b>\$ 170,114,197</b>	<b>4,587,707</b>	<b>(130,621)</b>	<b>(44,919,638)</b>	<b>12,529,188</b>	<b>142,180,833</b>	<b>22,646,762</b>

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, 2022

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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:	\$	6,456,071
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.		157,372
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.		214,920
Change in net position of business-type activities	\$	<u><u>6,828,363</u></u>

**INCORPORATED COUNTY OF LOS ALAMOS  
PROPRIETARY FUNDS**

STATEMENT OF CASH FLOWS  
Year ended June 30, 2022

	JOINT UTILITY SYSTEM	ENVIRONMENTAL SERVICES	TRANSIT	FIRE	AIRPORT	TOTAL	BUSINESS-TYPE ACTIVITIES INTERNAL SERVICE FUNDS
<b>CASH FLOWS - OPERATING ACTIVITIES</b>							
Cash received from customers and users	\$ 69,078,185	3,531,932	0	7,443,636	72,188	80,125,941	4,313,172
Cash received from contributions-employer and employees	0	0	0	0	0	0	10,988,713
Cash paid to suppliers for goods and services	(48,705,137)	(2,659,257)	(1,756,673)	(7,267,938)	(518,308)	(60,907,313)	(11,851,014)
Cash paid to employees	(9,985,328)	(1,364,630)	(2,431,106)	(20,874,567)	(102,430)	(34,758,061)	(1,390,319)
Taxes received from customers and users	1,860,705	168,468	0	0	0	2,029,173	0
Taxes remitted to State (from customers and users)	(1,880,875)	(176,365)	0	0	0	(2,057,240)	0
<b>NET CASH FLOWS - OPERATING ACTIVITIES</b>	<b>10,367,551</b>	<b>(499,852)</b>	<b>(4,187,779)</b>	<b>(20,698,869)</b>	<b>(548,550)</b>	<b>(15,567,499)</b>	<b>2,060,552</b>
<b>CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES</b>							
Cash received from grants	0	31,808	2,857,350	21,336,591	(46,503)	24,179,246	0
Transfers to other funds	(578,088)	0	0	(2,553,000)	0	(3,131,088)	0
Transfers from other funds	1,962,434	2,400,000	1,050,000	0	886,699	6,299,133	39,437
Gross receipts taxes received	0	1,137,985	0	2,091,183	0	3,229,168	0
Cash received from short-term interfund loans	187,569	0	0	0	0	187,569	0
Cash paid on short-term interfund loans	(187,568)	0	0	(249,066)	0	(436,634)	0
Cash received from judgements and settlements	0	210,078	0	420,155	0	630,233	0
<b>NET CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES</b>	<b>1,384,347</b>	<b>3,779,871</b>	<b>3,907,350</b>	<b>21,045,863</b>	<b>840,196</b>	<b>30,957,627</b>	<b>39,437</b>
<b>CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Cash received from capital grants	609,502	0	469,784	0	251,483	1,330,769	0
Proceeds received from loans	6,401,417	0	0	0	0	6,401,417	0
Principal repaid	(2,998,432)	(241,715)	0	0	0	(3,240,147)	0
Special closure costs paid	1,548,885	0	0	0	0	1,548,885	0
Interest and other debt service paid	(907,765)	(85,270)	0	0	0	(993,035)	0
Cash paid for acquisition of capital assets	(12,008,133)	(17,928)	(469,784)	(346,994)	(61,500)	(12,904,339)	(645,268)
Proceeds from sale of capital assets	(2,797,472)	0	0	0	0	(2,797,472)	532,075
<b>NET CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(10,151,998)</b>	<b>(344,913)</b>	<b>0</b>	<b>(346,994)</b>	<b>189,983</b>	<b>(10,653,922)</b>	<b>(113,193)</b>
<b>CASH FLOWS - INVESTING ACTIVITIES</b>							
Loss on investments	(927,450)	(61,700)	(66,290)	0	(19,941)	(1,075,381)	(507,107)
<b>NET CASH FLOWS - INVESTING ACTIVITIES</b>	<b>(927,450)</b>	<b>(61,700)</b>	<b>(66,290)</b>	<b>0</b>	<b>(19,941)</b>	<b>(1,075,381)</b>	<b>(507,107)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>672,450</b>	<b>2,873,406</b>	<b>(346,719)</b>	<b>0</b>	<b>461,688</b>	<b>3,660,825</b>	<b>1,479,689</b>
<b>EQUITY IN POOLED CASH AND INVESTMENTS - BEGINNING OF FISCAL YEAR</b>	<b>37,125,533</b>	<b>2,332,380</b>	<b>2,729,493</b>	<b>0</b>	<b>666,630</b>	<b>42,854,036</b>	<b>17,389,709</b>
<b>EQUITY IN POOLED CASH AND INVESTMENTS - END OF FISCAL YEAR</b>	<b>\$ 37,797,983</b>	<b>5,205,786</b>	<b>2,382,774</b>	<b>0</b>	<b>1,128,318</b>	<b>46,514,861</b>	<b>18,869,398</b>

(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**

<b>OPERATING INCOME(LOSS)</b>	\$	6,304,134	(542,959)	(4,207,284)	1,399,557	(1,163,891)	1,789,557	(419,884)
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FLOWS - OPERATING ACTIVITIES</b>								
Depreciation and amortization expense		6,450,045	188,391	178,245	764,996	587,501	8,169,178	2,242,929
Operating grants included in operating revenues		0	0	0	(21,083,369)	0	(21,083,369)	0
Amortization of special closure costs		1,254,742	0	0	0	0	1,254,742	0
Provision for uncollectible accounts receivable		49,915	2,162	0	55,321	0	107,398	0
Change in assets and liabilities:								
Accounts and other receivables		(522,533)	(1,309)	0	(117,211)	(4,102)	(645,155)	(10,380)
Inventories		(727,944)	0	0	0	0	(727,944)	0
Prepayments and other		18,664	0	0	0	0	18,664	0
Accounts and retentions payable		(1,844,726)	(75,990)	(16,348)	(430,663)	29,205	(2,338,522)	80,497
Salaries and benefits payable		212,569	(63,550)	(142,392)	(1,287,500)	2,737	(1,278,136)	(65,423)
Other current liabilities		(807,146)	1,300	0	0	0	(805,846)	0
Claims and judgements payable		0	0	0	0	0	0	232,813
Due to other governments		(20,169)	(7,897)	0	0	0	(28,066)	0
<b>Total adjustments</b>		<b>4,063,417</b>	<b>43,107</b>	<b>19,505</b>	<b>(22,098,426)</b>	<b>615,341</b>	<b>(17,357,056)</b>	<b>2,480,436</b>
<b>NET CASH FLOWS - OPERATING ACTIVITIES</b>	\$	<b>10,367,551</b>	<b>(499,852)</b>	<b>(4,187,779)</b>	<b>(20,698,869)</b>	<b>(548,550)</b>	<b>(15,567,499)</b>	<b>2,060,552</b>

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

**NON CASH TRANSACTIONS:**

Asset transfers - proprietary funds	\$	(324,088)	(3,795)	(469,784)	0	0	(797,667)	473,579
Change in due from other governments (capital grant receivable)		0	0	0	0	(71,947)	(71,947)	0
Contributed capital assets - governmental activities		0	0	0	0	0	0	78,243
<b>TOTAL NON CASH TRANSACTIONS</b>	\$	<b>(324,088)</b>	<b>(3,795)</b>	<b>(469,784)</b>	<b>0</b>	<b>(71,947)</b>	<b>(869,614)</b>	<b>551,822</b>



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, 2022**

	<b>PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS</b>	<b>CUSTODIAL FUNDS</b>
<b>ASSETS</b>		
Cash and cash equivalents	0	208,620
Receivables, net of allowance for uncollectibles:		
Employee loans	1,553,794	0
Property taxes	0	314,568
Others	0	313
Total receivables	<u>1,553,794</u>	<u>314,881</u>
Investments at fair value:		
Participant directed mutual funds	57,160,702	0
Total investments	<u>57,160,702</u>	<u>0</u>
Due from other funds	248,150	0
<b>TOTAL ASSETS</b>	<u><b>58,962,646</b></u>	<u><b>523,501</b></u>
<b>LIABILITIES</b>		
Accounts payable and other liabilities	30,273	0
Pension loan payable	0	0
Due to other funds	228,278	0
Property tax payable	0	0
<b>TOTAL LIABILITIES</b>	<u><b>258,551</b></u>	<u><b>0</b></u>
<b>NET POSITION</b>		
Restricted for:		
Pensions	58,704,095	0
Individuals, organizations, and other governments	0	431,038
Employee fund	0	22,573
Recreation programs	0	43,109
Utility assistance program	0	26,781
<b>TOTAL NET POSITION</b>	<u><u><b>58,704,095</b></u></u>	<u><u><b>523,501</b></u></u>

**INCORPORATED COUNTY OF LOS ALAMOS**  
**FIDUCIARY FUNDS**  
**STATEMENT OF CHANGES IN NET POSITION**  
**Year Ended June 30, 2022**

	<b>PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS</b>	<b>CUSTODIAL FUNDS</b>
<b>ADDITIONS</b>		
Contributions:		
Employer, net of forfeitures	3,756,070	0
Employees (plan member)	433,539	0
Customers	0	12,497
Property tax received	0	35,408,893
Donations for recreation programs	0	503
Employee fund	0	22,573
Total contributions	<u>4,189,609.00</u>	<u>35,444,466</u>
Investment earnings:		
Net increase in fair value of investments	(12,911,509)	0
Sales tax collections for other governments	0	2,417,286
Fee collections for other governments	0	10,515
<b>TOTAL ADDITIONS</b>	<u><b>(8,721,900.00)</b></u>	<u><b>37,872,267</b></u>
<b>DEDUCTIONS</b>		
Benefits paid to participants or beneficiaries	5,553,547	19,064
Administrative expense	56,033	0
Payment to State	0	2,431,237
Property tax payment	0	35,307,192
Employee fund	0	22,592
<b>TOTAL DEDUCTIONS</b>	<u><b>5,609,580</b></u>	<u><b>37,780,085</b></u>
Net increase (decrease) in fiduciary net position	(14,331,480.00)	92,182
<b>NET POSITION</b>		
Beginning of fiscal year	<u>73,035,575</u>	<u>431,319</u>
<b>NET POSITION - END OF FISCAL YEAR</b>	<u><b>58,704,095</b></u>	<u><b>523,501</b></u>

# Index to Notes to Financial Statements

	<b>Page Number</b>
(1) Summary of Significant Accounting Policies	67-78
(2) Stewardship, Compliance and Accountability	78-79
(3) Pooled Cash and Investments	80-83
(4) Accounts Receivable and Short-Term Leases	84
(5) Loans Receivable	85-86
(6) Interfund Transfers, Assets, and Liabilities	87-88
(7) Capital Assets	88-91
(8) Retirement and Deferred Compensation Plans	91-104
(9) Long-term Obligations	104-110
(10) Power Supply	110-111
(11) Resource Pool	111-112
(12) Special Closure Costs	112-114
(13) Risk Management	114-117
(14) Financial Assistance	117
(15) Commitments and Contingencies	117-119
(16) Economic Dependency	119
(17) Certain Asset Retirement Obligations	119
(18) Tax Abatements	120
(19) Conduit Debt	120
(20) Leases Receivable	120-124
(21) Leases Payable	125-130
(22) Subsequent Events	130

# INCORPORATED COUNTY OF LOS ALAMOS

## NOTES TO FINANCIAL STATEMENTS

June 30, 2022

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### (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 2022, 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 leases, interest cost incurred during construction and interbank offered rates:

- GASB Statement No. 87 (GASB 87), “Leases”
- GASB Statement No. 89 (GASB 89), “Accounting for Interest Cost Incurred before the End of a Construction Period”
- GASB Statement No. 93 (GASB 93), “Replacement of Interbank Offered Rates”

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. The County has implemented GASB 87 as it is effective in fiscal year 2022.

In fiscal year 2022, the County has reported lease receivable of \$21,559,385 in the governmental activities. The County has also reported right to use assets for buildings, net of amortization, of \$260,569 in the governmental activities and \$864,915 in the business-type activities. The County has reported a right to use asset for machinery and equipment, net of amortization, in the governmental activities of \$127,928. The lease liability for the County is \$393,355 for governmental activities and \$876,307 for business-type activities. A deferred inflow of resources in the amount of \$21,347,935 has also been recorded for governmental activities.

GASB 89 simplifies accounting for interest cost incurred before the end of a construction period and enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period by establishing accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The County is in compliance with this Statement and has been reporting interest costs that incurred before the end of a construction period as an expense in the period in which the cost is incurred for financial statement reporting purposes.

GASB 93 addresses agreements some governments have entered into in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is being phased out and being replaced with Alternative Reference Rates (ARRs), prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. GASB 93 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, the COVID-19 and American Rescue Plan Act 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, 2022. 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, 2022.

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 \$558 per year of service for active Fire Department employees at June 30, 2022, and approximately \$393 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**

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 2022, the County Council and the New Mexico Department of Finance and Administration approved a total of approximately \$89.5 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: 22.2 million for Utilities projects and increases in Other Purchased Power, \$11 million from a Taxation and Revenue Settlement, \$15.2 for the Wastewater Project, \$22.7 million in encumbrance carryovers, \$7.7 million in available budget carryovers and \$10.7 million in other budget increases. For the fiscal year ended June 30, 2022 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, 2022, the Fire Fund, a major proprietary fund, reported a deficit net position of \$44,919,638. 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 \$130,621. 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		15,459,415
Cash equivalents		6,810,582
Book value of investments		<u>230,920,595</u>
Total reported in notes to financial statements	\$	<u><u>253,195,292</u></u>
Government-wide Statement of Net Position:		
Equity in pooled cash and investments	\$	133,834,157
Investments		32,645,754
Restricted assets-Cash & Cash Equivalents		29,346,059
Restricted assets-Investments		
Custodial Funds:		
Equity in pooled cash and investments		208,620
Investments (mutual funds), at fair value		<u>57,160,702</u>
Total reported in financial statements	\$	<u><u>253,195,292</u></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, 2022 the County had deposits with bank balances of \$15,459,415 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, 2022 are presented below using the Standard and Poor's rating scale:

<u>Investment Type</u>	Fair	Net Asset	Quality Ratings		
	Value	Value	AAAm	AA+	A
U.S. Government Agencies	\$ 7,677,840		7,677,840	0	0
U.S Treasuries	88,255,515		88,255,515	0	0
<u>Unrated investments:</u>					
New Mexico State Investment Council	53,326,538				
NM Local Government Investment Pool	24,500,000				
Exempt from credit risk disclosure:					
LAC Pension	57,160,702				
Total Investments	\$ 230,920,595	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	\$ 7,677,840	1,982,000	5,695,840	0	0
U.S Treasuries	88,255,515	21,750,260	66,505,255	0	0
	95,933,355	23,732,260	72,201,095	0	0
<u>Other Investments</u>					
New Mexico State Investment Council	53,326,538				
NM Local Government Investment Pool	24,500,000				
LAC Pension Plan	57,160,702				
Total Investments	\$ 230,920,595				

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, 2022 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, 2022 (not inclusive of the pension fund which is disclosed separately) are as follows:

Issuer	Investment Type	Amount	% of Total Government-wide Investments
FNMA	Federal agency securities	\$ 5,695,840	3.2%
FFCB	Federal agency securities	1,982,000	1.1%
U.S TREAS	U.S Treasuries securities	88,255,515	50.3%

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, 2022 are as follows:

	Fair Value Measurements Using			
	6/30/2022	Level 1	Level 2	Level 3
<b>Investments by fair value level</b>				
U.S. Agencies Securities	\$ 7,677,840	7,677,840	0	0
U.S. Treasuries Securities	88,255,515	88,255,515	0	0
New Mexico State Investment Council	53,326,538	28,760,940	24,565,598	0
NM Local Government Investment Pool	24,500,000	24,500,000	0	0
Alliance Benefit Group - LAC Pension Plan	57,160,702	54,302,667	2,858,035	0
<b>Total investments by fair value level</b>	<b>\$ 230,920,595</b>	<b>203,496,962</b>	<b>27,423,633</b>	

**(4) ACCOUNTS RECEIVABLE AND SHORT-TERM LEASES**

Accounts receivable balances at June 30, 2022, net of applicable allowances for uncollectible accounts, are as follows:

	Accounts Receivable	Allowance for Doubtful Accounts	Net
<b>Governmental activities:</b>			
General	\$ 1,251,179	(28,940)	1,222,239
Economic Development Capital Improvement Projects	3,869	0	3,869
Other Governmental	147,329	(147,329)	0
	35,907	0	35,907
<b>Total governmental activities</b>	<b>1,438,284</b>	<b>(176,269)</b>	<b>1,262,015</b>
<b>Business-type activities:</b>			
Joint Utility System	7,339,704	(57,708)	7,281,996
Airport	6,289	(97)	6,192
Environmental Services	334,410	(13,645)	320,765
Fire	1,610,299	(965,875)	644,424
Internal Service	15,968	(3,650)	12,318
<b>Total business-type activities</b>	<b>9,306,670</b>	<b>(1,040,975)</b>	<b>8,265,695</b>
<b>Totals</b>	<b>\$ 10,744,954</b>	<b>(1,217,244)</b>	<b>9,527,710</b>

On the Government-wide Statement of Net Position an additional \$228,278 due from the Pension Trust Fund is classified as pension forfeitures receivable.

The County leases land under non-cancelable lease 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, 2022:

Fiscal Year Ending	Amount
June 30, 2022	
2022	\$ 308,653
2023	300,487
2024	294,134
2025	296,700
2026	295,004
Thereafter	13,086,028
	<b>\$ 14,581,006</b>

## (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, 2022 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 FY2010, Elemetric made \$14,303 of payments including interest. No payments have been made since FY2011. 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, 2022 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, 2022 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 payment from UbiQD in FY2022 was \$46,429.00.

The detail of the loan receivable balances at June 30, 2022, is as follows:

Principal, economic development loans:	
UbiQD	\$ 286,310
Elemetric Instruments Inc (formerly Advanced Realtime Technologies, LLC)	51,170
Avanza Technologies, Inc.	227,944
Subtotal economic development loans	<u>565,424</u>
Less: Reserve for loan losses	(279,114)
UbiQD principal payment in FY22	<u>(46,429)</u>
Total loans receivable, net of reserve for loan losses (as reflected in Economic Development Fund)	<u>239,881</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, 2022 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 - 8	-
Loan No. FY2016 - 10	15,436
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. 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	14,294
Loan No. FY2020 - 3	25,965
Loan No. FY2020 - 4	23,453
Loan No. FY2020 - 5	44,159
Loan No. FY2020 - 6	21,600
Loan No. FY2020 - 7	19,078
Loan No. FY2020 - 8	22,300
Loan No. FY2020 - 9	45,000
Loan No. FY2021 - 1	17,650
Loan No. FY2021 - 2	24,800
Loan No. FY2021 - 3	25,500
Loan No. FY2021 - 4	16,600
Loan No. FY2021 - 5	22,150
Subtotal economic development loans	<u>707,762</u>
Less: Discounts on economic development loans	-
Less: Reserve for loan losses	<u>-</u>
Total loans receivable, net of reserve for loan losses (as reflected in Economic Development Fund)	<u><u>707,762</u></u>

Principal, home buyer assistance program loans:	
Loan No. FY2018 - 1	\$ 11,700
Loan No. FY2018 - 2	21,650
Loan No. FY2018 - 5	17,500
Loan No. FY2018 - 6	14,999
Loan No. FY2018 - 8	19,500
Loan No. FY2018 - 9	-
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	-
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
Loan No. FY2021 - 4	25,000
Loan No. FY2022 - 1	25,000
Loan No. FY2022 - 2	25,000
Subtotal economic development loans	<u>413,699</u>
Less: Discounts on economic development loans	-
Less: Reserve for loan losses	<u>-</u>
Total loans receivable, net of reserve for loan losses (as reflected in Economic Development Fund)	<u><u>413,699</u></u>

**(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, 2022 are:

Transfers in (from other funds)	Transfers out (to other funds)							
	General	Emergency Declarations	Capital Projects Permanent	Joint Utility System	Environmental Services	Fire	Transit	Total
General	\$ 0	440,718	0	0	0	2,553,000	0	2,993,718
Economic Development	1,600,000	0	0	0	0	0	0	1,600,000
Emergency Declarations	250,000	0	0	0	0	0	0	250,000
Capital Improvement Projects	12,435,042	0	1,439,845	0	0	0	0	13,874,887
Capital Projects Permanent	0	0	0	0	0	0	0	0
Joint Utility System	250,000	1,134,346	0	578,088	0	0	0	1,962,434
Environmental Services	2,400,000	0	0	0	0	0	0	2,400,000
Transit	1,050,000	0	0	0	0	0	0	1,050,000
Fire	0	0	0	0	0	0	0	0
Airport	784,063	102,636	0	0	0	0	0	886,699
Internal Service	37,122	2,315	0	0	3,795	0	469,784	513,016
Other Governmental	5,307,743	0	0	0	0	0	0	5,307,743
	<u>\$ 24,113,970</u>	<u>1,680,015</u>	<u>1,439,845</u>	<u>578,088</u>	<u>3,795</u>	<u>2,553,000</u>	<u>469,784</u>	<u>30,838,497</u>
Capital assets were transferred into (out of) the following funds from (to) governmental activities:								
Internal Service	\$ 78,243							
Total	<u>\$ 78,243</u>							

**Interfund assets and liabilities:**

An advance from the General Fund to the Airport Fund for construction projects was recorded in FY2010 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, 2022 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, 2022 are presented below:

Due to other funds	Due from other funds		
	General	Pension	Total
General	\$ 0	248,150	248,150
Capital Projects Permanent Fund	734,379		734,379
Fire	1,138,094	0	1,138,094
Pension Trust	228,278	0	228,278
	<u>\$ 2,100,751</u>	<u>248,150</u>	<u>2,348,901</u>

## **(7) CAPITAL ASSETS AND INTANGIBLE RIGHT-TO-USE ASSETS**

The County capitalized approximately \$36.2 million in capital assets including amounts capitalized from construction work in progress (CWIP). Of those capital assets, \$18 million were additions to governmental activities and \$18.2 million were additions to business-type activities. In addition, during FY2022, the County added approximately \$23.3 million in new construction in progress, \$11.3 million in governmental activities capital assets and \$12 million in business-type activities capital assets. Machinery and equipment in the amount of \$78,243 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.

Total Intangible right-to-use assets recognized by the County on July 1, 2021 to implement GASB 87 is \$1,037,899: \$342,985 is for governmental lease assets, and \$1,037,899 is for business-type lease assets.

Capital asset activity for the year ended June 30, 2022 was as follows:

	June 30, 2021 Balance	Additions	Disposals	Donations, Transfers and Adjustments	June 30, 2022 Balance
<b>Governmental activities capital assets:</b>					
Capital assets, not being depreciated:					
Land	\$ 40,318,380	0	0	0	40,318,380
Right of way land	17,993,250	0	0	0	17,993,250
Art and historic treasures	1,669,014	35,485	0	0	1,704,499
Construction in progress	5,556,187	11,259,825	(6,450,680)	0	10,365,332
Total capital assets, not being depreciated	65,536,831	11,295,310	(6,450,680)	0	70,381,461
Capital assets, being depreciated					
Buildings	143,854,418	0	0	0	143,854,418
Improvements other than buildings	26,953,701	4,634,951	0	0	31,588,652
Machinery and equipment	21,947,702	859,467	(886,535)	(78,243)	21,842,391
Infrastructure	194,779,125	1,203,614	0	0	195,982,739
Capital assets, being depreciated	387,534,946	6,698,032	(886,535)	(78,243)	393,268,200
Less accumulated depreciation for:					
Buildings	(38,009,023)	(2,911,155)	0	0	(40,920,178)
Improvements other than buildings	(11,307,841)	(1,215,668)	0	0	(12,523,509)
Machinery and equipment	(11,788,341)	(1,770,910)	823,501	0	(12,735,750)
Infrastructure	(120,702,605)	(3,419,552)	0	0	(124,122,157)
Total accumulated depreciation	(181,807,810)	(9,317,285)	823,501	0	(190,301,594)
Total capital assets, being depreciated, net	205,727,136	(2,619,253)	(63,034)	(78,243)	202,966,606
<b>Total governmental activities capital assets</b>	<b>\$ 271,263,967</b>	<b>8,676,057</b>	<b>(6,513,714)</b>	<b>(78,243)</b>	<b>273,348,067</b>
<b>Business-type activities capital assets:</b>					
Capital assets, not being depreciated:					
Land	\$ 8,427,544	0	0	0	8,427,544
Construction in progress	13,307,667	12,063,686	(8,042,178)	0	17,329,175
Total capital assets, not being depreciated	21,735,211	12,063,686	(8,042,178)	0	25,756,719
Capital assets, being depreciated					
Buildings	24,993,055	61,500	0	0	25,054,555
Improvements other than buildings	18,210,971	0	0	0	18,210,971
Utility plant in service	330,999,666	4,509,948	(321,069)	0	335,188,545
Machinery and equipment	38,351,037	1,598,571	(1,471,174)	78,243	38,556,677
Capital assets, being depreciated	412,554,729	6,170,019	(1,792,243)	78,243	417,010,748
Less accumulated depreciation for:					
Buildings	(8,595,111)	(653,322)	0	0	(9,248,433)
Improvements other than buildings	(9,660,793)	(594,590)	0	0	(10,255,383)
Utility plant in service	(175,019,544)	(6,450,043)	208,984	0	(181,260,603)
Machinery and equipment	(22,091,389)	(2,714,150)	1,431,806	0	(23,373,733)
Total accumulated depreciation	(215,366,837)	(10,412,105)	1,640,790	0	(224,138,152)
Total capital assets, being depreciated, net	197,187,892	(4,242,086)	(151,453)	78,243	192,872,596
<b>Total business-type activities capital assets</b>	<b>\$ 218,923,103</b>	<b>7,821,600</b>	<b>(8,193,631)</b>	<b>78,243</b>	<b>218,629,315</b>

Depreciation expense for the year ended June 30, 2022 was as follows:

Depreciation expense was charged to governmental activities as follows:	
General government	\$ 1,370,933
Public safety	807,493
Transportation	5,439,233
Culture and recreation	1,699,626
Total depreciation expense - governmental activities	<u>\$ 9,317,285</u>
Depreciation expense was charged to business-type activities as follows:	
Joint Utility Fund	
Electric	\$ 3,193,646
Gas	398,369
Water	2,004,830
Wastewater	853,198
Environmental Services	188,391
Transit	178,245
Fire	764,996
Airport	587,501
Equipment - Internal Service	2,242,929
Total depreciation expense - business-type activities	<u>\$ 10,412,105</u>

Intangible right-to-use asset activity for the year ended June 30, 2022 was as follows:

	June 30, 2021				June 30, 2022
	Balance	Additions	Disposals	Adjustments	Balance
<b>Governmental activities lease assets:</b>					
Lease assets, being amortized:					
Buildings	169,188	187,229			356,416
Machinery and equipment	173,798				173,798
Lease assets, being amortized	<u>342,985</u>	<u>187,229</u>			<u>530,214</u>
Less accumulated amortization for:					
Buildings		(95,848)			(95,848)
Machinery and equipment		(45,870)			(45,870)
Total accumulated amortization		<u>(141,718)</u>			<u>(141,718)</u>
Total Lease assets, being amortized, net	<u>342,985</u>	<u>45,511</u>			<u>388,497</u>
<b>Total governmental activities lease assets</b>	<b>\$ <u>342,985</u></b>	<b><u>45,511</u></b>			<b><u>388,497</u></b>
<b>Business-type activities lease assets:</b>					
Lease assets, being amortized:					
Buildings	1,037,899				1,037,899
Lease assets, being amortized	<u>1,037,899</u>				<u>1,037,899</u>
Less accumulated amortization for:					
Buildings		(172,983)			(172,983)
Total accumulated amortization		<u>(172,983)</u>			<u>(172,983)</u>
Total Lease assets, being amortized, net	<u>1,037,899</u>	<u>(172,983)</u>			<u>864,915</u>
<b>Total business-type activities lease assets</b>	<b>\$ <u>1,037,899</u></b>	<b><u>(172,983)</u></b>			<b><u>864,915</u></b>

Amortization expense for the year ended June 30, 2022 was as follows:

Amortization expense was charged to governmental activities as follows:	
General government	\$
Transportation	95,848
Health and Welfare	45,870
Total amortization expense - governmental activities	\$ <u>141,718</u>
Amortization expense was charged to business-type activities as follows:	
Fire	\$ 172,983
Total amortization expense - business-type activities	\$ <u>172,983</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, 2021 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 FY2021 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures of the PERA FY2021 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 \$5,638,871 and employer paid member benefits that were “picked up” by the County were \$36,121 for the year ended June 30, 2022. The County’s total contributions to PERA for the years ended June 30, 2022, 2021, and 2020 were \$5,959,393, \$5,644,520, and \$5,444,213, 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, 2020. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2021, using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date June 30, 2021. It is also important to note that in prior years, the County’s General Fund has been used to liquidate pension liabilities.

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, 2021. Only employer contributions for the pay period end dates that fell within the period of July 1, 2020 to June 30, 2021 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY2021 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, 2022, the County recognized PERA All Plans combined net pension expense of \$5,959,393. At June 30, 2022, 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	\$ 1,957,223	\$ (182,369)
Changes of assumptions	20,343	0
Net difference between projected and actual earnings on pension plan investments	0	(23,166,472)
Changes in proportion and differences between County contributions and proportionate share of contributions	2,240,138	(4,532,058)
County contributions subsequent to measurement date	5,959,393	0
Totals	\$ 10,177,097	\$ (27,880,899)

Year ended June 30	
2021	(5,818,472)
2022	(3,843,318)
2023	(4,511,918)
2024	(9,489,487)
Thereafter	\$ 0

For the PERA Municipal General Division, at June 30, 2022, the County reported a liability of \$37,158,927 for its proportionate share of the net pension liability. At June 30, 2022, the County's proportion was 3.2981 percent, which was an increase from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the County recognized PERA Municipal General Division net pension expense of \$2,966,032. At June 30, 2022, the County reported PERA Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

<u>PERA Municipal General Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 925,017	\$ (127,220)
Changes of assumptions	12,218	0
Net difference between projected and actual earnings on pension plan investments	0	(15,270,185)
Changes in proportion and differences between County contributions and proportionate share of contributions	1,981,303	(1,645,037)
County contributions subsequent to measurement date	2,966,032	0
Totals	<u>\$ 5,884,570</u>	<u>\$ (17,042,442)</u>

The amount of \$2,966,032 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date June 30, 2021, were recognized as a reduction of the net pension liability in the year ended June 30, 2022. 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:

<u>Year ended June 30</u>		
2021	\$	(2,971,406)
2022		(2,027,162)
2023		(2,859,984)
2024		(6,265,352)
Thereafter	\$	0

For PERA Municipal Police Division, at June 30, 2022, the County reported a liability of \$5,778,471 for its proportionate share of the net pension liability. At June 30, 2022, the County's proportion was 1.1173 percent, which was a decrease from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the County recognized PERA Municipal Police Division net pension expense of \$1,392,793. At June 30, 2022, 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	\$ 436,862	\$ 0
Changes of assumptions	2,250	0
Net difference between projected and actual earnings on pension plan investments	0	(2,094,619)
Changes in proportion and differences between County contributions and proportionate share of contributions	254,003	(137,914)
County contributions subsequent to measurement date	699,678	0
<b>Totals</b>	<b>\$ <u>1,392,793</u></b>	<b>\$ <u>(2,232,533)</u></b>

The amount of \$1,392,793 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date June 30, 2021, 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:

<u>Year ended June 30</u>		
2021	\$	(173,920)
2022		(170,753)
2023		(340,489)
2024		(854,256)
Thereafter	\$	0

For PERA Municipal Fire Division, at June 30, 2022, the County reported a liability of \$39,736,064 for its proportionate share of the net pension liability. At June 30, 2022, the County's proportion was 6.5852 percent, which was a decrease from its proportion measured as of June 30, 2021.



For the year ended June 30, 2022, the County recognized PERA Municipal Fire Division net pension expense of \$2,899,734. At June 30, 2022, the County reported PERA Municipal Fire Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

<u>PERA Municipal Fire Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 595,344	\$ (55,149)
Changes of assumptions	5,875	0
Net difference between projected and actual earnings on pension plan investments	0	(5,801,668)
Changes in proportion and differences between County contributions and proportionate share of contributions	4,832	(2,749,107)
County contributions subsequent to measurement date	2,293,683	0
Totals	<u>\$ 2,899,734</u>	<u>\$ (8,605,924)</u>

The amount of \$2,899,734 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date June 30, 2021, were recognized as a reduction of the net pension liability in the year ended June 30, 2022. 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:

<u>Year ended June 30</u>		
2021	\$	(2,673,146)
2022		(1,645,403)
2023		(1,311,445)
2024		(2,369,879)
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, 2020 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, 2021 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, 2021. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2021 actuarial valuation.

Actuarial valuation date	June 30, 2021
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	25 years
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 GASB 68. 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%)
<b>PERA Municipal General Division:</b> County's proportionate share of the net pension liability	\$ 66,654,936	\$ 37,158,927	\$ 12,691,120
<b>PERA Municipal Police Division:</b> County's proportionate share of the net pension liability	10,116,552	5,778,471	2,228,482
<b>PERA Municipal Fire Division:</b> County's proportionate share of the net pension liability	54,854,650	39,736,064	27,310,711

*Pension plan fiduciary net position:* Detailed information about the pension plan's fiduciary net position is available in the FY2021 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, 2022 were \$4,189,609 (\$433,539 participant; and \$3,756,070 County, net of forfeitures of \$144,759). 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, 2022 were \$56,031, which included allocated audit fees of \$5,108, trustee fees of \$49,056, and legal fees of \$1,867. Plan investments at June 30, 2022, stated at fair value, based on the funds' share price are shown in the following table:

Mutual funds at fair value:	
American Funds	\$ 3,349,220
Pacific Investment	2,801,899
T. Rowe Price Blue Chip Growth	10,067,470
AB Relative	7,865,475
Parnassus	83,343
Baird	1,841,273
Wilmington Trust	31,151,177
Cash held for investments	845
	<hr/>
Total investments	<u><u>\$ 57,160,702</u></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 \$23,522 for the fiscal year ended June 30, 2022.

### **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, 2022, the Fund's measurement date, the following employees were covered by the benefit terms:

<b>Plan Membership</b>	
Current retirees and surviving spouses	53,092
Inactive and eligible for deferred benefit	11,751
Current active members	92,484
	157,327
 <b>Active membership</b>	
State general	18,691
State police and corrections	1,919
Municipal general	20,357
Municipal police	1,573
Municipal FTRE	756
Educational Retirement Board	49,188
	92,484

**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 \$932,421 for the year ended June 30, 2022.

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

At June 30, 2022, the County reported a liability of \$31,079,328 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, 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, 2021. At June 30, 2021, the County's proportion was 0.94456 percent. It is also important to note that in prior years, the County's General Fund has been used to liquidate OPEB liabilities.

For the year ended June 30, 2022, the County recognized OPEB income of \$3,857,369. At June 30, 2022 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	\$ 454,421	\$ (4,956,506)
Changes of assumptions	6,222,369	(11,236,279)
Differences between actual and projected earnings on OPEB plan investments	0	(890,863)
Changes in proportion	2,013,751	(3,610,330)
County contributions made after the measurement date	932,421	0
<b>Totals</b>	<b>\$ 9,622,962</b>	<b>\$ (20,693,978)</b>

Deferred outflows of resources totaling \$932,421 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, 2022. 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:

Year ended June 30		
2022	\$	(4,938,111)
2023		(3,383,239)
2024		(2,178,052)
2025		(501,052)
2026		(1,002,983)
Thereafter	\$	0

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

Actuarial valuation date	June 30, 2021
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	2.30% for ERB; 2.5% for PERA
Projected payroll increases	3.25% to 13.00%, based on years of service, including inflation
Investment rate of return	7.00%, 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	0.4%
U.S. equity - large cap	6.6%
Non U.S. - emerging markets	9.2%
Non U.S. - developed equities	9.3%
Private equity	10.6%
Credit and structured finance	3.1%
Real estate	3.7%
Absolute return	2.5%
U.S. equity - small/mid cap	6.6%

**Discount Rate.** The discount rate used to measure the total OPEB liability is 3.62% as of June 30, 2021. 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 Authority'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, 2052. The 7.00% discount rate, which includes the assumed inflation rate of 2.30% for ERB members and 2.50% for PERA members, was used to calculate the net OPEB liability through 2052. Beyond 2052, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (2.16%) was applied. Thus, 3.62% 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 (2.62 percent) or 1-percentage-point higher (4.62 percent) than the current discount rate:

1% Decrease (2.62%)	Current Discount Rate (3.62%)	1% Increase (4.62%)
\$39,050,449	\$31,079,328	\$24,878,670



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 Rate</u>	<u>1% Increase</u>
\$24,997,792	\$31,079,328	\$35,976,790

**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, 2021.

**Payable Changes in the Net OPEB Liability.** At June 30, 2022, the County reported a payable of \$67,303 for outstanding contributions due to NMRHCA for the year ended June 30, 2022.

## 9) LONG-TERM OBLIGATIONS

### A. Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Accrued compensated absences	\$ 4,158,192	1,961,931	2,000,128	4,119,995	2,807,790
Revenue bonds payable	30,699,707	0	4,134,281	26,565,426	3,545,000
Total governmental activities	<u>\$ 34,857,899</u>	<u>1,961,931</u>	<u>6,134,409</u>	<u>30,685,421</u>	<u>6,352,790</u>
Business-type activities:					
Accrued compensated absences	\$ 4,537,764	2,504,242	2,268,580	4,773,426	2,983,155
Claims and judgments	2,419,088	721,685	488,872	2,651,901	1,722,625
Revenue bonds payable	15,276,646	0	1,284,216	13,992,430	1,300,001
Contracts and intergovernmental debt	11,768,949	5,427,313	753,374	16,442,888	772,829
Special closure costs	12,795,925	(276,845)	58,077	12,461,003	58,077
	<u>\$ 46,798,372</u>	<u>8,376,395</u>	<u>4,853,119</u>	<u>50,321,648</u>	<u>6,836,687</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 \$190,436 and claims and judgments in the amount of \$2,651,901 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
2023	3,545,000	1,007,409
2024-2026	11,725,000	1,923,226
2027-2028	8,660,000	436,536
	<u>\$ 23,930,000</u>	<u>3,367,171</u>
2013 Series Principal	23,930,000	
Unamortized balances:		
Discounts and premiums	<u>2,635,426</u>	
	<u>\$ 26,565,426</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, 2022 are as presented below.**

Year ending June 30	2014A Series		2014B Series	
	Principal	Interest	Principal	Interest
2023	485,000	240,660	0	0
2024	515,000	215,925	0	0
2025	450,000	189,660	0	0
2026-2027	940,000	337,005	0	0
2028-2032	2,645,000	535,473	0	0
2033-2034	1,200,000	69,685	0	0
	<u>\$ 6,235,000</u>	<u>1,588,408</u>	<u>0</u>	<u>0</u>
2014A Series Principal	\$ 6,235,000			
2014B Series Principal	0			
Unamortized balances:				
Discounts and premiums	306,996			
Total payable	<u>\$ 6,541,996</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, 2022 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	
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	0	0	350,000	19,236	270,000	222,167	255,000	106,735	1,223,138
2026-2027	0	0	0	0	1,300,000	375,744	555,000	169,024	2,399,768
2028-2030	0	0	0	0	2,110,000	259,008	970,000	120,080	3,459,088
	<u>\$ 0</u>	<u>0</u>	<u>1,535,000</u>	<u>155,812</u>	<u>3,680,000</u>	<u>1,301,254</u>	<u>2,255,000</u>	<u>648,880</u>	<u>9,575,946</u>
2010A Series Principal	\$ 0								
2010B Series Principal	1,535,000								
2010C Series Principal	3,680,000								
2010D Series Principal	2,255,000								
Unamortized balances:									
Refunding costs	0								
Discounts and premiums	(19,566)								
Total payable	<u>\$ 7,450,434</u>								

#### D. Intergovernmental Notes Payable

##### **Business-type Activities**

Beginning in December 2005 through June 2022, the County entered into various agreements to borrow \$54,831,889 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.

WPF 4826: To construct a replacement effluent booster station at Overlook Park for irrigating the ball fields and park facilities. The agreement included a grant in the amount of \$480,000.

DW 5456: To finance the costs of designing and constructing a well house, pumps, and equipment for Otowi Well #2 and replacing the motor control center at Otowi Well #4. There is a component that is forgivable under the agreement and the amount for FY2022 is approximately \$14,273. The loan is to be repaid from existing Joint Utility System Revenues.

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	New Mexico Water Trust Board and New Mexico Finance Authority	New Mexico Water Trust Board and New Mexico Finance Authority	Totals
Loan Number	CWSRF 1438143	WPF 663	CWSRF 083	PP 3732	WPF 689	AFRA CWSRF 09	WPF 756	WPF 757	WPF 820	WPF 821	WPF 918	WPF 940	WPF 3557	WPF 4826	WD 5456	
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	Mar 2022	Mar 2020	
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	320,000	3,709,892	
Term of agreement, in years	20	20	20	15	20	20	20	20	20	20	20	20	20	20	25	
Interest rate	3%	-	2.38%	2.57%	-	2.56%	-	-	-	-	-	-	-	-	1.00%	
Administrative fee	-	0.25%	-	-	0.25%	0.44%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	-	
Payable in year ending 6/30/2023:																
Principal	404,319	3,300	-	244,664	4,128	12,096	7,420	2,515	30,993	7,008	28,064	9,424	2,654	16,243	-	772,828
Interest and/or admin fee	55,834	41	-	82,321	62	3,687	150	51	704	177	926	311	108	789	-	145,161
Total	460,153	3,341	-	326,985	4,190	15,783	7,570	2,566	31,697	7,185	28,990	9,735	2,762	17,032	-	917,989
Payable in year ending 6/30/2024:																
Principal	408,363	3,309	-	248,114	4,138	12,460	7,439	2,522	31,069	7,026	28,134	9,448	2,660	16,284	-	780,966
Interest and/or admin fee	51,790	34	-	78,871	52	3,324	131	44	627	160	856	287	102	749	-	137,027
Total	460,153	3,343	-	326,985	4,190	15,784	7,570	2,566	31,696	7,186	28,990	9,735	2,762	17,033	-	917,993
Payable in year ending 6/30/2025:																
Principal	412,446	3,317	-	252,058	4,148	12,833	7,458	2,528	31,144	7,043	28,204	9,472	2,667	16,325	-	789,643
Interest and/or admin fee	47,707	25	-	74,927	42	2,950	113	38	549	142	785	264	95	708	-	128,345
Total	460,153	3,342	-	326,985	4,190	15,783	7,571	2,566	31,693	7,185	28,989	9,736	2,762	17,033	-	917,988
Payable in five years ending 6/30/30:																
Principal	2,124,929	6,658	-	1,339,388	12,508	70,176	37,569	12,735	156,859	35,481	142,081	47,715	13,435	82,240	-	4,081,774
Interest and/or admin fee	175,837	25	-	295,537	63	8,739	282	96	1,573	446	2,866	962	374	2,925	-	489,725
Total	2,300,766	6,683	-	1,634,925	12,571	78,915	37,851	12,831	158,432	35,927	144,947	48,677	13,809	85,165	-	4,571,499
Payable in five years ending 6/30/2035:																
Principal	2,233,324	-	-	1,210,072	-	15,324	-	-	31,600	14,316	143,866	48,315	13,604	83,272	-	3,793,693
Interest and/or admin fee	67,444	-	-	97,869	-	459	-	-	79	53	1,080	363	205	1,892	-	169,444
Total	2,300,768	-	-	1,307,941	-	15,783	-	-	31,679	14,369	144,946	48,678	13,809	85,164	-	3,963,137
Payable in five years ending 6/30/2040:																
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	8,244	101,307	109,551
Interest and/or admin fee	-	-	-	-	-	-	-	-	-	-	-	-	-	41	888	929
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	8,285	102,195	110,480
<b>Total payable</b>																
Principal	5,583,381	16,584	4,687,172	3,294,296	24,922	122,889	59,886	20,300	281,665	70,874	370,349	124,374	43,264	315,671	1,427,261	16,442,888
Interest and/or admin fee	398,612	125	-	629,525	219	19,159	676	229	3,532	978	6,513	2,187	925	7,951	-	1,070,631
<b>Total</b>	<b>5,981,993</b>	<b>16,709</b>	<b>4,687,172</b>	<b>3,923,821</b>	<b>25,141</b>	<b>142,048</b>	<b>60,562</b>	<b>20,529</b>	<b>285,197</b>	<b>71,852</b>	<b>376,862</b>	<b>126,561</b>	<b>44,189</b>	<b>323,622</b>	<b>1,427,261</b>	<b>17,513,519</b>

## (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, 2022, the Formula Rate adjustment resulted in a 67.58 percent increase. This increase includes a significant amount of system upgrades. In addition to the annual increase, a change in the business processes has occur due to the Energy Imbalance Market and added financial losses.



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 \$999,610. 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, 2022, the County paid \$1,860,897 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 \$17,542 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 FY2022 was \$53,132. The County's contract with NORA includes a prepayment of approximately \$35,000 plus gross receipts taxes. Any remaining credit will be utilized in FY2023. 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 \$210,000 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 Fee 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, 2022, 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 \$24,227,903 during FY2022 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 FY2015, 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 two approved resources. One of which will provide 15 MWs of energy around-the-clock for 15 years. It started delivery on January 1, 2022. The other is intended to act as a San Juan Replacement for 25 MWs that will start flowing on October 1, 2022, thru June 30, 2025.

## **(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. As of June 30, 2022 the remaining long-term liability was \$1,103,468. 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 \$358,850 is reflected in restricted assets in the Environmental Services Fund as of June 30, 2022. 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; however, was extended to September 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 2022, \$188,400 was set aside for this San Juan decommissioning. As of June 30, 2022, \$6,327,975 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. A new study has been commissioned and hopefully the new curves will be known and adopted by the end of 2022.

## **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, with a funding expectation level of \$3,502,772 in FY2022. In fiscal year 2013, the County began funding a trust account as required for its share of the cost. As of June 30, 2022, the balance in this trust is \$3,937,846. 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. After COVID, inflation has been very high and the need for a new study was identified, and the process will commence in January of 2023. 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, 2022, the balance in this trust is \$1,033,637. 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 \$2,651,901 reported in the Risk Management Fund at June 30, 2022 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.

FY2022 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 Legally Described Real Property for Physical Damage or Destruction (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
Law Enforcement Liability for Sheriff	\$25,000	\$1,000,000 per occurrence, \$1,000,000 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
Airport Liability		\$2,000,000 per occurrence, \$2,000,000 per year in aggregate
Cyber Liability	\$25,000	\$3,000,000 per occurrence for media, privacy and cyber security, regulatory defense/fines, business interruption/extra expense, data recovery, extortion/ransomware, breach response/crisis management, \$15,000,000 per year in aggregate
Liquor Liability	\$2,500	\$1,000,000 per occurrence, \$1,000,000 per year in aggregate
Storage Tank Liability	\$5,000	\$3,000,000 per occurrence, \$3,000,000 per year in aggregate

Changes in the Risk Management Fund's claims liability amount in fiscal year 2021 and 2022 are summarized below.

	Group Insurance (Dental)	Medical Insurance	Unemployment Compensation	Workers Compensation	General Liability	Total
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
Current year claims, insurance, and changes in estimates	438,597	8,057,678	0	398,224	672,460	9,566,959
Claims and insurance payments	(440,597)	(7,767,678)	0	(398,224)	(727,647)	(9,334,146)
Claims liability, June 30, 2022	\$ 13,000	588,000	0	1,930,216	120,685	2,651,901

### 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, 2022 the estimated claims liability was \$588,000. 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 FY2022, the County recognized intergovernmental revenue of approximately \$21 million under the terms of this cooperative agreement.

Intergovernmental revenues of approximately \$2.3 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 FY2019 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, 2022 are as follows:

<b>Major Governmental Funds:</b>	
General Fund	\$ 4,486,517
Economic Development	-
Emergency Declarations	13,379
Capital Improvement Projects	4,806,586
Other Governmental	792,047
<b>Total Governmental Funds</b>	<b>10,098,529</b>
<b>Major Proprietary Funds:</b>	
Joint Utility System	9,550,436
Environmental Services	1,141,811
Transit	1,031,418
Fire	534,610
Airport	1,066,743
<b>Total Proprietary Funds</b>	<b>13,325,018</b>
<b>Internal Service Funds:</b>	
Equipment	712,442
Risk Management	24,632
<b>Total Internal Service Funds</b>	<b>737,074</b>
<b>Outstanding Encumbrances at June 30, 2022</b>	<b>\$ 24,160,621</b>

### 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. Short-Term 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, 2022 was \$651,900.

The future minimum lease payments under short-term leases as of June 30, 2022, are approximately as follows:

<u>Year ending June 30*</u>	<u>Amount</u>
2023	404,287
2024	339,426
2025	352,040
2026	358,397
2027	283,339
	<u>\$ 1,737,489</u>

## **(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, 2022, 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 2022, the County expensed amortization costs for \$618.7 million and adjust deferred outflows by this same amount. The unamortized balance as of June 30, 2022 was \$3,093,613.



**(18) TAX ABATEMENTS**

As of June 30, 2022, 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 were fully redeemed and are no longer be outstanding.

**(20) LEASES RECEIVABLE**

For the fiscal year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, 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. For additional information, refer to the disclosures below.

On July 1, 2021, Los Alamos County, NM entered into a 138 month lease as Lessor for the use of 2500 Trinity Drive - Courts. An initial lease receivable was recorded in the amount of \$1,188,872. As of June 30, 2022, the value of the lease receivable is \$1,109,576. The lessee is required to make monthly fixed payments of \$8,760. The lease has an interest rate of 1.6640%. The value of the deferred inflow of resources as of June 30, 2022, was \$1,085,493, and Los Alamos County recognized lease revenue of \$103,380 during the fiscal year. The lessee has 4 extension option(s), each for 60 months. The lessee had a termination period of 4 months as of the lease commencement.

On July 1, 2021, Los Alamos County, NM entered into a 306 month lease as Lessor for the use of LA Sombra Sub Division. An initial lease receivable was recorded in the amount of \$721,808. As of June 30, 2022, the value of the lease receivable is \$695,764. The lessee is required to make annual fixed payments of \$34,500. The lease has an interest rate of 2.3430%. The value of the deferred inflow of resources as of June 30, 2022, was \$693,502, and Los Alamos County recognized lease revenue of \$28,306 during the fiscal year. The lessee has 2 extension option(s), each for 120 months.

On July 1, 2021, Los Alamos County, NM entered into a 77 month lease as Lessor for the use of North Mesa No.1 . An initial lease receivable was recorded in the amount of \$79,864. As of June 30, 2022, the value of the lease receivable is \$67,733. The lessee is required to make monthly fixed payments of \$1,075. The lease has an interest rate of 1.1380%. The value of the deferred inflow of resources as of June 30, 2022, was \$67,418, and Los Alamos County recognized lease revenue of \$12,446 during the fiscal year.

On July 1, 2021, Los Alamos County, NM entered into a 764 month lease as Lessor for the use of Smiths Trinity Site Lease. An initial lease receivable was recorded in the amount of \$18,329,822. As of June 30, 2022, the value of the lease receivable is \$18,218,534. The lessee is required to make monthly fixed payments of \$43,092. The lease has an interest rate of 2.4250%. The value of the deferred inflow of resources as of June 30, 2022, was \$18,042,282, and Los Alamos County recognized lease revenue of \$287,539 during the fiscal year. Los Alamos County has also entered into a sub-lease agreement with Los Alamos Public Schools (LAPS). Per the sub-lease agreement, annual rent shall be an amount equal to 52% of the revenue received by the County from a Sublessee. In fiscal year 2022, Los Alamos County paid a total of \$404,200 to LAPS.

On July 1, 2021, Los Alamos County, NM entered into a 48 month lease as Lessor for the use of Eastern #2 246 East Road. An initial lease receivable was recorded in the amount of \$14,653. As of June 30, 2022, the value of the lease receivable is \$11,190. The lessee is required to make monthly fixed payments of \$297. The lease has an interest rate of 0.8140%. The value of the deferred inflow of resources as of June 30, 2022, was \$10,990, and Los Alamos County recognized lease revenue of \$3,663 during the fiscal year. Los Alamos County had a termination period of 3 months as of the lease commencement.

On July 1, 2021, Los Alamos County, NM entered into a 1000 month lease as Lessor for the use of 15th Street - Nectar. An initial lease receivable was recorded in the amount of \$1,110,804. As of June 30, 2022, the value of the lease receivable is \$1,104,401. The lessee is required to make monthly fixed payments of \$2,583. The lease has an interest rate of 2.4250%. The value of the deferred inflow of resources as of June 30, 2022, was \$1,097,475, and Los Alamos County recognized lease revenue of \$13,330 during the fiscal year.

On July 1, 2021, Los Alamos County, NM entered into a 114 month lease as Lessor for the use of 4250 Diamond Drive - Pajarito Golf Lease. An initial lease receivable was recorded in the amount of \$392,042. As of June 30, 2022, the value of the lease receivable is \$352,184. The lessee is required to make monthly fixed payments of \$3,600. The lease has an interest rate of 0.9800%. The value of the deferred inflow of resources as of June 30, 2022, was \$350,775, and Los Alamos County recognized lease revenue of \$41,268 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

<b>Principal and Interest Expected to Maturity</b>			
<b>Fiscal Year</b>	<b>Governmental Activities</b>		
	<b>Principal Payments</b>	<b>Interest Payments</b>	<b>Total Payments</b>
2023	246,430	505,827	752,257
2024	258,288	501,222	759,510
2025	265,339	496,435	761,774
2026	268,548	491,530	760,078
2027	275,808	486,506	762,314
2028 - 2032	1,371,341	2,353,316	3,724,657
2033 - 2037	806,684	2,237,513	3,044,197
2038 - 2042	1,000,975	2,134,370	3,135,345
2043 - 2047	1,153,056	2,001,505	3,154,561
2048 - 2052	1,127,209	1,864,045	2,991,254
2053 - 2057	1,334,574	1,715,305	3,049,879
2058 - 2062	1,574,863	1,539,503	3,114,366
2063 - 2067	1,852,939	1,332,365	3,185,304
2068 - 2072	2,174,349	1,088,985	3,263,334
2073 - 2077	2,545,428	803,739	3,349,167
2078 - 2082	2,973,401	470,185	3,443,586
2083 - 2087	1,891,816	121,920	2,013,736
2088 - 2092	108,167	46,832	154,999
2093 - 2097	122,096	32,904	155,000
2098 - 2102	137,818	17,182	155,000
2103 - 2106	70,256	2,077	72,333
<b>Total</b>	<b>21,559,385</b>	<b>20,243,266</b>	<b>41,802,651</b>

<b>GOVERNMENTAL ACTIVITIES:</b>	<b>Balance as of July 1, 2021</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance as of June 30, 2022</b>
<b><u>Lease Receivable</u></b>				
<b>Buildings</b>				
2500 Trinity Drive - Courts	1,188,872	-	(79,296)	1,109,576
4250 Diamond Drive - Pajarito Golf Lease	392,043	-	(39,858)	352,185
<b>Total Building Lease Receivable</b>	<b>1,580,915</b>	<b>-</b>	<b>(119,154)</b>	<b>1,461,761</b>
<b>Land</b>				
LA Sombra Sub Division	721,808	-	(26,044)	695,764
North Mesa No.1	79,864	-	(12,130)	67,734
Smiths Trinity Site Lease	18,329,822	-	(111,287)	18,218,535
Eastern #2 246 East Road	14,653	-	(3,463)	11,190
15th Street - Nectar	1,110,805	-	(6,404)	1,104,401
<b>Total Land Lease Receivable</b>	<b>20,256,952</b>	<b>-</b>	<b>(159,328)</b>	<b>20,097,624</b>
<b>Total Lease Receivable</b>	<b>21,837,867</b>	<b>-</b>	<b>(278,482)</b>	<b>21,559,385</b>

<b>GOVERNMENTAL ACTIVITIES:</b>	<b>Balance as of July 1, 2021</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance as of June 30, 2022</b>
<b><u>Deferred Inflow of Resources</u></b>				
<b>Buildings</b>				
2500 Trinity Drive - Courts	1,188,872	-	(103,380)	1,085,492
4250 Diamond Drive - Pajarito Golf Lease	392,043	-	(41,268)	350,775
<b>Total Building Deferred Inflow of Resources</b>	<b>1,580,915</b>	<b>-</b>	<b>(144,648)</b>	<b>1,436,267</b>
<b>Land</b>				
LA Sombra Sub Division	721,808	-	(28,306)	693,502
North Mesa No.1	79,864	-	(12,446)	67,418
Smiths Trinity Site Lease	18,329,822	-	(287,539)	18,042,283
Eastern #2 246 East Road	14,653	-	(3,663)	10,990
15th Street - Nectar	1,110,805	-	(13,330)	1,097,475
<b>Total Land Deferred Inflow of Resources</b>	<b>20,256,952</b>	<b>-</b>	<b>(345,284)</b>	<b>19,911,668</b>
<b>Total Deferred Inflow of Resources</b>	<b>21,837,867</b>	<b>-</b>	<b>(489,932)</b>	<b>21,347,935</b>

<b>GENERAL GOVERNMENT LEASES ACTIVITIES:</b>	<b>Balance as of July 1, 2021</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance as of June 30, 2022</b>
<b><u>Lease Receivable</u></b>				
<b>Buildings</b>				
2500 Trinity Drive - Courts	1,188,872	-	(79,296)	1,109,576
4250 Diamond Drive - Pajarito Golf Lease	392,043	-	(39,858)	352,185
<b>Total Building Lease Receivable</b>	<b>1,580,915</b>	<b>-</b>	<b>(119,154)</b>	<b>1,461,761</b>
<b>Land</b>				
LA Sombra Sub Division	721,808	-	(26,044)	695,764
North Mesa No.1	79,864	-	(12,130)	67,734
Smiths Trinity Site Lease	18,329,822	-	(111,287)	18,218,535
Eastern #2 246 East Road	14,653	-	(3,463)	11,190
15th Street - Nectar	1,110,805	-	(6,404)	1,104,401
<b>Total Land Lease Receivable</b>	<b>20,256,952</b>	<b>-</b>	<b>(159,328)</b>	<b>20,097,624</b>
<b>Total Lease Receivable</b>	<b>21,837,867</b>	<b>-</b>	<b>(278,482)</b>	<b>21,559,385</b>

<b>GENERAL GOVERNMENT LEASES ACTIVITIES:</b>	<b>Balance as of July 1, 2021</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance as of June 30, 2022</b>
<b><u>Deferred Inflow of Resources</u></b>				
<b>Buildings</b>				
2500 Trinity Drive - Courts	1,188,872	-	(103,380)	1,085,492
4250 Diamond Drive - Pajarito Golf Lease	392,043	-	(41,268)	350,775
<b>Total Building Deferred Inflow of Resources</b>	<b>1,580,915</b>	<b>-</b>	<b>(144,648)</b>	<b>1,436,267</b>
<b>Land</b>				
LA Sombra Sub Division	721,808	-	(28,306)	693,502
North Mesa No.1	79,864	-	(12,446)	67,418
Smiths Trinity Site Lease	18,329,822	-	(287,539)	18,042,283
Eastern #2 246 East Road	14,653	-	(3,663)	10,990
15th Street - Nectar	1,110,805	-	(13,330)	1,097,475
<b>Total Land Deferred Inflow of Resources</b>	<b>20,256,952</b>	<b>-</b>	<b>(345,284)</b>	<b>19,911,668</b>
<b>Total Deferred Inflow of Resources</b>	<b>21,837,867</b>	<b>-</b>	<b>(489,932)</b>	<b>21,347,935</b>

## **(21) LEASES PAYABLE**

For the fiscal year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, 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. For additional information, refer to the disclosures below.

On July 1, 2021, Los Alamos County, NM entered into a 33 month lease as Lessee for the use of 1183 Diamond Drive - Suite 200. An initial lease liability was recorded in the amount of \$169,187. As of June 30, 2022, the value of the lease liability is \$109,060. Los Alamos County is required to make monthly fixed payments of \$5,204. The lease has an interest rate of 0.6480%. The value of the right to use asset as of June 30, 2022, of \$169,187 with accumulated amortization of \$61,523 is included with Buildings on the Lease Class activities table found below. Los Alamos County has 1 extension option(s), each for 12 months. Los Alamos County had a termination period of 3 months as of the lease commencement.

On August 1, 2021, Los Alamos County, NM entered into a 60 month lease as Lessee for the use of 1183 Diamond Drive - Suite E. An initial lease liability was recorded in the amount of \$187,229. As of June 30, 2022, the value of the lease liability is \$155,402. Los Alamos County is required to make monthly fixed payments of \$3,050. The lease has an interest rate of 0.8220%. The value of the right to use asset as of June 30, 2022, of \$187,229 with accumulated amortization of \$34,325 is included with Buildings on the Lease Class activities table found below.

On July 1, 2021, Los Alamos County, NM entered into a 72 month lease as Lessee for the use of 999 Central Avenue Lease. An initial lease liability was recorded in the amount of \$1,037,898. As of fiscal year 2022, the value of the lease liability is \$876,307. Los Alamos County is required to make monthly fixed payments of \$17,769. The lease has an interest rate of 1.1380%. The value of the right to use asset as of June 30, 2022, of \$1,037,898 with accumulated amortization of \$172,983 is included with Buildings on the Lease Class activities table found below.

On July 1, 2021, Los Alamos County, NM entered into a 45 month lease as Lessee for the use of Golf Cars. An initial lease liability was recorded in the amount of \$173,798. As of June 30, 2022, the value of the lease liability is \$128,893. Los Alamos County is required to make monthly fixed payments of \$3,836. The lease has an interest rate of 0.8140%. The value of the right to use asset as of June 30, 2022, of \$173,798 with accumulated amortization of \$45,870 is included with Vehicles on the Lease Class activities table found below. Los Alamos County has 2 extension option(s), each for 12 months.

<b>Amount of Lease Assets by Major Classes of Underlying Asset</b>		
<b>Asset Class</b>	<b>As of Fiscal Year-end</b>	
	<b>Lease Asset Value</b>	<b>Accumulated Amortization</b>
Buildings	1,394,315	268,831
Vehicles	173,798	45,870
<b>Total Leases</b>	<b>1,568,113</b>	<b>314,701</b>

<b>Principal and Interest Requirements to Maturity</b>				
<b>Fiscal Year</b>	<b>Business-Type Activities</b>			<b>Total Payments</b>
	<b>Principal Payments</b>	<b>Interest Payments</b>		
2023	171,297	9,081		180,378
2024	173,257	7,121		180,378
2025	175,239	5,139		180,378
2026	177,243	3,135		180,378
2027	179,271	1,107		180,378
<b>Fiscal Year</b>	<b>Governmental Activities</b>			<b>Total Payments</b>
2023	142,188	2,551		144,739
2024	130,650	1,484		132,134
2025	76,930	674		77,604
2026	40,213	207		40,420
2027	3,374	2		3,377

<b>GOVERNMENTAL ACTIVITIES:</b>	<b>Balance as of July 1, 2021</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance as of June 30, 2022</b>
<b><u>Lease Assets</u></b>				
<b>Buildings</b>				
1183 Diamond Drive - Suite 200	169,188	-	-	169,188
1183 Diamond Drive - Suite E	-	187,229	-	187,229
<b>Total Building Lease Assets</b>	<b>169,188</b>	<b>187,229</b>	<b>-</b>	<b>356,417</b>
<b>Vehicles</b>				
Golf Cars	173,798	-	-	173,798
<b>Total Vehicle Lease Assets</b>	<b>173,798</b>	<b>-</b>	<b>-</b>	<b>173,798</b>
<b>Total Lease Assets</b>	<b>342,986</b>	<b>187,229</b>	<b>-</b>	<b>530,215</b>
<b>Lease Accumulated Amortization</b>				
<b><u>Buildings</u></b>				
1183 Diamond Drive - Suite 200	-	(61,523)	-	(61,523)
1183 Diamond Drive - Suite E	-	(34,325)	-	(34,325)
<b>Total Building Lease Accumulated Amortization</b>	<b>-</b>	<b>(95,848)</b>	<b>-</b>	<b>(95,848)</b>
<b>Vehicles</b>				
Golf Cars	-	(45,870)	-	(45,870)
<b>Total Vehicle Lease Accumulated Amortization</b>	<b>-</b>	<b>(45,870)</b>	<b>-</b>	<b>(45,870)</b>
<b>Total Lease Accumulated Amortization</b>	<b>-</b>	<b>(141,718)</b>	<b>-</b>	<b>(141,718)</b>
<b>Total Governmental Lease Assets, Net</b>	<b>342,986</b>	<b>45,511</b>	<b>-</b>	<b>388,497</b>

<b>Activity (Rollforward Schedule)</b>				
<b>GOVERNMENTAL ACTIVITIES:</b>	<b>Balance as of July 1, 2021</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance as of June 30, 2022</b>
<b><u>Lease Liability</u></b>				
<b>Buildings</b>				
1183 Diamond Drive - Suite 200	169,188	-	(60,128)	109,060
1183 Diamond Drive - Suite E	-	187,229	(31,827)	155,402
<b>Total Building Lease Liability</b>	<b>169,188</b>	<b>187,229</b>	<b>(91,955)</b>	<b>264,462</b>
<b>Vehicles</b>				
Golf Cars	173,798	-	(44,905)	128,893
<b>Total Vehicle Lease Liability</b>	<b>173,798</b>	<b>-</b>	<b>(44,905)</b>	<b>128,893</b>
<b>Total Lease Liability</b>	<b>342,986</b>	<b>187,229</b>	<b>(136,860)</b>	<b>393,355</b>



<b>BUSINESS-TYPE ACTIVITIES:</b>	<b>Balance as of July 1, 2021</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance as of June 30, 2022</b>
<b><u>Lease Assets</u></b>				
<b>Buildings</b>				
999 Central Avenue Lease	1,037,899	-		1,037,899
<b>Total Building Lease Assets</b>	<b>1,037,899</b>	<b>-</b>	<b>-</b>	<b>1,037,899</b>
<b>Total Lease Assets</b>	<b>1,037,899</b>	<b>-</b>	<b>-</b>	<b>1,037,899</b>
<b>Lease Accumulated Amortization</b>	-			
Buildings	-			
999 Central Avenue Lease	-	(172,984)	-	(172,984)
<b>Total Building Lease Accumulated Amortization</b>	<b>-</b>	<b>(172,984)</b>	<b>-</b>	<b>(172,984)</b>
<b>Total Lease Accumulated Amortization</b>	<b>-</b>	<b>(172,984)</b>	<b>-</b>	<b>(172,984)</b>
<b>Total Business-Type Lease Assets, Net</b>	<b>1,037,899</b>	<b>(172,984)</b>	<b>-</b>	<b>864,915</b>

<b>BUSINESS-TYPE ACTIVITIES:</b>	<b>Balance as of July 1, 2021</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance as of June 30, 2022</b>
<b><u>Lease Liability</u></b>				
<b>Buildings</b>				
999 Central Avenue Lease	1,037,899	-	(161,592)	876,307
<b>Total Building Lease Liability</b>	<b>1,037,899</b>	<b>-</b>	<b>(161,592)</b>	<b>876,307</b>
<b>Total Lease Liability</b>	<b>1,037,899</b>	<b>-</b>	<b>(161,592)</b>	<b>876,307</b>

<b>GENERAL GOVERNMENT LEASES ACTIVITIES:</b>	<b>Balance as of July 1, 2021</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance as of June 30, 2022</b>
<b><u>Lease Assets</u></b>				
<b>Buildings</b>				
1183 Diamond Drive - Suite 200	169,188	-	-	169,188
1183 Diamond Drive - Suite E	-	187,229	-	187,229
<b>Total Building Lease Assets</b>	<b>169,188</b>	<b>187,229</b>	<b>-</b>	<b>356,417</b>
<b>Vehicles</b>				
Golf Cars	173,798	-	-	173,798
<b>Total Vehicle Lease Assets</b>	<b>173,798</b>	<b>-</b>	<b>-</b>	<b>173,798</b>
<b>Total Lease Assets</b>	<b>342,986</b>	<b>187,229</b>	<b>-</b>	<b>530,215</b>
<b>Lease Accumulated Amortization</b>				
<b>Buildings</b>				
1183 Diamond Drive - Suite 200	-	(61,523)	-	(61,523)
1183 Diamond Drive - Suite E	-	(34,325)	-	(34,325)
<b>Total Building Lease Accumulated Amortization</b>	<b>-</b>	<b>(95,848)</b>	<b>-</b>	<b>(95,848)</b>
<b>Vehicles</b>				
Golf Cars	-	(45,870)	-	(45,870)
<b>Total Vehicle Lease Accumulated Amortization</b>	<b>-</b>	<b>(45,870)</b>	<b>-</b>	<b>(45,870)</b>
<b>Total Lease Accumulated Amortization</b>	<b>-</b>	<b>(141,718)</b>	<b>-</b>	<b>(141,718)</b>
<b>Total General Government Leases Lease Assets, Net</b>	<b>342,986</b>	<b>45,511</b>	<b>-</b>	<b>388,497</b>

<b>Fund (Rollforward Schedule)</b>				
<b>GENERAL GOVERNMENT LEASES ACTIVITIES:</b>	<b>Balance as of July 1, 2021</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance as of June 30, 2022</b>
<b><u>Lease Liability</u></b>				
<b>Buildings</b>				
1183 Diamond Drive - Suite 200	169,188	-	(60,128)	109,060
1183 Diamond Drive - Suite E	-	187,229	(31,827)	155,402
<b>Total Building Lease Liability</b>	<b>169,188</b>	<b>187,229</b>	<b>(91,955)</b>	<b>264,462</b>
<b>Vehicles</b>				
Golf Cars	173,798	-	(44,905)	128,893
<b>Total Vehicle Lease Liability</b>	<b>173,798</b>	<b>-</b>	<b>(44,905)</b>	<b>128,893</b>
<b>Total Lease Liability</b>	<b>342,986</b>	<b>187,229</b>	<b>(136,860)</b>	<b>393,355</b>

<b>FIRE FUND ACTIVITIES:</b>	<b>Balance as of July 1, 2021</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance as of June 30, 2022</b>
<b>Lease Assets</b>				
<b>Buildings</b>				
999 Central Avenue Lease	1,037,899	-		1,037,899
<b>Total Building Lease Assets</b>	<b>1,037,899</b>	-	-	<b>1,037,899</b>
<b>Total Lease Assets</b>	<b>1,037,899</b>	-	-	<b>1,037,899</b>
<b>Lease Accumulated Amortization</b>	-			
<b>Buildings</b>	-			
999 Central Avenue Lease	-	(172,984)	-	(172,984)
<b>Total Building Lease Accumulated Amortization</b>	-	<b>(172,984)</b>	-	<b>(172,984)</b>
<b>Total Lease Accumulated Amortization</b>	-	<b>(172,984)</b>	-	<b>(172,984)</b>
<b>Total Fire Fund Lease Assets, Net</b>	<b>1,037,899</b>	<b>(172,984)</b>	-	<b>864,915</b>

<b>FIRE FUND ACTIVITIES:</b>	<b>Balance as of July 1, 2021</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance as of June 30, 2022</b>
<b>Lease Liability</b>				
<b>Buildings</b>				
999 Central Avenue Lease	1,037,899	-	(161,592)	876,307
<b>Total Building Lease Liability</b>	<b>1,037,899</b>	-	<b>(161,592)</b>	<b>876,307</b>
<b>Total Lease Liability</b>	<b>1,037,899</b>	-	<b>(161,592)</b>	<b>876,307</b>

## **(22) SUBSEQUENT EVENTS**

In October 2022, Los Alamos County became a recipient of National Opioid Settlement from Big 3 drug distributors and J&J. The county received a total of \$112,701.18 for Year 1. This amount includes both J&J's entire payment of \$100,481.93 and the Distributors' first year payment of \$12,219.25. The Distributors also made their Year 2 payment of \$12,122.28 in November 2022. The amount per year is expected to fluctuate slightly. Thus, it will not be the same amount each year. Los Alamos County is expected to receive annual payments from the Distributors until the year 2039.



**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>FY2022</u>	<u>FY2021</u>	<u>FY2020</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>
County proportion of the net pension liability	3.2981%	3.1545%	3.1100%	3.6388%	3.2978%	3.0931%	3.0997%
County proportionate share of the net pension liability	\$ 37,158,927	\$ 63,791,160	\$ 58,837,193	\$ 58,015,939	\$ 45,314,561	\$ 49,423,456	\$ 31,604,127
County covered payroll	30,265,628	29,644,941	28,361,756	27,062,042	28,784,360	28,183,333	25,894,321
County proportionate share of the net pension liability as a percentage of its covered payroll	122.8%	215.2%	207.5%	214.4%	157.4%	175.4%	122.1%
Plan fiduciary net position as a percentage of the total pension liability	77.25%	66.36%	70.52%	71.13%	73.74%	69.18%	81.5%

[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>FY2022</u>	<u>FY2021</u>	<u>FY2020</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>
Actuarial determined contribution	\$ 2,966,032	\$ 2,905,204	\$ 2,951,264	\$ 2,753,567	\$ 2,931,499	\$ 2,534,844	\$ 2,579,007
Contributions in relation to contractually required contributions	2,966,032	2,905,204	2,951,264	2,753,567	2,931,499	2,534,844	2,579,007
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	\$ 30,265,628	\$ 29,644,939	\$ 30,114,939	\$ 28,833,162	\$ 30,696,325	\$ 26,542,869	\$ 27,005,309
Contributions as a percentage of covered payroll	9.80%	9.80%	9.80%	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>FY2022</u>	<u>FY2021</u>	<u>FY2020</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>
County proportion of the net pension liability	1.1173%	1.0634%	1.0708%	1.1533%	1.1284%	1.0753%	1.0245%
County proportionate share of the net pension liability	\$ 5,778,471	\$ 9,133,220	\$ 7,909,668	\$ 7,869,016	\$ 6,269,001	\$ 7,927,902	\$ 4,926,451
County covered payroll	3,653,671	3,721,409	3,533,220	3,338,452	3,507,562	2,325,631	2,007,757
County proportionate share of the net pension liability as a percentage of its covered payroll	158.2%	245.4%	223.9%	235.7%	178.7%	340.9%	245.4%
Plan fiduciary net position as a percentage of the total pension liability	77.25%	66.36%	70.52%	71.13%	73.74%	69.18%	78.3%

[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>FY2022</u>	<u>FY2021</u>	<u>FY2020</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>
Actuarial determined contribution	\$ 699,678	\$ 693,739	\$ 480,718	\$ 389,019	\$ 460,525	\$ 405,149	\$ 404,404
Contributions in relation to contractually required contributions	699,678	693,739	480,718	389,019	460,525	405,149	404,404
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	\$ 3,653,671	\$ 3,622,658	\$ 2,510,277	\$ 2,058,302	\$ 2,436,640	\$ 2,143,646	\$ 2,139,704
Contributions as a percentage of covered payroll	19.15%	19.15%	19.15%	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>FY2022</u>	<u>FY2021</u>	<u>FY2020</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>
County proportion of the net pension liability	6.5460%	6.5852%	7.0259%	7.8388%	7.5073%	7.6203%	7.8438%
County proportionate share of the net pension liability	\$ 39,736,064	\$ 49,808,727	\$ 48,284,574	\$ 50,173,239	\$ 42,952,607	\$ 50,835,148	\$ 40,483,279
County covered payroll	10,473,438	9,340,533	9,164,720	9,357,544	9,961,027	9,097,485	8,935,025
County proportionate share of the net pension liability as a percentage of its covered payroll	379.4%	533.3%	526.9%	536.2%	431.2%	558.8%	453.1%
Plan fiduciary net position as a percentage of the total pension liability	77.25%	66.36%	70.52%	71.13%	73.74%	69.18%	81.5%

[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>FY2022</u>	<u>FY2021</u>	<u>FY2020</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>
Actuarial determined contribution	\$ 2,293,683	\$ 2,045,577	\$ 2,012,231	\$ 2,089,272	\$ 2,156,562	\$ 1,920,956	\$ 1,932,454
Contributions in relation to contractually required contributions	2,293,683	2,045,577	2,012,231	2,089,272	2,156,562	1,920,956	1,932,454
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	\$ 10,473,438	\$ 9,340,534	\$ 9,188,269	\$ 9,650,217	\$ 9,961,025	\$ 8,872,776	\$ 8,925,885
Contributions as a percentage of covered payroll	21.90%	21.90%	21.90%	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, 2022

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**Changes of benefit terms**

The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY21 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, 2021 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 gain due to the investment experience of the total PERA Fund is \$280.7 million. The loss on non-investment related items totaled \$13.9 million. The net gain due to the plan’s experience was \$266.8 million. For details about changes in the actuarial assumptions, see Appendix B on page 54 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>FY2022</u>	<u>FY2021</u>	<u>FY2020</u>	<u>FY2019</u>
County proportion of the net OPEB liability	0.94456%	0.90780%	0.96531%	1.02953%
County proportionate share of the net OPEB liability	\$ 31,079,328	\$ 38,117,687	\$ 31,299,103	\$ 44,767,617
County covered payroll	\$ 43,584,302	\$ 39,018,302	\$ 40,281,697	\$ 44,173,187
County proportionate share of the net OPEB liability as a percentage of its covered payroll	71.31%	97.69%	77.70%	101.35%
Plan fiduciary net OPEB as a percentage of the total OPEB liability	25.39%	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>FY2022</u>	<u>FY2021</u>	<u>FY2020</u>	<u>FY2019</u>
Contractually required contribution	\$ 932,421	\$ 911,093	\$ 854,457	\$ 1,608,813
Contributions in relation to contractually required contributions	932,421	911,093	854,457	1,589,169
Contribution deficiency (excxs)	<u>0</u>	<u>0</u>	<u>0</u>	<u>19,644</u>
County covered payroll	46,621,050	42,296,608	40,281,697	44,173,187
Contributions as a percentage of covered payroll	2.00%	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, 2022

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**Changes of benefit terms**

The RHCA Fund eligibility benefits are described in Section 2 of the RHCA FY21 Actuarial Valuation available at [https://www.nmrhca.org/wp-content/uploads/2021/12/RPTS-05496.019-NMRHCA-6\\_30\\_2021-Measurement-GAS-74-Report-CLIENT.pdf](https://www.nmrhca.org/wp-content/uploads/2021/12/RPTS-05496.019-NMRHCA-6_30_2021-Measurement-GAS-74-Report-CLIENT.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, 2022

	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	
<b>ASSETS</b>							
Equity in pooled cash and investments	\$ 262,975	317,955	1,559,691	905,243	802,002	276,821	4,124,687
Receivables, net of allowance for uncollectibles							
Accounts	0	35,907	0	0	0	0	35,907
Interest	0	0	0	0	17	0	17
Due from other governments	89,300	0	15,380	422,511	0	0	527,191
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	37,635	37,635
<b>TOTAL ASSETS</b>	<b>\$ 352,275</b>	<b>353,862</b>	<b>1,575,071</b>	<b>1,343,204</b>	<b>802,019</b>	<b>314,456</b>	<b>4,740,887</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 0	35,163	43,043	22,351	955	0	101,512
Accrued salaries and benefits payable	0	0	0	975	2,089	0	3,064
<b>TOTAL LIABILITIES</b>	<b>0</b>	<b>35,163</b>	<b>43,043</b>	<b>23,326</b>	<b>3,044</b>	<b>0</b>	<b>104,576</b>
<b>FUND BALANCE</b>							
Prepaid items	0	0	0	15,450	0	0	15,450
Restricted for							
Clerk records and files (State law)	0	0	0	0	256,892	0	256,892
Debt service (Bond and loan agreements)	0	0	0	0	0	314,456	314,456
Grants (Granting entities)	0	0	1,532,028	0	0	0	1,532,028
Library operations (contributors)	0	0	0	0	4,238	0	4,238
Lodgers' tax (State law)	0	318,699	0	0	0	0	318,699
Health care claims (State law)	0	0	0	1,304,428	0	0	1,304,428
Property tax valuation (State law)	0	0	0	0	501,359	0	501,359
Recreation (County code and contributors)	0	0	0	0	36,486	0	36,486
Major street management (State law)	352,275	0	0	0	0	0	352,275
<b>TOTAL FUND BALANCE</b>	<b>352,275</b>	<b>318,699</b>	<b>1,532,028</b>	<b>1,319,878</b>	<b>798,975</b>	<b>314,456</b>	<b>4,636,311</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 352,275</b>	<b>353,862</b>	<b>1,575,071</b>	<b>1,343,204</b>	<b>802,019</b>	<b>314,456</b>	<b>4,740,887</b>

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, 2022

	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	
<b>REVENUES</b>							
Taxes							
Gross receipts taxes	\$ 0	0	0	2,366,549	0	0	2,366,549
Lodgers' tax	0	355,834	0	0	0	0	355,834
	<u>0</u>	<u>355,834</u>	<u>0</u>	<u>2,366,549</u>	<u>0</u>	<u>0</u>	<u>2,722,383</u>
Intergovernmental							
State grants-fire	0	0	843,003	0	0	0	843,003
State grants-police	0	0	39,800	0	0	0	39,800
State grants-social services	0	0	132,823	0	0	0	132,823
State shared revenues	397,696	0	0	0	0	0	397,696
	<u>397,696</u>	<u>0</u>	<u>1,015,626</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,413,322</u>
Fines and forfeits							
Court ordered reimbursements	0	0	0	0	900	0	900
Charges for services							
Clerk fee	0	0	0	0	26,106	0	26,106
Finance/treasurer fees	0	0	0	0	216,918	0	216,918
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>243,024</u>	<u>0</u>	<u>243,024</u>
Miscellaneous revenue							
Investment income	0	(10,786)	(40,536)	(24,893)	(24,175)	916	(99,474)
Buildings rental	0	0	0	32,522	0	0	32,522
Land rental	0	0	0	8,825	0	0	8,825
Donations	0	0	0	0	300	0	300
Other judgments and settlements	0	0	0	420,156	0	0	420,156
Other	0	0	960	0	0	0	960
	<u>0</u>	<u>(10,786)</u>	<u>(39,576)</u>	<u>436,610</u>	<u>(23,875)</u>	<u>916</u>	<u>363,289</u>
<b>TOTAL REVENUES</b>	<b>397,696</b>	<b>345,048</b>	<b>976,050</b>	<b>2,803,159</b>	<b>220,049</b>	<b>916</b>	<b>4,742,918</b>
<b>EXPENDITURES</b>							
General government							
Municipal Court	0	0	0	0	28,400	0	28,400
County Assessor	0	0	0	0	200,454	0	200,454
County Clerk	0	0	0	0	17,221	0	17,221
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>246,075</u>	<u>0</u>	<u>246,075</u>
Public safety							
Fire marshal	0	0	348,437	0	0	0	348,437
Police	0	0	34,293	0	0	0	34,293
	<u>0</u>	<u>0</u>	<u>382,730</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>382,730</u>
Physical and economic environment							

Community and Economic Development	0	413,707	0	0	0	0	413,707
Transportation							
Health and welfare							
Community Services-Social Services	0	0	76,045	2,880,690	0	0	2,956,735
Culture and recreation							
<b>Capital outlay:</b>							
General government							
County Assessor	0	0	0	0	5,276	0	5,276
County Clerk	0	0	0	0	110,127	0	110,127
Public Safety							
Fire	0	0	7,047	0	0	0	7,047
Police	0	0	7,107	0	0	0	7,107
Transportation-Public Works	267,716	0	0	0	0	0	267,716
	<u>267,716</u>	<u>0</u>	<u>14,154</u>	<u>0</u>	<u>115,403</u>	<u>0</u>	<u>397,273</u>
<b>Debt service:</b>							
Principal	0	0	0	0	0	3,380,000	3,380,000
Interest	0	0	0	0	0	1,176,409	1,176,409
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,556,409</u>	<u>4,556,409</u>
<b>TOTAL EXPENDITURES</b>	<u>267,716</u>	<u>413,707</u>	<u>472,929</u>	<u>2,880,690</u>	<u>361,478</u>	<u>4,556,409</u>	<u>8,952,929</u>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<b>129,980</b>	<b>(68,659)</b>	<b>503,121</b>	<b>(77,531)</b>	<b>(141,429)</b>	<b>(4,555,493)</b>	<b>(4,210,011)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	0	0	14,950	650,000	86,384	4,556,409	5,307,743
	<u>0</u>	<u>0</u>	<u>14,950</u>	<u>650,000</u>	<u>86,384</u>	<u>4,556,409</u>	<u>5,307,743</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>129,980</b>	<b>(68,659)</b>	<b>518,071</b>	<b>572,469</b>	<b>(55,045)</b>	<b>916</b>	<b>1,097,732</b>
<b>FUND BALANCE</b>							
Beginning of fiscal year	222,295	387,358	1,013,957	747,409	854,020	313,540	3,538,579
<b>FUND BALANCE - END OF FISCAL YEAR</b>	<b>\$ <u>352,275</u></b>	<b><u>318,699</u></b>	<b><u>1,532,028</u></b>	<b><u>1,319,878</u></b>	<b><u>798,975</u></b>	<b><u>314,456</u></b>	<b><u>4,636,311</u></b>

**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, 2022

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
Intergovernmental				
State shared revenues	\$ 580,000	580,000	397,696	(182,304)
<b>TOTAL REVENUES</b>	<b>580,000</b>	<b>580,000</b>	<b>397,696</b>	<b>(182,304)</b>
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Public Works - major street maintenance				
Outside services	580,000	860,690	0	860,690
Capital outlay	0	0	847,716	(847,716)
<b>TOTAL EXPENDITURES AND ENCUMBRANCES</b>	<b>580,000</b>	<b>860,690</b>	<b>847,716</b>	<b>12,974</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES</b>	<b>0</b>	<b>(280,690)</b>	<b>(450,020)</b>	<b>(169,330)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 0</b>	<b>(280,690)</b>	<b>(450,020)</b>	<b>(169,330)</b>
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			580,000	
			<b>580,000</b>	
<b>GAAP BASIS</b>			<b>129,980</b>	
<b>FUND BALANCE</b>				
Beginning of fiscal year			222,295	
<b>FUND BALANCE - END OF FISCAL YEAR</b>			<b>\$ 352,275</b>	

**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, 2022

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
<b>Taxes</b>				
Selective gross receipt taxes	\$ 314,000	314,000	355,834	41,834
<b>Miscellaneous revenues</b>				
Investment income	7,000	7,000	(10,786)	(17,786)
<b>TOTAL REVENUES</b>	<b>321,000</b>	<b>321,000</b>	<b>345,048</b>	<b>24,048</b>
<b>EXPENDITURES AND ENCUMBRANCES</b>				
<b>Community and Economic Development</b>				
Outside services	396,500	421,500	405,647	15,853
Intrafund/interfund services	8,060	8,060	8,060	0
<b>TOTAL EXPENDITURES AND ENCUMBRANCES</b>	<b>404,560</b>	<b>429,560</b>	<b>413,707</b>	<b>15,853</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (83,560)</b>	<b>(108,560)</b>	<b>(68,659)</b>	<b>39,901</b>
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			0	
<b>GAAP BASIS</b>			<b>(68,659)</b>	
<b>FUND BALANCE</b>				
Beginning of fiscal year			387,358	
<b>FUND BALANCE - END OF FISCAL YEAR</b>			<b>\$ 318,699</b>	

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, 2022

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
<b>Intergovernmental</b>				
State grants-fire	\$ 870,000	843,003	843,003	0
State grants-police	41,000	39,800	39,800	0
State grants-other	101,346	225,416	132,823	(92,593)
<b>Miscellaneous revenues</b>				
Investment income	1,000	1,000	(40,536)	(41,536)
Other	0	0	960	960
<b>TOTAL REVENUES</b>	<b>1,013,346</b>	<b>1,109,219</b>	<b>976,050</b>	<b>(133,169)</b>
<b>EXPENDITURES AND ENCUMBRANCES</b>				
<b>Community Services-Social services</b>				
DWI local grant	95,500	130,905	76,013	54,892
Health council grant	0	118,922	32	118,890
	95,500	249,827	76,045	173,782
<b>Fire</b>				
<b>Grants and contracts</b>				
Fire marshal grant	870,000	1,729,460	355,854	1,373,606
	870,000	1,729,460	355,854	1,373,606
<b>Police</b>				
<b>Grants and contracts</b>				
Law enforcement protection grant	41,000	45,419	44,480	939
	41,000	45,419	44,480	939
<b>TOTAL EXPENDITURES AND ENCUMBRANCES</b>	<b>1,006,500</b>	<b>2,024,706</b>	<b>476,379</b>	<b>1,548,327</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES</b>	<b>6,846</b>	<b>(915,487)</b>	<b>499,671</b>	<b>1,415,158</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Transfers in from:</b>				
General Fund	14,950	14,950	14,950	0
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 21,796</b>	<b>(900,537)</b>	<b>514,621</b>	<b>1,415,158</b>
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			3,450	
<b>GAAP BASIS</b>			<b>518,071</b>	
<b>FUND BALANCE</b>				
Beginning of fiscal year			1,013,957	
<b>FUND BALANCE - END OF FISCAL YEAR</b>			<b>\$ 1,532,028</b>	

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, 2022

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
<b>Taxes</b>				
General gross receipts taxes	\$ 2,553,000	2,553,000	2,366,549	(186,451)
<b>Miscellaneous revenues</b>				
Investment income	25,000	25,000	(24,893)	(49,893)
Buildings rental	53,000	53,000	32,522	(20,478)
Land rental	0	0	8,825	8,825
Other judgments and settlements	0	420,156	420,156	0
<b>TOTAL REVENUES</b>	<b>2,631,000</b>	<b>3,051,156</b>	<b>2,803,159</b>	<b>(247,997)</b>
<b>EXPENDITURES AND ENCUMBRANCES</b>				
<b>Community Services-Social Services</b>				
Employee salaries and benefits	115,503	117,532	101,273	16,259
Outside services	2,979,600	2,979,600	2,761,594	218,006
Materials and supplies	17,662	17,662	17,359	303
Debt and fiscal charges	1,357	1,357	1,357	0
<b>TOTAL EXPENDITURES AND ENCUMBRANCES</b>	<b>3,114,122</b>	<b>3,116,151</b>	<b>2,881,583</b>	<b>234,568</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES</b>	<b>(483,122)</b>	<b>(64,995)</b>	<b>(78,424)</b>	<b>(13,429)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Transfers in from:</b>				
General Fund	650,000	650,000	650,000	0
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 166,878</b>	<b>585,005</b>	<b>571,576</b>	<b>(13,429)</b>
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			893	
<b>GAAP BASIS</b>			<b>572,469</b>	
<b>FUND BALANCE</b>				
Beginning of fiscal year			747,409	
<b>FUND BALANCE - END OF FISCAL YEAR</b>			<b>\$ 1,319,878</b>	

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, 2022

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
<b>Fines and Forfeits</b>				
Court ordered reimbursements	\$ 3,300	3,300	900	(2,400)
<b>Charges for Services</b>				
Clerk fee	28,000	28,000	26,106	(1,894)
Finance/treasurer fees	209,900	209,900	216,918	7,018
	<u>237,900</u>	<u>237,900</u>	<u>243,024</u>	<u>5,124</u>
<b>Miscellaneous revenues</b>				
Investment income	21,119	21,119	(24,175)	(45,294)
Donations	3,000	3,000	300	(2,700)
	<u>24,119</u>	<u>24,119</u>	<u>(23,875)</u>	<u>(47,994)</u>
<b>TOTAL REVENUES</b>	<b>265,319</b>	<b>265,319</b>	<b>220,049</b>	<b>(45,270)</b>
<b>EXPENDITURES AND ENCUMBRANCES</b>				
<b>Municipal Court</b>				
Bench warrant	30,606	30,606	28,400	2,206
<b>County Assessor</b>				
Property tax valuation	237,387	242,663	238,167	4,496
<b>County Clerk</b>				
Recording and equipment	26,700	304,171	302,615	1,556
<b>Community Services</b>				
Aquatic center gift	3,000	3,000	0	3,000
Library gift	3,200	3,200	0	3,200
	<u>6,200</u>	<u>6,200</u>	<u>0</u>	<u>6,200</u>
<b>TOTAL EXPENDITURES AND ENCUMBRANCES</b>	<b>300,893</b>	<b>583,640</b>	<b>569,182</b>	<b>14,458</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES</b>	<b>(35,574)</b>	<b>(318,321)</b>	<b>(349,133)</b>	<b>(30,812)</b>

**OTHER FINANCING SOURCES (USES)**

Transfers in from:				
General Fund	<u>27,500</u>	<u>86,384</u>	<u>86,384</u>	<u>0</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ <u>(8,074)</u></b>	<b><u>(231,937)</u></b>	<b><u>(262,749)</u></b>	<b><u>(30,812)</u></b>
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			<u>207,704</u>	
			<b><u>207,704</u></b>	
<b>GAAP BASIS</b>			<b>(55,045)</b>	
<b>FUND BALANCE</b>				
Beginning of fiscal year			<u>854,020</u>	
<b>FUND BALANCE - END OF FISCAL YEAR</b>			<b>\$ <u>798,975</u></b>	



**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, 2022

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	VARIANCE POSITIVE  (NEGATIVE)
<b>REVENUES</b>				
<b>Miscellaneous revenues</b>				
Investment income	\$ 10,000	10,000	916	(9,084)
<b>EXPENDITURES AND ENCUMBRANCES</b>				
<b>Administrative Services - Finance Office</b>				
Principal payment on debt	3,380,000	3,380,000	3,380,000	0
Interest payment on debt	1,176,409	1,176,409	1,176,409	(0)
	<u>4,556,409</u>	<u>4,556,409</u>	<u>4,556,409</u>	<u>(0)</u>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES</b>	<b>(4,546,409)</b>	<b>(4,546,409)</b>	<b>(4,555,493)</b>	<b>(9,084)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Transfers in from:</b>				
General Fund	4,556,409	4,556,409	4,556,409	0
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ <u>10,000</u></b>	<b><u>10,000</u></b>	<b>916</b>	<b><u>(9,084)</u></b>
<b>FUND BALANCE</b>				
Beginning of fiscal year			<u>313,540</u>	
<b>FUND BALANCE - END OF FISCAL YEAR</b>			<b>\$ <u>314,456</u></b>	

See accompanying notes to financial statements

**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, 2022

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
Miscellaneous revenues				
Investment income	\$ 2,152,000	2,152,000	(6,934,453)	(9,086,453)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out to:				
Capital Improvement Projects Fund	(1,422,000)	(1,438,845)	(1,439,845)	(1,000)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 730,000</b>	<b>713,155</b>	<b>(8,374,298)</b>	<b>(9,087,453)</b>
<b>FUND BALANCE</b>				
Beginning of fiscal year			39,149,090	
<b>FUND BALANCE - END OF FISCAL YEAR</b>			<b>\$ 30,774,792</b>	

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS**  
**PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS**  
**Year ended June 30, 2022**

PROJECT	ACCOUNT NUMBER	PROJECT-LENGTH BUDGET APPROPRIATIONS	EXPENDED IN PRIOR YEARS	EXPENDED IN CURRENT YEAR	EXPENDED THROUGH JUNE 30, 2022	UNEXPENDED AS OF JUNE 30, 2022	ENCUMBRANCES AS OF JUNE 30, 2022	REMAINING BALANCE AS OF JUNE 30, 2022
<b>CAPITAL IMPROVEMENT PROJECTS</b>								
Municipal Building Replacement (Residual)	\$ CP1001	94,114	0	0	0	94,114	0	94,114
Betty Ehart Senior Center Improvement	CP1005	126,300	0	0	0	126,300	51,118	75,182
WAC Building Design	CP1006	350,000	0	81,769	81,769	268,231	245,079	23,152
Deacon Street	CP4003	2,189,000	0	0	0	2,189,000	0	2,189,000
A-8-B Improvements (The Bluffs)	CP4004	10,000	0	0	0	10,000	10,000	0
A-13 (Former LASO Site)	CP4005	1,200,000	181,096	77,657	258,753	941,247	15,137	926,110
A-16 Infrastructure	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	596,638	0	0	0	596,638	0	596,638
DP Road Infrastructure	CP4009	4,391,426	86,074	209,117	295,191	4,096,235	6,391	4,089,844
Finch Street - Road Extension	CP4010	1,486,567	0	0	0	1,486,567	4,315	1,482,252
North Mesa Housing - State Capital Outlay	CP4011	420,487	0	0	0	420,487	91,615	328,872
Street CIP Allocation	CP5001	50,265	0	0	0	50,265	0	50,265
NM 502 Knecht to Tewa	CP5003	13,633	0	0	0	13,633	13,633	0
Pavement Condition Index Survey	CP5010	10,528	0	0	0	10,528	0	10,528
Canyon Rim Trail West Phs 3	CP5012	1,253,408	103,415	0	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
Canyon Rim Trail Underpass	CP5018	232,038	0	0	0	232,038	197,504	34,534
Barranca Mesa Road Project	CP5019	165,000	0	0	0	165,000	0	165,000
Urban Trail Project	CP5022	234,750	23,591	147,455	171,046	63,704	-30,850	32,854
Trinity Drive Pedestrian Improvement	CP5023	35,514	0	0	0	35,514	14,019	21,495
20th Street Extension - Signal Light	CP5024	398,000	0	0	0	398,000	11,809	386,191
Trinity Drive Safety & ADA Improvements	CP5025	840,000	0	69,718	69,718	770,282	571,898	198,384
Transportation Planning	CP5026	200,000	0	0	0	200,000	0	200,000
North Mesa - Casa de Oro	CP5027	151,636	0	0	0	151,636	95,343	56,293
Sherwood Blvd Reconstruction	CP5028	2,418,566	69,121	1,109,036	1,178,157	1,240,409	1,190,232	50,177
33/34 Street and Arkansas	CP5029	2,474,291	0	0	0	2,474,291	199	2,474,092
Canyon Road Project	CP5030	4,590,613	0	0	0	4,590,613	105	4,590,508
Cumbres Del Norte Road Project	CP5031	1,323,000	0	406,884	406,884	916,116	810,259	105,857
Urban Trail Project Phase I	CP5033	3,375,000	0	0	0	3,375,000	0	3,375,000
Public Art (Continuing)	CP7001	57,701	0	0	0	57,701	4,185	53,516
Parks Small Capital Projects (Continuing)	CP7002	707,938	0	0	0	707,938	293,614	414,324
Ice Rink Improvements Project	CP7004	5,758	0	0	0	5,758	0	5,758
Pajarito Mountain Bike Trails	CP7007	458,705	0	0	0	458,705	12,076	446,629
Golf Course Improvement	CP7011	2,735,695	0	131,325	131,325	2,604,370	371,881	2,232,489
Leisure Lagoon	CP7013	8,103,633	2,526,875	5,057,520	7,584,395	519,238	376,217	143,021
Community Recreation Space Design	CP7014	350,000	0	46,716	46,716	303,284	303,145	139
White Rock Community Rec Space	CP7016	600,000	0	21,866	21,866	578,134	1,079	577,055
Tennis Court With Lights	CP7017	150,000	0	0	0	150,000	12,573	137,427
Information Technology (Continuing)	CP9003	2,820,082	0	16,097	16,097	2,803,985	56,069	2,747,916
		<u>46,183,433</u>	<u>2,990,172</u>	<u>7,375,160</u>	<u>10,365,332</u>	<u>35,818,100</u>	<u>4,806,586</u>	<u>31,011,514</u>
<b>PROJECTS COMPLETED IN FY2022</b>								
Municipal Building Replacement (Residual)	\$ CP1001	2,531	0	2,531	2,531	0	0	0
Betty Ehart Senior Center Improvement	CP1005	13,700	0	13,700	13,700	0	0	0
A-8-B Improvements (The Bluffs)	CP4004	1,051,768	494,550	557,218	1,051,768	0	0	0
A-9 Infrastructure (Canyon Walk)	CP4008	4,033	0	4,033	4,033	0	0	0
Finch Street - Road Extension	CP4010	5,933	0	5,933	5,933	0	0	0
North Mesa Housing - State Capital Outlay	CP4011	54,513	0	54,513	54,513	0	0	0
A-19 Sherwood Boulevard	CP5008	7,201	7,201	0	7,201	0	0	0
Pavement Condition Index Survey	CP5010	3,756	0	3,756	3,756	0	0	0
Canyon Rim Trail Underpass	CP5018	3,371,897	1,403,935	1,967,962	3,371,897	0	0	0
Trinity Drive Pedestrian Improvement	CP5023	211,286	72,795	138,491	211,286	0	0	0
North Mesa - Casa de Oro	CP5027	640,620	292,256	348,364	640,620	0	0	0
33/34 Street and Arkansas	CP5029	13,209	0	13,209	13,209	0	0	0
Canyon Road Project	CP5030	7,061	0	7,061	7,061	0	0	0
Public Art (Continuing)	CP7001	53,359	0	53,359	53,359	0	0	0
Parks Small Capital Projects (Continuing)	CP7002	80,312	0	80,312	80,312	0	0	0
Ice Rink Improvements Project	CP7004	3,054	0	3,054	3,054	0	0	0
Pajarito Mountain Bike Trails	CP7007	37,861	0	37,861	37,861	0	0	0
Golf Course Improvement	CP7011	3,049	0	3,049	3,049	0	0	0
Information Technology (Continuing)	CP9003	322,543	0	322,543	322,543	0	0	0
<b>TOTAL PROJECTS COMPLETED IN FY2022</b>		<u>5,887,886</u>	<u>2,270,737</u>	<u>3,616,949</u>	<u>5,887,886</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>PROJECT TOTALS FY2022</b>								
		<u>52,071,118</u>	<u>5,260,909</u>	<u>10,992,109</u>	<u>16,253,018</u>	<u>35,818,100</u>	<u>4,806,586</u>	<u>31,011,514</u>

Note: Project Length Budget Appropriations is the total appropriated since FY2015 reduced by the amounts capitalized in prior years.



## 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.

L  S A L A M O  S

**INCORPORATED COUNTY OF LOS ALAMOS**  
**JOINT UTILITY SYSTEM SUBFUNDS**  
**COMBINING SCHEDULE OF NET POSITION**  
**June 30, 2022**

	<u>ELECTRIC</u>	<u>GAS</u>	<u>WATER</u>	<u>WASTEWATER</u>	<u>TOTAL JOINT UTILITY SYSTEM</u>
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Equity (deficit) in pooled cash and investments	\$ 3,773,566	236,176	2,036,003	3,340,016	9,385,761
Receivables, net of allowance for uncollectibles					
Accounts	5,628,475	516,840	682,438	454,243	7,281,996
Unbilled	865,885	115,652	471,468	346,993	1,799,998
Due from other governments	0	0	20,675	0	20,675
Due from other subfunds (not included in total column)	0	0	179,454	0	0
Inventories and prepayments					
Inventories	1,001,702	84,250	195,437	10,341	1,291,730
Prepayments	714,241	0	3,111	0	717,352
	<u>11,983,869</u>	<u>952,918</u>	<u>3,588,586</u>	<u>4,151,593</u>	<u>20,497,512</u>
<b>RESTRICTED ASSETS</b>					
Cash and cash equivalents					
Debt reserves and debt service	3,055,448	0	189,591	0	3,245,039
Operations and maintenance	11,299,458	2,259,583	6,541,099	5,067,043	25,167,183
	<u>14,354,906</u>	<u>2,259,583</u>	<u>6,730,690</u>	<u>5,067,043</u>	<u>28,412,222</u>
<b>PROPERTY, PLANT AND EQUIPMENT</b>					
Land	0	0	0	2,959,328	2,959,328
Utility plant in service	177,922,582	16,317,161	97,815,738	43,133,064	335,188,545
Machinery and equipment	2,842,730	172,620	723,345	452,697	4,191,392
Less accumulated depreciation	(121,644,073)	(6,756,323)	(36,853,183)	(16,007,026)	(181,260,605)
Construction in progress	5,000,590	1,858,312	4,718,184	5,752,089	17,329,175
	<u>64,121,829</u>	<u>11,591,770</u>	<u>66,404,084</u>	<u>36,290,152</u>	<u>178,407,835</u>
<b>OTHER ASSETS</b>					
Advances to other subfunds (not included in total column)	0	0	91,053	0	0
<b>TOTAL ASSETS</b>	<b><u>90,460,604</u></b>	<b><u>14,804,271</u></b>	<b><u>76,814,413</u></b>	<b><u>45,508,788</u></b>	<b><u>227,317,569</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>					
Deferred amounts from refunding of debt (debits)	214,789	0	0	0	214,789
Deferred other post employment benefits	812,670	117,680	166,311	138,507	1,235,168
Deferred pensions	762,600	440,319	(15,574)	15,185	1,202,530
Deferred decommissioning cost	3,093,613	0	0	0	3,093,613
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b><u>4,883,672</u></b>	<b><u>557,999</u></b>	<b><u>150,737</u></b>	<b><u>153,692</u></b>	<b><u>5,746,100</u></b>

## LIABILITIES

### **CURRENT LIABILITIES**

Accounts payable	3,288,527	340,301	180,971	663,960	4,473,759
Accrued salaries including benefits payable	79,842	2,915	20,147	16,028	118,932
Accrued compensated absences	556,860	105,265	70,132	59,005	791,262
Customer deposits payable	185,641	149,315	159,838	0	494,794
Due to other governments	54,490	20,768	38,493	23,074	136,825
Due to other subfunds (not included in total column)	0	0	0	179,454	0
	<u>4,165,360</u>	<u>618,564</u>	<u>469,581</u>	<u>941,521</u>	<u>6,015,572</u>

### **LIABILITIES PAYABLE FROM RESTRICTED ASSETS**

Current portion of revenue bonds payable	975,694	0	324,307	0	1,300,001
Contracts and intergovernmental debt payable	0	0	120,545	407,620	528,165
Interest payable on debt	50,697	0	7,435	12,853	70,985
	<u>1,026,391</u>	<u>0</u>	<u>452,287</u>	<u>420,473</u>	<u>1,899,151</u>

### **NON-CURRENT LIABILITIES**

Revenue bonds payable	11,753,549	0	938,880	0	12,692,429
Special closure costs	11,299,458	0	0	0	11,299,458
Accrued compensated absences	248,782	83,508	72,800	29,391	434,481
Advances from other subfunds (not included in total column)	0	0	0	91,053	0
Contracts and intergovernmental debt payable	0	0	2,740,910	9,879,517	12,620,427
Net other post employment benefits liability	2,369,787	1,010,408	190,133	212,998	3,783,326
Net pension liability	5,732,775	1,887,812	626,154	564,699	8,811,440
	<u>31,404,351</u>	<u>2,981,728</u>	<u>4,568,877</u>	<u>10,777,658</u>	<u>49,641,561</u>

### **TOTAL LIABILITIES**

	<u><b>36,596,102</b></u>	<u><b>3,600,292</b></u>	<u><b>5,490,745</b></u>	<u><b>12,139,652</b></u>	<u><b>57,556,284</b></u>
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### **DEFERRED INFLOWS OF RESOURCES:**

Deferred other post employment benefits	1,647,574	374,350	299,709	243,003	2,564,636
Deferred pensions	1,888,557	203,254	415,066	321,675	2,828,552

### **TOTAL DEFERRED INFLOWS OF RESOURCES**

	<u><b>3,536,131</b></u>	<u><b>577,604</b></u>	<u><b>714,775</b></u>	<u><b>564,678</b></u>	<u><b>5,393,188</b></u>
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### **NET POSITION**

Net investment in capital assets	51,607,375	11,591,770	62,279,442	26,003,015	151,481,602
Restricted assets for, net of related liabilities:					
Debt service	3,004,751	2,259,583	6,723,255	5,054,190	17,041,779
Unrestricted	599,917	(2,666,979)	1,756,933	1,900,945	1,590,816
<b>TOTAL NET POSITION</b>	<u><b>\$ 55,212,043</b></u>	<u><b>11,184,374</b></u>	<u><b>70,759,630</b></u>	<u><b>32,958,150</b></u>	<u><b>170,114,197</b></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, 2022

	<u>ELECTRIC</u>	<u>GAS</u>	<u>WATER</u>	<u>WASTEWATER</u>	<u>TOTAL JOINT UTILITY SYSTEM</u>
<b>OPERATING REVENUES</b>					
Utility sales and service	\$ 48,547,321	7,164,213	7,448,666	6,135,488	69,295,688
Rentals	179,905	0	0	0	179,905
Miscellaneous operating revenue	24,570	0	62,860	22,878	110,308
	<u>48,751,796</u>	<u>7,164,213</u>	<u>7,511,526</u>	<u>6,158,366</u>	<u>69,585,901</u>
<b>OPERATING EXPENSES</b>					
Employee salaries and benefits	6,574,562	616,052	1,529,619	1,488,098	10,208,331
Contractual services	34,382,647	6,152,660	1,685,467	2,141,240	44,362,014
Materials and supplies	408,145	158,580	613,494	281,004	1,461,223
Depreciation and amortization	3,193,646	398,369	2,004,830	853,200	6,450,045
Special closure costs	636,020	0	0	0	636,020
Other	27,786	6,377	3,269	126,702	164,134
	<u>45,222,806</u>	<u>7,332,038</u>	<u>5,836,679</u>	<u>4,890,244</u>	<u>63,281,767</u>
<b>OPERATING INCOME (LOSS)</b>	<b>3,528,990</b>	<b>(167,825)</b>	<b>1,674,847</b>	<b>1,268,122</b>	<b>6,304,134</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Gain (loss) on disposition of capital assets	(1,765,914)	(978,904)	(2,256,919)	0	(5,001,737)
Investment income (loss)	(255,292)	(76,149)	(372,449)	(223,560)	(927,450)
Interest on long-term debt	(639,445)	0	(77,645)	(40,030)	(757,120)
Interest on intra-subfund debt	0	0	13,342	(13,342)	0
Inventory adjustment	(25,511)	(1,964)	6,939	1,047	(19,489)
	<u>(2,686,162)</u>	<u>(1,057,017)</u>	<u>(2,686,732)</u>	<u>(275,885)</u>	<u>(6,705,796)</u>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS</b>	<b>842,828</b>	<b>(1,224,842)</b>	<b>(1,011,885)</b>	<b>992,237</b>	<b>(401,662)</b>
<b>TRANSFERS AND CONTRIBUTIONS</b>					
Transfers in	4,528	1,158	1,632,660	324,088	1,962,434
Transfers out	(254,000)	0	(324,088)	0	(578,088)
Intergovernmental - capital grants	101,926	0	528,251	0	630,177
	<u>695,282</u>	<u>(1,223,684)</u>	<u>824,938</u>	<u>1,316,325</u>	<u>1,612,861</u>
<b>NET INCOME (LOSS)</b>	<b>695,282</b>	<b>(1,223,684)</b>	<b>824,938</b>	<b>1,316,325</b>	<b>1,612,861</b>
<b>NET POSITION</b>					
Beginning of fiscal year	54,516,761	12,408,058	69,934,692	31,641,825	168,501,336
<b>NET POSITION - END OF FISCAL YEAR</b>	<b>\$ 55,212,043</b>	<b>11,184,374</b>	<b>70,759,630</b>	<b>32,958,150</b>	<b>170,114,197</b>

See accompanying notes to financial statements

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

COMBINING SCHEDULE OF CASH FLOWS  
Year ended June 30, 2022

	<u>ELECTRIC</u>	<u>GAS</u>	<u>WATER</u>	<u>WASTEWATER</u>	<u>TOTAL</u>
<b>CASH FLOWS - OPERATING ACTIVITIES</b>					
Cash received from customers and users	\$ 48,607,404	7,049,190	7,319,872	6,101,719	69,078,185
Cash paid to suppliers for goods and services	(37,312,195)	(6,589,438)	(2,951,068)	(1,852,436)	(48,705,137)
Cash paid to employees	(6,225,091)	(708,335)	(1,522,044)	(1,529,858)	(9,985,328)
Taxes received from customers and users	1,047,953	244,856	183,281	384,615	1,860,705
Taxes remitted to State (from customers and users)	(1,062,919)	(248,314)	(183,971)	(385,671)	(1,880,875)
<b>NET CASH FLOWS - OPERATING ACTIVITIES</b>	<u>5,055,152</u>	<u>(252,040)</u>	<u>2,846,070</u>	<u>2,718,369</u>	<u>10,367,551</u>
<b>CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers to other funds	(254,000)	0	(324,088)	0	(578,088)
Transfers from other funds	4,528	1,158	1,632,660	324,088	1,962,434
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	(187,568)	(187,568)
<b>NET CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES</b>	<u>(249,472)</u>	<u>1,158</u>	<u>1,496,141</u>	<u>136,520</u>	<u>1,384,347</u>
<b>CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Cash received from capital grants	101,926	0	507,576	0	609,502
Proceeds received from loans	0	0	1,662,129	4,739,288	6,401,417
Principal repaid	(1,252,825)	0	(162,540)	(1,583,067)	(2,998,432)
Special closure costs paid	1,548,885	0	0	0	1,548,885
Interest and other debt service paid	(773,568)	0	(80,825)	(53,372)	(907,765)
Cash paid for acquisition of capital assets	(1,228,328)	(702,931)	(5,462,498)	(4,614,376)	(12,008,133)
Proceeds from sale of capital assets	(1,266,296)	0	(1,531,176)	0	(2,797,472)
<b>NET CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(2,870,206)</u>	<u>(702,931)</u>	<u>(5,067,334)</u>	<u>(1,511,527)</u>	<u>(10,151,998)</u>
<b>CASH FLOWS - INVESTING ACTIVITIES</b>					
Loss on investments	(255,292)	(76,149)	(372,449)	(223,560)	(927,450)
<b>NET CASH FLOWS - INVESTING ACTIVITIES</b>	<u>(255,292)</u>	<u>(76,149)</u>	<u>(372,449)</u>	<u>(223,560)</u>	<u>(927,450)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>1,680,182</b>	<b>(1,029,962)</b>	<b>(1,097,572)</b>	<b>1,119,802</b>	<b>672,450</b>
<b>EQUITY IN POOLED CASH AND INVESTMENTS - BEGINNING OF FISCAL YEAR</b>	16,448,290	3,525,721	9,864,265	7,287,257	37,125,533
<b>EQUITY IN POOLED CASH AND INVESTMENTS - END OF FISCAL YEAR</b>	<u>\$ 18,128,472</u>	<u>2,495,759</u>	<u>8,766,693</u>	<u>8,407,059</u>	<u>37,797,983</u>

(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

<b>OPERATING INCOME(LOSS)</b>	\$	3,528,990	(167,825)	1,674,847	1,268,122	6,304,134
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FLOWS - OPERATING ACTIVITIES</b>						
Depreciation and amortization expense		3,193,646	398,369	2,004,830	853,200	6,450,045
Amortization of special closure costs		1,254,742	0	0	0	1,254,742
Provision for uncollectible accounts receivable		22,392	6,377	3,269	17,877	49,915
Change in assets and liabilities:						
Accounts and other receivables		(214,446)	(148,572)	(216,162)	56,647	(522,533)
Inventories		(632,975)	(62,426)	(33,447)	904	(727,944)
Prepayments and other		0	0	18,664	0	18,664
Accounts and retentions payable		(1,566,499)	(215,772)	(637,324)	574,869	(1,844,726)
Salaries and benefits payable		349,471	(92,283)	7,575	(52,194)	212,569
Other current liabilities		(865,203)	33,549	24,508	0	(807,146)
Due to other governments		(14,966)	(3,457)	(690)	(1,056)	(20,169)
<b>Total adjustments</b>		<u>1,526,162</u>	<u>(84,215)</u>	<u>1,171,223</u>	<u>1,450,247</u>	<u>4,063,417</u>
<b>NET CASH FLOWS - OPERATING ACTIVITIES</b>	\$	<u>5,055,152</u>	<u>(252,040)</u>	<u>2,846,070</u>	<u>2,718,369</u>	<u>10,367,551</u>

## SCHEDULE OF NON CASH CAPITAL AND RELATED FINANCING ACTIVITIES

### NON CASH TRANSACTIONS:

Asset transfers - proprietary funds	\$	<u>0</u>	<u>0</u>	<u>(324,088)</u>	<u>0</u>	<u>(324,088)</u>
<b>TOTAL NON CASH TRANSACTIONS</b>	\$	<u>0</u>	<u>0</u>	<u>(324,088)</u>	<u>0</u>	<u>(324,088)</u>

**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, 2022

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 9,421,185	9,421,185	630,177	(8,791,008)
Charges for services	67,364,489	70,880,043	69,585,901	(1,294,142)
Miscellaneous revenues	2,624,810	3,552,810	(739,881)	(4,292,691)
<b>TOTAL REVENUES</b>	<b><u>79,410,484</u></b>	<b><u>83,854,038</u></b>	<b><u>69,476,197</u></b>	<b><u>(14,377,841)</u></b>
<b>EXPENSES AND ENCUMBRANCES</b>				
<b>Department of Public Utilities</b>				
Electric Subfund	48,908,113	53,206,907	46,228,455	6,978,452
Gas Subfund	5,171,462	9,719,795	7,945,136	1,774,659
Water Subfund	19,369,584	31,485,592	15,424,959	16,060,633
Wastewater Subfund	10,096,107	41,426,941	13,006,108	28,420,833
<b>TOTAL EXPENSES AND ENCUMBRANCES</b>	<b><u>83,545,266</u></b>	<b><u>135,839,234</u></b>	<b><u>82,604,658</u></b>	<b><u>53,234,576</u></b>
<b>EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES</b>	<b><u>(4,134,782)</u></b>	<b><u>(51,985,196)</u></b>	<b><u>(13,128,461)</u></b>	<b><u>38,856,735</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,250,000	1,962,434	1,962,434	0
Transfers out	(819,266)	(578,088)	(578,088)	0
Proceeds from intergovernmental loans	0	15,199,144	0	(15,199,144)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b><u>1,430,734</u></b>	<b><u>16,583,490</u></b>	<b><u>1,384,346</u></b>	<b><u>(15,199,144)</u></b>
<b>NET CHANGE IN FUND BALANCE</b>	<b><u>\$ (2,704,048)</u></b>	<b><u>(35,401,706)</u></b>	<b><u>(11,744,115)</u></b>	<b><u>23,657,591</u></b>
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			9,550,436	
Changes in compensated absences			86,398	
Bad debt adjustment			(39,069)	
Depreciation and amortization			(6,450,045)	
Adjustments to inventory			(19,488)	
Special closure costs			(636,020)	

Net book value of disposed capital assets	(5,001,737)
Capital outlay capitalized	13,539,309
Principal on interfund loan	(174,227)
Pension expense	570,532
Principal on debt service	1,930,887
	<u>13,356,976</u>
<b>GAAP BASIS</b>	<b>1,612,861</b>
<b>NET POSITION</b>	
Beginning of fiscal year	<u>168,501,336</u>
<b>NET POSITION - END OF FISCAL YEAR</b>	<b>\$ <u>170,114,197</u></b>

**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, 2022

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
<b>Intergovernmental</b>				
Federal subsidy	\$ 118,609	118,609	101,926	(16,683)
<b>Charges for services</b>				
Residential	13,836,731	13,986,731	7,766,476	(6,220,255)
Commercial and industrial	0	0	4,114,966	4,114,966
Public street and highway lighting	0	0	99,093	99,093
Municipal	0	0	1,577,441	1,577,441
Educational	0	0	411,687	411,687
Wholesale	34,406,553	34,406,553	34,577,658	171,105
Miscellaneous services	258,101	243,701	204,474	(39,227)
	<u>48,501,385</u>	<u>48,636,985</u>	<u>48,751,795</u>	<u>114,810</u>
<b>Miscellaneous revenues</b>				
Interest income (loss)	197,942	197,942	(253,712)	(451,654)
Gain (loss) on investments	0	0	(1,580)	(1,580)
	<u>197,942</u>	<u>197,942</u>	<u>(255,292)</u>	<u>(453,234)</u>
<b>TOTAL REVENUES</b>	<b>48,817,936</b>	<b>48,953,536</b>	<b>48,598,429</b>	<b>(355,107)</b>
<b>EXPENSES AND ENCUMBRANCES</b>				
<b>Department of Public Utilities</b>				
<b>Electric production</b>				
Employee salaries and benefits	1,895,188	1,895,194	2,008,087	(112,893)
Outside services	35,469,216	38,760,688	35,336,252	3,424,436
Materials and supplies	157,250	157,250	83,115	74,135
Intrafund/interfund services	1,119,725	1,119,725	1,156,356	(36,631)
Capital outlay	1,185,000	423,154	0	423,154
Debt and fiscal charges	941,030	941,030	720,312	220,718
	<u>40,767,409</u>	<u>43,297,041</u>	<u>39,304,122</u>	<u>3,992,919</u>
<b>Electric distribution</b>				
Employee salaries and benefits	5,257,864	4,713,027	4,679,565	33,462
Outside services	2,046,014	3,801,875	2,401,930	1,399,945
Materials and supplies	484,405	894,922	709,160	185,762

Intrafund/interfund services	1,821,350	1,821,350	1,629,042	192,308
Capital outlay	1,509,000	1,656,620	93,069	1,563,551
Debt and fiscal charges	1,133,909	1,133,910	1,115,040	18,870
	<u>12,252,542</u>	<u>14,021,704</u>	<u>10,627,806</u>	<u>3,393,898</u>
General and administrative				
Employee salaries and benefits	544,853	544,853	400,950	143,903
Outside services	280,000	280,000	74,437	205,563
Materials and supplies	23,000	23,000	6,673	16,327
Intrafund/interfund services	(4,959,691.00)	(4,959,691.00)	(4,185,533)	(774,158)
	<u>(4,111,838)</u>	<u>(4,111,838)</u>	<u>(3,703,473)</u>	<u>(408,365)</u>
<b>TOTAL EXPENSES AND ENCUMBRANCES</b>	<b><u>48,908,113</u></b>	<b><u>53,206,907</u></b>	<b><u>46,228,455</u></b>	<b><u>6,978,452</u></b>
<b>EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES</b>	<b>(90,177)</b>	<b>(4,253,371)</b>	<b>2,369,974</b>	<b>6,623,345</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in from:				
Other Declarations Fund	0	4,528	4,528	0
Transfers out to:				
General Fund	(594,979)	0	0	0
Water Production subfund	0	(254,000)	(254,000)	0
Proceeds from issuance of long-term debt				
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ <u>(685,156)</u></b>	<b><u>(4,502,843)</u></b>	<b><u>2,120,502</u></b>	<b><u>6,623,345</u></b>
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			1,369,158	
Changes in compensated absences			50,948	
Bad debt adjustment			(22,390)	
Depreciation and amortization			(3,193,646)	
Adjustments to inventory			(25,511)	
Special closure costs			(636,020)	
Net book value of disposed capital assets			(1,765,914)	
Capital outlay capitalized			1,228,328	
Pension expense			379,315	
Principal on debt service			1,190,512	
			<u>(1,425,220)</u>	
<b>GAAP BASIS</b>			<b>695,282</b>	
<b>NET POSITION</b>				
Beginning of fiscal year			<u>54,516,761</u>	
<b>NET POSITION - END OF FISCAL YEAR</b>			<b>\$ <u>55,212,043</u></b>	

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, 2022

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
<b>Charges for services</b>				
Residential	\$ 4,823,326	7,823,326	5,210,517	(2,612,809)
Commercial and industrial	0	0	1,287,149	1,287,149
Municipal	0	0	311,391	311,391
Educational	0	0	173,323	173,323
Miscellaneous services	0	0	181,834	181,834
	<u>4,823,326</u>	<u>7,823,326</u>	<u>7,164,214</u>	<u>(659,112)</u>
<b>Miscellaneous revenues</b>				
Interest income	55,789	55,789	(76,149)	(131,938)
	<u>55,789</u>	<u>55,789</u>	<u>(76,149)</u>	<u>(131,938)</u>
<b>TOTAL REVENUES</b>	<b>4,879,115</b>	<b>7,879,115</b>	<b>7,088,065</b>	<b>(791,050)</b>
<b>EXPENSES AND ENCUMBRANCES</b>				
<b>Department of Public Utilities</b>				
<b>Gas</b>				
Employee salaries and benefits	601,979	601,979	748,123	(146,144)
Outside services	2,712,219	6,807,742	5,998,204	809,538
Materials and supplies	194,400	233,449	194,645	38,804
Intrafund/interfund services	1,312,864	1,312,864	996,744	316,120
Capital outlay	350,000	763,761	7,420	756,341
<b>TOTAL EXPENSES AND ENCUMBRANCES</b>	<b>5,171,462</b>	<b>9,719,795</b>	<b>7,945,136</b>	<b>1,774,659</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES</b>	<b>(292,347)</b>	<b>(1,840,680)</b>	<b>(857,071)</b>	<b>983,609</b>



**OTHER FINANCING SOURCES (USES)**

Transfers in from:				
Other Declarations Fund	0	1,158	1,158	0
Transfer out to:				
General Fund	(224,287)	0	0	0
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (516,634)</b>	<b>(1,839,522)</b>	<b>(855,913)</b>	<b>983,609</b>

**ADJUSTMENTS TO GAAP**

Encumbrances			227,293	
Changes in compensated absences			47,606	
Bad debt adjustment			(6,378)	
Depreciation and amortization			(398,369)	
Adjustments to inventory			(1,964)	
Net book value of disposed capital assets			(978,904)	
Capital outlay capitalized			702,931	
Pension expense			40,014	
			<u>(367,771)</u>	
<b>GAAP BASIS</b>			<b>(1,223,684)</b>	

**NET POSITION**

Beginning of fiscal year			<u>12,408,058</u>	
<b>NET POSITION - END OF FISCAL YEAR</b>			<b>\$ <u>11,184,374</u></b>	

**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, 2022**

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
<b>Intergovernmental</b>				
Federal subsidy	\$ 27,576	27,576	27,576	0
State grants-other	6,225,000	6,225,000	500,675	(5,724,325)
<b>Charges for services</b>				
Residential	5,874,855	5,874,855	4,896,045	(978,810)
Commercial and industrial	0	0	547,763	547,763
Municipal	194,707	194,707	720,287	525,580
Educational	0	0	220,510	220,510
Wholesale	1,548,750	1,548,750	999,848	(548,902)
Miscellaneous services	30,906	410,860	127,073	(283,787)
	<u>7,649,218</u>	<u>8,029,172</u>	<u>7,511,526</u>	<u>(517,646)</u>
<b>Miscellaneous revenues</b>				
Interest income	11,764	11,764	(372,449)	(384,213)
Other	2,000,000	2,000,000	0	(2,000,000)
Interfund loan repayment	187,569	1,115,569	187,569	(928,000)
	<u>2,199,333</u>	<u>3,127,333</u>	<u>(184,880)</u>	<u>(3,312,213)</u>
<b>TOTAL REVENUES</b>	<b>16,101,127</b>	<b>17,409,081</b>	<b>7,854,897</b>	<b>(9,554,184)</b>
<b>EXPENSES AND ENCUMBRANCES</b>				
<b>Department of Public Utilities</b>				
Water distribution				
Employee salaries and benefits	649,536	649,532	703,461	(53,929)
Outside services	222,300	1,914,424	1,375,389	539,035
Materials and supplies	433,900	824,597	515,954	308,643
Intrafund/interfund services	1,172,076	1,172,076	752,425	419,651
Capital outlay	752,000	765,375	47,658	717,717
	<u>3,229,812</u>	<u>5,326,004</u>	<u>3,394,887</u>	<u>1,931,117</u>
Water production				
Employee salaries and benefits	1,170,863	1,170,867	1,054,923	115,944
Outside services	463,000	18,269,733	8,585,215	9,684,518
Materials and supplies	386,400	386,400	149,513	236,887

Intrafund/interfund services	1,893,867	1,893,867	1,971,422	(77,555)
Capital outlay	11,905,000	4,118,079	28,814	4,089,265
Debt and fiscal charges	320,642	320,642	240,185	80,457
	<u>16,139,772</u>	<u>26,159,588</u>	<u>12,030,072</u>	<u>14,129,516</u>
<b>TOTAL EXPENSES AND ENCUMBRANCES</b>	<b><u>19,369,584</u></b>	<b><u>31,485,592</u></b>	<b><u>15,424,959</u></b>	<b><u>16,060,633</u></b>
<b>EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES</b>	<b>(3,268,457)</b>	<b>(14,076,511)</b>	<b>(7,570,062)</b>	<b>6,506,449</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Transfers in from:</b>				
General Fund	250,000	250,000	250,000	0
Other Declarations Fund	0	1,128,660	1,128,660	0
Electric Fund	0	254,000	254,000	0
<b>Transfer out to:</b>				
Wastewater subfund	0	(324,088)	(324,088)	0
<b>Proceeds from issuance of long-term debt:</b>				
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ <u>(1,018,457)</u></b>	<b><u>(10,767,939)</u></b>	<b><u>(6,261,490)</u></b>	<b><u>6,506,449</u></b>
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			4,270,453	
Changes in compensated absences			9,317	
Bad debt adjustment			(3,271)	
Depreciation and amortization			(2,004,830)	
Adjustments to inventory			6,939	
Net book value of disposed capital assets			(2,256,919)	
Capital outlay capitalized			6,993,674	
Principal on interfund loans			(174,227)	
Pension expense			82,752	
Principal on debt service			162,540	
			<u>7,086,428</u>	
<b>GAAP BASIS</b>			<b>824,938</b>	
<b>NET POSITION</b>				
Beginning of fiscal year			<u>69,934,692</u>	
<b>NET POSITION - END OF FISCAL YEAR</b>			<b>\$ <u>70,759,630</u></b>	

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, 2022

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
<b>Intergovernmental</b>				
State grants-other	\$ 3,050,000	3,050,000	0	(3,050,000)
<b>Charges for services</b>				
Wastewater collection	\$ 6,390,560	6,390,560	5,393,499	(997,061)
Commercial and industrial	0	0	741,989	741,989
Miscellaneous services	0	0	22,878	22,878
	<u>6,390,560</u>	<u>6,390,560</u>	<u>6,158,366</u>	<u>(232,194)</u>
<b>Miscellaneous revenues</b>				
Interest income	171,746	171,746	(223,560)	(395,306)
	<u>171,746</u>	<u>171,746</u>	<u>(223,560)</u>	<u>(395,306)</u>
<b>TOTAL REVENUES</b>	<b>9,612,306</b>	<b>9,612,306</b>	<b>5,934,806</b>	<b>(3,677,500)</b>
<b>EXPENSES AND ENCUMBRANCES</b>				
<b>Department of Public Utilities</b>				
Wastewater				
Employee salaries and benefits	1,557,189	1,557,189	1,535,076	22,113
Outside services	488,100	22,814,992	8,641,749	14,173,243
Materials and supplies	426,100	437,248	318,507	118,741
Intrafund/interfund services	1,553,524	1,553,524	1,699,191	(145,667)
Capital outlay	4,573,600	13,566,395	60,704	13,505,691
Debt and fiscal charges	1,497,594	1,497,594	750,881	746,713
	<u>10,096,107</u>	<u>41,426,941</u>	<u>13,006,108</u>	<u>28,420,833</u>
<b>TOTAL EXPENSES AND ENCUMBRANCES</b>	<b>10,096,107</b>	<b>41,426,941</b>	<b>13,006,108</b>	<b>28,420,833</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES</b>	<b>(483,801)</b>	<b>(31,814,635)</b>	<b>(7,071,302)</b>	<b>24,743,333</b>
<b>Transfers in from:</b>				
Water subfund	0	324,088	324,088	0
<b>Proceeds from revenue bonds</b>				
Intergovernmental loans	0	15,199,144	0	(15,199,144)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (483,801)</b>	<b>(16,291,403)</b>	<b>(6,747,214)</b>	<b>9,544,189</b>

**ADJUSTMENTS TO GAAP**

Encumbrances	3,683,532
Changes in compensated absences	(21,473)
Bad debt adjustment	(7,030)
Depreciation and amortization	(853,200)
Adjustments to inventory	1,048
Capital outlay capitalized	4,614,376
Pension expense	68,451
Principal on debt service	577,835
	<u>8,063,539</u>
<b>GAAP BASIS</b>	<b>1,316,325</b>

**NET POSITION**

Beginning of fiscal year	<u>31,641,825</u>
<b>NET POSITION - END OF FISCAL YEAR</b>	<u>\$ 32,958,150</u>

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## 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, 2022

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
<b>Taxes</b>				
Selective gross receipt taxes	\$ 1,283,000	1,283,000	1,183,275	(99,725)
State grants-other	0	124,036	31,808	(92,228)
<b>Charges for services</b>				
Sales of food or merchandise (trash bags)	0	0	2,219	2,219
Residential	2,244,000	2,244,000	2,253,820	9,820
Commercial and industrial	681,500	681,500	644,857	(36,643)
Other charges for services	500,000	500,000	426,132	(73,868)
	<u>3,425,500</u>	<u>3,425,500</u>	<u>3,327,028</u>	<u>(98,472)</u>
<b>Interfund/interdepartmental charges</b>				
Interdepartmental services	74,000	74,000	66,133	(7,867)
<b>Miscellaneous revenues</b>				
Interest income	29,000	29,000	(66,215)	(95,215)
Interest charges-delinquent accounts	0	0	4,515	4,515
Other	115,000	115,000	141,931	26,931
Other judgments and settlements	0	210,077	210,078	1
	<u>144,000</u>	<u>354,077</u>	<u>290,309</u>	<u>(63,768)</u>
<b>TOTAL REVENUES</b>	<b>4,926,500</b>	<b>5,260,613</b>	<b>4,898,553</b>	<b>(362,060)</b>
<b>EXPENSES AND ENCUMBRANCES</b>				
<b>Public Works</b>				
Environmental Services				
Employee salaries and benefits	1,509,997	1,541,447	1,367,609	173,838
Outside services	1,595,769	1,798,567	1,495,585	302,982
Materials and supplies	2,681,302	2,701,381	1,171,104	1,530,277
Intrafund/interfund services	1,134,142	1,134,142	1,116,465	17,677
Capital outlay	32,800	124,713	17,928	106,785
Debt and fiscal charges	326,985	326,985	329,653	(2,668)
	<u>7,280,995</u>	<u>7,627,234</u>	<u>5,498,344</u>	<u>2,128,890</u>
<b>TOTAL EXPENSES AND ENCUMBRANCES</b>	<b>7,280,995</b>	<b>7,627,234</b>	<b>5,498,344</b>	<b>2,128,890</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES</b>	<b>(2,354,495)</b>	<b>(2,366,621)</b>	<b>(599,791)</b>	<b>1,766,830</b>

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

General Fund

2,400,0002,400,0002,400,0000**NET CHANGE IN FUND BALANCE**\$ 45,50533,3791,800,2091,766,830**ADJUSTMENTS TO GAAP**

Encumbrances

1,141,811

Changes in compensated absences

(8,338)

Bad debt adjustment

(2,162)

Depreciation and amortization

(188,391)

Special closure costs

58,077

Capital outlay capitalized

17,928

Assets transferred - proprietary funds

(3,795)

Principal on debt service

241,715

Pension expense

74,868

1,331,7133,131,922**GAAP BASIS****NET POSITION**

Beginning of fiscal year

1,455,785**NET POSITION - END OF FISCAL YEAR**\$ 4,587,707

**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, 2022

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
<b>Intergovernmental</b>				
Federal direct	\$ 190,620	190,620	55,991	(134,629)
Federal indirect	2,174,487	3,686,451	2,318,787	(1,367,664)
State grants-other	0	1,485,000	0	(1,485,000)
Other intergovernmental (NCRTD)	1,502,650	1,502,650	1,319,711	(182,939)
	<u>3,867,757</u>	<u>6,864,721</u>	<u>3,694,489</u>	<u>(3,170,232)</u>
<b>Miscellaneous revenues</b>				
Interest income	50,000	50,000	(66,290)	(116,290)
<b>TOTAL REVENUES</b>	<u><b>3,917,757</b></u>	<u><b>6,914,721</b></u>	<u><b>3,628,199</b></u>	<u><b>(3,286,522)</b></u>
<b>EXPENSES AND ENCUMBRANCES</b>				
<b>Public Works</b>				
Transit (Atomic City Transit)				
Employee salaries and benefits	3,109,667	2,971,513	2,439,420	532,093
Outside services	136,452	3,394,508	133,353	3,261,155
Materials and supplies	56,357	56,357	35,443	20,914
Intrafund/interfund services	1,662,880	1,662,880	1,621,229	41,651
Capital outlay	33,000	1,954,836	1,451,502	503,334
<b>TOTAL EXPENSES AND ENCUMBRANCES</b>	<u><b>4,998,356</b></u>	<u><b>10,040,094</b></u>	<u><b>5,680,947</b></u>	<u><b>4,359,147</b></u>
<b>EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES</b>	<b>(1,080,599)</b>	<b>(3,125,373)</b>	<b>(2,052,748)</b>	<b>1,072,625</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Transfers in from:</b>				
General Fund	<u>1,050,000</u>	<u>1,050,000</u>	<u>1,050,000</u>	<u>0</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ (30,599)</u></u>	<u><u>(2,075,373)</u></u>	<u><u>(1,002,748)</u></u>	<u><u>1,072,625</u></u>

**ADJUSTMENTS TO GAAP**

Encumbrances	1,031,418
Changes in compensated absences	21,206
Depreciation and amortization	(178,245)
Capital outlay capitalized	469,784
Assets transferred - proprietary funds	(469,784)
Pension expense	129,500

1,003,879

**GAAP BASIS**

1,131

**NET POSITION**

Beginning of fiscal year	(131,752)
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**NET POSITION - END OF FISCAL YEAR**

\$ (130,621)

**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, 2022**

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
<b>Taxes</b>				
Fire excise tax	\$ 2,553,000	2,553,000	2,366,549	(186,451)
<b>Intergovernmental revenue</b>				
Federal direct - NNSA cooperative agreement	20,642,435	20,864,435	21,083,368	218,933
State grants-other	500,000	500,000	206,688	(293,312)
<b>Charges for services</b>				
Ambulance services	620,000	620,000	683,146	63,146
<b>Interfund/interdepartmental charges</b>				
County share of fire services	7,252,747	7,330,747	6,877,611	(453,136)
<b>Miscellaneous revenues</b>				
Other judgments and settlements	0	420,156	420,156	0
Other	0	0	90	90
<b>TOTAL REVENUES</b>	<b>31,568,182</b>	<b>32,288,338</b>	<b>31,637,608</b>	<b>(650,730)</b>
<b>EXPENSES AND ENCUMBRANCES</b>				
<b>Fire Department</b>				
Operations				
Employee salaries and benefits	17,618,852	17,618,852	17,116,789	502,063
Outside services	19,503	19,503	15,829	3,674
Materials and supplies	345,482	689,609	684,036	5,573
	<u>17,983,837</u>	<u>18,327,964</u>	<u>17,816,654</u>	<u>511,310</u>
Life Safety				
Employee salaries and benefits	0	0	17,107	(17,107)
Outside services	174,945	162,705	119,132	43,573
Materials and supplies	413,298	498,040	481,635	16,405
	<u>588,243</u>	<u>660,745</u>	<u>617,874</u>	<u>42,871</u>
Training				
Employee salaries and benefits	0	0	1,094,062	(1,094,062)
Outside services	373,036	363,036	251,852	111,184
Materials and supplies	103,372	103,372	180,002	(76,630)
	<u>476,408</u>	<u>466,408</u>	<u>1,525,916</u>	<u>(1,059,508)</u>

Emergency Medical Services				
Employee salaries and benefits	0	0	14,795	(14,795)
Outside services	144,940	147,364	120,961	26,403
Materials and supplies	180,389	202,274	186,578	15,696
	<u>325,329</u>	<u>349,638</u>	<u>322,334</u>	<u>27,304</u>
Non contract-administration				
Employee salaries and benefits	243,621	243,621	97,246	146,375
Outside services	31,200	60,729	49,506	11,223
Materials and supplies	65,578	65,578	214	65,364
Intrafund/interfund services	193,821	193,821	199,771	(5,950)
Capital outlay	0	17,100	17,100	0
Debt and fiscal charges	0	0	10,784	(10,784)
	<u>534,220</u>	<u>580,849</u>	<u>374,621</u>	<u>206,228</u>
Administration				
Employee salaries and benefits	2,992,662	2,992,662	2,567,447	425,215
Outside services	433,282	423,282	390,406	32,876
Materials and supplies	92,240	92,240	77,898	14,342
Intrafund/interfund services	5,003,181	5,003,181	4,943,960	59,221
	<u>8,521,365</u>	<u>8,511,365</u>	<u>7,979,711</u>	<u>531,654</u>
<b>TOTAL EXPENSES AND ENCUMBRANCES</b>	<b>28,429,402</b>	<b>28,896,969</b>	<b>28,637,110</b>	<b>259,859</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES</b>	<b>3,138,780</b>	<b>3,391,369</b>	<b>3,000,498</b>	<b>390,871</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out to:				
General Fund	<u>(2,553,000)</u>	<u>(2,553,000)</u>	<u>(2,553,000)</u>	<u>0</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ <u>585,780</u></b>	<b><u>838,369</u></b>	<b><u>447,498</u></b>	<b><u>390,871</u></b>
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			534,610	
Changes in compensated absences			(331,370)	
Bad debt expense			(55,321)	
Depreciation and amortization			(764,996)	
Lease amortization			(172,983)	
Non-lease component expense			(41,652)	
Lease expense capitalized			213,224	
Net book value of disposed capital assets			346,995	
Pension expense			1,651,749	
			<u>1,380,256</u>	
			<u>1,827,754</u>	
<b>GAAP BASIS NET POSITION</b>				
Beginning of fiscal year			(46,747,392)	
<b>NET POSITION - END OF FISCAL YEAR</b>			<b>\$ <u>(44,919,638)</u></b>	

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, 2022

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
<b>Licenses and permits</b>				
<b>Intergovernmental</b>				
Federal direct	900,000	2,139,700	179,536	(1,960,164)
State grants-other	2,143,188	1,314,300	0	(1,314,300)
	<u>3,043,188</u>	<u>3,454,000</u>	<u>179,536</u>	<u>(3,274,464)</u>
<b>Charges for services</b>				
Airport fees	80,000	80,000	76,289	(3,711)
<b>Miscellaneous revenues</b>				
Interest income	22,000	22,000	(19,941)	(41,941)
	<u>22,000</u>	<u>22,000</u>	<u>(19,941)</u>	<u>(41,941)</u>
<b>TOTAL REVENUES</b>	<b>3,145,188</b>	<b>3,556,000</b>	<b>235,884</b>	<b>(3,320,116)</b>
<b>EXPENSES AND ENCUMBRANCES</b>				
<b>Public Works</b>				
Airport operations				
Employee salaries and benefits	122,619	123,634	102,755	20,879
Outside services	1,287,966	1,850,572	1,378,623	471,949
Materials and supplies	37,899	39,756	11,777	27,979
Intrafund/interfund services	226,968	226,968	223,124	3,844
Capital outlay	2,522,250	2,659,250	61,500	2,597,750
Debt and fiscal charges	1,545	1,545	730	815
	<u>4,199,247</u>	<u>4,901,724</u>	<u>1,778,509</u>	<u>3,123,215</u>
<b>TOTAL EXPENSES AND ENCUMBRANCES</b>	<b>4,199,247</b>	<b>4,901,724</b>	<b>1,778,509</b>	<b>3,123,215</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES</b>	<b>(1,054,059)</b>	<b>(1,345,724)</b>	<b>(1,542,625)</b>	<b>(196,901)</b>

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

General Fund	784,063	784,063	784,063	0
Economic Development Fund	0	102,636	102,636	0
	<u>784,063</u>	<u>886,699</u>	<u>886,699</u>	<u>0</u>

**NET CHANGE IN FUND BALANCE** \$ (269,996) (459,025) (655,926) (196,901)

**ADJUSTMENTS TO GAAP**

Encumbrances			1,066,743	
Changes in compensated absences			(3,732)	
Depreciation and amortization			(587,501)	
Capital outlay capitalized			61,500	
Pension expense			1,319	
			<u>538,329</u>	
			<u>(117,597)</u>	

**GAAP BASIS****NET POSITION**

Beginning of fiscal year			<u>12,646,785</u>	
<b>NET POSITION - END OF FISCAL YEAR</b>			<u><u>12,529,188</u></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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**INCORPORATED COUNTY OF LOS ALAMOS**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**June 30, 2022**

	<u>EQUIPMENT</u>	<u>RISK MANAGEMENT</u>	<u>TOTAL</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Equity in pooled cash and investments	\$ 6,233,890	12,635,508	18,869,398
Receivables, net of allowance for uncollectibles			
Accounts	8,643	3,675	12,318
Inventories and prepayments			
	<u>6,242,533</u>	<u>12,639,183</u>	<u>18,881,716</u>
<b>PROPERTY, PLANT AND EQUIPMENT</b>			
Machinery and equipment	30,256,024	0	30,256,024
Less accumulated depreciation	(21,018,059)	0	(21,018,059)
	<u>9,237,965</u>	<u>0</u>	<u>9,237,965</u>
<b>TOTAL ASSETS</b>	<b><u>15,480,498</u></b>	<b><u>12,639,183</u></b>	<b><u>28,119,681</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred other post employment benefits	113,153	32,543	145,696
Deferred pensions	112,395	23,747	136,142
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	3,860	674,374	678,234
Claims and judgments payable	0	1,722,625	1,722,625
Accrued salaries including benefits payable	11,586	3,633	15,219
Accrued compensated absences	92,390	29,891	122,281
	<u>107,836</u>	<u>2,430,523</u>	<u>2,538,359</u>
<b>NONCURRENT LIABILITIES</b>			
Accrued compensated absences	63,346	4,809	68,155
Claims and judgments payable	0	929,276	929,276
Net other post employment benefits liability	366,033	148,194	514,227
Net pension liability	808,374	231,352	1,039,726
	<u>1,237,753</u>	<u>1,313,631</u>	<u>2,551,384</u>
<b>TOTAL LIABILITIES</b>	<b><u>1,345,589</u></b>	<b><u>3,744,154</u></b>	<b><u>5,089,743</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred other post employment benefits	240,285	86,748	327,033
Deferred pensions	252,961	85,020	337,981
<b>NET POSITION</b>			
Net investment in capital assets	9,237,965	0	9,237,965
Unrestricted	4,629,246	8,779,551	13,408,797
<b>TOTAL NET POSITION</b>	<b><u>\$ 13,867,211</u></b>	<b><u>8,779,551</u></b>	<b><u>22,646,762</u></b>

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, 2022

	<u>EQUIPMENT</u>	<u>RISK MANAGEMENT</u>	<u>TOTAL</u>
<b>OPERATING REVENUES</b>			
Interfund charges for services	\$ 4,174,914	201	4,175,115
Insurance and pension contributions			
County	0	9,303,273	9,303,273
Employees and retirees	0	1,685,440	1,685,440
Miscellaneous operating revenue	149,737	0	149,737
	<u>4,324,651</u>	<u>10,988,914</u>	<u>15,313,565</u>
<b>OPERATING EXPENSES</b>			
Employee salaries and benefits	970,662	354,234	1,324,896
Contractual services	817,537	9,804,921	10,622,458
Materials and supplies	1,533,720	8,146	1,541,866
Depreciation and amortization	2,242,929	0	2,242,929
Other	0	1,300	1,300
	<u>5,564,848</u>	<u>10,168,601</u>	<u>15,733,449</u>
<b>OPERATING INCOME (LOSS)</b>	<b>(1,240,197)</b>	<b>820,313</b>	<b>(419,884)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Gain (loss) on disposition of fixed assets	493,104	0	493,104
Investment income	(173,404)	(333,703)	(507,107)
	<u>319,700</u>	<u>(333,703)</u>	<u>(14,003)</u>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS</b>	<b>(920,497)</b>	<b>486,610</b>	<b>(433,887)</b>
<b>TRANSFERS AND CONTRIBUTIONS</b>			
Transfers in	513,016	0	513,016
Contributed capital assets - governmental activities	78,243	0	78,243
	<u>591,259</u>	<u>0</u>	<u>591,259</u>
<b>NET INCOME (LOSS)</b>	<b>(329,238)</b>	<b>486,610</b>	<b>157,372</b>
<b>NET POSITION</b>			
Beginning of fiscal year	14,196,449	8,292,941	22,489,390
<b>NET POSITION - END OF FISCAL YEAR</b>	<b>\$ <u>13,867,211</u></b>	<b>\$ <u>8,779,551</u></b>	<b><u>22,646,762</u></b>

See accompanying notes to financial statements

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

COMBINING STATEMENT OF CASH FLOWS  
Year ended June 30, 2022

	<u>EQUIPMENT</u>	<u>RISK MANAGEMENT</u>	<u>TOTAL</u>
<b>CASH FLOWS - OPERATING ACTIVITIES</b>			
Cash received from customers and users	\$ 4,316,008	(2,836)	4,313,172
Cash received from contributions-employer and employees	0	10,988,713	10,988,713
Cash paid to suppliers for goods and services	(2,385,278)	(9,465,736)	(11,851,014)
Cash paid to employees	(1,021,085)	(369,234)	(1,390,319)
<b>NET CASH FLOWS - OPERATING ACTIVITIES</b>	<b>909,645</b>	<b>1,150,907</b>	<b>2,060,552</b>
<b>CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers from other funds	39,437	0	39,437
<b>NET CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES</b>	<b>39,437</b>	<b>0</b>	<b>39,437</b>
<b>CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Cash paid for acquisition of capital assets	(645,268)	0	(645,268)
Proceeds from sale of capital assets	532,075	0	532,075
<b>NET CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(113,193)</b>	<b>0</b>	<b>(113,193)</b>
<b>CASH FLOWS - INVESTING ACTIVITIES</b>			
Interest received on investments	(173,404)	(333,703)	(507,107)
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>662,485</b>	<b>817,204</b>	<b>1,479,689</b>
<b>EQUITY IN POOLED CASH AND INVESTMENTS - BEGINNING OF FISCAL YEAR</b>	<b>5,571,405</b>	<b>11,818,304</b>	<b>17,389,709</b>
<b>EQUITY IN POOLED CASH AND INVESTMENTS - END OF FISCAL YEAR</b>	<b>\$ 6,233,890</b>	<b>12,635,508</b>	<b>18,869,398</b>

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

<b>OPERATING INCOME(LOSS)</b>	\$ (1,240,197)	820,313	(419,884)
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FLOWS - OPERATING ACTIVITIES</b>			
Depreciation and amortization expense	2,242,929	0	2,242,929
Change in assets and liabilities:			
Accounts and other receivables	(8,643)	(1,737)	(10,380)
Accounts payable	(34,021)	114,518	80,497
Salaries and benefits payable	(50,423)	(15,000)	(65,423)
Claims and judgments payable	0	232,813	232,813
<b>Total adjustments</b>	<u>2,149,842</u>	<u>330,594</u>	<u>2,480,436</u>
<b>NET CASH FLOWS - OPERATING ACTIVITIES</b>	<u>\$ 909,645</u>	<u>1,150,907</u>	<u>2,060,552</u>

## SCHEDULE OF NON CASH CAPITAL AND RELATED FINANCING ACTIVITIES

### NON CASH TRANSACTIONS:

Asset transfers - proprietary funds	\$ 473,579	0	473,579
Contributed capital assets - governmental activities	78,243	0	78,243
<b>TOTAL NON CASH CAPITAL ACQUISITIONS</b>	<u>\$ 551,822</u>	<u>0</u>	<u>551,822</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, 2022

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
Intergovernmental				
Interfund/interdepartmental charges				
Charges for special services	4,176,987	4,176,987	4,174,914	(2,073)
Miscellaneous revenues				
Investment income (loss)	136,000	136,000	(173,404)	(309,404)
Other	100,000	100,000	149,737	49,737
	<u>236,000</u>	<u>236,000</u>	<u>(23,667)</u>	<u>(259,667)</u>
<b>TOTAL REVENUES</b>	<b><u>4,412,987</u></b>	<b><u>4,412,987</u></b>	<b><u>4,151,247</u></b>	<b><u>(261,740)</u></b>
<b>EXPENSES AND ENCUMBRANCES</b>				
Public Works				
Fleet management-equipment maintenance				
Employee salaries and benefits	1,088,459	1,109,764	1,024,395	85,369
Outside services	167,185	191,239	130,788	60,451
Materials and supplies	1,495,755	1,496,306	1,533,720	(37,414)
Intrafund/interfund services	683,374	683,374	686,749	(3,375)
Capital outlay	0	77,665	81,175	(3,510)
	<u>3,434,773</u>	<u>3,558,348</u>	<u>3,456,827</u>	<u>101,521</u>
Fleet management-equipment replacement				
Materials and supplies	0	0	2,300	(2,300)
Capital outlay	1,607,206	1,909,320	1,274,235	635,085
	<u>1,607,206</u>	<u>1,909,320</u>	<u>1,276,535</u>	<u>632,785</u>
<b>TOTAL EXPENSES AND ENCUMBRANCES</b>	<b><u>5,041,979</u></b>	<b><u>5,467,668</u></b>	<b><u>4,733,362</u></b>	<b><u>734,306</u></b>
<b>EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES</b>	<b>(628,992)</b>	<b>(1,054,681)</b>	<b>(582,115)</b>	<b>472,566</b>



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

General Fund	37,122	37,122	37,122	0
Emergency Declarations Fund	2,315	2,315	2,315	0

Proceeds from sale of capital assets	<u>237,686</u>	<u>237,686</u>	<u>532,076</u>	<u>294,390</u>
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<b>NET CHANGE IN NET POSITION</b>	<b>\$ <u>(351,869)</u></b>	<b><u>(777,558)</u></b>	<b><u>(10,602)</u></b>	<b><u>766,956</u></b>
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**ADJUSTMENTS TO GAAP**

Encumbrances			712,442	
Changes in compensated absences			1,264	
Depreciation and amortization			(2,242,929)	
Net book value of disposed capital assets			(38,972)	
Capital outlay capitalized			645,268	
Asset transfers - proprietary funds			473,579	
Contributed capital assets - governmental activities			78,243	
Pension expense			52,469	

<u>(318,636)</u>
<u>(329,238)</u>

**GAAP BASIS****NET POSITION**

Beginning of fiscal year			<u>14,196,449</u>	
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<b>NET POSITION - END OF FISCAL YEAR</b>			<b>\$ <u>13,867,211</u></b>	
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**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, 2022

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
<b>Charges for services</b>				
Administrative charges for services	\$ 0	0	201	201
<b>Interfund/interdepartmental charges</b>				
County insurance contributions	11,340,332	11,340,332	9,303,273	(2,037,059)
<b>Miscellaneous revenues</b>				
Investment income	233,464	233,464	(333,703)	(567,167)
Group insurance contributions				
Employees	2,178,082	2,178,082	1,685,440	(492,642)
	<u>2,411,546</u>	<u>2,411,546</u>	<u>1,351,737</u>	<u>(1,059,809)</u>
<b>TOTAL REVENUES</b>	<b><u>13,751,878</u></b>	<b><u>13,751,878</u></b>	<b><u>10,655,211</u></b>	<b><u>(3,096,667)</u></b>
<b>EXPENSES AND ENCUMBRANCES</b>				
<b>Administrative Services - Human Resources</b>				
Group insurance				
Outside services	685,000	685,709	547,713	137,996
Intrafund/interfund services	(31,900)	(31,900)	(28,042)	(3,858)
	<u>653,100</u>	<u>653,809</u>	<u>519,671</u>	<u>134,138</u>
Medical Insurance				
Outside services	10,206,000	10,206,247	7,821,075	2,385,172
Unemployment insurance				
Outside services	70,000	70,000	30,292	39,708
Workers' compensation insurance				
Outside services	721,000	721,000	398,224	322,776
Administration and other insurance				
Employee salaries and benefits	372,961	378,034	370,191	7,843
Outside services	1,407,598	1,479,709	792,684	687,025
Materials and supplies	12,763	12,763	8,146	4,617
Intrafund/interfund services	38,993	38,993	34,793	4,200
	<u>1,832,315</u>	<u>1,909,499</u>	<u>1,205,814</u>	<u>703,685</u>
<b>TOTAL EXPENSES AND ENCUMBRANCES</b>	<b><u>13,482,415</u></b>	<b><u>13,560,555</u></b>	<b><u>9,975,076</u></b>	<b><u>3,585,479</u></b>

<b>NET CHANGE IN NET POSITION</b>	\$	<u>269,463</u>	<u>191,323</u>	680,135	<u>488,812</u>
<b>ADJUSTMENTS TO GAAP</b>					
Encumbrances				24,632	
Changes in compensated absenses				(1,090)	
Bad debt expense				(1,300)	
Incurred but not reported claims adjustment				(232,814)	
Pension expense				17,047	
				<u>(193,525)</u>	
<b>GAAP BASIS</b>				<b>486,610</b>	
<b>NET POSITION</b>					
Beginning of fiscal year				8,292,941	
<b>NET POSITION - END OF FISCAL YEAR</b>	\$			<u><b>8,779,551</b></u>	

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS**  
**CUSTODIAL FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**June 30, 2022**

	<b>Property Taxes</b>	<b>Employee Assistance Fund</b>	<b>Recreation Contributions</b>	<b>Utility Assistance Program</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and cash equivalents	116,157	22,573	43,109	26,781	208,620
Receivables, net of allowance for uncollectibles:					
Property taxes	314,568	0	0	0	314,568
Others	313	0	0	0	313
Total receivables	314,881	0	0	0	314,881
<b>TOTAL ASSETS</b>	<b>431,038</b>	<b>22,573</b>	<b>43,109</b>	<b>26,781</b>	<b>523,501</b>
<b>LIABILITIES</b>					
Accounts payable and other liabilities	0	0	0	0	0
<b>TOTAL LIABILITIES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET POSITION</b>					
Restricted for:					
Individuals, organizations, and other governments	431,038				431,038
Employee fund		22,573			22,573
Recreation Programs			43,109		43,109
Utility Assistance Program				26,781	26,781
<b>TOTAL NET POSITION</b>	<b>431,038</b>	<b>22,573</b>	<b>43,109</b>	<b>26,781</b>	<b>523,501</b>

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS**  
**CUSTODIAL FUNDS**  
**COMBINING STATEMENT OF CHANGES IN NET POSITION**  
**Year Ended June 30, 2022**

	<b>Property Taxes</b>	<b>Employee Assistance Fund</b>	<b>Recreation Contributions</b>	<b>Utility Assistance Program</b>	<b>Total</b>
<b>ADDITIONS</b>					
Contributions:					
Customers	0	0	0	12,497	12,497
Property tax received	35,408,893	0	0	0	35,408,893
Donations for recreation programs	0	0	503	0	503
Employee fund	0	22,573	0	0	22,573
Total contributions	<b>35,408,893</b>	<b>22,573</b>	<b>503</b>	<b>12,497</b>	<b>35,444,466</b>
Sales tax collections for other governments	2,417,286	0	0	0	2,417,286
Fee collections for other governments	10,515	0	0	0	10,515
<b>TOTAL ADDITIONS</b>	<b>37,836,694</b>	<b>22,573</b>	<b>503</b>	<b>12,497</b>	<b>37,872,267</b>
<b>DEDUCTIONS</b>					
Benefits paid to participants or beneficiaries	0	0	0	19,064	19,064
Payment to State	2,431,237	0	0	0	2,431,237
Property tax payment	35,307,192	0	0	0	35,307,192
Employee fund	0	22,592	0	0	22,592
<b>TOTAL DEDUCTIONS</b>	<b>37,738,429</b>	<b>22,592</b>	<b>0</b>	<b>19,064</b>	<b>37,780,085</b>
Net increase (decrease) in custodial net position	98,265	(19)	503	(6,567)	92,182
<b>NET POSITION</b>					
Beginning of fiscal year	332,773	22,592	42,606	33,348	431,319
<b>NET POSITION - END OF FISCAL YEAR</b>	<b>431,038</b>	<b>22,573</b>	<b>43,109</b>	<b>26,781</b>	<b>523,501</b>



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>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>	<u>FY2022</u>
Governmental activities										
Net investment in capital assets	\$ 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	250,225,576
Restricted	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	45,553,518
Unrestricted	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 [e]	29,911,224
Total governmental activities net position [a]	<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>	<u>325,690,318</u>
Business-type activities										
Net investment in capital assets	\$ 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	188,397,394
Restricted	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	17,565,599
Unrestricted	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)	(39,139,661)
Total business-type activities net position [a]	<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>	<u>166,823,332</u>
Primary government										
Net investment in capital assets	\$ 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	438,622,970
Restricted	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	63,119,117
Unrestricted	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)	(9,228,437)
Total primary government net position [a]	<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>	<u>492,513,650</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.

[e] The County received a settlement from New Mexico Taxation and Revenue Department in FY2022 as well as an increase in gross receipts taxes, which increased the Unrestricted Net Position.



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

Table 2

	<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>	<u>FY2022</u>
<b>Expenses</b>										
Governmental activities:										
General government	\$ 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	16,360,363
Public safety	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	18,264,576
Physical and economic environment	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	5,431,571
Transportation	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	8,994,009
Health and welfare	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	5,335,149
Culture and recreation	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	10,656,894
Interest on long-term debt	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	1,097,603
Total governmental activities expenses	<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>	<u>66,140,165</u>
Business-type activities:										
Joint Utilities										
Electric	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	47,692,328
Gas	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	8,319,740
Water	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	8,177,163
Wastewater	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	4,940,905
Environmental Services	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	4,175,763
Golf	1,194,242	0 [a]	0	0	0	0	0	0	0	0
Transit (Atomic City Transit)	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	4,226,671
Fire	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	27,372,994
Airport	1,737,767	1,537,667	1,251,229	1,777,165	1,628,521	1,134,060	931,841	924,622	827,233	1,240,670
Total business-type activities expenses	<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>	<u>106,146,234</u>
Total primary government expenses	<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>	<u>172,286,399</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for Services:										
General government	\$ 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	1,153,161
Public safety	30,892	10,075	27,970	21,186	33,262	32,631	38,749	103,530	209,150	128,997
Transportation	58,997	0	0	0	0	0	0	0	0	0
Physical and economic environment	278,557	297,164	285,865	267,346	350,571	394,274	391,345	585,986	933,120	848,415
Health and welfare	0	0	0	0	0	0	0	0	0 [e]	448,462
Culture and recreation	485,245	1,095,508	1,054,444	1,049,593	1,002,205	884,437	549,841	417,634	528,851	1,037,267
Operating grants and contributions	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	3,724,606
Capital grants and contributions	1,254,628	710,953	895,715	702,911	2,937,044	3,253,923	2,273,796	4,039,402	2,120,077	1,682,093
Total governmental activities program revenues	<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>	<u>9,023,001</u>
Business-type activities:										
Charges for services:										
Joint Utilities										
Electric	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	48,751,796
Gas	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	7,164,213
Water	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	7,511,526
Wastewater	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	6,158,366
Environmental Services	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	3,745,170
Golf	505,080	0 [b]	0	0	0	0	0	0	0	0
Transit (Atomic City Transit)	150,092	150,000	0	0	11,701	18,830	0	0	0	0

Fire	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	7,981,002
Airport	85,324	100,434	88,639	87,389	90,208	96,492	115,787	130,428	71,711	76,289
Operating grants and contributions	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	24,726,106
Capital grants and contributions	1,863,427	11,953,592	2,484,713	1,577,799	777,875	766,530	1,382,160	925,955	428,961	1,099,961
Total business-type activities program revenues	<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>	<u>107,214,429</u>
Total primary government program revenues	<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>	<u>116,237,430</u>

**Net (Expenses)/Revenues**

Governmental activities	\$ (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)	(57,117,164)
Business-type activities	(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	1,068,195
Total primary government net expense	<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>	<u>(56,048,969)</u>

**General Revenues and Other Changes in Net Position**

Governmental activities:

Taxes										
Gross receipts taxes	\$ 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	44,209,808
Property taxes	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	8,262,390
Franchise taxes	464,719	481,665	472,261	512,974	566,033	491,995	528,970	524,930	533,848	526,930
Grants and contribution not restricted to specific programs	523,589	1,451,287	817,545	1,392,069	847,665	889,846	1,222,801	934,392	870,136	12,008,825
State shared tax revenue not restricted to specific program:	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	24,504,284
Unrestricted investment earnings	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	(13,043,668)
Gain on exchange of capital assets	0	0	337,133	0	0	(12,210,226)	(2,719,594)	(6,038,219)	(476,875)	0
Transfers	3,889,997	(807,895)	347,887	2,146,495	51,556	1,460,372	1,542,902	870,229	704,206	(3,285,725)
Total governmental activities	<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>	<u>73,182,844</u>

Business-type activities:

Gross receipts taxes	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	3,549,824
Grants and contribution not restricted to specific programs	0	0	0	0	0	0	0	0	0	0
Unrestricted investment earnings	887,530	898,846	157,053	127,936	886,979	779,323	831,079	737,305	1,991,428	(1,075,381)
Gain on restructuring of San Juan ownership agreement	0	0	0 [c]	1,953,600	0	0	0	0	0	0
Gain (loss) on exchange of capital assets	0	0	0	0	0	(998,192)	(609,531)	105,401	158,173	0
Transfers	(3,889,997)	807,895	(347,887)	(2,146,495)	(51,556)	(1,460,372)	(1,542,902)	(870,229)	(704,206)	3,285,725
Total business-type activities	<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>	<u>5,760,168</u>
Total primary government	<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>	<u>78,943,012</u>

**Change in Net Position**

Governmental activities	\$ 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	16,065,680
Business-type activities	(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	6,828,363
Total primary government net expense	<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 [d]</u>	<u>22,894,043</u>

Source: Los Alamos County ACFRs

**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.
- [e] The County received a settlement from New Mexico Taxation and Revenue Department of which a part was attributable to Health and Welfare.

L  S A L A M  S

**INCORPORATED COUNTY OF LOS ALAMOS**  
**FUND BALANCE, GOVERNMENTAL FUNDS (modified accrual basis of accounting)**

Table 3

LAST TEN FISCAL YEARS

	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015 [c]</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>
General Fund										
Nonspendable	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	1,863,862
Restricted	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	9,227,336
Committed	10,576,477	11,216,517	0	0	0	0	0	0	0	0
Assigned	0	0	2,735,989	2,552,924	1,441,333	5,886,465	2,389,590	3,869,407	10,428,819 [d]	11,802,830
Unassigned	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 [e]	36,606,315 [g]
Total General Fund	<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>	<u>59,500,343</u>
All Other Governmental Funds										
Nonspendable	25,214,071	25,177,558	25,472,184	24,580,311	24,958,847	25,830,386	15,450	15,450	15,450	15,450
Restricted	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	35,395,653 [h]
Committed	43,106,108	43,694,827	787,738	522,781	509,644	475,383	436,126	544,471	568,920	57,700
Assigned	0	0	31,376,364	36,492,709	28,601,685	26,816,584	26,969,685	25,180,170	40,876,071 [f]	45,460,250
Unassigned	(605,171) [a]	(2,733,870) [b]	0	0	0	(796,699)	(510,303)	69,994	69,993	69,993
Total All Other Governmental Funds	<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>	<u>80,999,046</u>

Source: Los Alamos County ACFRs

Notes:

- [a] 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).
- [b] 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).
- [c] 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.
- [d] The increase in Assigned fund balance is due to an increase in continuing appropriations carried forward to complete projects in the next fiscal year.
- [e] 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.
- [f] 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 Improvement Projects Fund.
- [g] The increase in Unassigned fund balance relates to the settlement the County received from New Mexico Tax and Revenue.
- [h] The decrease in Restricted fund balance relates to the loss on investments in the Capital Projects Permanent Fund.

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

Table 4

	<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>	<u>FY2022</u>
Revenues:										
Taxes and special assessments	\$ 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	53,606,223
Licenses and permits	232,506	274,320	252,091	241,250	282,417	292,869	271,167	397,269	560,069	310,007
Intergovernmental	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	30,460,894
Fines forfeitures and penalties	171,567	167,241	154,697	185,658	208,610	190,910	142,993	101,454	112,718	94,880
Charges for services	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	1,431,273
Interfund/Interdepartmental charges	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	8,826,224
Investment Income	6,423,031 [a]	8,321,837 [b]	1,359,032 [b]	55,063 [a]	4,961,233 [b]	3,719,637 [b]	3,467,279 [b]	2,623,382 [a]	14,620,287 [b]	(13,043,668)
Other revenues	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	12,556,699
Total revenues	<u>64,758,779</u>	<u>64,348,233</u>	<u>59,430,636</u>	<u>64,238,907</u>	<u>68,768,536</u>	<u>69,068,571</u>	<u>77,790,592</u>	<u>78,123,496</u>	<u>106,188,945</u>	<u>94,242,532</u>
Expenditures										
General government	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	24,224,186
Public safety	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	17,954,063
Physical and economic environment	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	5,543,713
Transportation	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	3,673,960
Health and welfare	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	5,347,004
Culture and recreation	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	9,294,639
Capital Projects/Outlay	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	11,841,718
Debt service										
Principal	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	3,380,000
Interest	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	1,176,409
Bond issuance costs	375,113 [c]	0	0	0	0	0	0	0	0	0
Total expenditures	<u>86,666,817</u>	<u>66,221,971</u>	<u>73,330,725</u>	<u>68,198,838</u>	<u>76,853,971</u>	<u>64,390,321</u>	<u>68,579,534</u>	<u>70,432,043</u>	<u>77,197,147</u>	<u>82,435,692</u>
Excess of revenues over (under) expenditures	(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	11,806,840
Other Financial Sources (Uses)										
Transfers in	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	24,026,348
Transfers out	(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)	(27,233,830)
Issuance of long-term debt	43,413,930 [d]	0	0	0	0	0	0	0	0	0
Payment to escrow - refunding debt	(43,413,930)	0	0	0	0	0	0	0	0	0
Loss on disposal of asset held for resale	0	0	0	0	0	0	0	(597,402)	0	0
Total other financial sources (uses)	<u>(461,441)</u>	<u>232,796</u>	<u>578,557</u>	<u>1,487,257</u>	<u>816,836</u>	<u>1,481,421</u>	<u>1,061,741</u>	<u>445,256</u>	<u>774,669</u>	<u>(3,207,482)</u>
Net change in fund balance	\$ <u>(22,369,479)</u>	<u>(1,640,942)</u>	<u>(13,321,532)</u>	<u>(2,472,674)</u>	<u>(7,268,599)</u>	<u>6,159,671</u>	<u>10,272,799</u>	<u>8,136,709</u> [f]	<u>29,766,467</u>	<u>8,599,358</u>
Debt service as a percentage of non-capital expenditures										
	21.13%	11.29%	11.48%	10.87%	10.54%	10.53%	9.79%	7.52%	6.89%	6.45%

**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**

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Table 5

Fiscal Year	Number of customer accounts			
	Electric	Gas	Water	Wastewater
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
2022	8,841	7,715	7,205	6,886

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

**INCORPORATED COUNTY OF LOS ALAMOS  
JOINT UTILITY SYSTEM OPERATING REVENUE AND SALES**

Table 6

LAST TEN FISCAL YEARS

Fiscal Year	ELECTRIC		GAS		WATER		Wastewater	Joint Utility System
	Revenue	Sales (KWh)	Revenue	Sales (Therms)	Revenue	Sales (MGal) [a]	Revenue	Revenue
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	1,076,150	5,856,991	58,647,100
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
2022	48,751,796	465,324,603	7,164,213	8,026,356	8,012,201	1,088,045	6,158,366	70,086,576

**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>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>	<u>FY2022</u>
Type of Customer:										
Electric Utility										
Residential	\$ 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	7,766,476
Commercial and industrial	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	4,114,966
Public street and highway lighting	63,467	66,035	67,436	67,941	68,043	88,041	78,252	101,212	95,549	99,093
Municipal	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	1,577,441
Educational	447,456	473,886	469,886	530,129	531,812	499,448	471,040	483,927	449,572	411,687
Wholesale	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	34,577,658
Miscellaneous	512,838	474,721	249,001	244,781	319,398	168,524	33,575	95,441	0	204,475
Total electric utility	<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>	<u>48,751,796</u>
Gas Utility										
Residential	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	5,210,517
Commercial and industrial	782,496	879,141	786,424	704,292	593,836	585,317	1,004,232	847,877	1,059,474	1,287,149
Municipal	216,626	322,610	228,955	196,661	165,999	174,770	200,144	156,721	219,084	311,391
Educational	189,857	227,578	177,991	161,799	163,585	114,868	127,685	95,318	130,779	173,323
Miscellaneous	29,502	216,291	38,975	22,324	29,546	33,935	73,441	127,362	59,307	181,833
Total gas utility	<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>	<u>7,164,213</u>
Water Utility										
Residential	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	4,896,045
Commercial and industrial	479,456	418,078	459,150	431,565	457,437	504,663	499,347	543,179	538,537	547,763
Municipal	379,986	310,255	259,569	303,355	296,167	469,475	485,779	381,593	727,590	720,287
Educational	139,435	122,780	115,167	123,883	138,134	180,863	165,780	207,412	201,195	220,510
Wholesale	1,163,816	898,229	734,950	850,800	858,738	999,950	962,792	1,009,607	1,102,041	999,848
Miscellaneous	58,368	77,127	61,382	77,566	66,765	48,680	64,982	129,960	92,901	127,073
Total water utility	<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>	<u>7,511,526</u>
Wastewater Utility										
Wastewater collection	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	6,135,488
Municipal (non-potable water)	0	0	0	0	0	0	0	0	0	0
Miscellaneous	9,396	11,551	11,120	10,760	11,593	10,775	27,055	3,041	9,676	22,878
Total wastewater utility	<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>	<u>6,158,366</u>
Total operating revenues- Joint Utility System	<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>	<u>69,585,901</u>

Source: ACFRs, Budget to Actual Statements

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

**Table 8**

**LAST TEN FISCAL YEARS**

	<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>	<u>FY2022</u>
<b>Electric Utility</b>										
<b>Residential</b>										
Rate per kilowatt hour	\$0.0952	\$0.1028	\$0.1152	\$0.1152	\$0.1152	\$0.1152	\$0.1152	\$0.1152	\$0.1152	\$0.1152
Monthly flat service fee	\$5.95	\$6.43	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.0000
<b>Commercial</b>										
Rate per kilowatt hour	\$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	\$0.0821-0.1111
Monthly flat service fee	\$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	\$22.00 - 65.00
Demand Rate	\$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	\$10.50 - 11.00
<b>Gas Utility</b>										
<b>Residential</b>										
Rate per therm	\$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	\$0.23- \$0.99
Monthly flat service fee	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50
<b>Commercial</b>										
Rate per therm	\$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	\$0.23- \$0.99
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
<b>Water Utility</b>										
<b>Residential</b>										
Rate per 1000 Gallons	\$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	\$6.02- \$7.65
Monthly flat service fee	\$7.55	\$7.55 - \$8.80	\$7.93	\$7.93	\$8.72	\$9.42	\$10.01	\$10.51	\$10.96	\$11.40
<b>Commercial</b>										
Rate per 1000 Gallons	\$4.19	\$4.19	\$4.19	\$4.19	\$4.61	\$4.98	\$5.29	\$5.55	\$5.79	\$6.02
Monthly flat service fee	\$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	\$11.40- \$631.54
<b>Wastewater Utility</b>										
<b>Residential</b>										
Rate per 1000 Gallons	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Monthly flat service fees	\$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	\$49.60- \$57.07
<b>Commercial</b>										
Rate per 1000 Gallons	\$11.91	\$12.86	\$13.89	\$15.00	\$16.20	\$17.50	\$18.90	\$20.03	\$20.63	\$21.04
Monthly flat service fee	\$7.00	\$7.56	\$8.16	\$8.81	\$9.51	\$10.27	\$11.09	\$11.76	\$12.11	\$12.35

**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

<u>Business Sector</u>	<u>FY2013</u>	<u>FY2014 [b]</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>
Services [a]        \$	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	1,600,437
Construction	80,273	61,625	34,176	38,096	45,778	43,856	74,527	72,533	76,680	79,237
Retail & Food Service	64,501	58,195	79,997	74,711	74,780	81,417	78,321	83,997	78,546	137,447
Telecommunications	26,983	27,875	25,406	24,434	26,868	27,805	28,420	27,220	13,787	18,713
Manufacturing	5,471	6,042	5,370	4,935	5,205	6,922	6,704	8,255	6,057	11,915
Wholesale	2,944	1,555	2,121	2,280	2,263	2,853	3,409	3,713	3,492	8,798
Financial Services	8,962	9,594	12,240	12,050	13,571	13,967	15,581	15,441	15,910	20,095
Agriculture	0	9	47	99	86	110	85	51	26	360
Mining	4	0	0	0	1,722	3	0	0	0	274
Other	14,805	17,822	18,406	20,307	21,703	16,330	24,383	21,521	7,095	20,212
Totals                \$	<u>1,251,596</u>	<u>1,145,714</u>	<u>1,294,786</u>	<u>1,313,639</u>	<u>1,460,289</u>	<u>1,391,634</u>	<u>1,639,416</u>	<u>1,724,678</u>	<u>1,847,804</u>	<u>1,897,488</u>

**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

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
<b>GRT Revenues</b>										
General Fund - Local - Municipal	\$ 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	26,335,767
General Fund - Local - County	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	7,099,647
General Fund - State Shared	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	23,930,588
General Fund - Compensating	0	0	0	0	0	0	0	0	0	8,051,971
General Fund - subtotal	38,661,569	35,509,186	35,390,169	40,372,746	38,504,731	41,762,164	49,837,384	49,509,873	55,574,108	65,417,973
Fire Protection Excise Tax	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	2,366,549
Health Care Assistance Fund	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	2,366,549
Capital Improvement Projects (CIP) Fund	0	0	0	0	0	0	0	0	0	0
Refuse Fund	797,575	732,548	730,090	832,877	794,419	861,518	1,028,085	1,021,329	1,146,427	1,183,275
<b>Total GRT Revenues</b>	<b>\$ 42,649,312</b>	<b>39,171,784</b>	<b>39,040,487</b>	<b>44,536,989</b>	<b>42,476,005</b>	<b>46,069,696</b>	<b>54,977,809</b>	<b>54,616,518</b>	<b>61,306,242</b>	<b>71,334,346</b>
<b>Total GRT Revenues - Own source (excludes State Shared)</b>	<b>\$ 26,523,640</b>	<b>24,360,969</b>	<b>24,279,312</b>	<b>27,697,588</b>	<b>26,415,712</b>	<b>28,650,741</b>	<b>34,190,667</b>	<b>33,966,007</b>	<b>38,126,352</b>	<b>47,403,758</b>
<b>GRT Rates by Imposing Authority</b>										
State Imposed Rate	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%
<b>Subtotal - Local options:</b>	<b>2.0625%</b>	<b>2.0625%</b>	<b>2.0625%</b>	<b>2.0625%</b>	<b>2.0625%</b>	<b>2.0625%</b>	<b>2.0625%</b>	<b>2.0625%</b>	<b>2.0625%</b>	<b>2.0625%</b>
<b>Total GRT Rates</b>	<b>7.3125%</b>	<b>7.3125%</b>	<b>7.3125%</b>	<b>7.3125%</b>	<b>7.3125%</b>	<b>7.3125%</b>	<b>7.3125%</b>	<b>7.3125%</b>	<b>7.3125%</b>	<b>7.3125%</b>
<b>GRT Rates by Recipient</b>										
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 impo	2.0625%	2.0625%	2.0625%	2.0625%	2.0625%	2.0625%	2.0625%	2.0625%	2.0625%	2.0625%
<b>Total County Revenue</b>	<b>3.2875%</b>	<b>3.2875%</b>	<b>3.2875%</b>	<b>3.2875%</b>	<b>3.2875%</b>	<b>3.2875%</b>	<b>3.2875%</b>	<b>3.2875%</b>	<b>3.2875%</b>	<b>3.2875%</b>
<b>Total GRT Rates</b>	<b>7.3125%</b>	<b>7.3125%</b>	<b>7.3125%</b>	<b>7.3125%</b>	<b>7.3125%</b>	<b>7.3125%</b>	<b>7.3125%</b>	<b>7.3125%</b>	<b>7.3125%</b>	<b>7.3125%</b>

Sources: Los Alamos County ACFRs and Adopted Budgets

**INCORPORATED COUNTY OF LOS ALAMOS  
PROPERTY TAX LEVIES AND COLLECTIONS**

Table 11

LAST TEN TAX YEARS

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
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%
2021		21,703,349	279,721	21,983,070	21,460,056	98.88%	324,516	21,784,572	99.10%

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]					
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
2021	870,871,310	11,478,360	4,084,360	(11,465,930)	874,968,100	2,659,302,090	2.480%	21,703,349

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**  
**LAST TEN TAX YEARS**

Table 13

<u>TAX YEAR</u>		<u>STATE OF NEW MEXICO</u>	<u>CITY AND COUNTY OF LOS ALAMOS</u>	<u>LOS ALAMOS SCHOOL DISTRICT</u>	<u>UNIVERSITY OF NEW MEXICO LOS ALAMOS</u>	<u>TOTAL</u>
Tax Rates per \$1000 of Assessed Valuation						
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
2021	Residential	1.360	8.896	12.002	1.819	24.077
	Non-Residential	1.360	12.848	12.504	2.000	28.712

Source: Adopted rates

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

Table 14

June 30, 2022

TAXPAYER	TYPE OF BUSINESS	FY 2022			FY 2013		
		TAX YEAR 2021 ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION	TAX YEAR 2012 ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION
PHC-LOS ALAMOS INC	Medical Services	\$ 11,886,780	1	1.36%	\$ 8,405,430	1	1.20%
Central Park Square LLC	Real Estate	7,556,770	2	0.86%	4,482,100	3	
Topvalco, Inc.	Food & Drug	5,864,330	3	0.67%			
Los Alamos Commerce and Development Corp	Real Estate	4,619,880	4	0.53%	3,719,130	5	0.53%
PC Canyon Village LLC	Apartments	4,509,590	5	0.52%			
Oppenheimer Place Condo Assoc Inc	Real Estate	4,284,870	6	0.49%	3,591,910	6	0.51%
Enterprise Bank & Trust	Banking	4,073,970	7	0.47%	4,797,500	2	0.69%
Site A-19-A-1 Acquisition Gtoup LLC	Real Estate	2,723,730	8	0.31%			
Smith's Food & Drug Centers, Inc.	Food & Drug	2,305,730	9	0.26%	2,160,950	8	0.31%
CC&F Los Alamos Invest Co.	Real Estate	2,105,740	10	0.24%	2,011,760	9	0.29%
Qwest Corp.	Telephone Utility				3,828,250	4	0.55%
Shannon Corporation	Real Estate				1,803,410	10	0.26%
Netuschil Development Corporation	Real Estate						0.00%
Housing Solutions LLC	Real Estate				3,460,620	7	0.49%
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		<u>49,931,390</u>		<u>5.71%</u>	<u>38,261,060</u>		<u>5.47%</u>
Total assessed valuation of ten principal taxpayers		<u>825,036,710</u>		<u>94.29%</u>	<u>661,445,890</u>		<u>94.53%</u>
Total assessed valuation		<u><u>874,968,100</u></u>		<u><u>100.00%</u></u>	<u><u>\$ 699,706,950</u></u>		<u><u>100.00%</u></u>

Source: Tax roll 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			
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
2022	0	26,565,426	0	13,992,430	16,442,888	57,000,744	4%	2,949

[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>
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
2022	19,330	874,968,100	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, 2022

NAME OF GOVERNMENTAL UNIT	2020 CALENDAR YEAR ASSESSED VALUATION	DEBT OUTSTANDING	PERCENT APPLICABLE TO GOVERNMENT	COUNTY OF LOS ALAMOS SHARE OF DEBT
<b>Direct County of Los Alamos Debt</b>				
General Obligation Bonds	\$ 874,968,100	\$ 0	100.00%	\$ 0
GRT Revenue Bonds	874,968,100	26,565,426	100.00%	26,565,426
<b>Overlapping Debt</b> [a]				
State of New Mexico	70,390,642,337	505,295	1.24%	6,281
Los Alamos School District	874,968,100	27,097,004	100.00%	27,097,004
University of New Mexico - Los Alamos	874,968,100	0	100.00%	0
<b>Total overlapping debt</b>				<b>27,103,285</b>
<b>Total direct and overlapping debt</b>				<b>\$ 53,668,711</b>

Ratio of estimated direct and overlapping debt to 2021 assessed valuation: 6.13%

Ratio of direct general obligation debt to 2021 assessed valuation: 1.24%

Per capita direct and overlapping debt: \$2776.45

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

County population - 2022 estimate: 19,330

**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, 2022

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Assessed valuation, tax year 2021 (One third of full valuation)	<u>\$ 874,968,100</u>
Legal debt margin:	
Debt limitation - 4 percent of assessed valuation	34,998,724
Less: Debt applicable to limitation (general obligation debt)	<u>0</u>
Legal debt margin	<u><u>\$ 34,998,724</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	
<b>ELECTRIC UTILITY</b>							
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
2022	48,595,919	42,283,160	6,312,759	1,190,512	639,445	1,829,957	3.45
<b>WATER UTILITY</b>							
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
2022	7,674,267	4,155,937	3,518,330	162,540	77,645	240,185	14.65

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

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income (In thousands)</b>	<b>Per Capita Personal Income</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
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%
2022	19,330	1,471,825	76,142	3,713	4.50%

**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. 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, 2022

EMPLOYER	TYPE OF BUSINESS	FY2022			FY2012		
		NUMBER OF EMPLOYEES [a]	RANK	% of Total County Employment [c]	NUMBER OF EMPLOYEES	RANK	% of Total County Employment
Los Alamos National Laboratory	Research and Development	13,200	1	71.75%	10,927	1	64.09%
Los Alamos County	Government	720	2	3.91%	684	3	4.01%
N3B Los Alamos	Legacy Waste Cleanup	708	4	3.47%	750	2	4.40%
Los Alamos Public Schools	Education	639	3	3.85%	627	4	3.68%
Other employers		3,768		20.48%	4,062		23.82%
Total workforce [b]		18,396		103.47%	17,050		100.00%

**Sources:** Individual Employers, New Mexico Department of Workforce Solutions

**Notes:**

[a] Schedule includes only those employers who have greater than 3% of the total workforce for the fiscal year ending June 30, 2019.

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

[c] Top four employers shown, which collectively represent greater than 81.52% 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



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

Table 23

<u>Function/Program</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>	<u>FY2022</u>
<b>Governmental activities</b>										
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	4.75	4.75	4.75	5.00	5.30	5.80	5.80	5.80
County Manager	23.50	22.00	20.00	21.00	21.00	20.00	18.00 [5]	18.00	19.00	20.00
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	6.00
County Clerk	6.70	6.69	6.69	7.94	8.16	8.16	7.77	8.27	8.27	8.78
County Sheriff	2.04	2.04	1.94	1.94	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Services	47.76	50.00	50.00	48.01	46.01	46.01	46.01	46.38	48.34	50.34
Public Works [2]	12.00	10.00	11.46	42.46	43.46	45.18	45.18	45.18	51.18	50.18
Capital Projects & Facilities (new FY2009) [3]	37.00	39.00	37.00	0.00	0.00	6.00 [4]	1.60 [4]	0.00	0.00	0.00
Public Safety										
Police	77.98	77.99	78.02	75.00	73.00	74.75	74.75	77.75	78.75	79.00
Physical and economic environment [2]	13.00	14.00	12.00	15.00	15.00	16.00	18.00 [5]	18.00	18.00	18.00
Transportation	26.62	26.60	26.23	25.00	25.00	24.00	24.00	24.00	24.00	25.00
Health and welfare	1.25	2.00	2.00	2.50	3.00	3.00	2.50	2.50	3.20	3.20
Culture and recreation [1]	86.26	97.67	97.92	91.99	92.04	91.15	89.23	90.23	93.78	97.78
<b>Business-type activities</b>										
Joint Utilities										
Electric	52.00	54.44	54.02	55.02	51.02	50.56	50.30	52.30	54.65	57.65
Gas	25.17	24.04	24.18	24.05	29.07	30.49	27.91	26.79	24.45	22.45
Water	10.25	10.25	10.25	10.25	9.25	9.25	9.49	9.49	10.75	10.75
Wastewater	9.00	9.00	9.00	9.00	9.00	8.00	9.90 [6]	10.02	9.80	9.80
Environmental Services	18.50	18.00	18.17	17.17	17.24	17.24	18.24	18.24	18.24	18.24
Golf [1]	12.20	0.00	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	2.08	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Transit (new FY2008)	32.00	40.00	39.37	36.20	36.41	38.13	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	12.00	12.00
Risk-internal service	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
<b>Totals</b>	<u>681.53</u>	<u>692.02</u>	<u>687.08</u>	<u>670.28</u>	<u>667.41</u>	<u>676.92</u>	<u>670.31</u>	<u>675.08</u>	<u>692.34</u> [7]	<u>702.10</u>

[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

[5] The two FTE's for Economic Development are a part of the County Manager's Office, but are in the FY2019 ACFR 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

Source: Administrative Services Department

**INCORPORATED COUNTY OF LOS ALAMOS**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

Table 24

	<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>	<u>FY2022</u>
<b>General Government</b>										
Assessor-number of parcels by tax year	9,047	9,194	9,189	9,165	9,169	9,207	9,224	8280	9416	9314
Clerk-number of elections managed	3	2	2	2	4	1	1	2	1	1
Sheriff-number of processes administered [b]	138	151	148	154	n/a	n/a	n/a	n/a	n/a	n/a
IT-Number of networked devices supported	1,592	1,453	1,480	1,770	1,514	1,310	1,450	1,915	1,322	1,534
IT-Number of virtual networked devices supporte	n/a	n/a	n/a	n/a	677	912	600	610	435	605
<b>Public Safety</b>										
Police-Part 1 UCR Offenses [a]	358	204	187	169	124	141	125	92	94	218
Police-number of service call responses	17,647	16,700	14,316	18,319	17,151	15,393	13,533	13,439	13,452	13,425
Police-number of reported traffic accidents	310	305	229	239	224	180	212	205	149	147
Police-number animal control cases	385	182	98	130	130	103	63	56	41	49
Police-number of processess administered [b]	n/a	n/a	n/a	n/a	125	156	154	125	99	111
<b>Physical &amp; Economic Development</b>										
Number of construction permits issued	578	681	579	697	801	827	795	940	918	773
<b>Transportation</b>										
Traffic-miles of lane lines striped	84	84	51	141	70	73	49	71	45	10
<b>Culture and Recreation</b>										
Library-Number of circulations	389,719	396,768	379,991	391,992	392,213	412,745	367,065	332,770	287,654	329,088
Number of park acres maintained	944	944	944	944	944	944	944	944	945	684
Number of cemetery internments	55	55	41	67	57	51	50	43	53	75
Number of aquatic center visits	134,143	135,916	193,398	194,946	164,366	172,527	175,444	114,533	41,261	50,775
Number of rink visits	28,286	30,150	30,805	27,228	23,016	24,258	18,962	23,846	3,254	12,577
Sr. Center-number of seniors served	2,787	3,732	3,898	4,047	4,695	1,528	4,633	4,639	9,958	616
<b>Joint Utility System</b>										
EP-Number of megawatt hrs supplied	570,883	531,796	514,619	566,018	572,260	592,980	558,287	537,002	517,689	479,745
ED-Number of electric utility customers	8,741	8,900	8,647	8,796	8,830	8,774	8,561	8,701	8,745	8,841
Gas-Number of therms delivered	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	8,484,010
WP-K gallons water produced	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	1,177,248
WD-K gallons of water sold	842,344	683,637	706,356	693,335	755,656	781,818	670,815	834,930	834,519	921,265
WW-K gallons sewage conveyed	429,117	421,319	437,938	408,234	426,898	429,129	397,929	450,124	392,000	335,942
<b>Golf Course</b>										
Number of golf rounds provided	22,186	27,284	29,359	29,733	24,455	17,370	20,745	14,437	19,500	616
<b>Transit (first year of complete data was FY2009)</b>										
Number of one way passenger rides	573,967	517,638	548,331	494,444	454,755	448,366	451,793	321,140	42,739	195,208
Number of miles of service provided	785,697	714,815	721,357	704,072	617,566	636,210	621,744	452,962	217,652	493,970
<b>Fire Protection Services</b>										
Number of responses	1,841	1,838	1,766	1,804	2,252	2,367	2,294	2,197	2,113	2,473

**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

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
<b>Public Safety</b>										
Police stations (includes WR substation)	2	2	2	2	2	2	2	2	2	2
Police vehicles	47	47	43	45	45	45	45	45	45	47
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
<b>Transportation</b>										
Streets, miles	106.5	106.5	106.5	106.5	106.5	106.5	108.3	108.5	110.5	112
Sidewalk, square yards	245,440	245,440	246,009	246,009	246,009	247,997	248,531	248,531	248,531	248,856
Street lights, county owned	1292	1292	1292	1414	1466	1473	1476	1476	1476	1478
Traffic signals	11	11	12	12	12	12	12	12	12	12
School and station flashers	10	10	10	10	10	10	10	10	10	10
Public Parking Lots	38	38	39	40	40	40	40	39	39	39
<b>Culture and Recreation</b>										
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
<b>Joint Utility System</b>										
Electric generating capacity, owned resources MW	61	62	62	62	62	62	62	62	62	62
Electric distribution line miles	143.0	144.0	144.0	144.0	144.0	144.0	144.0	144.0	144.0	146.0
Water production wells	12	12	12	12	12	12	12	12	12	12
Water distribution line miles	149.5	149.5	149.8	150.7	150.7	150.7	150.7	150.7	150.7	152.7
Gas distribution line miles	125.0	125.5	125.5	125.5	125.5	125.5	125.5	125.5	125.5	127.5
Wastewater collection line miles	118.0	118.9	118.9	118.9	118.9	118.9	118.9	118.9	118.9	120.9
<b>Environmental Services</b>										
Collection trucks	10	10	10	10	10	10	11	11	12	12
<b>Golf Course</b>										
Holes	18	18	18	18	18	18	18	18	18	18
<b>Airport</b>										
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**

Table 26

LAST TEN FISCAL YEARS

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	WATER	
2013	233,512	109,421	4,533	175,552	61,835	486,879	250,684	-	<b>1,322,416</b>
2014	231,282	128,916	13,924	189,561	68,787	478,324	253,562	-	<b>1,364,356</b>
2015	247,143	107,219	17,208	206,136	77,004	484,485	297,390	-	<b>1,436,585</b>
2016	279,200	97,940	100,338 [d]	231,536	81,666	524,540	246,867	-	<b>1,562,087</b>
2017	251,845	107,486	70,055	297,050	97,875	594,681	226,475	-	<b>1,645,467</b>
2018	241,046	80,107	63,146	248,680	103,080	574,246	207,175	-	<b>1,517,480</b>
2019	272,331	107,965	59,318	269,828	104,179	567,249	194,513	-	<b>1,575,383</b>
2020	267,537	91,985	27,082	285,824	101,719	575,620	254,014	-	<b>1,603,781</b>
2021	273,201	112,791	20,037	266,521	96,089	582,224	217,504	-	<b>1,568,366</b>
2022	265,398	138,423	17,245	260,204	276,202	584,290	264,621	324,088	<b>2,130,471</b>

**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, Gas, and Water retail revenues excluding sales to schools and the County.

[d] Began paying in lieu tax for solar assets



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, 2022

<b>PROPERTY TAX RECEIVABLE, JUNE 30, 2021</b>	\$ 301,928
Net taxes charged to treasurer	21,702,096
Collections	(21,710,834)
Adjustments	21,412
<b>PROPERTY TAX RECEIVABLE, JUNE 30, 2022</b>	<u><u>\$ 314,603</u></u>

PROPERTY TAXES RECEIVABLE AS OF JUNE 30, 2022, 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>
2012	271	90	25	12	144	0
2013	929	359	76	37	457	0
2014	808	318	49	32	409	0
2015	1,557	700	98	57	702	0
2016	1,376	601	86	52	637	0
2017	4,238	1,679	262	317	1,980	0
2018	11,813	4,809	668	872	5,464	0
2019	38,178	15,825	1,999	2,765	17,589	0
2020	56,935	23,358	2,992	4,152	26,433	0
2021	198,498	78,908	10,662	14,564	94,364	0
	<u><u>\$ 314,603</u></u>	<u><u>126,647</u></u>	<u><u>16,917</u></u>	<u><u>22,860</u></u>	<u><u>148,179</u></u>	<u><u>0</u></u>

<b>DISTRIBUTION OF COLLECTED PROPERTY TAXES:</b>	
Incorporated County of Los Alamos	\$ 8,232,974
State of New Mexico	1,190,855
University of New Mexico	1,612,680
Los Alamos Schools	10,561,885
Mirador PID	112,440
	<u><u>\$ 21,710,834</u></u>

**INCORPORATED COUNTY OF LOS ALAMOS  
COUNTY TREASURER'S PROPERTY TAX SCHEDULE**

Year ended June 30, 2022

<u>Agency</u>	<b>Property Taxes Levied</b>	<b>Collected in Current Year</b>	<b>Collected to Date</b>	<b>Distributed in Current Year</b>	<b>Distributed to Date</b>	<b>Undistributed at Year End</b>	<b>Receivable at Year End</b>
Incorporated County of Los Alamos:							
2012	5,401,108	26	5,401,019	26	5,401,019	0	90
2013	5,460,016	55	5,459,657	55	5,459,657	0	360
2014	5,477,743	202	5,477,425	202	5,477,425	0	318
2015	7,160,040	386	7,159,340	386	7,159,340	0	699
2016	7,188,409	1,223	7,187,808	1,223	7,187,808	0	601
2017	7,366,509	1,529	7,364,830	1,505	7,364,806	24	1,679
2018	7,645,001	4,517	7,640,191	4,499	7,640,173	18	4,810
2019	7,939,749	10,547	7,923,924	9,670	7,923,047	877	15,825
2020	8,180,500	53,538	8,157,142	45,986	8,149,590	7,552	23,358
2021	8,335,315	8,154,372	8,256,407	8,015,761	8,117,795	138,612	78,908
	<b>70,154,391</b>	<b>8,226,395</b>	<b>70,027,744</b>	<b>8,079,312</b>	<b>69,880,661</b>	<b>147,083</b>	<b>126,647</b>
State of New Mexico:							
2012	964,738	5	964,714	5	964,714	0	24
2013	955,454	10	955,377	10	955,377	0	77
2014	920,281	36	920,232	36	920,232	0	49
2015	940,389	57	940,292	57	940,292	0	98
2016	954,153	171	954,068	171	954,068	0	86
2017	992,887	216	992,625	215	992,624	1	262
2018	1,039,303	644	1,038,635	644	1,038,634	1	668
2019	1,095,220	1,510	1,093,221	1,440	1,093,151	70	1,999
2020	1,149,514	7,328	1,146,522	6,648	1,145,841	680	2,993
2021	1,206,130	1,179,872	1,195,468	1,162,512	1,178,109	17,360	10,662
	<b>10,218,070</b>	<b>1,189,849</b>	<b>10,201,153</b>	<b>1,171,738</b>	<b>10,183,042</b>	<b>18,111</b>	<b>16,917</b>



University of New Mexico:

2012	689,880	3	689,869	3	689,869	0	11
2013	702,075	7	702,038	7	702,038	0	37
2014	676,320	26	676,288	26	676,288	0	32
2015	691,048	39	690,991	39	690,991	0	57
2016	693,975	123	693,924	123	693,924	0	52
2017	1,440,068	310	1,439,750	308	1,439,749	1	317
2018	1,494,880	921	1,494,008	920	1,494,007	1	872
2019	1,552,904	2,111	1,550,139	2,019	1,550,047	92	2,765
2020	1,599,382	10,196	1,595,230	9,248	1,594,283	947	4,152
2021	1,633,024	1,597,599	1,618,460	1,573,850	1,594,711	23,749	14,564
	<b>11,173,557</b>	<b>1,611,335</b>	<b>11,150,697</b>	<b>1,586,544</b>	<b>11,125,907</b>	<b>24,791</b>	<b>22,860</b>

Los Alamos Public Schools:

2012	8,749,323	44	8,749,179	44	8,749,179	0	143
2013	8,657,150	92	8,656,693	92	8,656,693	0	458
2014	8,492,229	330	8,491,820	330	8,491,820	0	409
2015	8,396,982	469	8,396,280	469	8,396,280	0	702
2016	8,573,006	1,518	8,572,367	1,518	8,572,367	0	638
2017	8,976,497	1,930	8,974,518	1,922	8,974,510	8	1,979
2018	9,374,378	5,777	9,368,914	5,770	9,368,908	7	5,464
2019	9,837,452	13,362	9,819,864	12,776	9,819,277	586	17,588
2020	10,272,090	65,331	10,245,657	59,269	10,239,595	6,062	26,433
2021	10,696,161	10,464,156	10,601,797	10,309,590	10,447,231	154,566	94,364
	<b>92,025,268</b>	<b>10,553,010</b>	<b>91,877,089</b>	<b>10,391,780</b>	<b>91,715,860</b>	<b>161,229</b>	<b>148,179</b>

Mirador PID:

2020	51,240	0	51,240	0	51,240	0	0
2021	112,440	112,440	112,440	112,440	112,440	0	0
	<b>163,680</b>	<b>112,440</b>	<b>163,680</b>	<b>112,440</b>	<b>163,680</b>	<b>0</b>	<b>0</b>

<b>Grand Total</b>	<b>\$ 183,734,966</b>	<b>21,693,028</b>	<b>183,420,363</b>	<b>21,341,814</b>	<b>183,069,149</b>	<b>351,213</b>	<b>314,603</b>
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**INCORPORATED COUNTY OF LOS ALAMOS  
SCHEDULE OF PLEDGED COLLATERAL**

June 30, 2022

	<u>ENTERPRISE BANK &amp; TRUST</u>	<u>WELLS FARGO</u>	<u>TOTAL</u>
<b>TOTAL AMOUNT OF DEPOSITS (bank balances)</b>	\$ 16,888,188	980	16,889,168
Less: FDIC coverage	250,000	250,000	500,000
<b>TOTAL UNINSURED PUBLIC FUNDS</b>	<u>16,638,188</u>	<u>(249,020)</u>	<u>16,638,188</u>
<b>COLLATERAL REQUIRED</b>			
Deposits	8,319,094 [a]	(124,510)	8,194,584
<b>COLLATERAL</b>			
Letters of Credit, Agencies, Municipal Bonds	30,187,674 [b]	0	30,187,674
<b>OVER(UNDER) SECURED</b>	<u>\$ 21,868,580</u>	<u>124,510</u>	<u>21,993,090</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, 2022

	<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>
<b>ENTERPRISE BANK &amp; TRUST</b>						
Agency Notes/Bonds	09/16/19	02/01/29	3128MDYV9	FREDDIE MAC GOLD POOL #G155399	1,323,665	1,293,029.00
	01/28/21	01/01/36	3132D56U1	FREDDIE MAC POOL #SB8083 5399	2,325,421	2,093,438.00
	02/15/22	09/01/41	31418D4G4	FANNIE MAE POOL FN MA4422 5399	9,318,356	8,205,725.00
	02/14/22	04/01/42	31417BPX9	FANNIE MAE POOL #AB4937 5399	1,989,094	1,932,210.00
	12/11/19	12/25/45	3136B0JC1	FANNIE MAE CMO SERIES 20175399	2,622	2,618.00
	05/07/20	12/25/45	3136B0JC1	FANNIE MAE CMO SERIES 20175399	3,085	3,080.00
	05/05/20	12/25/45	3136B0JC1	FANNIE MAE CMO SERIES 20175399	351	350.00
	02/19/21	02/01/49	3136B74E8	FANNIE MAE CMO SERIES 19-85399	964,275	937,879.00
	05/13/19	04/15/48	3137F5AE9	FREDDIE MAC CMO SERIES 4795399	2,984,235	2,861,905.00
	02/14/22	03/15/45	3137FCBJ2	FREDDIE MAC CMO SERIES 4745399	712,131	695,170.00
	02/14/22	03/15/45	3137FCBJ2	FREDDIE MAC CMO SERIES 4745399	1,186,886	1,158,617.00
	02/14/22	04/15/49	3137FLDH4	FREDDIE MAC CMO SERIES 4875399	1,192,291	1,105,119.00
	02/16/22	10/20/47	38380KUN3	GINNIE MAE CMO SERIES 20175399	725,246	671,364.00
	11/23/21	04/28/26	3130AN4V9	FEDERAL HOME LOAN BANK 5399	10,000,000	9,227,170.00
					32,727,658	30,187,674.00
<b>TOTAL PLEDGED COLLATERAL</b>					\$ 32,727,658	30,187,674.00

LOS ALAMOS



where discoveries are made

**INCORPORATED COUNTY OF LOS ALAMOS  
SCHEDULE OF DEPOSITORY ACCOUNTS**

June 30, 2022

<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	\$ 57,160,702
Bank of Albuquerque	Los Alamos County	FFCB	1,982,000
Bank of Albuquerque	Los Alamos County	FNMA	5,695,840
Bank of Albuquerque	Los Alamos County	T-Note	88,255,515
Enterprise Bank & Trust	Employee Fund	Checking	12,775
Enterprise Bank & Trust	Employee Fund	C.D.	9,798
Enterprise Bank & Trust	Flexible Spending Account	Checking	15,001
Enterprise Bank & Trust	General County	Checking	11,594,521
Enterprise Bank & Trust	GRT Bonds Debt Service	Checking	37,635
Enterprise Bank & Trust	Landfill Closure	Checking	358,850
Enterprise Bank & Trust	Municipal Court Bond	Checking	5,288
Enterprise Bank & Trust	Police Operations	Checking	2,299
Enterprise Bank & Trust	Small Purchase	Checking	16,444
Enterprise Bank & Trust	Manual Checks	Checking	20,001
Enterprise Bank & Trust	Utility Resource Pool	Checking	4,815,575
Enterprise Bank & Trust	Deposit Held for Others	Checking	1
NMFA / Bank of Albuquerque	Trustee Loan Account	Cash Equivalent	537,352
Bank of Albuquerque	Trustee Loan Account - Utilities	Cash Equivalent	3,937,845
NMFA / Bank of Albuquerque	Trustee Loan Account - Utilities	Cash Equivalent	914,131
State Investment Council	Permanent Fund	Pool	31,509,171
State Investment Council	General Fund	Pool	20,680,784
State Investment Council	Cemetery Perpetual Care	Pool	1,136,583
NM Local Government Investment Pool	LGIP	Pool	24,500,000
Wells Fargo Bank Minnesota	Utility Bond Accounts	Cash Equivalent	1,421,253
Wells Fargo Commercial Checking	Los Alamos County - Purchasing-Card	Checking	980
<b>Total Depository Balances</b>			<b>254,620,344</b>
Reconciling items to Bank Reconciliation			(1,429,752)
Petty Cash and Change Funds			4,700
<b>Total Deposits and Investments reported in financial statements</b>			<b>\$ 253,195,292</b>

## **INCORPORATED COUNTY OF LOS ALAMOS SUPPLEMENTAL SCHEDULE OF JOINT POWERS AGREEMENTS**

June 30, 2022

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### **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, 2022, the County had approximately \$53.3 million invested with the SIC. The County paid approximately \$106,000 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. As of June 30, 2022, all remaining balances have been distributed to each respective eligible member and all operations have been dissolved.

**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, 2022

FEDERAL GRANTOR /PROGRAM TITLE	FEDERAL ALN NUMBER	ACCRUED REIMBURSEMENT (RESERVED BALANCE) JUNE 30, 2021	CASH RECEIVED	OTHER	FEDERAL PARTICIPATING EXPENDITURES	ACCRUED REIMBURSEMENT (RESERVED BALANCE) JUNE 30, 2022
<b>MAJOR FEDERAL FINANCIAL ASSISTANCE</b>						
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	4,966,218	21,129,902	5,430,380	[1] 26,513,749	4,919,685
Atomic Energy Act 1954-Payments in Lieu	Public Law Section 168	285,103	577,765	0	292,662	0
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	368,443	1,078,050	0	709,607	0
FY22 Contract MO1783	20.509	0	889,380	0	1,244,716	355,336
FY20 Contract MO1657	20.509	0	349,700	0	349,700	0
Transit Study MO1685	20.509	0	0	0	14,764	14,764
United States Environmental Protection Agency						
New Mexico Finance Authority						
Safe Drinking Water State Revolving Fund	66.468	0	1,441,534	0	1,441,534	0
<b>TOTAL MAJOR FEDERAL FINANCIAL ASSISTANCE</b>		<b>5,619,764</b>	<b>25,466,331</b>	<b>5,430,380</b>	<b>30,566,732</b>	<b>5,289,785</b>
<b>NONMAJOR FEDERAL FINANCIAL ASSISTANCE</b>						
United States Department of the Treasury:						
American Rescue Plan Act						
Flow through the New Mexico Office of Cultural Affairs	21.019	(1,881,101)	1,881,101	0	0	(3,762,202)
New Mexico State Library Grants-in-Aid						
CARES Act Funding	21.019	0	26,742	0	0	(26,742)
United States Department of Agriculture:						
United States National Forest Reserve						
United States National Forest Reserve	10.665	0	4,909	0	4,909	0
United States Department of Homeland Security						
Flow through the New Mexico Department of Homeland Security and Emergency Management						
Emergency Management Performance Grant (FY22)	97.042	0	0	0	115,827	115,827
Emergency Management Performance Grant (FY21)	97.042	20,823	20,823	0	0	0
State Homeland Security Grant-LETPA Equipment	97.067	0	250,846	0	250,846	0
State Homeland Security Grant-Continuation of Operations (COOP)	97.067	0	31,838	0	57,653	25,815
State Homeland Security Grant-Emergency Housing	97.067	0	24,850	0	24,850	0
State Homeland Security Grant-EOC Equipment	97.067	45,690	45,690	0	0	0
FEMA 4079, Flood Disaster Declaration, Public Assistance Program	97.036	(12,107)	0	(2,927)	[2] 9,180	0
FEMA 4152, Flood Disaster Declaration, Public Assistance Program	97.036	142,793	0	(40,627)	[2] 290	183,710
United States Department of Interior, Bureau of Land Management:						
Bureau of Land Management						
Section 1 Payment for Federal-Owned Entitlement Land	Public Law 100-343	0	99,717	0	99,717	0
National Park Service						
Cooperative Agreement-Bandelier National Park	15.954	0	31,557	0	55,991	24,434



United States Department of Justice:						
Flow through New Mexico Crime Victims Reparation Commission						
STOP Violence Against Women Formula Grant Program (FY22)	16,588	0	9,090	0	9,090	0
Victims of Crime Assistance Formula Grant Program (FY22/23)	16,575	0	5,068	0	11,161	6,093
Victims of Crime Assistance Formula Grant Program (FY21/22)	16,575	2,501	5,291	0	2,790	0
Flow through the National Association of VOCA Assistance Administrators						
National Crime Victim's Rights Week Community Awareness	16,582	4,221	4,221	0	0	0
United States Department of Transportation-Federal Aviation Administration						
CARES Act Funding	20,106	0	25,801	0	25,801	0
Airport Improvement Program-Pavement Maintenance	20,106	0	107,232	0	153,735	46,503
United States Department of Transportation-Federal Highway Administration						
Flow through the New Mexico Department of Transportation						
Federal Aid Project-Canyon Rim Trail Underpass-Construction	20,205	1,033,943	1,639,423	0	691,775	86,295
Federal Aid Project-TLPA; Multi-Use Urban Trail-Phase I	20,205	0	4,206	0	12,535	8,329
Federal Aid Project-TLPA; Multi-Use Urban Trail-Phase II	20,205	13,365	110,859	0	117,974	20,480
Federal Aid Project-NM 502/Trinity Drive	20,205	0	43,374	0	62,746	19,372
End Driving While Impaired (ENDWI)	20,608	0	2,267	0	2,267	0
<b>TOTAL NONMAJOR FEDERAL FINANCIAL ASSISTANCE</b>		<b>(629,872)</b>	<b>4,374,905</b>	<b>(43,554)</b>	<b>1,709,137</b>	<b>(3,252,086)</b>
<b>TOTAL MAJOR AND NONMAJOR FEDERAL FINANCIAL ASSISTANCE</b>		<b>\$ 4,989,892</b>	<b>29,841,236</b>	<b>5,386,826</b>	<b>32,275,869</b>	<b>2,037,699</b>
<b>RELATIONSHIP TO BASIC FINANCIAL STATEMENTS:</b>						
Change in dererred revenue and reserved balances					1,952,702	
Federal Subsidy Build America Bonds					129,503	
DWSRLF - Safe Drinking Water State Revolving Fund					(1,441,534)	
Ambulance billing and other receipts DOE Cooperative Agreement for fire services					(530,060)	
County Share of DOE Cooperative Agreement for fire services - DE-NA0002067/000					(4,900,322)	
North Central Regional Transit District revenues					1,319,711	
<b>INTERGOVERNMENTAL REVENUES - FEDERAL</b>					<b>28,805,869</b>	
<b>INTERGOVERNMENTAL REVENUES - STATE</b>					<b>27,481,092</b>	
<b>TOTAL INTERGOVERNMENTAL REVENUES</b>					<b>\$ 56,286,961</b>	
<b>INTERGOVERNMENTAL REVENUES REPORTED IN BASIC FINANCIAL STATEMENTS:</b>						
Governmental funds					\$ 30,460,894	
Proprietary funds						
Intergovernmental charges for services					21,083,369	
Intergovernmental - non capital revenue					3,642,737	
Other sources and uses - intergovernmental capital revenue					1,099,961	
<b>TOTAL INTERGOVERNMENTAL REVENUES</b>					<b>\$ 56,286,961</b>	

**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] Unspent amount refunded back to State

**INCORPORATED COUNTY OF LOS ALAMOS**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**

Year ended June 30, 2022

STATE GRANTOR /PROGRAM TITLE	ACCRUED REIMBURSEMENT (RESERVED BALANCE) JUNE 30, 2021	CASH RECEIVED	OTHER (SEE NOTES)	STATE PARTICIPATING EXPENDITURES	ACCRUED REIMBURSEMENT (RESERVED BALANCE) JUNE 30, 2022
<b>STATE OF NEW MEXICO:</b>					
Fire Marshal's Office:					
Fire Protection Fund Distribution	(948,908)	843,003	(40,536) [1]	355,484	(1,395,891)
Total Fire Marshal's Office	<u>(948,908)</u>	<u>843,003</u>	<u>(40,536)</u>	<u>355,484</u>	<u>(1,395,891)</u>
Children, Youth and Families Department					
Juvenile Justice Continuum - FY21	4,361	4,361	0	0	0
Juvenile Justice Continuum - FY22	0	130,191	0	132,935	2,744
Total Children, Youth and Families Department	<u>4,361</u>	<u>134,552</u>	<u>0</u>	<u>132,935</u>	<u>2,744</u>
Department of Finance and Administration:					
LDWI-Local Distribution (FY22)	0	86,374	(42,267) [2]	44,107	0
DWI Grant - FY22	0	19,431	0	29,255	9,824
Enhanced E911 - FY21	0	0	163,979 [3]	165,126	1,147
Law Enforcement Protection Fund Distribution - FY22	(8,552)	39,800	0	41,400	(6,952)
Capital Grant-Community Recreation Space in Los Alamos	0	15,486	0	46,204	30,718
Capital Grant-Community Recreation Space in White Rock	0	0	0	21,866	21,866
Capital Grant-Affordable Housing Infrastructure	0	0	0	54,513	54,513
Total Department of Finance and Administration	<u>(8,552)</u>	<u>161,091</u>	<u>121,712</u>	<u>402,471</u>	<u>111,116</u>
Department of Health - Public Health Office					
Los Alamos Community Health Council - FY22	(15,308)	9,461	0	32	(24,737)
Center for Health Innovation	0	50,000	0	0	(50,000)
Total Department of Health	<u>(15,308)</u>	<u>59,461</u>	<u>0</u>	<u>32</u>	<u>(74,737)</u>
Transportation Department					
Selective Traffic Enforcement Program (STEP) - FY22	0	133	0	133	0
Buckle Up/Click It Or Ticket Program (CIOT) - FY22	0	197	0	405	208
Selective Traffic Enforcement Program (STEP) - FY22	156	3,075	0	2,919	0
Community DWI Program	0	531	0	531	0
Cooperative Agreement, Local Government Road Funds-North Mesa Road	0	86,000	0	86,000	0
Cooperative Agreement, County Arterial Program-North Mesa Road	0	26,168	0	26,168	0
Cooperative Agreement, School Bus Route-North Mesa Road	0	100,000	0	100,000	0
Local Government Transportation Project Fund, NM502/Trinity-Diamond-Oppenheimer	0	201,223	0	201,223	0
Cooperative Project Agreement/Federal Aid Project-NM 502/Trinity Drive	0	4,820	0	6,972	2,152
Airport New Fuel Farm - Design Phase	71,947	71,947	0	0	0
Total Transportation Department	<u>72,103</u>	<u>494,094</u>	<u>0</u>	<u>424,351</u>	<u>2,360</u>
Homeland Security and Emergency Management Department					
Disaster Assistance - FEMA DR 4079	(781)	0	(488) [2]	293	0
Disaster Assistance - FEMA DR 4152	23,754	0	(6,817) [2]	48	30,619
Executive Order 2019-008 (Severe Winter Storms)	424,750	527,691	0	102,941	0
Executive Order 2019-009 (Severe Wind Event)	7,201	7,201	0	0	0
Total Homeland Security Department	<u>454,924</u>	<u>534,892</u>	<u>(7,305)</u>	<u>103,282</u>	<u>30,619</u>

New Mexico Aging and Long Term Services Department					
Capital Outlay Grant - Betty Ehart Senior Center-Meals Equipment	0	0	0	13,700	13,700
Total Aging and Long Term Services Department	0	0	0	13,700	13,700
New Mexico Administrative Office of the Courts					
Municipal Automation Fund	0	8,580	0	8,580	0
Total New Mexico Administrative Office of the Courts	0	8,580	0	8,580	0
New Mexico Public Education Department					
Summer Internship Program (FY21/22)	(15,536)	29,401	(18,040) [4]	26,897	0
Summer Internship Program (FY22/23)	0	0	0	15,236	15,236
Total New Mexico Public Education Department	(15,536)	29,401	(18,040)	42,133	15,236
New Mexico Tourism Department					
Clean and Beautiful Grant - FY22	0	0	0	31,808	31,808
Clean and Beautiful Grant - FY21	12,300	12,300	0	0	0
Total Secretary of State Office	12,300	12,300	0	31,808	31,808
New Mexico Secretary of State Office					
2021 Regular Local Election	0	36,606	0	36,606	0
2022 Primary Election	0	24,600	0	24,600	0
Total Secretary of State Office	0	61,206	0	61,206	0
New Mexico Finance Authority					
Water Project Fund - Project Number 4826	0	480,000	0	480,000	0
Total New Mexico Finance Authority	0	480,000	0	480,000	0
New Mexico Economic Development Department					
Outdoor Recreation Trails Grant	0	19,300	0	0	(19,300)
Total New Mexico Economic Development Department	0	19,300	0	0	(19,300)
New Mexico Environment Department					
2021 River Stewardship Program-LA Canyon Watershed	0	0	0	20,675	20,675
Total New Mexico Environment Department	0	0	0	20,675	20,675
Office of Cultural Affairs:					
New Mexico State Library 2018 General Obligation Bond	0	14,968	0	14,968	0
New Mexico State Library Grant - Operations	0	14,569	0	14,569	0
Total Office of Cultural Affairs	0	29,537	0	29,537	0
<b>TOTAL STATE OF NEW MEXICO FINANCIAL ASSISTANCE</b>	<b>\$ (444,616)</b>	<b>2,867,417</b>	<b>55,831</b>	<b>2,106,194</b>	<b>(1,261,670)</b>

**RELATIONSHIP TO BASIC FINANCIAL STATEMENTS:**

State-shared Revenues	24,514,243
State-Emergency Mutual Aid Deployment Revenues	206,687
Change in reserved balances	529,812
Change in Deferred Revenue	124,156

**TOTAL INTERGOVERNMENTAL REVENUES - STATE**

**\$ 27,481,092**

**NOTES:**

- [1] Interest earned on reserved fund balance
- [2] Unspent amount refunded 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, 2022

	<u>ELECTRIC</u>	<u>GAS</u>	<u>WATER</u>	<u>WASTEWATER</u>	<u>TOTAL</u>
<b>ASSETS AND OTHER DEBITS</b>					
<b>UTILITY PLANT</b>					
Utility plant in service	\$ 180,765,311	16,489,781	189,591	46,545,089	243,989,772
Construction work in progress	5,000,590	1,858,312	4,718,184	5,752,089	17,329,175
Less accumulated depreciation	(121,644,073)	(6,756,323)	(36,853,182)	(16,007,026)	(181,260,604)
NET PLANT IN SERVICE	64,121,828	11,591,770	(31,945,407)	36,290,152	80,058,343
<b>OTHER PROPERTY AND INVESTMENTS</b>					
Investments and special funds	14,354,906	0	98,539,083	0	112,893,989
	14,354,906	0	98,539,083	0	112,893,989
<b>CURRENT AND ACCRUED ASSETS</b>					
Cash and short-term investments	3,773,566	2,495,759	8,577,102	464,698	15,311,125
Customer accounts receivable	5,648,502	528,737	718,442	346,993	7,242,674
Less provision for uncollectible accounts	(20,024)	(11,897)	(15,329)	10,342	(36,908)
Due from other governments	0	0	0	0	0
Due from associated subfunds (not included in total column)	0	0	179,454	0	0
Fuel stock	(254,545)	0	0	0	(254,545)
Materials and supplies	1,256,246	84,250	195,437	8,407,059	9,942,992
Prepayments	161,264	0	3,111	0	164,375
Accrued utility revenues	865,885	115,652	471,467	(10,456)	1,442,548
Miscellaneous current and accrued assets	0	0	0	0	0
	11,430,894	3,212,501	10,129,684	9,218,636	33,812,261
<b>OTHER NONCURRENT ASSETS AND DEFERRALS</b>					
Advances to associated subfunds (not included in total column)	0	0	91,053	0	0
Deferred pension & OPEB	2,128,246	557,999	150,737	153,692	2,990,674
Deferred San Juan Decommissioning Costs	214,789	0	0	0	214,789
Unamortized deferral on refunding of debt	3,093,613	0	0	0	3,093,613
	5,436,648	557,999	241,790	153,692	6,299,076
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 95,344,276</b>	<b>15,362,270</b>	<b>76,965,150</b>	<b>45,662,480</b>	<b>233,063,669</b>

**LIABILITIES AND OTHER CREDITS**

<b>EQUITY</b>					
Retained earnings	\$ 55,212,043	11,184,374	70,759,630	32,958,150	170,114,197
<b>LONG-TERM DEBT</b>					
Bonds	11,465,821	0	939,180	0	12,405,001
Plus unamortized premium on long-term debt	287,729	0	(300)	0	287,429
Contracts and intergovernmental debt payable	0	0	2,740,910	9,879,517	12,620,427
	<u>11,753,550</u>	<u>0</u>	<u>3,679,790</u>	<u>9,879,517</u>	<u>25,312,857</u>
<b>OTHER NONCURRENT LIABILITIES AND DEFERRALS</b>					
Accumulated provision for benefits	248,782	83,508	72,800	29,391	434,481
Advances from associated subfunds (not included in total column)	0	0	0	91,053	0
Asset retirement obligations	11,299,458	0	0	0	11,299,458
Pension & OPEB liability	8,102,562	2,898,220	816,287	777,697	12,594,766
Deferred pension & OPEB	3,536,131	577,604	714,775	564,678	5,393,188
	<u>23,186,933</u>	<u>3,559,332</u>	<u>1,603,862</u>	<u>1,462,819</u>	<u>29,721,893</u>
<b>CURRENT AND ACCRUED LIABILITIES</b>					
Accounts payable	3,294,612	341,369	180,982	663,963	4,480,926
Customer deposits	185,641	149,314	159,838	0	494,793
Tax collections payable	54,490	20,768	38,493	75,031	188,782
Current portion of revenue bonds payable	975,694	0	324,306	0	1,300,000
Current portion of contracts and other debt	0	0	120,545	407,619	528,164
Interest accrued	50,697	0	7,435	12,853	70,985
Due to associated subfunds (not included in total column)	0	0	0	179,454	0
Miscellaneous current and accrued liabilities	630,616	107,113	90,269	23,074	851,072
	<u>5,191,750</u>	<u>618,564</u>	<u>921,868</u>	<u>1,361,994</u>	<u>7,914,722</u>
<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b>\$ <u>95,344,276</u></b>	<b><u>15,362,270</u></b>	<b><u>76,965,150</u></b>	<b><u>45,662,480</u></b>	<b><u>233,063,669</u></b>

**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, 2022

	<u>ELECTRIC</u>	<u>GAS</u>	<u>WATER</u>	<u>WASTEWATER</u>	<u>TOTAL</u>
<b>UTILITY OPERATING REVENUES</b>					
Sales for resale	\$ 34,577,658	0	0	0	34,577,658
Residential	7,364,074	5,210,517	4,896,045	5,393,499	22,864,135
Commercial and industrial	4,114,966	1,287,149	547,763	741,989	6,691,867
Sale to public authorities	1,989,127	484,714	1,940,645	0	4,414,486
Street lighting	99,093	0	0	0	99,093
Other operating revenues	707,280	181,834	642,991	22,878	1,554,983
<b>TOTAL OPERATING REVENUES</b>	<b>48,852,198</b>	<b>7,164,214</b>	<b>8,027,444</b>	<b>6,158,366</b>	<b>70,202,222</b>
<b>OPERATING EXPENSES</b>					
Purchased power or natural gas	(17,039,150)	(4,598,315)	0	0	(21,637,465)
Distribution	(738,660)	(1,187,571)	(1,407,566)	(744,308)	(4,078,105)
Administrative and general	(4,323,586)	(996,103)	(1,981,388)	(1,508,743)	(8,809,820)
Customer accounts	(22,391)	(6,378)	(3,271)	(7,030)	(39,070)
Steam power generation	(8,943,682)	0	0	0	(8,943,682)
Transmission	(5,006,546)	0	0	0	(5,006,546)
Other production expenses	(1,934,951)	0	0	0	(1,934,951)
Hydraulic power generation	(264,060)	0	0	0	(264,060)
	(38,273,026)	(6,788,367)	(3,392,225)	(2,260,081)	(50,713,699)
<b>MAINTENANCE EXPENSES</b>					
Distribution	(1,540,371)	(409,924)	(763,715)	(1,776,965)	(4,490,975)
Steam power generation	(1,186,056)	0	0	0	(1,186,056)
Hydraulic power generation	(518,948)	0	0	0	(518,948)
Carbon free generation	(168,414)	0	0	0	(168,414)
Transmission	(401,032)	0	0	0	(401,032)
	(3,814,821)	(409,924)	(763,715)	(1,776,965)	(6,765,425)
<b>DEPRECIATION AND AMORTIZATION EXPENSE</b>	(3,193,646)	(398,369)	(2,004,830)	(853,200)	(6,450,045)
<b>TAXES</b>	(525,602)	0	0	0	(525,602)
<b>TOTAL UTILITY OPERATING EXPENSES</b>	<b>(45,807,095)</b>	<b>(7,596,660)</b>	<b>(6,160,770)</b>	<b>(4,890,246)</b>	<b>(64,454,771)</b>

<b>UTILITY OPERATING INCOME</b>	<u>3,045,103</u>	<u>(432,446)</u>	<u>1,866,674</u>	<u>1,268,120</u>	<u>5,747,451</u>
Other income (investment loss)	(253,769)	(76,149)	(346,773)	(223,560)	(900,252)
Other deductions	<u>(1,456,607)</u>	<u>(715,088)</u>	<u>(617,319)</u>	<u>325,135</u>	<u>(2,463,879)</u>
<b>UTILITY INCOME</b>	<b>1,334,727</b>	<b>(1,223,683)</b>	<b>902,582</b>	<b>1,369,695</b>	<b>2,383,320</b>
Interest on long-term debt	<u>(639,445)</u>	<u>0</u>	<u>(77,644)</u>	<u>(53,370)</u>	<u>(770,459)</u>
<b>INCOME BEFORE EXTRAORDINARY ITEMS</b>	<b>695,282</b>	<b>(1,223,683)</b>	<b>824,938</b>	<b>1,316,325</b>	<b>1,612,861</b>
Proprietary capital, beginning of year	54,516,761	12,408,058	69,934,692	31,641,825	168,501,336
Prior year restatement - GASB Statement 83	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>PROPRIETARY CAPITAL, END OF FISCAL YEAR</b>	<b>\$ <u>55,212,043</u></b>	<b><u>11,184,374</u></b>	<b><u>70,759,630</u></b>	<b><u>32,958,150</u></b>	<b><u>170,114,197</u></b>



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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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 1, 2022.

**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



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

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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**



Santa Fe, New Mexico  
December 1, 2022



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**INDEPENDENT AUDITOR'S 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**

***Opinion on 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, 2022. 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.

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, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our 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

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal control over compliance. Accordingly, no such opinion is expressed.

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 are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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**



Santa Fe, New Mexico  
December 1, 2022

**INCORPORATED COUNTY OF LOS ALAMOS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

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**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

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**Financial Statements**

Type of auditor’s report issued:	<b>Unmodified</b>
Internal control over financial reporting:	
1. Material weaknesses identified	No
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:	<b>Unmodified</b>
Internal control over major programs:	
1. Material weaknesses identified	No
2. Significant deficiencies identified	No
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:

**Federal Assistance Listing**

**Name of Federal Program**

81.140	Fire Protection, Emergency Medical and Rescue Services – Cooperative Agreement
20.509	Nonurbanized Area Formula Grant Program Section 5311
66.648	Safe Drinking Water State Revolving Fund

Dollar threshold used to distinguish between Type A and Type B Programs	\$968,276
Auditee qualified as a Low-Risk Auditee	Yes

**INCORPORATED COUNTY OF LOS ALAMOS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

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***SECTION II – FINDINGS***

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No findings to be reported in current year.

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***SECTION III – PRIOR YEAR FINDINGS***

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The following findings were resolved in the current year:

2021-001 Landfill Closure Costs Liability (Material Weakness, Financial Reporting)

2021-002 Internal Control over Cash Receipts (Other Matter)

**INCORPORATED COUNTY OF LOS ALAMOS**  
**EXIT CONFERENCE**  
**June 30, 2022**

An exit conference was held on Tuesday, November 22, 2022. 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:

Randall Ryti, County Councilor  
Melanee Hand, County Councilor  
David Reagor, County Councilor  
Steven Lynne, County Manager  
Helen M. Perraglio, Acting ASD Director/Chief Financial Officer  
Heather Garcia, Deputy Utilities Manager - Finance and Administration  
Eric Stromberg, Utilities Board Member

County Staff:

Melissa Dadzie, Deputy Chief Financial Officer  
Beatrice Odezulu, Accounting Operations Manager  
Mauricia Chavarria-Quam, Accounting Operations Manager  
Erika Thomas, Budget and Performance Manager

Morton Accounting Services, LLC:

Janet Pacheco-Morton, Principal



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