

Los Alamos County

1000 Central Avenue, Suite 300 | Los Alamos, NM 87544

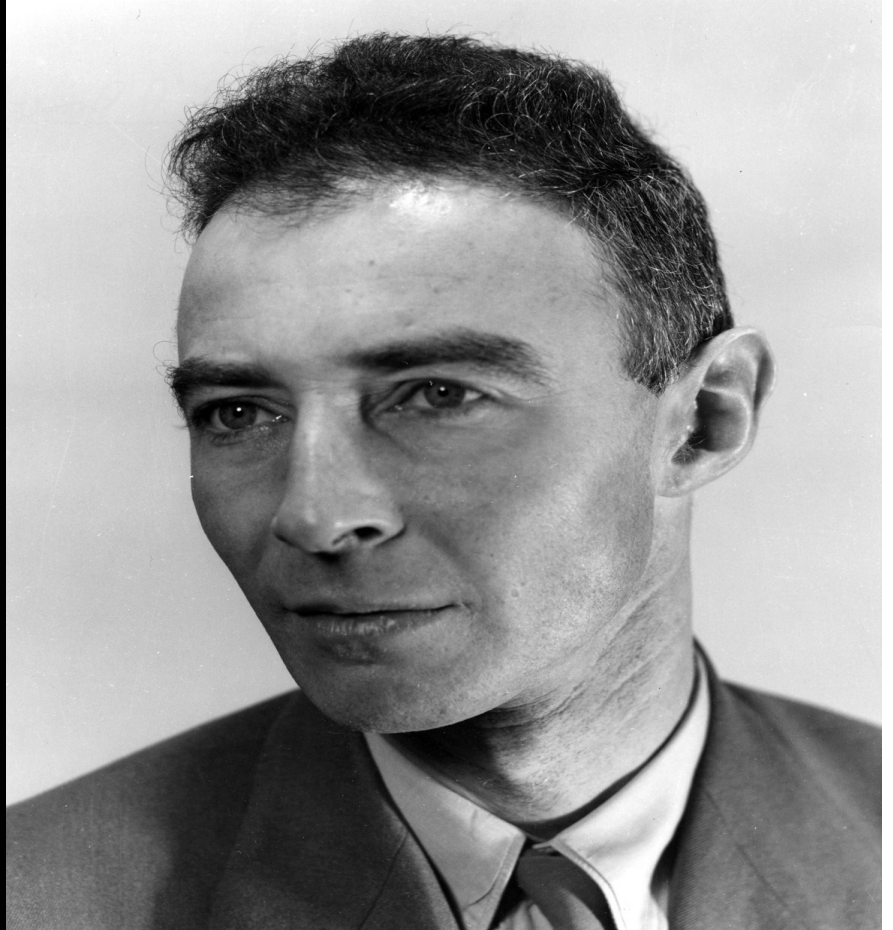
LOSALAMOSNM.US

Popular

Annual

Financial

Report



Fiscal Year Ended
June 30, 2023

LOS ALAMOS COUNTY

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COVER PHOTO

The undisputed genius, charismatic leader, and fallen hero was also the first director of what is today Los Alamos National Laboratory. This issue of National Security Science magazine explores the dynamic legacy of physicist J. Robert Oppenheimer, who came to Los Alamos, New Mexico, in 1943 to direct the top-secret weapons laboratory of the Manhattan Project. In just 27 months, as the world would later learn, he led the effort to create the atomic bomb, helping end World War II. | by Brye Steve | Published on July 19, 2023

LOS ALAMOS COUNTY

County Manager & Chief Financial Officer

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

We are pleased to submit to you this **Popular Annual Financial Report (PAFR)** for fiscal year 2023. Our goal is to ensure that the citizens are kept informed on the state of the County's finances and discover more about their County government's operations. Fiscal Year 2023 (FY2023) began on July 1, 2022 and ended on June 30, 2023.

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

The [ACFR](#) outlines the County's financial position at June 30, 2023 and the results of its operations for the fiscal year. The ACFR represents the audited information for last year, is presented in GAAP format, and contains more detailed information. The ACFR is available to all citizens at the Municipal Building (1000 Central Avenue), on the County's website (https://www.losalamosnm.us/government/departments/administrative_services/finance_budget/reports_and_budgets), and also at both the Mesa Public Library and White Rock Branch Library.

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

FY2023 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.

Sincerely,

Steven Lynne
County Manager



Helen Perraglio
Chief Financial Officer



COUNTY COUNCIL



Denise Derkacs

Chair



Theresa Cull

Vice—Chair



Randall Ryti



Melanee Hand



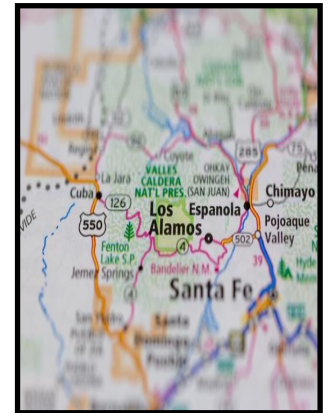
Keith Lepsch



David Reagor



Suzie Havemann



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

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

ORGINIZATIONAL CHART



Steven Lynne
County Manager



Anne Laurent
Deputy County Manager



Linda Matteson
Deputy County Manager



Philo Shelton
Dept. Public Utilities Mgr.



Alvin Lephart
County Attorney



Helen Perraglio
Chief Financial Officer



Cory Styron
Community Services
Director



Paul Andrus
Community Development
Director



Troy Hughes
Fire Department



Juan Rael
Public Works Director



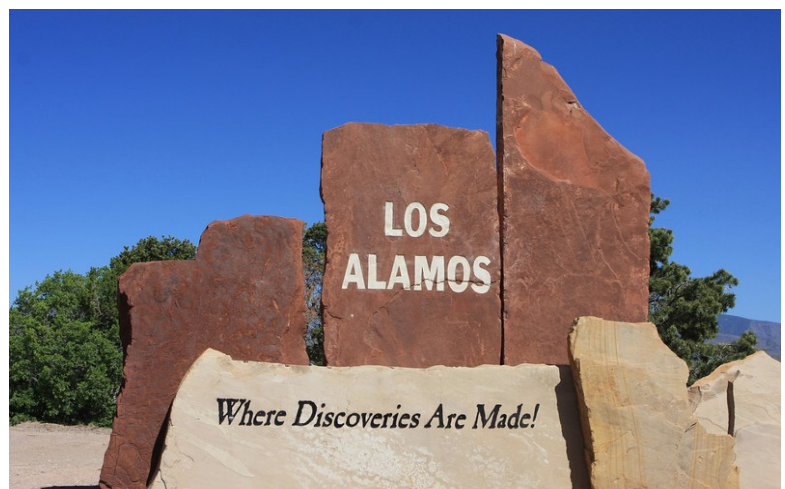
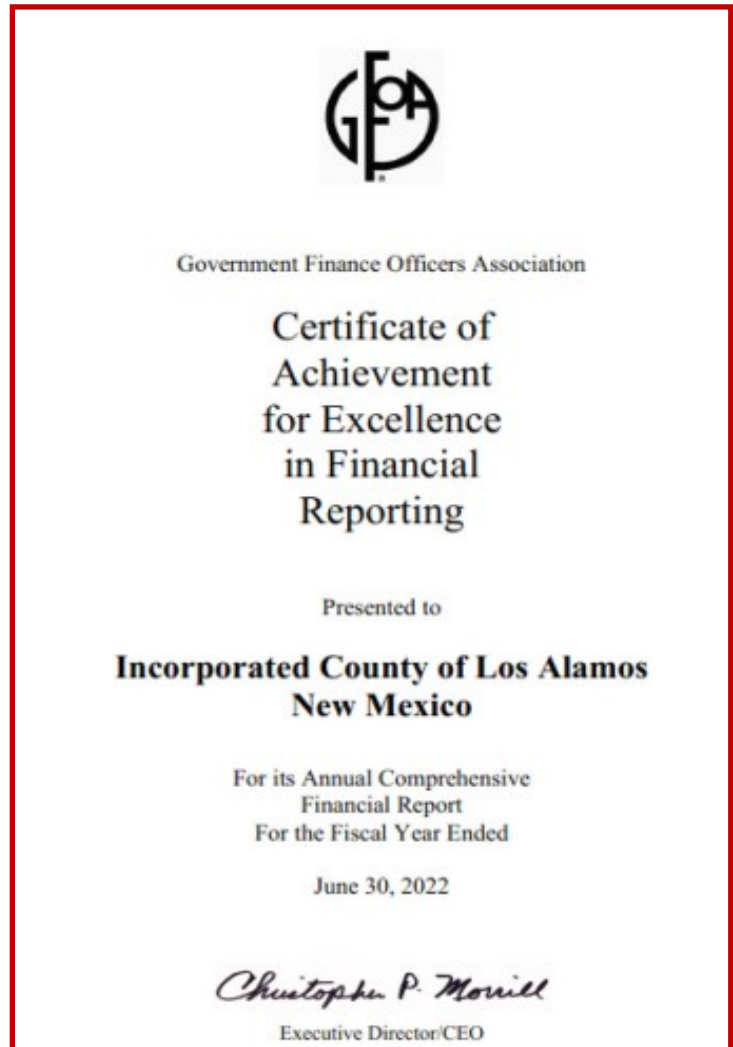
Dino Sgambellone
Police Department

Outstanding Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the County Of Los Alamos for its Popular Annual Financial Report for the fiscal year ended June 30, 2022. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. County of Los Alamos has received a Popular Award for the last eleven consecutive years. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, as we prepare for its submission to GFOA.



ACCOMPLISHMENT HIGHLIGHTS

FY 2023 continued to be a challenging year for our community. The County continued to face challenges with post pandemic issues which include the way we deliver services, recruitment and retention, updating online work processing and contact-less ways of interacting, modifying work schedules for some employees to work remotely when possible. Inflation and supply change disruptions are also challenges the County is faced with. Through these challenges, the county continued to provide services and adapt to these changes while keeping in mind the council strategic plans and priorities.



- In housing, the Mirador Subdivision in White Rock Phase 1 includes 161 units of market rate detached single family homes. Additional permits were issued in 2022. The site plan for Phase 2, a mixed-use development (57 apartments and 11,000 square feet of commercial use space) was

- Canyon Walk Apartments: 70 multi-family units were constructed under the Low-Income Housing Tax Credit Program. The project was completed and 100% of the units were leased in FY 2023.



ACCOMPLISHMENT HIGHLIGHTS

- The Bluffs Apartments: Construction is nearing completion for a senior housing rental development of 64 units under the Low-Income Housing Tax Credit Program with occupancy planned for calendar 2023.
- The Hill Apartments: Construction has started on 35th Street (at the old LASO site) east of the hospital for 149 market-rate apartments with completion expected in calendar 2023.
- 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.
- Capital projects moved to construction for four quality of life initiatives. The Leisure Lagoon addition to the Aquatic Center was completed and is nearing completion and planning for Phase II of the Golf Course improvements is underway.
- Integrated Master Plan conducted to assist in prioritizing projects and maintenance needs.
- Americans with Disabilities Act (ADA) audit was performed to address accessibility and inclusivity options for facility users.
- A variety of infrastructure projects occurred. Most noticeably the San Juan Generating Station (coal-fired plant) was shut down in September 2022. The County has partially replaced this power with wind and solar generation through a power purchase agreement (firmed with market power). Reconstruction of Canyon Road with utility improvements was completed in November 2022, reconstruction of Sherwood Blvd drainage and road improvements (Grand Canyon Drive to Aztec Avenue), and the reconstruction of Cumbers del Norte (North Mesa) Road and Utility Improvements project were completed.
- Successful implementation of mid-year compensation adjustments in an effort to prioritize recruitment and retention efforts of the County's talented personnel. These resulted in four Collective Bargaining Agreement amendments, increased base pay by 10% for non-union employees, doubled stability pay for all employees that are eligible to receive it, and adopted resolutions to implement a 5% additional pickup of employees' Public Employees Retirement Association (PERA) contributions.
- The County continues its commitment to operational excellence. The Government Finance Officers Association awarded Los Alamos County with the Certificate of Achievement for Excellence in Financial Reporting (31 consecutive years) for the Annual Comprehensive Financial Report (ACFR), the Distinguished Budget Presentation Award (30 consecutive years) and the Outstanding Achievement in Popular Annual Financial Reporting (6 consecutive years) for the County's PAFR which we began publishing in FY2016. This garnered the County GFOA's Triple Crown Honor.

FINANCIAL POSITION

Los Alamos County's Changes in Net Position
For Fiscal Year Ended June 30, 2023
(in millions of \$)

	Governmental Activities		Business-type Activities		FY 2023	FY 2022
	FY 2023	FY 2022	FY 2023	FY 2022		
Total Revenue	118.7	85.5	128.9	109.6	247.6	195.1
Total Expenses	73.7	66.1	150.1	106.1	223.8	172.2
Changes in net position before transfers	45	19.4	-21.2	3.5	23.8	22.9
Transfers	-1.1	-3.3	1.1	3.3	0.0	0.0
Total Change in net position	43.9	16.1	-20.1	6.8	23.8	22.9
Beginning net position	325.7	309.6	166.8	160	492.5	469.6
Prior period adjustment	-2.6	0	-1.1	0	-3.7	0
Ending net position	\$ <u>367</u>	<u>325.7</u>	<u>145.6</u>	<u>166.8</u>	<u>512.6</u>	<u>492.5</u>

DID YOU KNOW ?

The County as a whole, gained \$23.8 million in net position in FY23 primarily due to decreased expenses

NET POSITION

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



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

Los Alamos County's Net Position
As of June 30, 2023
(in millions of \$)

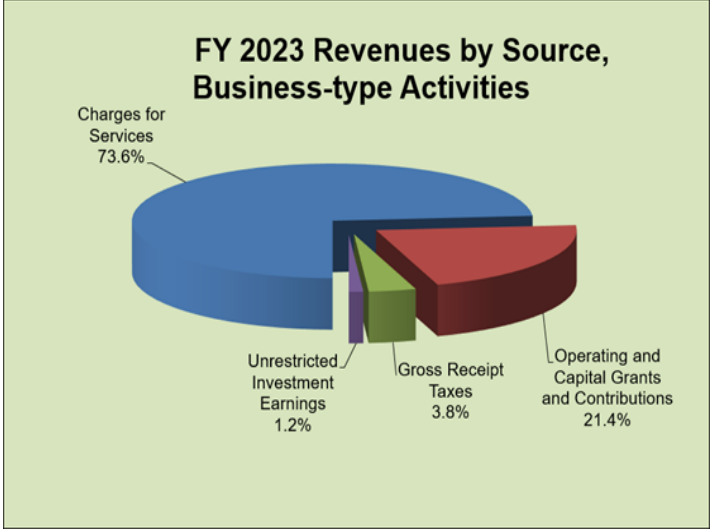
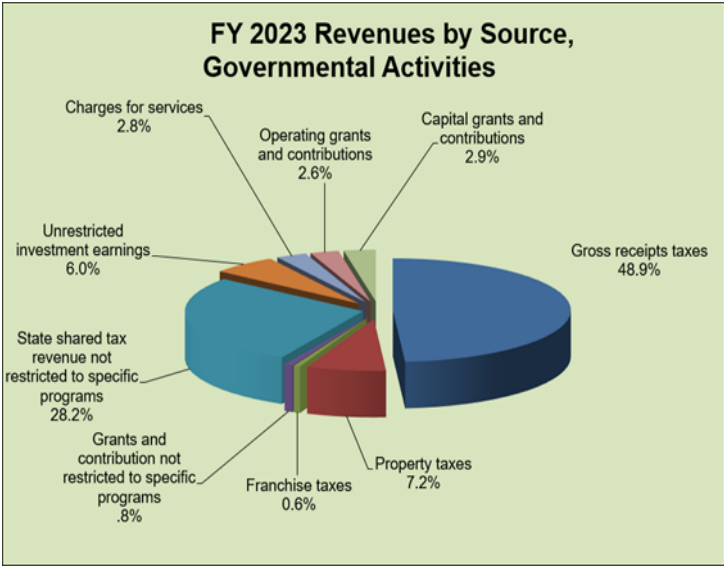
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>FY 2023</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2022</u>
Assets:						
Current and other assets	\$ 202.0	167.1	79.4	84.9	281.4	252.0
Capital assets	<u>280.6</u>	<u>273.7</u>	<u>214.8</u>	<u>219.5</u>	<u>495.4</u>	<u>493.2</u>
Total assets	<u>482.6</u>	<u>440.8</u>	<u>294.2</u>	<u>304.4</u>	<u>776.8</u>	<u>745.2</u>
Deferred outflows of resources	<u>15.1</u>	<u>12.6</u>	<u>17.1</u>	<u>14.0</u>	<u>32.2</u>	<u>26.6</u>
Liabilities:						
Current and other liabilities	9.5	5.3	8.9	8.1	18.4	13.4
Long-term liabilities	<u>89.1</u>	<u>78.9</u>	<u>142.6</u>	<u>117.1</u>	<u>231.7</u>	<u>196.0</u>
Total liabilities	<u>98.6</u>	<u>84.2</u>	<u>151.5</u>	<u>125.2</u>	<u>250.1</u>	<u>209.4</u>
Deferred inflows of resources	<u>32.1</u>	<u>43.5</u>	<u>14.2</u>	<u>26.4</u>	<u>46.3</u>	<u>69.9</u>
Net position:						
Net investment in capital assets	257.5	250.2	171.3	188.4	428.8	438.6
Restricted	51.2	45.6	4.8	17.6	56.0	63.2
Unrestricted	<u>58.3</u>	<u>29.9</u>	<u>(30.5)</u>	<u>(39.2)</u>	<u>27.8</u>	<u>(9.3)</u>
Total net position	<u>\$ 367.0</u>	<u>325.7</u>	<u>145.6</u>	<u>166.8</u>	<u>512.6</u>	<u>492.5</u>

GENERAL FUND ACTIVITIES



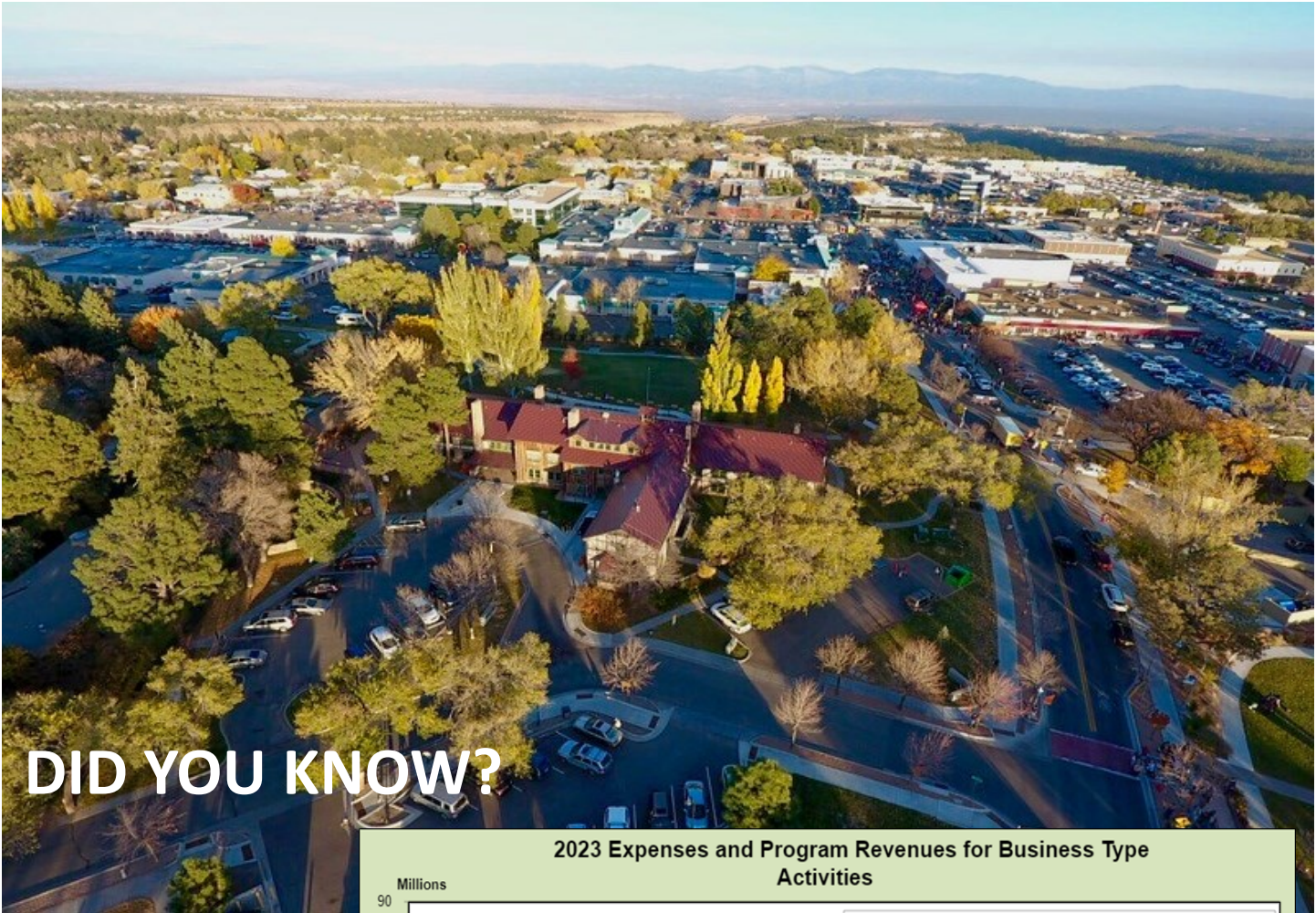
	FY2020	FY2021	FY2022	FY2023
COUNTY COUNCIL	\$ 362,077	\$ 419,664	\$ 345,534	\$ 382,989
MUNICIPAL COURT	543,063	533,238	577,306	592,873
COUNTY MANAGER	4,529,503	3,934,187	4,558,924	5,064,355
COUNTY ASSESSOR	474,885	436,040	457,493	542,227
COUNTY ATTORNEY	822,440	910,092	1,833,771	1,122,158
COUNTY CLERK	641,966	672,865	713,498	759,949
COUNTY PROBATE	5,310	5,004	5,606	5,973
COUNTY SHERIFF	13,731	8,361	8,804	16,537
ADMINISTRATIVE SERVICES	7,673,734	7,944,807	8,438,840	9,918,109
PUBLIC WORKS	10,781,374	1,145,425	11,512,218	15,374,404
COMMUNITY DEVELOPMENT	1,781,322	1,940,765	1,952,377	3,162,527
FIRE	6,338,046	7,082,624	7,898,483	7,857,560
POLICE	9,094,942	9,085,545	9,832,690	12,190,987
COMMUNITY SERVICES	10,457,991	10,529,268	11,739,657	12,966,108
TOTAL EXPENSES	\$ 53,520,384	\$ 44,647,885	\$ 59,875,201	\$ 69,956,756

COUNTY REVENUE AND EXPENSES



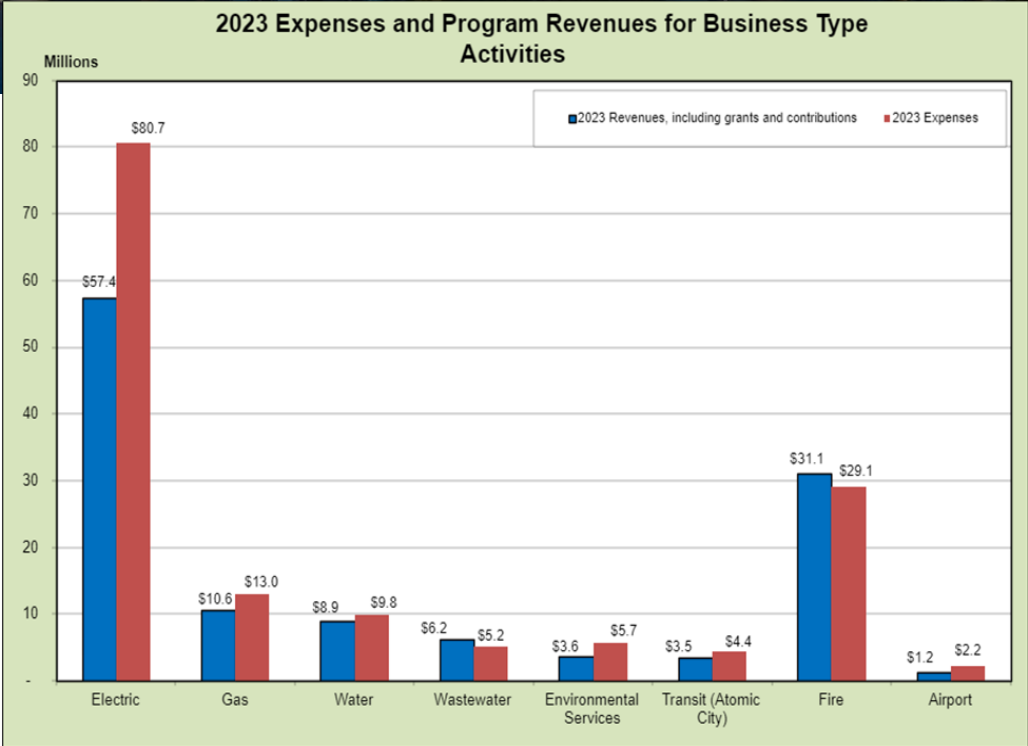
	FY2020	FY2021	FY2022	FY2023
ELECTRIC	\$ 41.90	\$ 47.30	\$ 47.70	\$ 80.72
GAS	4.30	5.90	8.30	12.97
WATER	7.20	7.40	8.20	9.83
WASTEWATER	4.50	4.50	4.90	51.63
ENVIRONMENTAL SERVICES	3.80	5.10	4.20	5.74
TRANSIT (ATOMIC CITY)	4.20	3.90	4.20	4.42
FIRE	28.00	23.60	27.40	29.14
AIRPORT	0.90	0.80	1.20	2.16
TOTAL EXPENDITURES	\$ 94.80	\$ 98.50	\$ 106.10	\$ 196.61

BUSINESS TYPE ACTIVITIES



DID YOU KNOW?

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



CAPITAL ASSETS

Los Alamos County's Capital Assets, Net of Accumulated Depreciation
As of June 30, 2023 and 2022
(in millions of \$)

	Governmental Activities		Business-type Activities		Total	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
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	296.5	335.2	296.5	335.2
Buildings	144.6	143.8	25.1	25.1	169.7	168.9
Improvements other than buildings	40.2	31.6	18.2	18.2	58.4	49.8
Machinery and Equipment, Art and Historic Treasures	25.3	23.5	38.3	38.6	63.6	62.1
Infrastructure	201.3	196.0	0.0	0.0	201.3	196.0
Less Accumulated Depreciation	-200.0	-190.3	-197.1	-224.1	-397.1	-414.4
Construction in Progress	6.7	10.4	24.3	17.3	31.0	27.7
Right to use assets						
Buildings - Leases, net of amortization	0.2	0.3	0.7	0.9	0.9	1.2
Machinery and equipment - Leases, net of amortization	0.7	0.1	0.0	0.0	0.7	0.1
Subscription bases IT arrangements, net of amortization	3.3	0.0	0.4	0.0	3.7	0.0
Total	\$ 280.6	273.7	214.8	219.6	495.4	493.3

Total capital assets for the County increased by approximately \$2.1 million from 2022 to 2023 or .43%. Capital assets associated with governmental activities increased by \$6.9 million mostly due to the \$13.9 million cumulative addition of improvements and infrastructure, \$1.8 million addition of machinery and equipment, depreciation of \$9.7 million, decrease of construction in progress of \$3.7 million, the addition of right to use assets of \$.5 million, net of amortization, due to the implementation of GASB 87 Leases, and the addition of right to use assets of \$3.3 million, net of amortization, due to the implementation of GASB 94, Subscription Based IT Arrangements. Capital assets associated with business-type activities decreased by \$4.8 million due to the cumulative effect of a \$38.7 million decrease in utility plant in service and a \$27.0 million decrease in accumulated depreciation, as well as a \$.3 million decrease in machinery and equipment, an increase of \$7.0 million in construction work in progress, an increase of right to use assets of \$.2 million, net of amortization, due to the implementation of GASB 87 Leases and GASB 94 Subscription Based Information Technology arrangements. In October 2022, the San Juan Electric Generating Station ceased operations; thereby requiring all capital assets remaining for the San Juan location be retired and depreciated. During fiscal year 2023, the disposition amount for utility plant in service was \$55.3 million and accumulated depreciation was \$34.8 million as a result of the plant closure.

JOINT UTILITY FUNDS



	<u>ELECTRIC</u>	<u>GAS</u>	<u>WATER</u>	<u>WASTEWATER</u>	<u>TOTAL</u>
Total Revenue	57,246,658	10,638,454	8,869,295	6,185,740	82,940,147
Total Expenses	59,217,494	12,759,565	7,977,048	5,076,066	85,030,173
Changes in net position before transfers	(1,970,836)	(2,121,111)	892,247	1,109,674	(2,090,026)
Nonoperating Revenues (Expenses)	(20,996,388)	(212,559)	(1,504,858)	64,278	(22,649,527)
Total Change in net position	(22,967,224)	(2,333,670)	(612,611)	1,173,952	(24,739,553)
Transfers and Contributions	(23,592,281)	(2,693,928)	1,386,139	1,159,539	(23,740,531)
Beginning net position	55,212,043	11,184,374	70,759,630	32,958,150	170,114,197
Prior period adjustment	-	-	(1,074,183)	-	(1,074,183)
Ending net position	\$ 31,619,762	8,490,446	71,071,586	34,117,689	145,299,483

GOVERNMENTAL FUNDS COMPARED

GOVERNMENTAL FUNDS REVENUES	FY2020	FY2021	FY2022	FY2023
Taxes and special assessments	39,934,857	43,857,792	53,606,223	67,727,046
Licenses and permits	397,269	560,069	310,007	359,897
Intergovernmental	24,346,020	34,384,924	30,460,894	40,573,124
Fines forfeitures and penalties	101,454	112,718	94,880	62,836
Charges for services	1,000,884	1,385,207	1,431,273	1,448,207
Interfund/Interdepartmental charges	8,023,975	8,004,968	8,826,224	9,313,081
Investment Income	2,623,382	14,620,287	(13,043,668)	7,086,363
Other revenues	1,695,655	3,262,980	12,566,699	1,648,712
TOTAL REVENUES	78,123,496	106,188,945	94,252,532	128,219,266

GOVERNMENTAL FUNDS EXPENDITURES	FY2020	FY2021	FY2022	FY2023
General government	20,133,201	22,088,973	24,224,186	29,496,510
Public safety	15,020,479	17,989,556	17,954,063	20,312,319
Physical and economic environment	3,471,347	4,079,822	5,543,713	3,997,229
Transportation	4,274,507	3,957,613	3,673,960	4,654,156
Health and welfare	4,809,190	4,883,588	5,347,004	5,500,430
Culture and recreation	8,287,118	8,491,488	9,294,639	10,009,084
Capital Projects/Outlay	9,885,442	11,153,948	11,841,718	14,392,552
Debt service	4,550,759	4,552,159	4,556,409	4,552,409
TOTAL EXPENDITURES	70,432,043	77,197,147	82,435,692	92,914,689
SURPLUS (deficit)	7,691,453	28,991,798	11,816,840	35,304,577

This comparison shows the combined governmental fund totals by revenue type and expenditure category, over the past 4 years. A surplus increases fund balance reserves, and deficit indicates the potential need for tapping into those reserves.



The County maintains separate funds for its governmental activities to properly account for those revenues and expenditures that are restricted for special purposes, or to provide general services to the community that are funded by taxes.

GRT

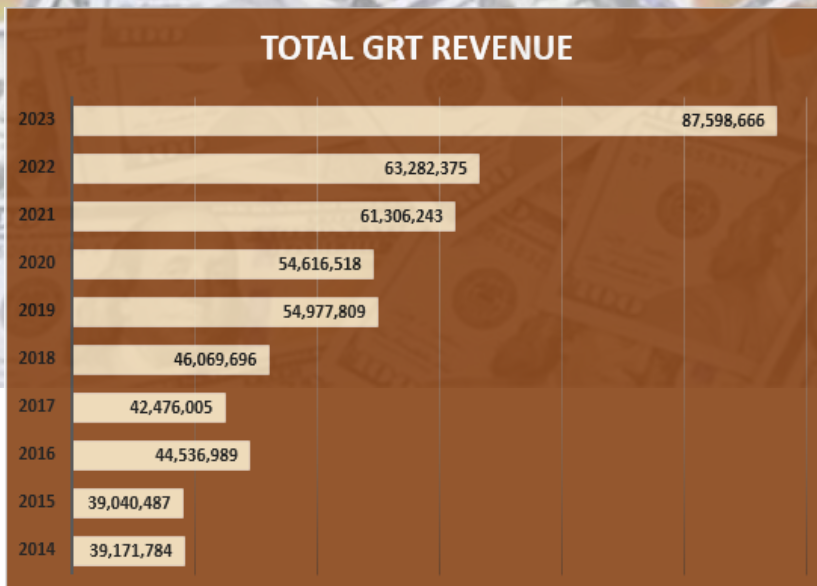
GRT—What is it?

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



HOW DOES IT WORK?

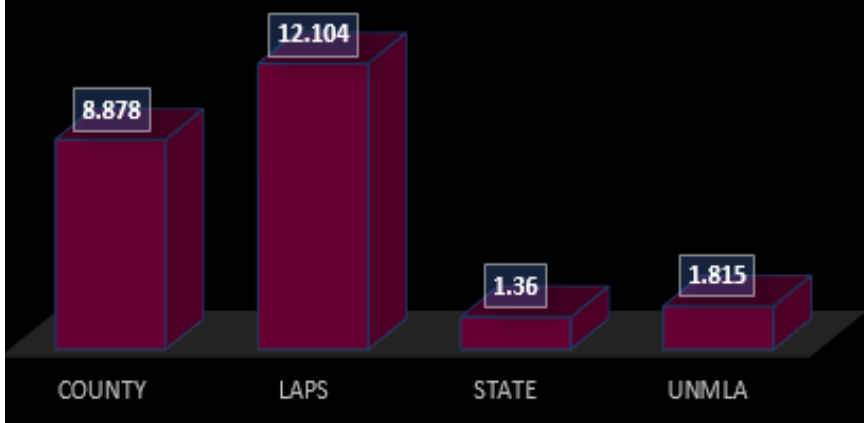
The County adopts tax rates in increments for general or special purposes. Every time you pay GRT on a transaction, the local business collects the tax and remits it to the State of New Mexico through CRS-1 reporting. The state retains a portion of the tax and then distributes the remainder to the individual county or municipality. Los Alamos County is unique in that we can implement both City and County increments since we're one in the same. GRT makes up 73.6% of our revenue to provide services to the community. Our single largest contributor is LANL.



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

PROPERTY TAXES

RESIDENTIAL RATES PER \$1000 OF ASSESSED VALUATION



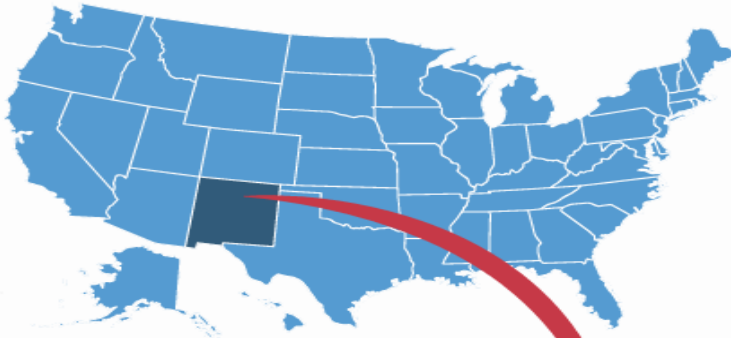
There are many factors that go into the Property Tax Rate determined by the NM Department of Finance and Administration (DFA). The Total Net Taxable Value of the County, Total New Construction in the County, additional or expired voter imposed General Obligation Bonds, and the amount of mill rate imposed by the specific entities all play a role in the calculation of the Property Tax Rates. The residential tax rate in Los Alamos County is 24.077 mills. The non-residential tax rate is 28.714.

TOP PRINCIPAL PROPERTY TAX PAYERS

PHC - Los Alamos Inc
Central Park Square LLC
Topvalco, Inc.
PC Canyon Village LLC
Los Alamos Commerce and Development Corp
Oppenheimer Place Condo Assoc Inc
Enterprise Bank & Trust
Site A-19-A-1 Acquisition Group LLC
Pebble Labs Inc
Smith's Food & Drug Centers, Inc.



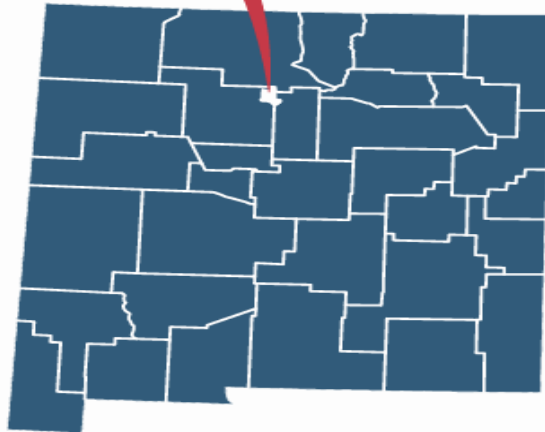
OPERATING INDICATORS



Top Los Alamos County Employers

- Los Alamos National Laboratory — 17,240
- Los Alamos County — 721
- N3B Los Alamos — 700
- Los Alamos Public Schools — 671

- Los Alamos County Population— 19,330
- Per Capita Personal Income— \$81,306
- School Enrollment— 3,727
- Median Household Income— \$123,677



Los Alamos County is located on the Pajarito Plateau in northern New Mexico, approximately 35 miles northwest of Santa Fe, the capital of New Mexico. The County covers approximately 109 square miles, of which 41.2% is owned by the National Forest Service, 35.3% by the Department of Energy, 14% by County and private, and 9.5% by Bandelier National Monument.



#1 Los Alamos County America's Healthiest Communities—US NEWS &

#1 Best Place to live in New Mexico—Niche.com

#2 Places with the Best Public Schools in New Mexico—Niche.com

Contact Us

Los Alamos County

Administrative Offices

1000 Central Avenue

Los Alamos, NM 87544, USA



[View on Map](#)



#LOVELOSALAMOSNM



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