

Incorporated County
of
Los Alamos, New Mexico



Comprehensive Annual Financial Report
Fiscal Year Ended
June 30, 2009

Prepared by the Office of Management and Budget

TABLE OF CONTENTS
June 30, 2009

| | Page |
|---|-------------|
| INTRODUCTORY SECTION: | |
| Letter of Transmittal | i-v |
| Certificate of Achievement for Excellence in Financial Reporting, presented by the Government Finance Officers Association | vi |
| Organizational Chart | vii |
| Elected and Appointed Officials | viii |
| FINANCIAL SECTION: | |
| Independent Auditors' Report | 2-3 |
| Management's Discussion and Analysis | 5-24 |
| Basic Financial Statements: | |
| Government-wide Financial Statements: | |
| Statement of Net Assets | 26-27 |
| Statement of Activities | 28 |
| Governmental Fund Financial Statements: | |
| Balance Sheet | 30-31 |
| Reconciliation of Balance Sheet to the Statement of Net Assets | 33 |
| Statement of Revenues, Expenditures, and Changes in Fund Balance | 34-37 |
| Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities | 39 |
| Statement of Revenues, Expenditures, Encumbrances, and Changes in Fund Balance - Budget and Actual (Budget Basis) | |
| General Fund | 40-50 |
| Self-sufficiency Fund | 51 |
| Proprietary Fund Financial Statements: | |
| Statement of Net Assets | 54-55 |
| Statement of Revenues, Expenses, and Changes in Net Assets | 56 |
| Reconciliation of Revenues, Expenses and Changes in Net Assets to the Statement of Activities | 57 |
| Statement of Cash Flows | 58-59 |
| Fiduciary Fund Financial Statements: | |
| Statement of Net Assets | 61 |
| Statement of Changes in Net Assets - Pension Trust Fund | 62 |
| Notes to the Financial Statements | 63-102 |

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

Other (nonmajor) Governmental Funds:

| | |
|---|---------|
| Combining Balance Sheet | 103 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balance | 104-105 |
| Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balance - Budget and Actual (Budget Basis) | |
| State Shared Revenues Fund | 106 |
| Lodgers' Tax Fund | 107 |
| State/Other Grants Fund | 108-109 |
| Indigent Health Care Fund | 111 |
| Other Special Revenues Fund | 112-113 |
| Cerro Grande Fire Fund | 114 |
| Gross Receipts Tax Revenue Bonds Fund | 115 |
| State Loans Fund | 116 |
| Capital Projects Permanent Fund (Major Governmental Fund) | 117 |
| Project-length Schedule of Construction Projects - Capital Improvement Projects Fund | 118 |

Joint Utility System Enterprise Subfunds:

| | |
|---|---------|
| Combining Schedule of Net Assets | 120-121 |
| Combining Schedule of Revenues, Expenses, and Changes in Net Assets | 123 |
| Combining Schedule of Cash Flows | 124-125 |
| Schedules of Revenues, Expenses, Encumbrances, and Changes in Net Assets - Budget and Actual (Budget Basis): | |
| Electric Subfund | 126-127 |
| Gas Subfund | 128-129 |
| Water Subfund | 130-131 |
| Wastewater Subfund | 132-133 |

Other Enterprise Funds:

| | |
|---|---------|
| Schedules of Revenues, Expenses, Encumbrances, and Changes in Net Assets - Budget and Actual (Budget Basis): | |
| Environmental Services | 136-137 |
| Golf Course Fund | 138-139 |
| Transit Fund | 141 |
| Fire Fund | 142-143 |
| Airport Fund | 144 |

Internal Service Funds:

| | |
|---|---------|
| Combining Statement of Net Assets | 146 |
| Combining Statement of Revenues, Expenses, and Changes in Net Assets | 147 |
| Combining Statement of Cash Flows | 148-149 |
| Schedules of Revenues, Expenses, Encumbrances, and Changes in Net Assets - Budget and Actual (Budget Basis): | |
| Equipment Fund | 150-151 |
| Risk Management Fund | 152-153 |

Agency Fund:

| | |
|---|-----|
| Schedule of Changes in Assets and Liabilities | 154 |
|---|-----|

TABLE OF CONTENTS
June 30, 2009

| | Page |
|---|-------------|
| STATISTICAL SECTION: | |
| Net Assets by Component | 155 |
| Changes in Net Assets | 156-157 |
| Fund Balance, Governmental Funds | 158 |
| Changes in Fund Balance, Governmental Funds | 159 |
| Joint Utility System Customer Base | 160 |
| Joint Utility System Operating Revenue and Sales | 161 |
| Joint Utility System Operating Revenue by Type of Customer | 162 |
| Joint Utility System Rate Structure | 163 |
| Taxable Gross Receipts by Business Sector (in \$1,000s) | 164 |
| Gross Receipts Tax (GRT) Revenues and Rates | 165 |
| Property Tax Levies and Collections | 166 |
| Assessed and Estimated Actual Value of Taxable Property | 167 |
| Property Tax Rates and Levies - All Direct and Overlapping Governments | 168 |
| Ten Principal Property Taxpayers | 169 |
| Ratios of Outstanding Debt by Type | 170 |
| Ratio of Net Bonded Debt to Assessed Value and Net Bonded Debt Per Capita | 171 |
| Computation of Direct and Overlapping Debt | 172 |
| Computation of Legal Debt Margin | 173 |
| Joint Utility System Revenue Bond Coverage | 174 |
| Demographic and Economic Statistics | 175 |
| Largest Employers | 176 |
| Census Population by Age Bracket, Counts, and Percentages | 177 |
| Full-time Equivalent Employees by Function/Program | 178 |
| Operating Indicators by Function/Program | 179 |
| Capital Asset Statistics by Functions/Program | 180 |
| OTHER INFORMATION: | |
| Exhibit 1 - Schedule of Reconciliation of Tax Receipts and Disbursements | 181 |
| Exhibit 2 - County Treasurer's Property Tax Schedule | 182-183 |
| Exhibit 3 - Schedule of Pledged Collateral | 184 |
| Exhibit 3a - Detail of Pledged Collateral by Financial Institution | 185 |
| Exhibit 4 - Schedule of Depository Accounts | 186-187 |
| Exhibit 5 - Supplemental Schedule of Joint Powers Agreements | 188-189 |
| Exhibit 6 - Schedule of Expenditures of State Awards | 190-191 |
| Exhibit 7 - Schedule of Expenditures of Federal Awards | 192-194 |
| Exhibit 8 - Utility Sub-funds Combining Balance Sheet - Industry Format | 196-197 |
| Exhibit 9 - Utility Sub-funds Combining Schedule of Revenues, Expenses, and Changes in Proprietary Capital - Industry Format | 198-199 |
| 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> | 200-201 |
| Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 | 202-203 |
| Schedule of Findings and Questioned Costs | 204-209 |



INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO
P.O. Box 30, Los Alamos, New Mexico 87544 (505) 662-8060

November 20, 2009

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

We are pleased to submit to you the Comprehensive Annual Financial Report of the State of New Mexico, Incorporated County of Los Alamos (the County) for fiscal year 2009. The Office of Management and Budget in the County's Administrative Services Department has prepared this report to present the financial position of the County at June 30, 2009, 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.

This report consists of an Introductory Section, the Financial Section which includes the opinion of the County's independent auditors, Moss Adams, LLP, 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 plans to take positive actions to carry out the independent auditors' recommendations described in their Schedule of Findings and Questioned Costs, dated November 20, 2009, which is included in the Other Financial Information Section of this report.

THE REPORTING ENTITY AND ITS SERVICES

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

The County is located on the Pajarito Plateau in northern New Mexico, about 35 miles northwest of Santa Fe, the capital of New Mexico. The County covers about 112 square miles. The National Forest Service owns 41.3% of the County's area, the United States Department of Energy (DOE) owns 33.4%, the County and its citizens own 16.3%, and Bandelier National Monument owns 9.0%.

Before the establishment of the Los Alamos National Laboratory 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 municipal ownership.

The County operates under a council-manager form of government. The County Council consists of seven members who are elected at large by qualified County voters. Under the Charter, the County Council appoints a County Administrator, the chief administrative 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, or 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 and social services.

ECONOMIC CONDITION AND OUTLOOK

The County's economy depends heavily on the activities of the Los Alamos National Laboratory (LANL) and its subcontractors, which together employ over 11,000 people with an annual budget of approximately \$2.2 billion. As such, the local economy is usually affected more by the funding of LANL than any other local or national economic factor.

In the fiscal year 2010 Adopted Budget, the County's long-term financial outlook has become more stable than the past few years. While GRT revenues increased in fiscal year 2009, only small declines are projected in the near future. However, given the unusually large concentration of employment and tax revenues in one employer – LANL - the County continues to adopt a conservative fiscal posture to help mitigate against the potential negative effects of any significant unforeseen future changes.

LANL is the County's largest employer, and it was estimated in an August 2004 POLICOM report "Creating a Sustainable Los Alamos" that LANL's expenditures provide, either directly or indirectly, approximately 97% of the County's economy. It is also estimated that LANL generates directly approximately 65-70% of the County's GRT revenue.

Given the significant impact of LANL operations, the County will be monitoring closely any federal legislative budget activities associated with the Department of Energy and other federal agencies and continuing to consider potential impacts to the LANL and to the County's long-range financial projections. The County will also be monitoring any potential changes that might arise due to the changes in the national nuclear posture policy, changes in the New Mexico federal congressional delegation, as well as DOE plans for its long-term overall Complex Transformation.

As originally adopted, the FY 2010 Budget projects combined ending fund balance / working capital of \$107 million, a decrease of \$13.9 million from the FY 2009 projected ending balance. The largest planned reductions of Fund Balance were within the General Fund and the Joint Utilities System Fund where balances are being used to fund larger capital projects.

The County is a net investor and diversifies its portfolio to minimize the impact of market risk. Within the context of the national economic decline and related volatility of FY 2009, the value of the County's longer-term investments have lost significant value, similar in magnitude to the overall financial markets. The much larger majority of the County's investment portfolio performed better due to using a limited number of investment vehicles that focus on principal preservation, with shorter duration and lower market risk. Projected investment revenue in FY 2010 is higher than FY 2009, but still below historically normal average returns as the overall economy is still recovering quite slowly.

Property tax revenues are projected to make up approximately 9.6% of the County's General Fund revenue in FY 2010. While taxable property values have declined approximately 4% in calendar 2009, estimated FY 2010 revenues are not yet negatively impacted because of the effect of the State of New Mexico's property tax yield control laws. Another 5% decline is estimated to occur in calendar 2010 and these revenues might decline slightly as a result. In addition, the County Council has recently established a goal of reducing spending and property taxes by \$1.5 million per year for each of the next three years (FY 2011, 2012 and 2013), so there will likely be some self-imposed reduction of property tax revenues in future years.

The County is currently re-examining its revenue forecasts and its capital financing plans in light of current circumstance and may make revisions to these plans if necessary.

MAJOR ACCOMPLISHMENTS AND FUTURE INITIATIVES

In December 2005, the County Council and the County's Senior Management Team completed a strategic planning update process that developed and prioritized Strategic Goals and related objectives. Those goals and objectives provided significant guidance during the FY 2009 budget development and will continue to guide County activities in the near future. Reports on progress toward the goals and a review of the objectives are scheduled to occur at regular six-month intervals. Highlights of significant progress made in FY 2009 includes the following:

- Maintain Quality Routine Essential Services – the County began two major facility replacement projects - the Airport Basin Site Project and the Judicial / Police / Jail Complex project. In October 2008, the County issued \$75 million in GRT Revenue Improvement Bonds. The bonds were rated "A1" by Moody's and "AA+" by Standard and Poor's. They purpose of the bonds was to provide funding for the County's capital improvement program;
- Improve Intergovernmental Relations – expanded the County's Progress Through Partnering program to include future partnerships with the Los Alamos Public Schools (LAPS);
- Diversify the Economy / Revitalize White Rock and Los Alamos Downtowns – when completed, the Airport Basin Site project will enable the County, in partnership with the LAPS, to clear a substantial parcel of downtown land and make it available for development. Implementation has begun on the White Rock master plan / economic development strategy;
- Maintain Environmental Quality – and construction of the new solid waste Transfer Station was completed and operations were started; the County began implementation of its new sustainability initiatives; and

- Improve Transportation and Mobility - the County directly funded the North Central Regional Transit District under its Progress through Partnering initiative; the Diamond Drive Phase 2 was completed and Phase 3 was started as planned which includes pedestrian and bicycle upgrades; and the County expanded operation of Atomic City Transit.

The County has identified and is working on the following initiatives:

- Vacating and clearing the Trinity site and making it available for redevelopment remains a top priority;
- Selecting a site for the replacement of the Municipal Building and beginning design;
- Completion of construction of the Airport Basin Project;
- Completion of construction of Judicial / Police / Jail Complex Project;
- Completion of construction of the Animal Shelter;
- Construction and substantial completion of Phase 3 and start of Phase 4 of the Diamond Drive project;
- Construction of an additional new low flow hydroelectric turbine at the County's existing electric production facilities;
- Develop and implement projects, where possible, related to the downtown plans;
- Continue improving the County's long-range financial plan to integrate operating needs with the replacement and maintenance needs of infrastructure assets;

FEDERAL AND STATE MANDATES

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

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

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

ACCOUNTING SYSTEM AND BUDGETARY CONTROLS

The County's Office of Management and Budget plans, organizes, directs, and coordinates the overall management of the County's finances. The responsibilities of the Office 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 Office maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County Council. Activities of all funds except the Pension Trust Fund and the Agency Fund are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Projects Funds. The level of established budgetary control is by department within an individual fund.

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

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Incorporated County of Los Alamos for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008. 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 comprehensive annual 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 eighteen consecutive years (fiscal years 1991 through 2008). We believe this current comprehensive annual 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 2009. This was the seventeenth 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.

ACKNOWLEDGEMENTS

The preparation of this report could not have been accomplished without the dedicated service of the staff within the Office of Management and Budget. 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,



Anthony J. Mortillaro
County Administrator



Steven Lynne
Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Incorporated County of Los Alamos, New Mexico

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



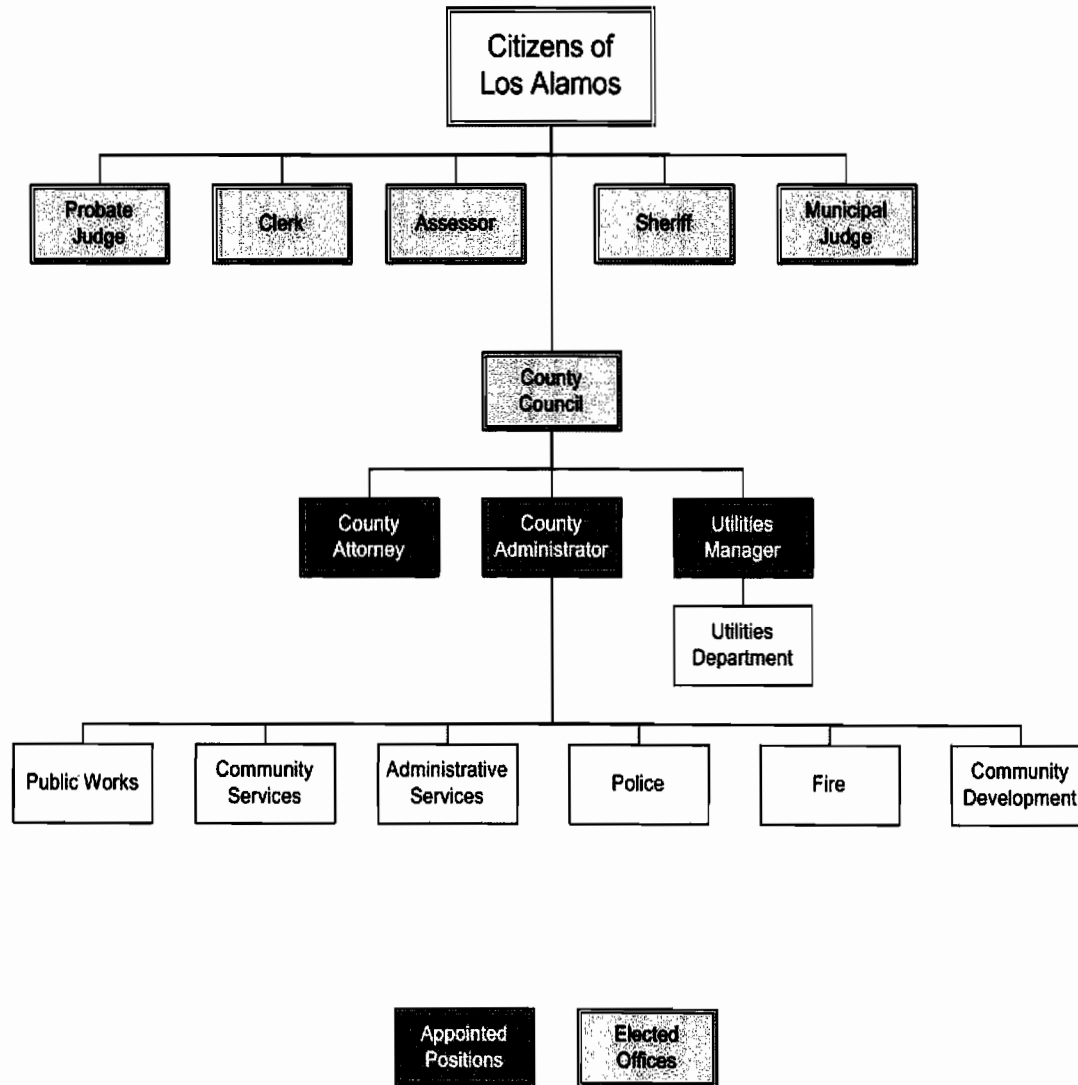
A handwritten signature in black ink, appearing to read "K. L. Post".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emmer".

Executive Director

**INCORPORATED COUNTY OF LOS ALAMOS
ORGANIZATIONAL CHART**



INCORPORATED COUNTY OF LOS ALAMOS ELECTED AND APPOINTED OFFICIALS

As of June 30, 2009

Elected:

Council

Michael Wheeler, Chair
Michael Wismer, Vice-chair
Nona B. Bowman
Vincent Chiravalle
Robert B. Gibson
Sharon Stover
Ralph L. Phelps

Clerk

Assessor

Sheriff

Probate Judge

Municipal Judge

Mary Pat Kraemer
JoAnn Johnson
Bruce E. Takala
Janet Foster
Alan Kirk

Appointed:

County Administrator

Assistant County Administrator

Assistant County Administrator

County Attorney

Utilities Manager

Community Development Director

Community Services Director

Public Works

Fire Chief

Police Chief

Deputy County Assessor

Deputy County Clerk

Max Baker

Anthony Mortillaro

Diana Stepan

Mary McInerney

John Arrowsmith

Rick Bohn

Stephani Johnson

Kyle Zimmerman

Douglas MacDonald

Wayne Torpy

Joaquin Valdez

Sheryl Nichols



INDEPENDENT AUDITORS' REPORT

T
F
505-878-7200
800-827-2370
505-878-7282

Michael Wheeler, Chair, County Council
Members of the Council, and Anthony J. Mortillaro, County Administrator
State of New Mexico – Incorporated County of Los Alamos
Los Alamos, New Mexico 87544, and
Hector H. Balderas, State Auditor

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and 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, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the County's nonmajor governmental, nonmajor enterprise, internal service, and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements and the respective budgetary comparisons of each non-major governmental fund, the major capital projects fund, non-major enterprise funds and internal service funds as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, nonmajor enterprise, internal service, and fiduciary funds of the County as of June 30, 2009, and the respective changes in

Michael Wheeler, Chair, County Council
Members of the Council, and Anthony J. Mortillaro, County Administrator
State of New Mexico – Incorporated County of Los Alamos
Los Alamos, New Mexico 87544, and
Hector H. Balderas, State Auditor

financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the nonmajor governmental funds, major capital projects funds, non-major enterprise funds, and non-major internal service funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2009 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 results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 5 through 24 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and we express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, and the combining and individual fund financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The additional schedules listed as "other information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic and combining and individual fund financial statements and, accordingly, we express no opinion on them.

Moss Adams LLP

Albuquerque, New Mexico
November 19, 2009



Management's Discussion and Analysis

INCORPORATED COUNTY OF LOS ALAMOS

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2009

Management of the County of Los Alamos offers this discussion and analysis about the County government's financial position and financial activities for the fiscal year that ended June 30, 2009. 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 26, the *Notes to the Financial Statements* starting on page 63, and the *Letter of Transmittal* on page i. Additional data about the County is provided in the Statistical Section, beginning on page 155.

FINANCIAL HIGHLIGHTS

- The County's total net assets, the amount of assets after subtracting related liabilities, were \$502.4 million at fiscal year ended June 30, 2009. This is an increase of \$38.2 million in net assets, or 8.2%, as compared to the prior fiscal year end. The largest factors contributing to the increase in net assets were higher Gross Receipts Tax (GRT) revenues and the donation of the Airport to the County from the Department of Energy (DOE). Of the total net assets, \$130.6 million (26% of total) is unrestricted. This compares to \$131.1 million for the prior year-end.
- Business-type activities increased the County's net assets by \$26.2 to \$201.6 million for the fiscal year ended June 30, 2009. This compares to a \$13.2 million increase during the previous fiscal year. Total revenue from business-type activities, including transfers and contributions, was \$99.4 million for fiscal year 2009, approximately \$15.2 million higher than the previous year. The most significant reason for the increase was the donation of the Airport to the County from DOE.
- For the fiscal year ended June 30, 2009, the County's Governmental Funds reported combined ending fund balance of approximately \$155.5 million. Overall, this was \$34.5 million more than the prior year ended. This change is almost entirely the result of unspent bond proceeds from the new GRT Improvement Revenue bonds that were issued during FY 2009.
- General Fund Expenditures increased by approximately \$5.2 million over the prior year. This single largest reason for the increase is a requirement in the new cooperative agreement for enhanced fire services with DOE that requires the County to share those costs. This new expenditure was \$2.4 million in fiscal year 2009, for nine months of activity.
- General Fund resources available for spending on budgeted needs were \$5.8 million more than the final revised budget of \$60.7 million. The two largest variances in revenues were associated with GRT revenue and interest income. GRT revenue was higher than anticipated due to the size and number of construction projects occurring in the community as well as a change in the timing pattern of spending (and related GRT) at LANL. Interest income was negatively impacted by the decline in the overall economy.
- In October 2008 the County issued \$75 million in Gross Receipts Tax (GRT) Revenue Improvement Bonds for the purpose of funding the County's Capital Improvement Program. The debt has a final maturity date of June 1, 2028 and interest rates range from 3.75 to 6%. The bonds were rated "A1" by Moody's and "AA+" by Standard and Poor's. The bonds were issued for the purpose of providing funds for public projects related to public facilities, roads, streets, public works, parks and recreation and community services. The two largest projects to be funded with the bond proceeds are the Airport Basin Site Project and the Judicial/ Police/ Jail Complex Project.

USING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

This Comprehensive Annual Financial Report (CAFR) 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 Assets 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 assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. There are three categories of net assets reported:

- a) Capital assets, net of related debt 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 net assets are restricted either by contract or by law.
- c) Unrestricted net assets are available to run the daily operations of the government and pay its current expenses.

The Statement of Activities presents information showing how net assets changed during the most recent fiscal year. All changes in net assets 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 Administrator, 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, Golf Course, 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 26-28 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 30-51 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 funds. Other enterprise funds are the Environmental Services, Golf Course, 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 54-59 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 Agency Fund that 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. The accounting used for fiduciary funds is much like that used for enterprise funds, except for the agency fund. The fiduciary funds financial statements can be found on pages 61-62 of this report.

Notes to Financial Statements are provided on pages 63-102 and contain additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Table 1: Major Features of the Basic Financial Statements

| | County-wide Financial Statements | Fund Financial Statements | | |
|---|--|--|--|--|
| | | <u>Governmental Funds</u> | <u>Proprietary Funds</u> | <u>Fiduciary Funds</u> |
| Scope | Entire County government (except fiduciary funds) | Activities of the County that are not proprietary or fiduciary | Activities of the County that are operated similar to private sector businesses | Instances in which the County is the trustee or agent for someone else's resources |
| Required financial statements | Statement of net assets Statement of activities | Balance sheet Statement of revenues, expenditures, and changes in fund balances | Statement of net assets Statement of revenues, expenses, and changes in net assets Statement of cash flows | Statement of net fiduciary net assets Statement of changes in fiduciary net assets |
| Accounting basis and measurement focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial resources focus | Accrual accounting and economic resources focus | Accrual accounting and economic resources focus |
| Type of asset/liability information | All assets and liabilities, both financial and capital, and short term and long-term | 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, and short-term and long-term | All assets and liabilities, both short-term and long-term |
| Type of inflow/outflow information | All revenues and expenses during the year, regardless of when cash is received or paid | Revenues for which cash is received during or soon after the end of the year Expenditures when goods or services have been received and payment is due during the year or soon thereafter | All revenues and expenses during the year, regardless of when cash is received or paid | All revenues and expenses during the year, regardless of when cash is received or paid |

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Assets

The County's net assets, the amount of assets after subtracting related liabilities, were \$502.4 million at fiscal year ended June 30, 2009. This is an increase of \$38.2 million in net assets, or 8.2%, as compared to the prior fiscal year end. Analyzing changes in the relative mix of capital assets, restricted and unrestricted net assets provides additional indicators of financial position. Please see Table 2 below for a high level summary of net assets for fiscal year 2009 compared to fiscal year 2008.

| | Governmental Activities | | Business-type Activities | | Totals | |
|---|-------------------------|---------------|--------------------------|---------------|---------------|---------------|
| | <u>FY2009</u> | <u>FY2008</u> | <u>FY2009</u> | <u>FY2008</u> | <u>FY2009</u> | <u>FY2008</u> |
| Assets: | | | | | | |
| Current and other assets | \$ 168.3 | 126.4 | 74.2 | 72.3 | 242.5 | 198.7 |
| Capital assets | <u>220.3</u> | <u>171.1</u> | <u>214.6</u> | <u>194.7</u> | <u>434.9</u> | <u>365.8</u> |
| Total assets | <u>388.6</u> | <u>297.5</u> | <u>288.8</u> | <u>267.0</u> | <u>677.4</u> | <u>564.5</u> |
| Liabilities: | | | | | | |
| Current and other liabilities | 11.2 | 4.6 | 4.1 | 4.1 | 15.3 | 8.7 |
| Long-term liabilities | <u>76.6</u> | <u>4.1</u> | <u>83.1</u> | <u>87.5</u> | <u>159.7</u> | <u>91.6</u> |
| Total liabilities | <u>87.8</u> | <u>8.7</u> | <u>87.2</u> | <u>91.6</u> | <u>175.0</u> | <u>100.3</u> |
| Net assets: | | | | | | |
| Invested in capital assets, net of related debt | 183.0 | 169.4 | 142.6 | 115.4 | 325.6 | 284.8 |
| Restricted net assets | 28.0 | 27.0 | 18.4 | 21.3 | 46.4 | 48.3 |
| Unrestricted net assets | <u>89.8</u> | <u>92.4</u> | <u>40.6</u> | <u>38.7</u> | <u>130.4</u> | <u>131.1</u> |
| Total net assets | <u>\$ 300.8</u> | <u>288.8</u> | <u>201.6</u> | <u>175.4</u> | <u>502.4</u> | <u>464.2</u> |

The largest portion of the County's net assets is invested in capital assets (e.g. land, buildings, infrastructure, machinery and equipment), net of any related debts. As of June 30, 2009 this amount was \$325.6 million (64.8% of total net assets). This compares to \$284.8 million (61.4% of total) invested in capital assets net of related debts for the previous year-end for a net increase of \$40.8 million or 14.3%. The primary reasons for this increase are significant investments into replacement of governmental facilities (e.g. shops and warehouses at the Airport Basin Project and the Judicial/Police Jail complex project), the donation of the Airport to the County from DOE, and ongoing replacement and upgrade of business capital assets (e.g. completion of the solid waste transfer station and additions Joint Utility plant in service). Capital assets are not available for future spending because the County uses them to provide its services. Although the County's capital assets are reported net of related debt, the resources needed to repay debt must come from other sources, since the capital assets themselves cannot be used to settle these debts.

Restricted net assets are \$46.4 million (9.2% of total) for fiscal year end 2009, a \$1.9 million decrease as compared to the prior year. This 3.9% decrease consists mostly of two significant changes: (a) a \$3.1 million decrease in Net Assets Restricted for Debt Service for business type activities which resulted mostly from spending previously unspent intergovernmental loan proceeds; and (b) an increase in Net Assets Restricted for Capital Projects of \$1.0 million for governmental activities which is mostly a result of the County Charter restriction of the principal (non-expendable) balance within the Capital Projects Permanent Fund.

The remaining balance of net assets is \$130.4 million (26% of total) and is known as the unrestricted net assets because this amount may be used to meet the government's ongoing obligations to citizens and creditors. This compares to \$131.1 million for the prior year-end. This \$0.7 million decrease is primarily the result of higher levels of GRT revenues offset by the use of those revenues for capital projects.

Changes in Net Assets

Table 3 shows changes in net assets as a result of revenues and expenses generated by governmental and business-type activities.

| Table 3 | | | | | | |
|--|--------------------------------|----------------|---------------------------------|----------------|----------------|----------------|
| Los Alamos County's Changes in Net Assets | | | | | | |
| For Fiscal Year Ended June 30, 2009 | | | | | | |
| (in millions of \$) | | | | | | |
| | Governmental Activities | | Business-type Activities | | Total | |
| | <u>FY 2009</u> | <u>FY 2008</u> | <u>FY 2009</u> | <u>FY 2008</u> | <u>FY 2009</u> | <u>FY 2008</u> |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 1.9 | 1.8 | 68.0 | 78.1 | 69.9 | 80.0 |
| Operating grants and contributions | 3.4 | 1.9 | 11.2 | 0.8 | 14.6 | 2.7 |
| Capital grants and contributions | <u>0.6</u> | <u>2.9</u> | <u>15.5</u> | <u>0.3</u> | <u>16.1</u> | <u>3.2</u> |
| Total program revenues | <u>5.9</u> | <u>6.6</u> | <u>94.7</u> | <u>79.2</u> | <u>100.6</u> | <u>85.9</u> |
| General revenues: | | | | | | |
| Gross Receipts taxes | 32.9 | 25.9 | 3.2 | 2.6 | 36.1 | 28.5 |
| Property taxes | 6.3 | 6.0 | 0.0 | 0.0 | 6.3 | 6.0 |
| Franchise taxes | 0.5 | 0.5 | 0.0 | 0.0 | 0.5 | 0.5 |
| Grants and contributions not restricted to specific programs | 0.9 | 0.8 | 0.0 | 0.0 | 0.9 | 0.8 |
| State shared revenue | 22.2 | 17.2 | 0.0 | 0.0 | 22.2 | 17.2 |
| Unrestricted interest and investment earnings (loss) | <u>(2.6)</u> | <u>2.4</u> | <u>1.5</u> | <u>2.4</u> | <u>(1.1)</u> | <u>4.8</u> |
| Total general revenues | <u>60.2</u> | <u>52.8</u> | <u>4.7</u> | <u>5.0</u> | <u>64.9</u> | <u>57.8</u> |
| Total Revenues | <u>66.1</u> | <u>59.4</u> | <u>99.4</u> | <u>84.2</u> | <u>165.5</u> | <u>143.7</u> |
| Program expenses: | | | | | | |
| General government | 15.4 | 14.4 | 0.0 | 0.0 | 15.4 | 14.4 |
| Public Safety | 9.7 | 7.0 | 0.0 | 0.0 | 9.7 | 7.0 |
| Cerro Grande Fire Recovery | 0.1 | 0.4 | 0.0 | 0.0 | 0.1 | 0.4 |
| Physical and economic environment | 2.0 | 1.7 | 0.0 | 0.0 | 2.0 | 1.7 |
| Transportation | 11.3 | 12.4 | 0.0 | 0.0 | 11.3 | 12.4 |
| Health and welfare | 1.9 | 1.9 | 0.0 | 0.0 | 1.9 | 1.9 |

| | | | | | | |
|--|-----------------|---------------|--------------|--------------|--------------|--------------|
| Culture and recreation | 8.7 | 9.1 | 0.0 | 0.0 | 8.7 | 9.1 |
| Interest on long-term debt | 2.7 | 0.1 | 0.0 | 0.0 | 2.7 | 0.1 |
| Electric | 0.0 | 0.0 | 34.4 | 45.2 | 34.4 | 45.2 |
| Gas | 0.0 | 0.0 | 6.4 | 8.4 | 6.4 | 8.4 |
| Water | 0.0 | 0.0 | 5.4 | 5.4 | 5.4 | 5.4 |
| Wastewater | 0.0 | 0.0 | 3.7 | 2.9 | 3.7 | 2.9 |
| Environmental Services | 0.0 | 0.0 | 3.2 | 3.1 | 3.2 | 3.1 |
| Golf | 0.0 | 0.0 | 1.1 | 1.0 | 1.1 | 1.0 |
| Transit (Atomic City Transit) | 0.0 | 0.0 | 2.1 | 1.5 | 2.1 | 1.5 |
| Fire-LANL Contract | 0.0 | 0.0 | 18.4 | 15.1 | 18.4 | 15.1 |
| Airport | <u>0.0</u> | <u>0.0</u> | <u>0.8</u> | <u>0.5</u> | <u>0.8</u> | <u>0.5</u> |
| Total expenses | <u>51.8</u> | <u>47.0</u> | <u>75.5</u> | <u>83.1</u> | <u>127.3</u> | <u>130.1</u> |
| Change in net assets before transfers | 14.3 | 12.4 | 23.9 | 1.1 | 38.2 | 13.5 |
| Transfers | <u>(2.3)</u> | <u>(12.1)</u> | <u>2.3</u> | <u>12.1</u> | <u>0.0</u> | <u>0.0</u> |
| Total Change in net assets | 12.0 | 0.3 | 26.2 | 13.2 | 38.2 | 13.5 |
| Beginning net assets | <u>288.8</u> | <u>288.5</u> | <u>175.4</u> | <u>162.2</u> | <u>464.2</u> | <u>450.7</u> |
| Ending net assets | \$ <u>300.8</u> | <u>288.8</u> | <u>201.6</u> | <u>175.4</u> | <u>502.4</u> | <u>464.2</u> |

Governmental Activities

Governmental activities increased the County's net assets by \$12 million for fiscal year 2009 as compared to the prior year. This section compares results of governmental activities for fiscal year 2009 to fiscal year 2008 as summarized in Table 3.

Total revenues were \$66.1 million in fiscal year 2009, approximately \$6.7 million more than the previous year. Key variances include:

- An increase of \$7 million in GRT revenue, and an increase of \$5 million of state shared GRT revenues (reported as intergovernmental revenues). These variances are a result of changes in the timing of spending at LANL and higher levels of large construction activity throughout the community; and,
- A decrease of \$5 million in unrestricted interest and investment earnings, which was a result of the generally poor performance of the financial markets.

Total expenses for governmental activities were \$51.8 million in fiscal year 2009 or \$4.8 million more than the previous year end primarily due to increased spending in the following programs:

- \$2.6 million in Public Safety expenses associated with County share of costs required by the new cooperative agreement with DOE regarding fire protection;
- \$2.6 million increase in interest payments on long term debt related to the new GRT revenue bond issue.

Figure 1 compares program revenues to expenses for governmental activities at the fiscal year ended 2009. 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 \$45.9 million in general

revenues from governmental activities. The proportion of governmental program expenses covered by program revenues was approximately 11.38% at the end of fiscal year 2009, less than the 14.0% ratio for the prior fiscal year.

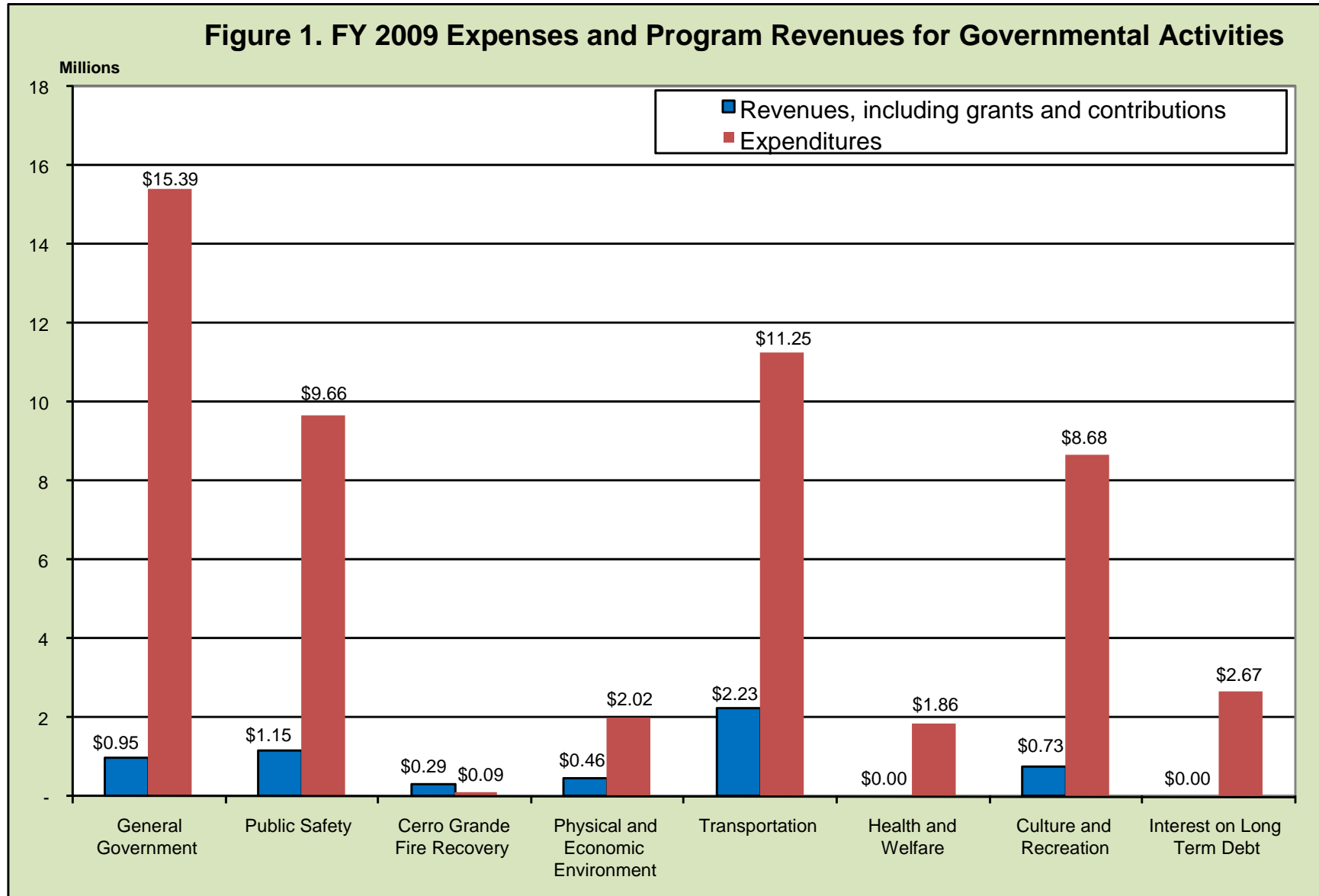
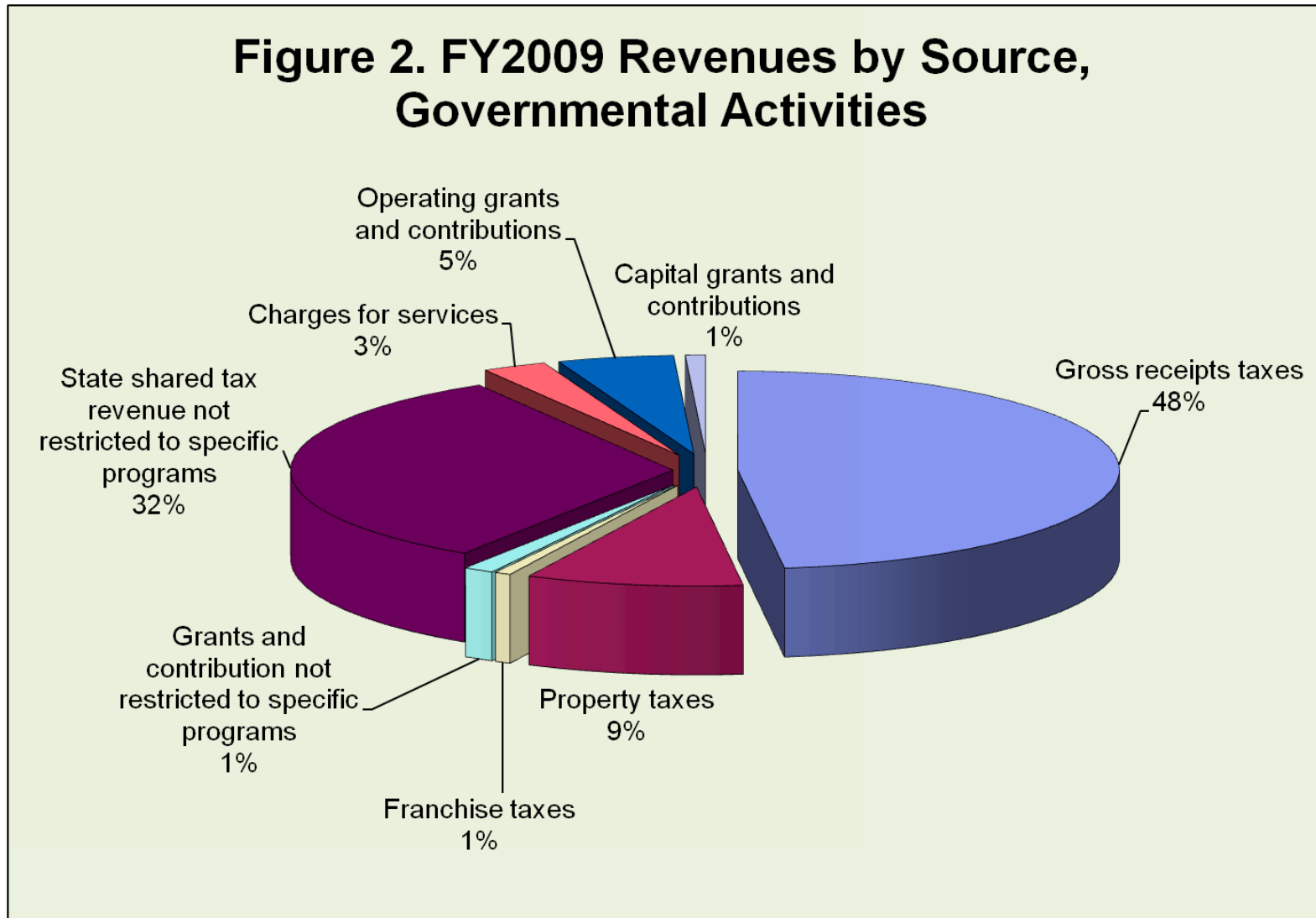


Figure 2 shows the mix of revenue by source for Governmental Activities. This chart demonstrates the relative importance of different types of taxes to the mix of general revenue as well as the significance of operating and capital grants and contributions in 2009. It should be noted that the Stated Shared tax revenue not restricted to specific programs is almost entirely State Shared GRT revenues, so combined with locally imposed GRT tax increments, total GRT revenues make up approximately 80% of Governmental Activities revenues.



Business-type Activities

Business-type activities increased the County's net assets by \$26.2 for the fiscal year ended June 30, 2009. This compares to a \$13.2 million increase during the previous fiscal year. This section compares results of Business-type Activities for fiscal year 2009 to fiscal year 2008 as summarized in Table 3.

Total revenues including transfers and contributions were \$99.4 million in fiscal year 2009, approximately \$15.2 million higher than the previous year. This includes an increase of \$25.6 million of operating and capital grants and contributions and a decrease of \$10.1 million in charges for services. The decrease in charges for services and increase in operating grants is mostly attributable to the change in the Fire Fund from a contract to a financial award (cooperative agreement). The increased contribution is a result of DOE transferring the Airport to the County in FY 2009.

Total expenses including transfers were \$75.5 million in fiscal year 2009, approximately \$7.6 million less than the previous year. The largest components of this change were a decrease in Electric utility expense associated with a change in the electric generating station salvage expense, a decrease in the Gas utility expense associated with lower commodity prices and an increase in the Fire Fund associated with being more fully staffed and higher staffing requirements within the new cooperative agreement with DOE.

Figure 3 compares program revenues to expenses for business-type activities for fiscal year 2009. This chart demonstrates by type of activity to what degree revenues covered expenses for each program. Overall, total business-type program revenues exceeded total program expenditures by an approximately \$19.2 million surplus in fiscal year 2009 as compared to a \$3.9 million deficit in fiscal year 2008. Notably, Airport revenues exceeded expenses by \$13.8 million associated with the contribution of the Airport to the County from the DOE. Electric utility program revenues exceeded expenditures by approximately \$6.4 million. Most of that change resulted from a reduction of salvage expense at the electric generating station and the associated County-owned share of that item.

Figure 3. FY 2009 Expenses and Program Revenues for Business Type Activities

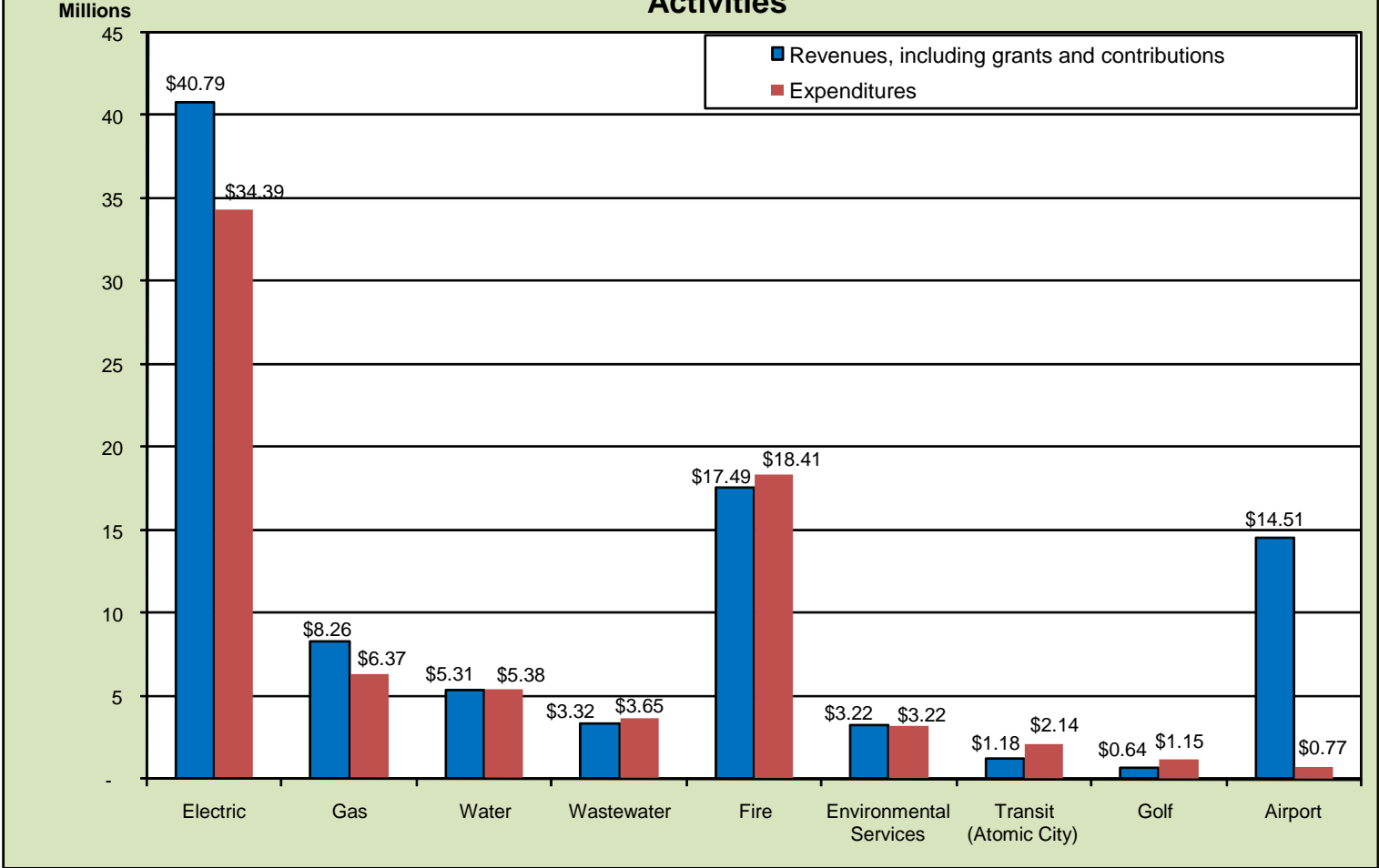
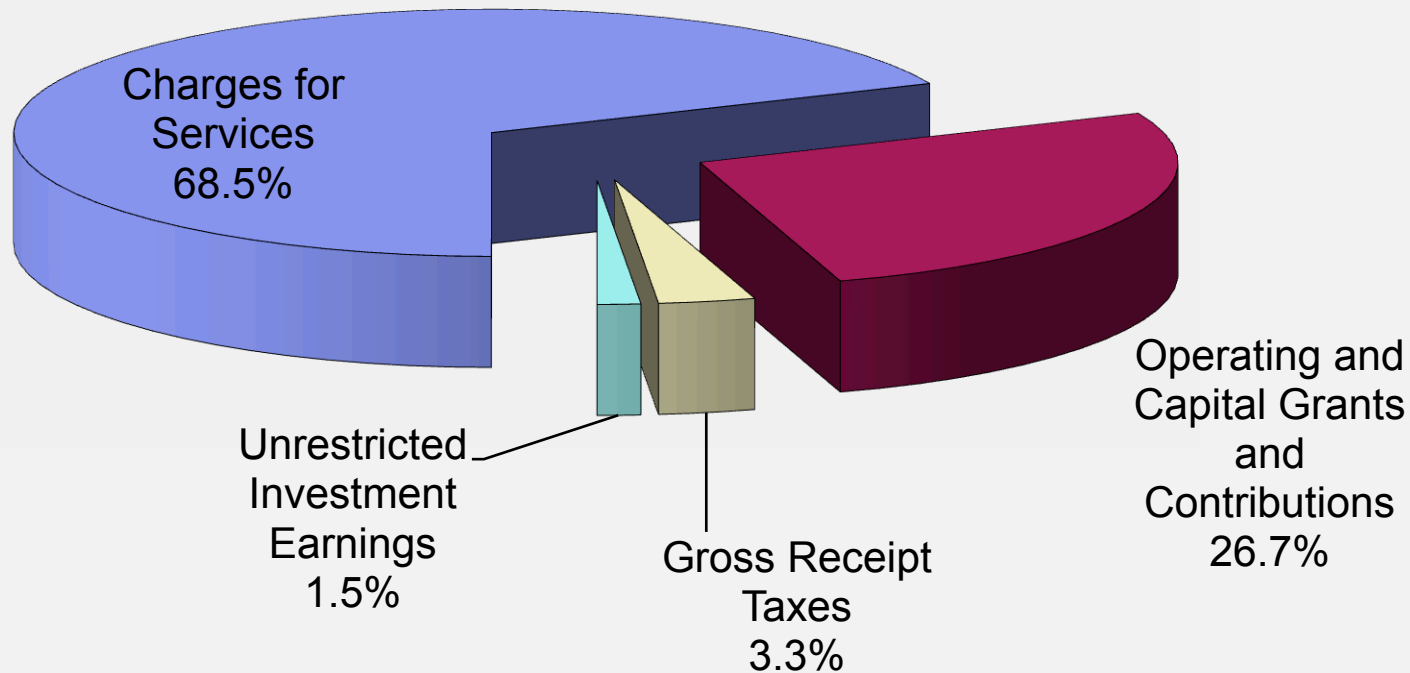


Figure 4 demonstrates that approximately 68.4% of business-type activities daily operations were financed by charges for services in fiscal year 2009. This is in sharp contrast to fiscal year 2008 when approximately 93% of revenue was generated by charges for services. In fiscal year 2008, operating and capital grants combined amounted to \$1.1 million revenue. By contrast, in 2009, capital grants and contributions provided \$15.5 million and operating grants and contributions provided \$11.2 million of revenue. The decrease in charges for services and increase in operating grants is mostly attributable to the change in the Fire Fund from a contract to a financial award (cooperative agreement). The increased contribution is a result of DOE transferring the Airport to the County in fiscal year 2009.

Figure 4. FY2009 Revenues by Source, Business-type Activities



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, 2009, the County's Governmental Funds reported combined ending fund balance of approximately \$155.5 million. Overall, this was \$34.5 million more than the prior year ended. Almost all of this change is associated with unspent bond proceeds of \$35.8 million remaining from a new issue. Fund balances are comprised of three major categories:

- \$107.5 million was reserved; an amount not available for current spending because it has already been committed or its use is legally restricted. This amount is \$47.3 million more than the prior year ended primarily due to \$35.8 million of unspent bond proceeds being reserved for capital projects and a \$7.7 million increase in encumbrances associated with larger ongoing capital projects;
- \$34.7 million was designated, indicating intended uses of these balances. This is \$12.8 million less than the prior year primarily due to a decrease in unreserved CIP Fund balance resulting from the use of resources for capital projects.
- \$13.3 million was unreserved and undesignated, available for current uses, a \$3 million increase over the prior year. This increase is based upon the County Council financial policy of targeting an unreserved and undesignated fund balance of 20% of revenues. As revenues have increased, so has this balance.

General Fund - The General Fund is the main governmental operating fund of the County and its total fund balance for the fiscal year ended June 30, 2009 was approximately \$41.7 million as compared to \$34.8 million at the prior year end. Of this total, the unreserved portion (designated and undesignated) was approximately \$34.4 million, as compared to \$28.5 million at the prior year end. The primary reasons for the overall fund balance increase were higher than anticipated GRT revenues and lower than anticipated expenditures. 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 unreserved fund balance as a percent of expenditures. The total fund balance was 102.7% of expenditures and the unreserved component was 84.7% of expenditures. Significant account balances and transactions in the General Fund included:

- \$24.1 million transferred out to other funds from the General Fund, notably \$11.2 million of this was transferred to the Gross Receipts Tax Revenue Bond Debt Service Fund (for debt service and to fund an additional designated debt service reserve of \$6.4 million above the amount required in the bond agreement), \$5.5 million to the CIP Fund (for capital projects), and \$4 million to the CIP Permanent Fund (to make up for investment losses and move toward meeting the principal requirement of the fund);
- \$18.8 million designated for revenue stabilization represents surpluses that have accumulated in recent years associated with higher than anticipated GRT revenue levels. As part of the FY 2010 Budget, the County Council approved a new financial policy that sets a minimum target level for this balance of 5% of General Fund actual revenues. In fiscal year 2009, that amount would have been \$3.3 million.
- \$8.5 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. The increase in this balance is a result of higher GRT revenue levels;
- \$4.1 million reserved for cash requirements. The State requires that one-twelfth of General Fund revised-budgeted expenditures be maintained as a cash reserve;
- \$2.1 million reserved for encumbrances, representing commitments of the County under existing contracts, and unavailable for future use;

- The County's financial policies set a target level for the unreserved and undesignated portion of the General Fund of 20% of budgeted General Fund revenue. This target was achieved and was approximately \$13.3 million at June 30, 2009;
- General Fund Expenditures increased by approximately \$5.2 million over the prior year. The largest reason for the increase was a new expenditure of \$2.4 million for the County share of Fire Department costs. This item is a result of entering into a cooperative agreement with the DOE for enhanced fire protection services to LANL which includes a new requirement that the County share in the costs; and
- General Fund Revenues increased by \$14.6 million over the prior year. A significant portion of this increase relates to a change in budgeting and accounting for certain increments of GRT revenue. In FY 2008, three 1/8th cent GRT increments that were adopted in previous years to help fund the capital program were budgeted and accounted for in the CIP Fund. In fiscal year 2009, along with the issuance of the GRT bonds, those increments were moved to the General Fund. This change accounts for \$6.5 million of the total change in revenues. Most of the remaining change is a result of higher GRT revenues (locally imposed and State Shared). This increase is associated with higher levels of large construction occurring throughout the County as well as a change in the overall timing of LANL spending.

Self-Sufficiency Fund - The Self-Sufficiency 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 designation of \$5.9 million of fund balance recognizes that this is a one-time resource for the County to use to help develop the local economy so that it is less dependent upon the Los Alamos National Laboratory (LANL). The total fund balance at the end of FY 2009 was \$13.3 million, compared to the fund balance of \$14.1 million at the prior fiscal year end. The decrease in fund balance relates primarily to expenditure for land. The LA Apartments Site was purchased directly from federal government (after a HUD foreclosure) with the intention that it be sold in the future for economic development purposes.

Gross Receipts Tax Revenue Bond Debt Service Fund - In October 2008 the County issued \$75 million in GRT Revenue Improvement Bonds for the purpose of funding the County's Capital Improvement Program. The bonds were rated "A1" by Moody's and "AA+" by Standard and Poor's. This fund was established for the purpose of paying principal and interest payments as part of debt service on this bond issue. The fund balance at the year-end was \$7 million. Transfers in equaled \$11.2 million, and debt service expenditures equaled \$4.2 million. \$6.4 million of the fund balance has been designated for debt service, by the County Council, as an additional reserve above the amount required in the bond agreement.

Capital Improvement Projects Fund - The Capital Improvement Projects Fund accounts for the financing and construction of structures and improvements approved by the County Council. In October 2008 the County issued \$75 million in GRT Revenue Improvement Bonds for the purpose of funding the County's Capital Improvement Program. The proceeds along with related discounts and premiums are reflected in the Other Financing Sources (Uses) section of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance. The total fund balance was approximately \$70.8 million, which represented the unspent portion of previously approved and funded capital projects, including approximately \$35.8 million in unspent bond proceeds classified as restricted assets. The two largest ongoing facility construction projects are the Airport Basin Site and the Judicial/Police/Jail Complex.

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. At the beginning of the fiscal year, the fund balance was approximately \$19.8 million. The minimum principal requirement of approximately \$20 million, as of June 30, 2009, is reserved as a portion of 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 2009, no transfers out to the CIP fund were made. There was an investment loss of \$3.8

million which related to the longer-term nature of the investment and overall association with general market performance in this fund. As a result, there was a transfer in from the General Fund of \$4.0 million to maintain the minimum principal requirement. The balance in this fund is invested in long-term pooled funds with the New Mexico State Investment Council. Total ending fund balance at June 30, 2009 was \$20 million.

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:

- \$166.1 million in Capital assets (net of accumulated depreciation of \$87.8 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 \$5.1 million in fiscal year 2009. The largest component of this change relates to the change in Utility plant in service. In the electric utility, there was an addition to the electric production generating station and the related proportionate share owned by the County;
- \$62.8 million in debt related to the Utility plant in service, which is lower than the prior year as a result of regularly scheduled debt service payments;

Environmental Services Fund – The Environmental Services Fund has a liability balance of \$8.2 million. Of this, \$2.3 million was for landfill closure and \$5.5 million was for intergovernmental debt payable that is a loan from the New Mexico Finance Authority that was used to fund the construction of a Solid Waste Transfer Station (EcoStation). Significant landfill closure activities began in fiscal year 2006.

Golf Course Fund – The Golf Course Fund received new fencing along Diamond Drive (associated with the Diamond Drive Phase 2 project) which is reflected in an increase in the balance of Improvements other than buildings and in contributed capital assets – governmental activities.

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). This fund was first established in FY 2008 and operations began on October 1, 2007. New bus shelters were added during fiscal year 2009, increasing the balance of Improvements other than buildings. The increase in operating expenses reflects a full year of service in fiscal year 2009 compared to only nine months in the prior year. Intergovernmental revenues and transfers from the General Fund are also higher in fiscal year 2009 because of the full year of operations.

Fire Fund – On October 1, 2008 the County was awarded a cooperative agreement with the Department of Energy to provide enhanced fire protection services to the Los Alamos National Laboratory (LANL). Under the new agreement with DOE, the County's annual cost share for operating the fire department will be in excess of \$3 million. Prior to that date, the County had provided fire protection services to LANL under a pre-contract cost agreement (PCCA) directly with LANL. The increase in the balance of Due from other governments from \$2.8 million in FY 2008 to \$5.6 million in FY 2009 is associated with the transition from the PCCA to the new cooperative agreement. The County still has a final invoice outstanding under the PCCA, in addition to new regular monthly billings unpaid under the new cooperative agreement. The intergovernmental revenue of \$14.6 million in the Fire Fund includes approximately \$10.3 million in operating grant revenue under the new cooperative agreement and approximately \$3.3 million in charges for services under the prior PCCA.

Airport Fund – During fiscal year 2009, the DOE transferred the Airport to the County. The estimated fair value of the assets transferred was \$14.4 million. Those assets included land, buildings, and improvements other than building (runways, taxiways, etc.). Associated with the new assets, there was a significant increase in depreciation expense when compared to the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund resources available for spending on budgeted needs were \$5.8 million more than the final revised budget of \$60.7 million. The two largest variances in revenues were associated with GRT revenue and interest income. GRT revenue was higher than anticipated due to the size and number of construction projects occurring in the community as well as a change in the timing pattern of spending (and related GRT) at LANL. Interest income was negatively impacted by the decline in the overall economy. The County's longer-term investments lost significant value, similar in magnitude to the overall financial markets, while the much larger majority of the County's investment portfolio performed better due to using a limited number of investment vehicles that focus on principal preservation, with shorter duration and lower market risk.

Actual General Fund expenditures were approximately \$6.3 million less than the final revised fiscal year 2009 budget. The primary reasons for this variance are position vacancies, delays in certain projects, and the timing of grant expenditures. As permitted by individual grant's governing agreements, unused grant appropriations will be carried over into the next fiscal year. In addition, the County Shared Cost for Fire services was less than planned because the terms of the new cooperative agreement with the DOE were not effective until the start of the second quarter of the fiscal year, rather than at the beginning of the year as originally planned.

Actual transfers from the General Fund to the Capital Projects Fund were approximately \$7.8 million less than the revised budget. This variance resulted primarily from using more bond proceeds to fund projects that originally anticipated, thereby requiring less General Fund resources.

A detailed statement of budget variances for the General Fund can be found on pages 40-50.

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, 2009 amounted to \$434.9 million, net of \$192.1 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.

Capital assets increased by approximately \$70 million from 2009 to 2008 or 19.2%. Capital assets associated with business-type activities increased by \$21 million. The three largest components of the increase were completion of the Bayo Wastewater Treatment Plant, completion of the solid waste transfer station (EcoStation) and the transfer of the Airport from the Department of Energy to the County. Capital assets associated with governmental activities increased by \$49 million. The change include the completion of roadway (Diamond Drive Phase 2) and a significant increase in Construction in Progress, which includes Diamond Drive Phase 3, replacement shops and warehouse facilities being built as part of the Airport Basin Site project, and the replacement Judicial Police Jail Complex project. Additional information about the County's capital assets can be found on pages 84-86. A year over year comparison of changes in capital assets is shown in Table 4.

Table 4
Los Alamos County's Capital Assets, Net of Accumulated Depreciation
As of June 30, 2009 and 2008
(in millions of \$)

| | Governmental Activities | | Business-type Activities | | Total | |
|---|-------------------------|----------------|--------------------------|----------------|----------------|----------------|
| | <u>FY 2009</u> | <u>FY 2008</u> | <u>FY 2009</u> | <u>FY 2008</u> | <u>FY 2009</u> | <u>FY 2008</u> |
| Land | \$ 38.6 | 39.5 | 13.3 | 8.9 | 51.9 | 48.4 |
| Right of Way | 18.0 | 18.0 | 0.0 | 0.0 | 18.0 | 18.0 |
| Utility Plant in Service | 0.0 | 0.0 | 239.5 | 227.6 | 239.5 | 227.6 |
| Buildings | 26.5 | 26.4 | 23.0 | 16.5 | 49.5 | 42.9 |
| Improvements other than buildings | 8.0 | 7.2 | 13.0 | 2.2 | 21.0 | 9.4 |
| Machinery and Equipment, Art and Historic Treasure | 12.2 | 12.4 | 19.7 | 18.5 | 31.9 | 30.9 |
| Infrastructure | 151.0 | 146.9 | 0.0 | 0.0 | 151.0 | 146.9 |
| Less Accumulated Depreciation | (91.3) | (87.3) | (100.8) | (92.9) | (192.1) | (180.2) |
| Construction in Progress | 57.3 | 8.1 | 6.9 | 12.8 | 64.2 | 20.9 |
| Total | \$ 220.3 | 171.2 | 214.6 | 193.6 | 434.9 | 364.8 |

Administration of Debt - From fiscal year 2009 to 2008, the County's total non-current liabilities due in more than one year for governmental and business-type activities combined increased by \$64.3 million or 81.3% primarily due to a \$70.6 million increase in Revenue bonds payable. On October 21, 2008, the County closed on the sale of The Incorporated County of Los Alamos, New Mexico Gross Receipts Tax Improvement Revenue Bonds Series 2008. The new bonds were issued in the amount of \$75,000,000 with a final maturity date of June 1, 2028. The bonds were issued for the purpose of providing funds for public projects related to public facilities, roads, streets, public works, parks and recreation and community services. The two largest projects to be funded with the bond proceeds are the Airport Basin Site Project and the Judicial/ Police/ Jail Complex Project. The County has no General Obligation debt outstanding. See additional information in Note 9 in the Notes to Financial Statements, starting on page 90.

ECONOMIC FACTORS AND THE FISCAL YEAR 2010 ADOPTED BUDGET

In the fiscal year 2010 Adopted Budget, the County's long-term financial outlook has become more stable than the past few years. While GRT revenues increased in fiscal year 2009, only small declines are projected in the near future. Given the unusually large concentration of employment and tax revenues in one employer – LANL - the County continues to adopt a conservative fiscal posture to lessen any potential negative revenue impacts that may arise from unforeseen future changes by LANL. LANL expects that its total annual expenditure budgets will remain flat over the next few fiscal years, characterized by shifts in the mix of program spending to meet the strategic needs of the DOE's Complex Transformation strategy.

LANL is the County's largest employer, and it was estimated in an August 2004 POLICOM report "Creating a Sustainable Los Alamos" that LANL's expenditures provide, either directly or indirectly, approximately 97% of the County's economy. It is estimated that LANL will directly generate approximately 70-80% of the County's GRT revenue during FY2010.

Although there are no significant known changes at LANL operations, the County continues to closely monitor federal legislative budget activities associated with the DOE and other federal agencies, and the County will continue to consider such potential legislative impacts in its long-range financial projections.

As originally adopted, the FY 2010 Budget projects combined ending fund balance / working capital of \$107 million, a decrease of \$13.9 million from the FY 2009 projected ending balance of \$120.9 million. The largest planned reductions of Fund Balance were within the General Fund and the Joint Utilities System Fund where balances are being used to fund larger capital projects.

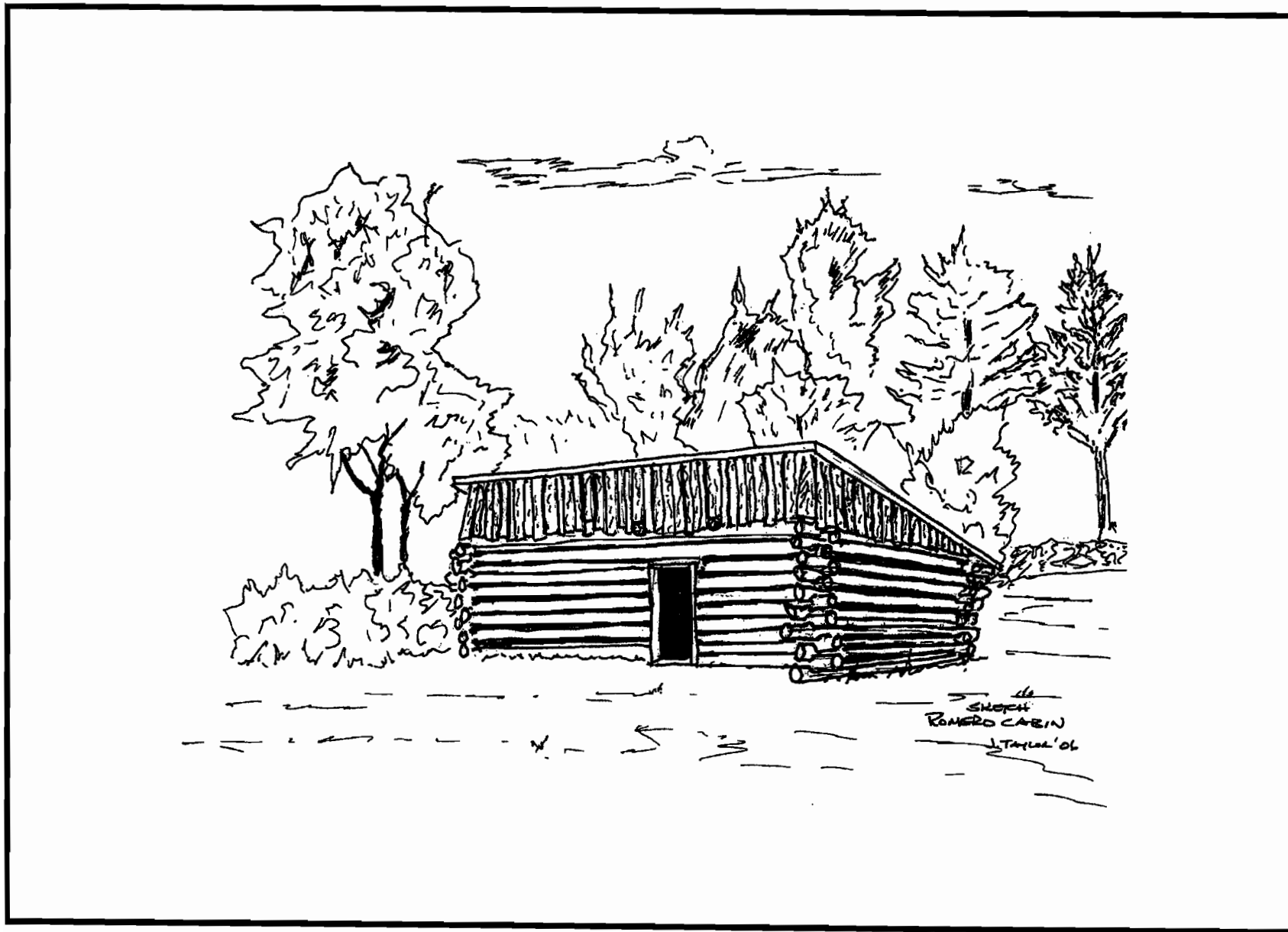
The County is a net investor and diversifies its portfolio to minimize the impact of market risk. Within the context the national economic decline and related volatility of FY2009, the County's longer-term investments have lost significant value, similar in magnitude to the overall financial markets. The much larger majority of the County's investment portfolio performed better due to using a limited number of investment vehicles that focus on principal preservation, with shorter duration and lower market risk. Projected investment revenue in FY 2010 is higher than FY 2009, but still below historically normal average returns as the overall economy is still recovering quite slowly.

Property tax revenues are projected to make up approximately 9.6% of the County's General Fund revenue in FY 2010. While taxable property values have declined approximately 4% in calendar 2009, estimated FY 2010 revenues are not yet negatively impacted because of the effect of the State of New Mexico's property tax yield control laws. Another 5% decline is estimated to occur in calendar 2010 and these revenues might decline slightly as a result. In addition, the County Council has recently established a goal of reducing spending and property taxes by \$1.5 million per year for each of the next three years (FY 2011, 2012 and 2013), so there will likely be some self-imposed reduction of property tax revenues in future years.

REQUESTS FOR INFORMATION

The Comprehensive Annual Financial Report is designed to provide a general overview of the County's financial position. Questions about the information provided in this report and requests for more information should be addressed to the County of Los Alamos, Steven Lynne, Chief Financial Officer, Office of Management and Budget, P.O. Box 30, Los Alamos, New Mexico 87544.

Government-wide Financial Statements



INCORPORATED COUNTY OF LOS ALAMOS
Government-wide
Statement of Net Assets
June 30, 2009

| | <u>GOVERNMENTAL ACTIVITIES</u> | <u>BUSINESS-TYPE ACTIVITIES</u> | <u>TOTAL</u> |
|---|------------------------------------|-------------------------------------|--------------------|
| ASSETS | | | |
| Equity in pooled cash and investments | \$ 87,676,443 | 33,955,336 | 121,631,779 |
| Investments | 20,662,038 | 6,091,365 | 26,753,403 |
| Receivables, net of allowance for uncollectibles | | | |
| Accounts | 73,474 | 5,325,451 | 5,398,925 |
| Interest | 2,112,538 | 25,930 | 2,138,468 |
| Pension forfeitures | 1,598 | 0 | 1,598 |
| Property taxes | 196,469 | 0 | 196,469 |
| Unbilled | 27,221 | 963,761 | 990,982 |
| Loans receivable, net of discounts/allowance for uncollectibles | 2,884,663 | 0 | 2,884,663 |
| Due from other governments | 10,695,248 | 5,999,688 | 16,694,936 |
| Internal balances | 5,349,922 | (5,349,922) | 0 |
| Inventories and prepayments | | | |
| Inventories | 397,959 | 476,845 | 874,804 |
| Power plant inventories | 0 | 685,077 | 685,077 |
| Prepayments | 6,820 | 196,087 | 202,907 |
| Restricted assets | | | |
| Temporarily Restricted | | | |
| Cash and cash equivalents | | | |
| Debt reserves and debt service | 587,263 | 1,720,821 | 2,308,084 |
| Operations and maintenance | 0 | 4,851,961 | 4,851,961 |
| Capital projects | 15,033,043 | 69,471 | 15,102,514 |
| Investments | | | |
| Debt reserves and debt service | 0 | 14,766,658 | 14,766,658 |
| Operations and maintenance | 0 | 3,420,621 | 3,420,621 |
| Capital projects | 20,547,942 | 0 | 20,547,942 |
| Accrued interest | 257,918 | 27,901 | 285,819 |
| Building held for resale | 1,194,804 | 0 | 1,194,804 |
| Capital assets | | | |
| Land | 38,615,842 | 13,321,135 | 51,936,977 |
| Right of way | 18,001,114 | 0 | 18,001,114 |
| Utility plant in service | 0 | 239,450,451 | 239,450,451 |
| Buildings | 26,499,968 | 23,131,138 | 49,631,106 |
| Improvements other than buildings | 7,981,364 | 12,970,652 | 20,952,016 |
| Machinery, equipment, art and historic treasures | 12,245,629 | 19,650,372 | 31,896,001 |
| Infrastructure | 150,972,556 | 0 | 150,972,556 |
| Less accumulated depreciation | (91,345,342) | (100,781,284) | (192,126,626) |
| Construction in progress | 57,321,056 | 6,922,311 | 64,243,367 |
| Bond issuance costs, net of amortization | 604,384 | 871,020 | 1,475,404 |
| TOTAL ASSETS | 388,601,934 | 288,762,846 | 677,364,780 |

LIABILITIES

| | | | |
|--|-------------------|-------------------|--------------------|
| Accounts payable | 8,694,149 | 2,945,145 | 11,639,294 |
| Accrued salaries and benefits payable | 1,491,739 | 846,930 | 2,338,669 |
| Customer deposits payable | 353,103 | 155,063 | 508,166 |
| Due to other governments | 42,070 | 107,532 | 149,602 |
| Unearned revenue | 561,730 | 47,990 | 609,720 |
| Contractors retentions payable | 0 | 8,027 | 8,027 |
| Donations held in trust | 40,284 | 0 | 40,284 |
| Noncurrent liabilities | | | |
| Due within one year | | | |
| Accrued compensated absences | 1,785,133 | 1,525,533 | 3,310,666 |
| Claims and judgments payable | 0 | 490,275 | 490,275 |
| Revenue bonds payable | 3,090,000 | 6,560,000 | 9,650,000 |
| Contracts and intergovernmental debt payable | 0 | 143,890 | 143,890 |
| Interest payable on non-current liabilities | 318,470 | 2,312,229 | 2,630,699 |
| Due in more than one year | | | |
| Accrued compensated absences | 796,545 | 740,572 | 1,537,117 |
| Claims and judgments payable | 0 | 697,665 | 697,665 |
| Revenue bonds payable | 70,644,775 | 47,045,077 | 117,689,852 |
| Contracts and intergovernmental debt payable | 0 | 18,342,622 | 18,342,622 |
| Special closure costs | 0 | 5,194,982 | 5,194,982 |
| TOTAL LIABILITIES | 87,817,998 | 87,163,532 | 174,981,530 |

NET ASSETS

| | | | |
|---|-----------------------|--------------------|--------------------|
| Invested in capital assets, net of related debt | 183,000,699 | 142,618,564 | 325,619,263 |
| Restricted for (Restricted by): | | | |
| Capital projects - nonexpendable (County code) | 20,024,453 | 0 | 20,024,453 |
| Debt service (Bond and loan agreements) | 587,263 | 18,213,243 | 18,800,506 |
| Perpetual care (County code) | 571,489 | 0 | 571,489 |
| Lodgers' tax (State law) | 282,937 | 0 | 282,937 |
| Clerk records and files (State law) | 71,808 | 0 | 71,808 |
| Indigent health care (State law) | 1,554,563 | 0 | 1,554,563 |
| Property tax valuation (State law) | 285,138 | 0 | 285,138 |
| Grants (Granting entities) | 343,715 | 0 | 343,715 |
| Cash requirements (State law) | 4,085,397 | 0 | 4,085,397 |
| Recreation (County code and contributors) | 172,754 | 0 | 172,754 |
| Library operations (Contributors) | 19,731 | 0 | 19,731 |
| Municipal court (County code) | 18,637 | 0 | 18,637 |
| Unrestricted | 89,765,352 | 40,767,507 | 130,532,859 |
| TOTAL NET ASSETS | \$ 300,783,936 | 201,599,314 | 502,383,250 |

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
Government-wide
Statement of Activities
Year ended June 30, 2009

| | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Assets | | |
|--|-----------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|---------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total |
| FUNCTIONS / PROGRAMS | | | | | | | |
| Governmental activities | | | | | | | |
| General government | \$ 15,392,748 | 909,928 | 40,403 | 0 | (14,442,417) | 0 | (14,442,417) |
| Public safety | 9,657,214 | 70,792 | 794,500 | 282,215 | (8,509,707) | 0 | (8,509,707) |
| Cerro Grande fire recovery | 94,245 | 0 | 292,076 | 0 | 197,831 | 0 | 197,831 |
| Physical and economic environment | 2,017,455 | 274,041 | 185,767 | 0 | (1,557,647) | 0 | (1,557,647) |
| Transportation | 11,250,407 | 0 | 1,934,477 | 297,500 | (9,018,430) | 0 | (9,018,430) |
| Health and welfare | 1,860,474 | 0 | 0 | 0 | (1,860,474) | 0 | (1,860,474) |
| Culture and recreation | 8,682,314 | 604,296 | 120,812 | 0 | (7,957,206) | 0 | (7,957,206) |
| Interest on long-term debt | 2,672,018 | 0 | 0 | 0 | (2,672,018) | 0 | (2,672,018) |
| Total governmental activities | 51,626,875 | 1,859,057 | 3,368,035 | 579,715 | (45,820,068) | 0 | (45,820,068) |
| Business-type activities | | | | | | | |
| Joint Utilities | | | | | | | |
| Electric | 34,387,216 | 40,793,945 | 0 | 0 | 0 | 6,406,729 | 6,406,729 |
| Gas | 6,365,053 | 8,261,673 | 0 | 0 | 0 | 1,896,620 | 1,896,620 |
| Water | 5,377,817 | 4,618,583 | 0 | 688,232 | 0 | (71,002) | (71,002) |
| Wastewater | 3,654,838 | 3,316,698 | 0 | 0 | 0 | (338,140) | (338,140) |
| Environmental Services | 3,221,222 | 3,121,708 | 0 | 97,790 | 0 | (1,724) | (1,724) |
| Golf | 1,150,136 | 636,358 | 0 | 0 | 0 | (513,778) | (513,778) |
| Transit (Atomic City Transit) | 2,144,194 | 14,180 | 919,561 | 246,344 | 0 | (964,109) | (964,109) |
| Fire | 18,411,656 | 7,232,513 | 10,252,516 | 9,900 | 0 | (916,727) | (916,727) |
| Airport | 767,161 | 84,429 | 0 | 14,426,285 | 0 | 13,743,553 | 13,743,553 |
| Total business-type activities | 75,479,293 | 68,080,087 | 11,172,077 | 15,468,551 | 0 | 19,241,422 | 19,241,422 |
| Total government | \$ 127,106,168 | 69,939,144 | 14,540,112 | 16,048,266 | (45,820,068) | 19,241,422 | (26,578,646) |
| General revenues: | | | | | | | |
| Gross receipts taxes and excise tax | | | | | 32,912,239 | 3,242,150 | 36,154,389 |
| Property taxes | | | | | 6,268,614 | 0 | 6,268,614 |
| Franchise taxes | | | | | 469,347 | 0 | 469,347 |
| Grants and contributions not restricted to specific programs | | | | | 872,736 | 0 | 872,736 |
| State shared tax revenue not restricted to specific programs | | | | | 22,164,216 | 0 | 22,164,216 |
| Unrestricted investment earnings | | | | | (2,619,223) | 1,454,015 | (1,165,208) |
| Transfers: | | | | | | | |
| Transfers | | | | | (2,285,325) | 2,285,325 | 0 |
| Total general revenues, and transfers | | | | | 57,782,604 | 6,981,490 | 64,764,094 |
| Change in net assets | | | | | 11,962,536 | 26,222,912 | 38,185,448 |
| Net assets - beginning | | | | | 288,821,400 | 175,376,402 | 464,197,802 |
| Net assets - ending | | | | | \$ 300,783,936 | 201,599,314 | 502,383,250 |

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.

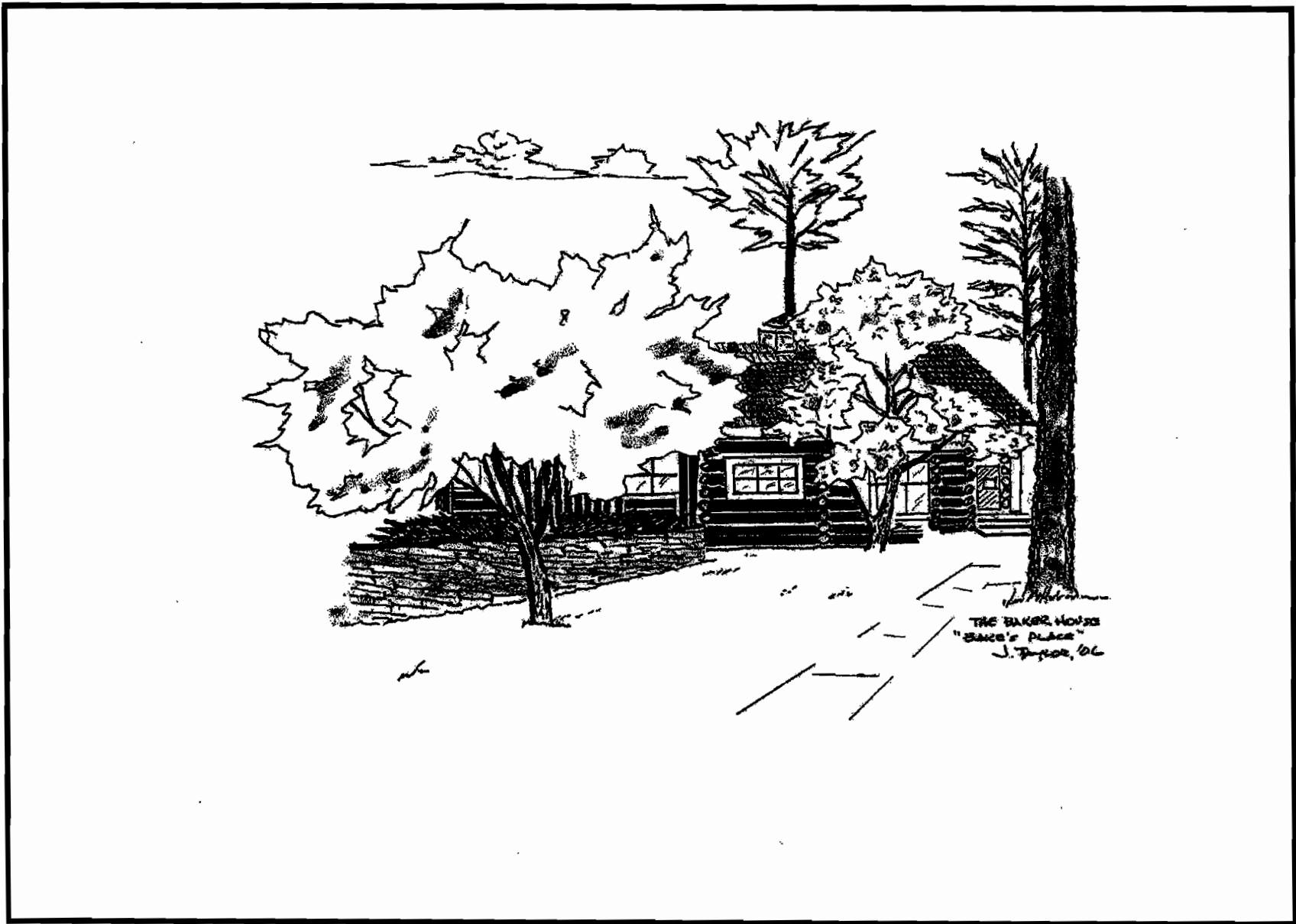
Self-sufficiency Fund 171 - accounts for the receipt, management, investment, and expenditure of the buyout payment received from the U.S. Department of Energy under the Atomic Energy Community Act. This special revenue fund was established by County Council.

Gross Receipts Tax Revenue Bond Debt Service 231 - 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.

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.



INCORPORATED COUNTY OF LOS ALAMOS

Governmental Funds

Balance Sheet

June 30, 2009

| | GENERAL | SELF - SUFFICIENCY SPECIAL REVENUE | GROSS RECEIPTS TAX REVENUE BOND DEBT SERVICE | CAPITAL IMPROVEMENT PROJECTS | CAPITAL PROJECTS PERMANENT | OTHER GOVERNMENTAL | TOTAL |
|--|----------------------|---|---|------------------------------------|----------------------------------|-----------------------|--------------------|
| ASSETS | | | | | | | |
| Equity in pooled cash and investments | \$ 30,473,297 | 3,040,016 | 6,424,030 | 40,596,778 | 4,781,727 | 2,360,595 | 87,676,443 |
| Investments | 475,283 | 4,931,728 | 0 | 0 | 15,242,726 | 12,301 | 20,662,038 |
| Receivables, net of allowance for uncollectibles | | | | | | | |
| Accounts | 71,974 | 0 | 0 | 0 | 0 | 1,500 | 73,474 |
| Interest | 2,107,253 | 5,018 | 0 | 0 | 0 | 267 | 2,112,538 |
| Property taxes | 196,469 | 0 | 0 | 0 | 0 | 0 | 196,469 |
| Unbilled | 0 | 0 | 0 | 0 | 0 | 27,221 | 27,221 |
| Loans receivable, net of discounts/reserve for loan losses | 0 | 2,884,663 | 0 | 0 | 0 | 0 | 2,884,663 |
| Due from other governments | 8,511,923 | 0 | 0 | 1,748,942 | 0 | 434,383 | 10,695,248 |
| Due from other funds | 2,932,962 | 637,677 | 0 | 0 | 0 | 0 | 3,570,639 |
| Inventories and prepayments | | | | | | | |
| Inventories | 397,959 | 0 | 0 | 0 | 0 | 0 | 397,959 |
| Prepayments | 6,820 | 0 | 0 | 0 | 0 | 0 | 6,820 |
| Advances to other funds | 0 | 1,248,787 | 0 | 0 | 0 | 0 | 1,248,787 |
| Restricted assets | | | | | | | |
| Temporarily Restricted | | | | | | | |
| Cash and cash equivalents | | | | | | | |
| Debt reserves and debt service | 0 | 0 | 587,263 | 0 | 0 | 0 | 587,263 |
| Capital projects | 0 | 0 | 0 | 15,033,043 | 0 | 0 | 15,033,043 |
| Investments | | | | | | | |
| Capital projects | 0 | 0 | 0 | 20,547,942 | 0 | 0 | 20,547,942 |
| Accrued interest | 0 | 0 | 0 | 257,918 | 0 | 0 | 257,918 |
| Asset held for resale (LA Apartments Land) | 0 | 1,194,804 | 0 | 0 | 0 | 0 | 1,194,804 |
| TOTAL ASSETS | \$ 45,173,940 | 13,942,693 | 7,011,293 | 78,184,623 | 20,024,453 | 2,836,267 | 167,173,269 |
| LIABILITIES | | | | | | | |
| Accounts payable | \$ 1,486,114 | 39,912 | 0 | 7,102,246 | 0 | 65,877 | 8,694,149 |
| Accrued salaries and benefits payable | 1,290,133 | 134 | 0 | 26,156 | 0 | 4,634 | 1,321,057 |
| Customer deposits payable | 78,998 | 14,105 | 0 | 260,000 | 0 | 0 | 353,103 |
| Due to other governments | 0 | 0 | 0 | 0 | 0 | 42,070 | 42,070 |
| Due to other funds | 170,682 | 0 | 0 | 0 | 0 | 0 | 170,682 |
| Deferred revenues | 411,179 | 561,730 | 0 | 33,851 | 0 | 9,648 | 1,016,408 |
| Donations held for recreation programs | 40,284 | 0 | 0 | 0 | 0 | 0 | 40,284 |
| TOTAL LIABILITIES | 3,477,390 | 615,881 | 0 | 7,422,253 | 0 | 122,229 | 11,637,753 |

FUND BALANCE

Reserved fund balance

| | | | | | | | | |
|---|----------------------|-------------------|------------------|-------------------|-------------------|------------------|--------------------|--|
| Reserved by law or contract | | | | | | | | |
| Clerk records and files | 0 | 0 | 0 | 0 | 0 | 71,808 | 71,808 | |
| Debt service | 0 | 0 | 587,263 | 0 | 0 | 0 | 587,263 | |
| Encumbrances | 2,137,862 | 2,618,251 | 0 | 33,688,457 | 0 | 296,492 | 38,741,062 | |
| Grants | 0 | 0 | 0 | 0 | 0 | 68,354 | 68,354 | |
| Library operations | 0 | 0 | 0 | 0 | 0 | 19,731 | 19,731 | |
| Lodgers tax-capital | 0 | 0 | 0 | 0 | 0 | 150,829 | 150,829 | |
| Lodgers tax-promotion | 0 | 0 | 0 | 0 | 0 | 116,049 | 116,049 | |
| Indigent health care | 0 | 0 | 0 | 0 | 0 | 1,554,563 | 1,554,563 | |
| Municipal Court | 0 | 0 | 0 | 0 | 0 | 18,637 | 18,637 | |
| Capital projects | 0 | 0 | 0 | 35,838,903 | 20,024,453 | 0 | 55,863,356 | |
| Perpetual care | 571,489 | 0 | 0 | 0 | 0 | 0 | 571,489 | |
| Property tax valuation | 0 | 0 | 0 | 0 | 0 | 280,066 | 280,066 | |
| Recreation | 119,909 | 0 | 0 | 0 | 0 | 52,845 | 172,754 | |
| Cash requirements | 4,085,397 | 0 | 0 | 0 | 0 | 0 | 4,085,397 | |
| Reserved and not available for appropriation | | | | | | | | |
| Advances | 0 | 1,248,787 | 0 | 0 | 0 | 0 | 1,248,787 | |
| Inventories | 397,959 | 0 | 0 | 0 | 0 | 0 | 397,959 | |
| Petty cash and prepayments | 9,955 | 0 | 0 | 0 | 0 | 0 | 9,955 | |
| Loans receivable | 0 | 2,322,932 | 0 | 0 | 0 | 0 | 2,322,932 | |
| Asset held for resale | 0 | 1,194,804 | 0 | 0 | 0 | 0 | 1,194,804 | |
| Unreserved fund balance | | | | | | | | |
| Designated for special purposes | | | | | | | | |
| Capital improvements - capital projects funds | 0 | 0 | 0 | 1,235,010 | 0 | 0 | 1,235,010 | |
| Debt service | 0 | 0 | 6,424,030 | 0 | 0 | 0 | 6,424,030 | |
| Continuing appropriations - general fund | 818,368 | 0 | 0 | 0 | 0 | 0 | 818,368 | |
| Revenue stabilization - general fund | 18,792,039 | 0 | 0 | 0 | 0 | 0 | 18,792,039 | |
| Fire services - general fund | 1,454,278 | 0 | 0 | 0 | 0 | 0 | 1,454,278 | |
| Major street maintenance | 0 | 0 | 0 | 0 | 0 | 84,664 | 84,664 | |
| Self-sufficiency - special revenue fund | 0 | 5,942,038 | 0 | 0 | 0 | 0 | 5,942,038 | |
| Unreserved and undesignated | 13,309,294 | 0 | 0 | 0 | 0 | 0 | 13,309,294 | |
| TOTAL FUND BALANCE | 41,696,550 | 13,326,812 | 7,011,293 | 70,762,370 | 20,024,453 | 2,714,038 | 155,535,516 | |
| TOTAL LIABILITIES AND FUND BALANCE | \$ 45,173,940 | 13,942,693 | 7,011,293 | 78,184,623 | 20,024,453 | 2,836,267 | 167,173,269 | |



INCORPORATED COUNTY OF LOS ALAMOS

Governmental Funds

Reconciliation of Balance Sheet to the Statement of Net Assets June 30, 2009

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

| | | |
|---|----|---------------------------|
| Total fund balance as reported in governmental funds balance sheet: | \$ | 155,535,516 |
| Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. | | 220,292,187 |
| Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and, therefore are not reported in the governmental funds. | | (75,712,069) |
| Accrued interest payable on long-term liabilities not recorded in the governmental funds, but included in the government-wide statement of net assets. | | (318,470) |
| Other long-term receivables are not available to pay for current period expenditures and, therefore are recorded as deferred revenue in the governmental funds. | | 454,678 |
| 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 assets 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. | | 532,094 |
| Net assets of governmental activities | \$ | <u><u>300,783,936</u></u> |

INCORPORATED COUNTY OF LOS ALAMOS
Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balance

Year ended June 30, 2009

| | GENERAL | SELF - SUFFICIENCY SPECIAL REVENUE | GROSS RECEIPTS TAX REVENUE BOND DEBT SERVICE | CAPITAL IMPROVEMENT PROJECTS | CAPITAL PROJECTS PERMANENT | OTHER GOVERNMENTAL | TOTAL |
|-------------------------------|-------------------|---|---|------------------------------------|----------------------------------|-----------------------|-------------------|
| REVENUES | | | | | | | |
| Taxes | | | | | | | |
| Property taxes-current | \$ 6,268,614 | 0 | 0 | 0 | 0 | 0 | 6,268,614 |
| Local units in-lieu taxes | 172,527 | 0 | 0 | 0 | 0 | 0 | 172,527 |
| Gross receipts taxes | 30,483,135 | 0 | 0 | 0 | 0 | 2,157,587 | 32,640,722 |
| Lodgers' tax | 0 | 0 | 0 | 0 | 0 | 271,517 | 271,517 |
| Franchise tax-privately owned | 94,822 | 0 | 0 | 0 | 0 | 0 | 94,822 |
| Franchise tax-County owned | 375,232 | 0 | 0 | 0 | 0 | 0 | 375,232 |
| Penalties and interest-taxes | 41,436 | 0 | 0 | 0 | 0 | 3,011 | 44,447 |
| | <u>37,435,766</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>2,432,115</u> | <u>39,867,881</u> |
| Licenses and permits | | | | | | | |
| Business | 36,604 | 0 | 0 | 0 | 0 | 0 | 36,604 |
| Nonbusiness | 179,630 | 0 | 0 | 0 | 0 | 0 | 179,630 |
| | <u>216,234</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>216,234</u> |
| Intergovernmental | | | | | | | |
| Federal direct | 0 | 0 | 0 | 0 | 0 | 292,076 | 292,076 |
| Federal indirect | 397,410 | 0 | 0 | 17,500 | 0 | 0 | 414,910 |
| Federal shared revenues | 35,147 | 0 | 0 | 0 | 0 | 0 | 35,147 |
| Federal in-lieu taxes | 306,470 | 0 | 0 | 0 | 0 | 0 | 306,470 |
| State grants-fire | 0 | 0 | 0 | 0 | 0 | 390,749 | 390,749 |
| State grants-library | 22,559 | 0 | 0 | 0 | 0 | 0 | 22,559 |
| State grants-police | 99,651 | 0 | 0 | 0 | 0 | 66,698 | 166,349 |
| State grants-other | 116,123 | 0 | 0 | 1,715,091 | 0 | 0 | 1,831,214 |
| State shared revenues | 21,819,523 | 0 | 0 | 0 | 0 | 501,686 | 22,321,209 |
| | <u>22,796,883</u> | <u>0</u> | <u>0</u> | <u>1,732,591</u> | <u>0</u> | <u>1,251,209</u> | <u>25,780,683</u> |
| Fines and forfeitures | | | | | | | |
| Fines | 106,058 | 0 | 0 | 0 | 0 | 0 | 106,058 |
| Correction fees | 49,284 | 0 | 0 | 0 | 0 | 0 | 49,284 |
| Special fees | 9,491 | 0 | 0 | 0 | 0 | 0 | 9,491 |
| Court ordered reimbursements | 1,760 | 0 | 0 | 0 | 0 | 36,921 | 38,681 |
| | <u>166,593</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>36,921</u> | <u>203,514</u> |

| | | | | | | | | |
|---|-------------------|----------------|---------------|------------------|--------------------|------------------|--------------------|--------------------|
| Charges for services | | | | | | | | |
| Court fees | 3,915 | 0 | 0 | 0 | 0 | 0 | 0 | 3,915 |
| Clerk fees | 56,063 | 0 | 0 | 0 | 0 | 16,269 | 0 | 72,332 |
| Planning fees | 57,807 | 0 | 0 | 0 | 0 | 0 | 0 | 57,807 |
| Finance/treasurer fees | 0 | 0 | 0 | 0 | 0 | 128,661 | 0 | 128,661 |
| Administrative charges for services | 39,622 | 0 | 0 | 0 | 0 | 0 | 0 | 39,622 |
| Sales of food or merchandise | 25,067 | 0 | 0 | 0 | 0 | 0 | 0 | 25,067 |
| Other charges for services | 40,920 | 0 | 0 | 0 | 0 | 0 | 0 | 40,920 |
| Sheriff fees | 8,750 | 0 | 0 | 0 | 0 | 0 | 0 | 8,750 |
| Police charges for services | 69,607 | 0 | 0 | 0 | 0 | 0 | 0 | 69,607 |
| Cemetery services | 11,005 | 0 | 0 | 0 | 0 | 0 | 0 | 11,005 |
| Perpetual care services | 20,140 | 0 | 0 | 0 | 0 | 0 | 0 | 20,140 |
| Animal shelter fees | 1,185 | 0 | 0 | 0 | 0 | 0 | 0 | 1,185 |
| Daily fees/passes | 57,387 | 0 | 0 | 0 | 0 | 0 | 0 | 57,387 |
| Annual passes | 75,377 | 0 | 0 | 0 | 0 | 0 | 0 | 75,377 |
| Three-month passes | 34,979 | 0 | 0 | 0 | 0 | 0 | 0 | 34,979 |
| Punch passes | 63,914 | 0 | 0 | 0 | 0 | 0 | 0 | 63,914 |
| Recreation fees | 324,231 | 0 | 0 | 0 | 0 | 0 | 0 | 324,231 |
| Other fees | 10,730 | 0 | 0 | 0 | 0 | 0 | 0 | 10,730 |
| | <u>900,699</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>144,930</u> | <u>0</u> | <u>1,045,629</u> |
| Interfund/interdepartmental charges | | | | | | | | |
| Interdepartmental services | 1,995,286 | 0 | 0 | 0 | 0 | 0 | 0 | 1,995,286 |
| Indirect overhead-LANL fire services contract | 2,721,484 | 0 | 0 | 0 | 0 | 0 | 0 | 2,721,484 |
| Charges for special services | 2,651 | 0 | 0 | 0 | 0 | 0 | 0 | 2,651 |
| Loan interest | 0 | 116,213 | 0 | 0 | 0 | 0 | 0 | 116,213 |
| | <u>4,719,421</u> | <u>116,213</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>4,835,634</u> |
| Miscellaneous revenue | | | | | | | | |
| Investment income (loss) | (142,107) | 75,949 | 11,292 | 1,235,241 | (3,817,088) | 17,490 | 0 | (2,619,223) |
| Interest charges-delinquent accounts | 16,270 | 0 | 0 | 0 | 0 | 0 | 0 | 16,270 |
| Building rental | 57,971 | 109,496 | 0 | 0 | 0 | 0 | 0 | 167,467 |
| Land rental | 164,747 | 0 | 0 | 0 | 0 | 0 | 0 | 164,747 |
| Other rentals | 45,196 | 0 | 0 | 0 | 0 | 0 | 0 | 45,196 |
| Pension forfeitures | 69,616 | 0 | 0 | 0 | 0 | 0 | 0 | 69,616 |
| Loan interest | 0 | 31,851 | 0 | 0 | 0 | 0 | 0 | 31,851 |
| Donations | 90,500 | 0 | 0 | 0 | 0 | 0 | 4,365 | 94,865 |
| Other judgments and settlements | 0 | 0 | 0 | 0 | 0 | 0 | 3,803 | 3,803 |
| Other | 8,678 | 83,984 | 0 | 185,767 | 0 | 0 | 0 | 278,429 |
| | <u>310,871</u> | <u>301,280</u> | <u>11,292</u> | <u>1,421,008</u> | <u>(3,817,088)</u> | <u>25,658</u> | <u>(1,746,979)</u> | <u>(1,746,979)</u> |
| TOTAL REVENUES | <u>66,546,467</u> | <u>417,493</u> | <u>11,292</u> | <u>3,153,599</u> | <u>(3,817,088)</u> | <u>3,890,833</u> | <u>0</u> | <u>70,202,596</u> |

INCORPORATED COUNTY OF LOS ALAMOS
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balance
Year ended June 30, 2009

| | <u>GENERAL</u> | <u>SELF - SUFFICIENCY SPECIAL REVENUE</u> | <u>GROSS RECEIPTS TAX REVENUE BOND DEBT SERVICE</u> | <u>CAPITAL IMPROVEMENT PROJECTS</u> | <u>CAPITAL PROJECTS PERMANENT</u> | <u>OTHER GOVERNMENTAL</u> | <u>TOTAL</u> |
|---|-------------------|---|---|---|---|-------------------------------|-------------------|
| EXPENDITURES | | | | | | | |
| Current expenditures: | | | | | | | |
| General government | | | | | | | |
| County Council | 367,991 | 0 | 0 | 0 | 0 | 0 | 367,991 |
| Municipal Court | 325,683 | 0 | 0 | 0 | 0 | 66,293 | 391,976 |
| County Administrator | 2,398,477 | 0 | 0 | 0 | 0 | 0 | 2,398,477 |
| County Administrator-Comm. and Public Relations | 650,073 | 0 | 0 | 0 | 0 | 0 | 650,073 |
| County Assessor | 380,810 | 0 | 0 | 0 | 0 | 110,040 | 490,850 |
| County Attorney | 751,754 | 0 | 0 | 0 | 0 | 0 | 751,754 |
| County Clerk | 484,783 | 0 | 0 | 0 | 0 | 44,075 | 528,858 |
| County Sheriff | 58,654 | 0 | 0 | 0 | 0 | 0 | 58,654 |
| Administrative Services-Human Resources | 1,423,916 | 0 | 0 | 0 | 0 | 0 | 1,423,916 |
| Administrative Services-Information Technologies | 3,632,241 | 0 | 0 | 0 | 0 | 0 | 3,632,241 |
| Administrative Services-Office of Management and Budget | 1,163,893 | 0 | 0 | 0 | 0 | 0 | 1,163,893 |
| Administrative Services-Procurement and Risk | 682,437 | 0 | 0 | 0 | 0 | 0 | 682,437 |
| Public Works | 976,157 | 0 | 0 | 0 | 0 | 0 | 976,157 |
| Capital Projects and Facilities | 4,471,039 | 0 | 0 | 319,146 | 0 | 0 | 4,790,185 |
| Cemetery | 172,884 | 0 | 0 | 0 | 0 | 0 | 172,884 |
| | <u>17,940,792</u> | <u>0</u> | <u>0</u> | <u>319,146</u> | <u>0</u> | <u>220,408</u> | <u>18,480,346</u> |
| Public safety | | | | | | | |
| Fire Department-County share | 2,398,485 | 0 | 0 | 0 | 0 | 0 | 2,398,485 |
| Cerro Grande Fire recovery | 0 | 0 | 0 | 0 | 0 | 165,171 | 165,171 |
| Fire Marshal | 0 | 0 | 0 | 0 | 0 | 261,026 | 261,026 |
| Fire-E.M.S. grant | 0 | 0 | 0 | 0 | 0 | 23,025 | 23,025 |
| Police | 6,935,592 | 0 | 0 | 0 | 0 | 70,933 | 7,006,525 |
| | <u>9,334,077</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>520,155</u> | <u>9,854,232</u> |
| Physical and economic environment | | | | | | | |
| County Administrator | 0 | 1,246,468 | 0 | 0 | 0 | 254,520 | 1,500,988 |
| Community Development | 1,093,315 | 0 | 0 | 0 | 0 | 0 | 1,093,315 |
| | <u>1,093,315</u> | <u>1,246,468</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>254,520</u> | <u>2,594,303</u> |
| Transportation | | | | | | | |
| Public Works | 4,056,407 | 0 | 0 | 0 | 0 | 0 | 4,056,407 |
| | <u>4,056,407</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>4,056,407</u> |
| Health and welfare | | | | | | | |
| Administrative Services-OMB | 0 | 0 | 0 | 0 | 0 | 1,860,474 | 1,860,474 |

| | | | | | | | |
|--|-----------------------------|--------------------------|-------------------------|--------------------------|--------------------------|-------------------------|---------------------------|
| Culture and recreation | | | | | | | |
| Community Services-Administration | 1,368,459 | 0 | 0 | 0 | 0 | 0 | 1,368,459 |
| Community Services-Library | 2,506,541 | 0 | 0 | 0 | 0 | 5,758 | 2,512,299 |
| Community Services-Parks | 1,953,937 | 0 | 0 | 0 | 0 | 0 | 1,953,937 |
| Community Services-Recreation | 2,341,486 | 0 | 0 | 0 | 0 | 5,226 | 2,346,712 |
| | <u>8,170,423</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>10,984</u> | <u>8,181,407</u> |
| Capital outlay: | | | | | | | |
| General government | | | | | | | |
| Administrative Services | 0 | 0 | 0 | 723,613 | 0 | 0 | 723,613 |
| Public Works | 0 | 0 | 0 | 51,861,682 | 0 | 0 | 51,861,682 |
| Public safety-Public Works | 0 | 0 | 0 | 8,274 | 0 | 0 | 8,274 |
| Transportation-Public Works | 0 | 0 | 0 | 6,197,521 | 0 | 0 | 6,197,521 |
| Health and welfare-Community Services | 0 | 0 | 0 | 12,695 | 0 | 0 | 12,695 |
| Culture and recreation | | | | | | | |
| Community Services | 0 | 0 | 0 | 636,639 | 0 | 0 | 636,639 |
| | <u>0</u> | <u>0</u> | <u>0</u> | <u>59,440,424</u> | <u>0</u> | <u>0</u> | <u>59,440,424</u> |
| Debt service | 0 | 0 | 4,225,545 | 0 | 0 | 1,839,982 | 6,065,527 |
| TOTAL EXPENDITURES | <u>40,595,014</u> | <u>1,246,468</u> | <u>4,225,545</u> | <u>59,759,570</u> | <u>0</u> | <u>4,706,523</u> | <u>110,533,120</u> |
| EXCESS REVENUES OVER (UNDER) EXPENDITURES | 25,951,453 | (828,975) | (4,214,253) | (56,605,971) | (3,817,088) | (815,690) | (40,330,524) |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers in | 4,991,120 | 0 | 11,225,546 | 5,541,366 | 4,000,000 | 1,078,107 | 26,836,139 |
| Transfers out | (24,080,667) | 0 | 0 | (2,110,354) | 0 | (1,509,488) | (27,700,509) |
| Proceeds from long-term debt | 0 | 0 | 0 | 75,000,000 | 0 | 0 | 75,000,000 |
| Discount on long-term debt | 0 | 0 | 0 | (348,381) | 0 | 0 | (348,381) |
| Premiums on long-term debt | 0 | 0 | 0 | 1,024,671 | 0 | 0 | 1,024,671 |
| | <u>(19,089,547)</u> | <u>0</u> | <u>11,225,546</u> | <u>79,107,302</u> | <u>4,000,000</u> | <u>(431,381)</u> | <u>74,811,920</u> |
| NET CHANGE IN FUND BALANCE | 6,861,906 | (828,975) | 7,011,293 | 22,501,331 | 182,912 | (1,247,071) | 34,481,396 |
| FUND BALANCE - BEGINNING OF FISCAL YEAR | | | | | | | |
| Beginning of fiscal year | 34,834,644 | 14,155,787 | 0 | 48,261,039 | 19,841,541 | 3,961,109 | 121,054,120 |
| FUND BALANCE - END OF FISCAL YEAR | <u>\$ 41,696,550</u> | <u>13,326,812</u> | <u>7,011,293</u> | <u>70,762,370</u> | <u>20,024,453</u> | <u>2,714,038</u> | <u>155,535,516</u> |



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, 2009

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 excess (deficiency) of revenues and other sources under expenditures and other uses as reported in the governmental funds statement of revenues, expenditures, and changes in fund balance: | \$ 34,481,396 |
| 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 (\$59,061,788) exceeded depreciation (\$7,118,382) in the current period. | 51,943,406 |
| Loss on disposal of capital assets is not recorded in governmental funds. | (1,388,411) |
| Transfers of capital assets to/from governmental capital assets from/to proprietary funds are not recorded in governmental funds. | (1,420,955) |
| The issuance of debt is reflected as a source of current financial resources in the governmental funds, but has no effect on net assets. | (75,676,290) |
| The repayment of debt is reflected as a use of current financial resources in the governmental funds, but has no effect on net assets. | 3,605,686 |
| The cost of issuing debt during FY2009 is reflected as a use of current financial resources in the governmental funds, but has no effect on net assets. | 619,627 |
| The amortization of debt premiums, discounts and issuance costs does not use current financial resources, and therefore is not reported in the governmental funds. | 81,272 |
| Accrued interest payable on long-term liabilities is not recorded in the governmental funds, but is included in the government-wide statement of net assets. | (308,692) |
| 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. | (202,717) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. | 391,561 |
| 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. | (163,347) |
| Change in net assets of governmental activities | \$ <u>11,962,536</u> |

**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, 2009

| | <u>ANNUAL BUDGET</u> | <u>REVISED BUDGET</u> | <u>ACTUALS</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
|-------------------------------|----------------------|-----------------------|-------------------|---|
| REVENUES | | | | |
| Taxes | | | | |
| Property taxes-current | \$ 6,234,736 | 6,234,736 | 6,268,614 | 33,878 |
| Local units in-lieu taxes | 98,438 | 98,438 | 172,527 | 74,089 |
| General gross receipts taxes | 20,464,844 | 25,991,935 | 30,483,135 | 4,491,200 |
| Franchise tax-privately owned | 96,472 | 96,472 | 94,822 | (1,650) |
| Franchise tax-County owned | 363,795 | 363,795 | 375,232 | 11,437 |
| Penalties and interest-taxes | 38,955 | 38,955 | 41,436 | 2,481 |
| | <u>27,297,240</u> | <u>32,824,331</u> | <u>37,435,766</u> | <u>4,611,435</u> |
| Licenses and permits | | | | |
| Business | 41,964 | 41,964 | 36,604 | (5,360) |
| Nonbusiness | 214,121 | 214,121 | 179,630 | (34,491) |
| | <u>256,085</u> | <u>256,085</u> | <u>216,234</u> | <u>(39,851)</u> |
| Intergovernmental | | | | |
| Federal indirect | 148,827 | 590,305 | 397,410 | (192,895) |
| Federal shared revenues | 5,343 | 5,343 | 35,147 | 29,804 |
| Federal in-lieu taxes | 271,270 | 271,270 | 306,470 | 35,200 |
| State grants-library | 29,500 | 36,405 | 22,559 | (13,846) |
| State grants-police | 260,000 | 375,465 | 99,651 | (275,814) |
| State grants-other | 40,000 | 248,538 | 116,123 | (132,415) |
| State shared revenues | 18,589,857 | 18,589,857 | 21,819,523 | 3,229,666 |
| | <u>19,344,797</u> | <u>20,117,183</u> | <u>22,796,883</u> | <u>2,679,700</u> |
| Fines and forfeitures | | | | |
| Fines | 138,041 | 138,041 | 106,058 | (31,983) |
| Correction fees | 48,029 | 48,029 | 49,284 | 1,255 |
| Special fees | 12,919 | 12,919 | 9,491 | (3,428) |
| Court ordered reimbursements | 3,823 | 3,823 | 1,760 | (2,063) |
| | <u>202,812</u> | <u>202,812</u> | <u>166,593</u> | <u>(36,219)</u> |

| | | | | |
|--|-------------------|-------------------|-------------------|--------------------|
| Charges for services | | | | |
| Court fees | 0 | 0 | 3,915 | 3,915 |
| Clerk fees | 51,914 | 51,914 | 56,063 | 4,149 |
| Planning fees | 92,464 | 92,464 | 57,807 | (34,657) |
| Administrative charges for services | 25,019 | 25,019 | 39,622 | 14,603 |
| Sales of food or merchandise | 25,527 | 25,527 | 25,067 | (460) |
| Other charges for services | 27,291 | 51,396 | 40,920 | (10,476) |
| Sheriff fees | 6,206 | 6,206 | 8,750 | 2,544 |
| Police charges for services | 15,733 | 15,733 | 69,607 | 53,874 |
| Cemetery services | 12,517 | 12,517 | 11,005 | (1,512) |
| Perpetual care services | 22,584 | 22,584 | 20,140 | (2,444) |
| Animal shelter fees | 3,888 | 3,888 | 1,185 | (2,703) |
| Daily fees/passes | 67,678 | 67,678 | 57,387 | (10,291) |
| Annual passes | 82,520 | 82,520 | 75,377 | (7,143) |
| Three-month passes | 33,896 | 33,896 | 34,979 | 1,083 |
| Punch passes | 62,994 | 62,994 | 63,914 | 920 |
| Recreation fees | 345,141 | 345,141 | 324,231 | (20,910) |
| Other fees | 3,835 | 8,557 | 10,730 | 2,173 |
| | 879,207 | 908,034 | 900,699 | (7,335) |
| Interfund/interdepartmental charges | | | | |
| Interdepartmental services | 1,513,489 | 1,513,489 | 1,995,286 | 481,797 |
| Indirect overhead-fire services | 2,517,847 | 2,517,847 | 2,721,484 | 203,637 |
| Charges for special services | 0 | 0 | 2,651 | 2,651 |
| | 4,031,336 | 4,031,336 | 4,719,421 | 688,085 |
| Miscellaneous revenue | | | | |
| Interest income | 1,838,098 | 1,838,098 | (142,107) | (1,980,205) |
| Interest charges-delinquent accounts | 0 | 0 | 16,270 | 16,270 |
| Buildings rental | 81,309 | 81,309 | 57,971 | (23,338) |
| Land rental | 150,568 | 150,568 | 164,747 | 14,179 |
| Other rental | 48,875 | 48,875 | 45,196 | (3,679) |
| Pension forfeitures | 136,469 | 136,469 | 69,616 | (66,853) |
| Donations | 10,267 | 97,467 | 90,500 | (6,967) |
| Other | 68,370 | 68,370 | 8,678 | (59,692) |
| | 2,333,956 | 2,421,156 | 310,871 | (2,110,285) |
| TOTAL REVENUES | 54,345,433 | 60,760,937 | 66,546,467 | 5,785,530 |

**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, 2009

| | <u>ANNUAL BUDGET</u> | <u>REVISED BUDGET</u> | <u>ACTUALS</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
|--|----------------------|-----------------------|------------------|---|
| EXPENDITURES AND ENCUMBRANCES | | | | |
| County Council | | | | |
| Employee salaries and benefits | 80,724 | 80,724 | 81,145 | (421) |
| Outside services | 252,806 | 274,686 | 261,282 | 13,404 |
| Materials and supplies | 36,000 | 36,000 | 24,772 | 11,228 |
| Intrafund/interfund services | 792 | 792 | 792 | 0 |
| | <u>370,322</u> | <u>392,202</u> | <u>367,991</u> | <u>24,211</u> |
| Municipal Court | | | | |
| Employee salaries and benefits | 313,390 | 313,390 | 275,840 | 37,550 |
| Outside services | 58,000 | 58,000 | 43,746 | 14,254 |
| Materials and supplies | 15,000 | 11,929 | 33,756 | (21,827) |
| Intrafund/interfund services | 2,622 | 2,622 | 2,622 | 0 |
| Capital outlay | 11,000 | 11,000 | 0 | 11,000 |
| Debt and fiscal charges | 1,000 | 1,000 | 869 | 131 |
| | <u>401,012</u> | <u>397,941</u> | <u>356,833</u> | <u>41,108</u> |
| Grants | | | | |
| Municipal Court Automation | 0 | 6,553 | 6,553 | 0 |
| | <u>401,012</u> | <u>404,494</u> | <u>363,386</u> | <u>41,108</u> |
| County Administrator | | | | |
| Operations | | | | |
| Employee salaries and benefits | 901,872 | 901,872 | 804,727 | 97,145 |
| Outside services | 1,830,200 | 2,171,908 | 1,736,438 | 435,470 |
| Materials and supplies | 32,300 | 33,035 | 16,300 | 16,735 |
| Intrafund/interfund services | 9,914 | 9,914 | 9,914 | 0 |
| | <u>2,774,286</u> | <u>3,116,729</u> | <u>2,567,379</u> | <u>549,350</u> |
| Communications and Public Relations | | | | |
| Employee salaries and benefits | 351,722 | 351,722 | 353,103 | (1,381) |
| Outside services | 293,283 | 317,043 | 270,574 | 46,469 |
| Materials and supplies | 26,350 | 41,908 | 39,506 | 2,402 |
| Intrafund/interfund services | 11,124 | 11,124 | 11,124 | 0 |
| Capital outlay | 5,500 | 5,500 | 0 | 5,500 |
| | <u>687,979</u> | <u>727,297</u> | <u>674,307</u> | <u>52,990</u> |
| Total County Administrator | <u>3,462,265</u> | <u>3,844,026</u> | <u>3,241,686</u> | <u>602,340</u> |

| | | | | |
|--------------------------------|------------------|------------------|------------------|----------------|
| County Assessor | | | | |
| Employee salaries and benefits | 395,381 | 395,381 | 362,142 | 33,239 |
| Outside services | 23,550 | 23,550 | 15,707 | 7,843 |
| Materials and supplies | 72,000 | 72,000 | 2,961 | 69,039 |
| Capital outlay | 1,000 | 1,000 | 0 | 1,000 |
| | 491,931 | 491,931 | 380,810 | 111,121 |
| County Attorney | | | | |
| Employee salaries and benefits | 570,856 | 570,856 | 566,876 | 3,980 |
| Outside services | 164,410 | 164,430 | 160,486 | 3,944 |
| Materials and supplies | 21,200 | 22,174 | 20,033 | 2,141 |
| Intrafund/interfund services | 4,359 | 4,359 | 4,359 | 0 |
| | 760,825 | 761,819 | 751,754 | 10,065 |
| County Clerk | | | | |
| Employee salaries and benefits | 337,917 | 337,917 | 357,517 | (19,600) |
| Outside services | 112,535 | 138,335 | 87,837 | 50,498 |
| Materials and supplies | 20,300 | 20,713 | 25,496 | (4,783) |
| Intrafund/interfund services | 2,610 | 2,610 | 2,610 | 0 |
| Capital outlay | 7,500 | 22,273 | 13,272 | 9,001 |
| Debt and fiscal charges | 0 | 0 | 10 | (10) |
| | 480,862 | 521,848 | 486,742 | 35,106 |
| County Sheriff | | | | |
| Employee salaries and benefits | 51,323 | 51,323 | 51,000 | 323 |
| Outside services | 11,720 | 11,720 | 3,725 | 7,995 |
| Materials and supplies | 5,100 | 5,280 | 3,603 | 1,677 |
| Intrafund/interfund services | 452 | 452 | 452 | 0 |
| Capital outlay | 2,500 | 2,500 | 0 | 2,500 |
| | 71,095 | 71,275 | 58,780 | 12,495 |
| Community Development | | | | |
| Employee salaries and benefits | 982,126 | 982,126 | 978,555 | 3,571 |
| Outside services | 167,300 | 183,006 | 85,404 | 97,602 |
| Materials and supplies | 13,100 | 13,100 | 19,053 | (5,953) |
| Intrafund/interfund services | 25,106 | 25,106 | 25,106 | 0 |
| Capital outlay | 2,000 | 2,853 | 0 | 2,853 |
| Debt and fiscal charges | 500 | 500 | 0 | 500 |
| | 1,190,132 | 1,206,691 | 1,108,118 | 98,573 |

**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, 2009

| | <u>ANNUAL BUDGET</u> | <u>REVISED BUDGET</u> | <u>ACTUALS</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
|---|----------------------|-----------------------|------------------|---|
| Administrative Services | | | | |
| Human Resources | | | | |
| Employee salaries and benefits | 917,582 | 1,034,924 | 1,035,651 | (727) |
| Outside services | 146,583 | 329,662 | 289,237 | 40,425 |
| Materials and supplies | 195,156 | 195,498 | 89,853 | 105,645 |
| Intrafund/interfund services | 81,262 | 86,138 | 84,623 | 1,515 |
| Flexible | 7,964 | 7,964 | 7,964 | 0 |
| Debt and fiscal charges | 0 | 0 | 178 | (178) |
| | <u>1,348,547</u> | <u>1,654,186</u> | <u>1,507,506</u> | <u>146,680</u> |
| Information Technologies | | | | |
| Employee salaries and benefits | 1,994,106 | 1,876,764 | 1,839,286 | 37,478 |
| Outside services | 1,436,502 | 1,498,668 | 1,494,843 | 3,825 |
| Materials and supplies | 218,853 | 230,298 | 234,702 | (4,404) |
| Intrafund/interfund services | 34,866 | 34,866 | 34,866 | 0 |
| Capital outlay | 365,155 | 458,362 | 338,513 | 119,849 |
| | <u>4,049,482</u> | <u>4,098,958</u> | <u>3,942,210</u> | <u>156,748</u> |
| Office of Management and Budget (O.M.B.) | | | | |
| Employee salaries and benefits | 1,038,147 | 1,038,147 | 961,103 | 77,044 |
| Outside services | 203,500 | 214,510 | 158,084 | 56,426 |
| Materials and supplies | 109,000 | 110,600 | 43,273 | 67,327 |
| Intrafund/interfund services | 16,035 | 16,035 | 16,035 | 0 |
| Capital outlay | 5,000 | 5,000 | 0 | 5,000 |
| Debt and fiscal charges (bad debt adjustment) | 500 | 500 | 278 | 222 |
| | <u>1,372,182</u> | <u>1,384,792</u> | <u>1,178,773</u> | <u>206,019</u> |
| Procurement and Risk | | | | |
| Employee salaries and benefits | 633,069 | 633,069 | 619,623 | 13,446 |
| Outside services | 37,000 | 38,493 | 18,497 | 19,996 |
| Materials and supplies | 25,100 | 25,100 | 40,621 | (15,521) |
| Intrafund/interfund services | 19,167 | 19,167 | 19,167 | 0 |
| Capital outlay | 0 | 10,000 | 10,000 | 0 |
| | <u>714,336</u> | <u>725,829</u> | <u>707,908</u> | <u>17,921</u> |
| Total Administrative Services | 7,484,547 | 7,863,765 | 7,336,397 | 527,368 |
| Fire - County Shared Cost | | | | |
| Intrafund/interfund services | 3,148,485 | 3,148,485 | 2,398,485 | 750,000 |
| | <u>3,148,485</u> | <u>3,148,485</u> | <u>2,398,485</u> | <u>750,000</u> |

Community Services-Administration

Operations

| | | | | |
|--------------------------------|------------------|------------------|------------------|----------------|
| Employee salaries and benefits | 233,497 | 233,497 | 228,593 | 4,904 |
| Outside services | 1,022,809 | 1,116,776 | 986,075 | 130,701 |
| Materials and supplies | 8,200 | 8,200 | 9,591 | (1,391) |
| Intrafund/interfund services | 37,450 | 37,450 | 30,961 | 6,489 |
| Capital outlay | 0 | 44,701 | 0 | 44,701 |
| | <u>1,301,956</u> | <u>1,440,624</u> | <u>1,255,220</u> | <u>185,404</u> |

Grants

| | | | | |
|--|------------------|------------------|------------------|----------------|
| State Agency on Agency Phone Repairs | 0 | 3,800 | 3,800 | 0 |
| CYFD Juvenile Justice Continuum | 120,000 | 165,439 | 165,439 | 0 |
| | <u>120,000</u> | <u>169,239</u> | <u>169,239</u> | <u>0</u> |
| Total Community Services-Admin. | 1,421,956 | 1,609,863 | 1,424,459 | 185,404 |

Community Services-Library

Library administration

| | | | | |
|--------------------------------|----------------|----------------|----------------|--------------|
| Employee salaries and benefits | 303,229 | 303,229 | 303,816 | (587) |
| Outside services | 36,020 | 52,591 | 49,536 | 3,055 |
| Materials and supplies | 31,125 | 33,741 | 34,984 | (1,243) |
| Intrafund/interfund services | 25,754 | 25,754 | 25,754 | 0 |
| Capital outlay | 0 | 11,100 | 11,079 | 21 |
| | <u>396,128</u> | <u>426,415</u> | <u>425,169</u> | <u>1,246</u> |

Public services

| | | | | |
|--------------------------------|------------------|------------------|------------------|---------------|
| Employee salaries and benefits | 1,169,097 | 1,206,990 | 1,157,825 | 49,165 |
| Outside services | 68,891 | 68,891 | 61,533 | 7,358 |
| Materials and supplies | 27,010 | 30,596 | 45,263 | (14,667) |
| Intrafund/interfund services | 2,938 | 2,938 | 2,938 | 0 |
| Capital outlay | 16,165 | 249,049 | 207,726 | 41,323 |
| | <u>1,284,101</u> | <u>1,558,464</u> | <u>1,475,285</u> | <u>83,179</u> |

Support services

| | | | | |
|--------------------------------|----------------|----------------|----------------|--------------|
| Employee salaries and benefits | 287,790 | 287,790 | 285,738 | 2,052 |
| Outside services | 41,682 | 50,182 | 49,788 | 394 |
| Materials and supplies | 13,484 | 13,350 | 13,610 | (260) |
| Capital outlay | 300 | 300 | 0 | 300 |
| Debt and fiscal charges | 0 | 0 | 423 | (423) |
| | <u>343,256</u> | <u>351,622</u> | <u>349,559</u> | <u>2,063</u> |

Collection development

| | | | | |
|------------------------|---------|---------|---------|-----|
| Materials and supplies | 198,725 | 227,441 | 227,260 | 181 |
|------------------------|---------|---------|---------|-----|

Outside funding/grants

| | | | | |
|------------------------------|----------|---------------|---------------|---------------|
| Outside Funding | 0 | 65,506 | 24,274 | 41,232 |
| Grant-NM State Library | 0 | 4,997 | 4,997 | 0 |
| Grant-State Library GO Bonds | 0 | 14,850 | 14,850 | 0 |
| | <u>0</u> | <u>85,353</u> | <u>44,121</u> | <u>41,232</u> |

| | | | | |
|---|------------------|------------------|------------------|----------------|
| Total Community Services-Library | 2,222,210 | 2,649,295 | 2,521,394 | 127,901 |
|---|------------------|------------------|------------------|----------------|

**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, 2009

| | <u>ANNUAL BUDGET</u> | <u>REVISED BUDGET</u> | <u>ACTUALS</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
|--------------------------------------|----------------------|-----------------------|------------------|---|
| Community Services-Parks | | | | |
| Parks Maintenance | | | | |
| Employee salaries and benefits | 1,130,454 | 1,130,454 | 1,038,277 | 92,177 |
| Outside services | 177,700 | 499,400 | 219,190 | 280,210 |
| Materials and supplies | 245,112 | 252,932 | 250,106 | 2,826 |
| Intrafund/interfund services | 559,997 | 559,997 | 500,101 | 59,896 |
| Capital outlay | 12,000 | 20,771 | 16,296 | 4,475 |
| | <u>2,125,263</u> | <u>2,463,554</u> | <u>2,023,970</u> | <u>439,584</u> |
| Parks Maintenance Projects | | | | |
| Employee salaries and benefits | 0 | 0 | 825 | (825) |
| Outside services | 150,000 | 57,154 | 29,943 | 27,211 |
| Materials and supplies | 0 | 0 | 3,814 | (3,814) |
| Intrafund/interfund services | 0 | 0 | 72 | (72) |
| | <u>150,000</u> | <u>57,154</u> | <u>34,654</u> | <u>22,500</u> |
| Cemetery | | | | |
| Employee salaries and benefits | 82,067 | 82,067 | 110,263 | (28,196) |
| Outside services | 3,063 | 3,063 | 247 | 2,816 |
| Materials and supplies | 11,000 | 14,791 | 15,336 | (545) |
| Intrafund/interfund services | 65,000 | 65,000 | 47,038 | 17,962 |
| Capital outlay | 5,000 | 5,000 | 0 | 5,000 |
| | <u>166,130</u> | <u>169,921</u> | <u>172,884</u> | <u>(2,963)</u> |
| Total Community Svcs.-Parks | 2,441,393 | 2,690,629 | 2,231,508 | 459,121 |
| Community Services-Recreation | | | | |
| Recreation | | | | |
| Employee salaries and benefits | 541,301 | 541,301 | 500,303 | 40,998 |
| Outside services | 160,420 | 161,763 | 114,036 | 47,727 |
| Materials and supplies | 88,492 | 136,066 | 146,024 | (9,958) |
| Intrafund/interfund services | 28,295 | 28,295 | 29,142 | (847) |
| Capital outlay | 10,000 | 10,000 | 9,995 | 5 |
| Debt and fiscal charges | 0 | 0 | 2,328 | (2,328) |
| | <u>828,508</u> | <u>877,425</u> | <u>801,828</u> | <u>75,597</u> |
| Recreation - Aquatic Center | | | | |
| Employee salaries and benefits | 990,463 | 990,463 | 989,905 | 558 |
| Outside services | 93,088 | 94,874 | 124,314 | (29,440) |
| Materials and supplies | 53,210 | 57,445 | 90,789 | (33,344) |
| Intrafund/interfund services | 248,781 | 248,781 | 190,925 | 57,856 |
| Capital outlay | 10,612 | 59,712 | 0 | 59,712 |
| Debt and fiscal charges | 986 | 986 | 2,328 | (1,342) |
| | <u>1,397,140</u> | <u>1,452,261</u> | <u>1,398,261</u> | <u>54,000</u> |

| | | | | |
|---|------------------|------------------|------------------|------------------|
| Recreation - Fair and Rodeo | | | | |
| Materials and supplies | 0 | 1,531 | 1,313 | 218 |
| Recreation - Ice Rink | | | | |
| Employee salaries and benefits | 161,121 | 161,121 | 140,228 | 20,893 |
| Outside services | 35,530 | 35,615 | 11,178 | 24,437 |
| Materials and supplies | 32,630 | 37,313 | 77,905 | (40,592) |
| Intrafund/interfund services | 12,196 | 12,196 | 12,558 | (362) |
| Capital outlay | 4,000 | 4,000 | 6,500 | (2,500) |
| Debt and fiscal charges | 350 | 350 | 725 | (375) |
| | <u>245,827</u> | <u>250,595</u> | <u>249,094</u> | <u>1,501</u> |
| Total Community Svcs.-Recreation | 2,471,475 | 2,581,812 | 2,450,496 | 131,316 |
| Total Community Svcs Department | 8,557,034 | 9,531,599 | 8,627,857 | 903,742 |
| Police | | | | |
| Operations | | | | |
| Employee salaries and benefits | 5,669,739 | 5,669,739 | 5,232,341 | 437,398 |
| Outside services | 490,368 | 675,499 | 517,573 | 157,926 |
| Materials and supplies | 157,900 | 188,741 | 296,307 | (107,566) |
| Intrafund/interfund services | 354,479 | 354,479 | 354,479 | 0 |
| Capital outlay | 120,500 | 127,559 | 24,537 | 103,022 |
| | <u>6,792,986</u> | <u>7,016,017</u> | <u>6,425,237</u> | <u>590,780</u> |
| Emergency Management | | | | |
| Employee salaries and benefits | 89,752 | 89,752 | 76,744 | 13,008 |
| Outside services | 42,080 | 43,855 | 43,732 | 123 |
| Materials and supplies | 2,000 | 48,338 | 44,590 | 3,748 |
| Intrafund/interfund services | 7,544 | 7,544 | 7,544 | 0 |
| | <u>141,376</u> | <u>189,489</u> | <u>172,610</u> | <u>16,879</u> |
| Grants | | | | |
| Community DWI Program | 3,690 | 3,643 | 2,510 | 1,133 |
| DWI/Buckledown/Child Restraint (FY2008) | 19,000 | 11,023 | 10,658 | 365 |
| DWI/Buckledown/Child Restraint (FY2008 9) | 0 | 21,615 | 6,841 | 14,774 |
| FEMA - State & Local Assistance | 77,794 | 77,794 | 77,794 | 0 |
| Office Domestic Preparedness -Equip Program | 0 | 541,289 | 415,517 | 125,772 |
| Enhanced 911 | 0 | 363,399 | 91,229 | 272,170 |
| Bullet Proof Vest | 5,000 | 8,970 | 7,533 | 1,437 |
| Bomb Squad Training Grant | 0 | 16,713 | 16,696 | 17 |
| CYFD-Enforce Underage Drinking Laws | 23,000 | 20,000 | 13,995 | 6,005 |
| | <u>128,484</u> | <u>1,064,446</u> | <u>642,773</u> | <u>421,673</u> |
| Total Police | 7,062,846 | 8,269,952 | 7,240,620 | 1,029,332 |

**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, 2009

| | <u>ANNUAL BUDGET</u> | <u>REVISED BUDGET</u> | <u>ACTUALS</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
|--------------------------------|----------------------|-----------------------|------------------|---|
| Public Works | | | | |
| Administration | | | | |
| Employee salaries and benefits | 295,069 | 295,069 | 293,359 | 1,710 |
| Outside services | 24,765 | 24,765 | 21,932 | 2,833 |
| Materials and supplies | 8,480 | 9,954 | 9,341 | 613 |
| Intrafund/interfund services | 11,993 | 11,993 | 11,993 | 0 |
| Capital outlay | 38,500 | 38,500 | 25,190 | 13,310 |
| | <u>378,807</u> | <u>380,281</u> | <u>361,815</u> | <u>18,466</u> |
| Engineering services | | | | |
| Employee salaries and benefits | 512,957 | 512,957 | 532,086 | (19,129) |
| Outside services | 37,101 | 37,101 | 32,717 | 4,384 |
| Materials and supplies | 19,820 | 22,483 | 18,099 | 4,384 |
| Intrafund/interfund services | 30,648 | 30,648 | 30,648 | 0 |
| Capital outlay | 3,250 | 3,250 | 1,501 | 1,749 |
| | <u>603,776</u> | <u>606,439</u> | <u>615,051</u> | <u>(8,612)</u> |
| Traffic management | | | | |
| Employee salaries and benefits | 847,928 | 847,928 | 801,496 | 46,432 |
| Outside services | 136,115 | 187,260 | 117,191 | 70,069 |
| Materials and supplies | 385,492 | 470,878 | 411,649 | 59,229 |
| Intrafund/interfund services | 193,456 | 193,456 | 196,365 | (2,909) |
| Capital outlay | 56,600 | 184,413 | 260,346 | (75,933) |
| | <u>1,619,591</u> | <u>1,883,935</u> | <u>1,787,047</u> | <u>96,888</u> |
| Pavement management | | | | |
| Employee salaries and benefits | 1,048,341 | 1,048,341 | 1,147,578 | (99,237) |
| Outside services | 1,052,661 | 1,300,962 | 1,162,284 | 138,678 |
| Materials and supplies | 247,293 | 271,280 | 336,529 | (65,249) |
| Intrafund/interfund services | 641,820 | 641,820 | 357,537 | 284,283 |
| Capital outlay | 14,000 | 14,000 | 17,587 | (3,587) |
| | <u>3,004,115</u> | <u>3,276,403</u> | <u>3,021,515</u> | <u>254,888</u> |
| Total Public Works | 5,606,289 | 6,147,058 | 5,785,428 | 361,630 |

| Capital Projects & Facilities (CPFD) | | | | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| CPFD - Administration | | | | |
| Employee salaries and benefits | 283,529 | 283,529 | 242,144 | 41,385 |
| Outside services | 0 | 0 | 25,608 | (25,608) |
| Materials and supplies | 0 | 0 | 15,202 | (15,202) |
| Intrafund/interfund services | 0 | 0 | 0 | 0 |
| | <u>283,529</u> | <u>283,529</u> | <u>282,954</u> | <u>575</u> |
| CPFD - Facilities maintenance projects | | | | |
| Employee salaries and benefits | 0 | 0 | 10,748 | (10,748) |
| Outside services | 700,000 | 2,852,527 | 1,084,214 | 1,768,313 |
| Materials and supplies | 0 | 62 | 75,171 | (75,109) |
| Intrafund/interfund services | 0 | 0 | 108 | (108) |
| Debt and fiscal charges | 0 | 7,587 | 27,550 | (19,963) |
| | <u>700,000</u> | <u>2,860,176</u> | <u>1,197,791</u> | <u>1,662,385</u> |
| CPFD - Facilities maintenance | | | | |
| Employee salaries and benefits | 1,012,681 | 1,012,681 | 952,350 | 60,331 |
| Outside services | 370,268 | 382,703 | 307,975 | 74,728 |
| Materials and supplies | 162,885 | 165,775 | 230,707 | (64,932) |
| Intrafund/interfund services | 558,250 | 558,250 | 598,791 | (40,541) |
| Capital outlay | 9,500 | 9,500 | 0 | 9,500 |
| Debt and fiscal charges | 0 | 0 | 199 | (199) |
| | <u>2,113,584</u> | <u>2,128,909</u> | <u>2,090,022</u> | <u>38,887</u> |
| CPFD - Project Management | | | | |
| Employee salaries and benefits | 213,016 | 213,016 | 159,516 | 53,500 |
| Outside services | 0 | 0 | 3,016 | (3,016) |
| Materials and supplies | 20,000 | 20,000 | 9,667 | 10,333 |
| | <u>237,269</u> | <u>237,269</u> | <u>176,452</u> | <u>60,817</u> |
| CPFD - Custodial | | | | |
| Employee salaries and benefits | 718,410 | 718,410 | 691,389 | 27,021 |
| Outside services | 37,142 | 38,837 | 33,534 | 5,303 |
| Materials and supplies | 62,172 | 62,172 | 71,493 | (9,321) |
| Intrafund/interfund services | 35,810 | 35,810 | 35,810 | 0 |
| Capital outlay | 4,500 | 4,500 | 0 | 4,500 |
| | <u>858,034</u> | <u>859,729</u> | <u>832,226</u> | <u>27,503</u> |
| Total Capital Projects and Facilities | <u>4,192,416</u> | <u>6,369,612</u> | <u>4,579,445</u> | <u>1,790,167</u> |
| TOTAL EXPENDITURES AND ENCUMBRANCES | 43,280,061 | 49,024,757 | 42,727,499 | 6,297,258 |
| EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES | 11,065,372 | 11,736,180 | 23,818,968 | 12,082,788 |

**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, 2009

| | <u>ANNUAL BUDGET</u> | <u>REVISED BUDGET</u> | <u>ACTUALS</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
|---|------------------------------|----------------------------|-----------------------------|---|
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in from: | | | | |
| Capital Improvement Project Fund | 0 | 2,110,354 | 2,110,354 | 0 |
| Joint Utility System Fund-Electric | 415,000 | 415,000 | 442,643 | 27,643 |
| Joint Utility System Fund-Gas | 400,000 | 400,000 | 402,342 | 2,342 |
| Cerro Grande Fire Fund | 0 | 1,100,000 | 1,042,500 | (57,500) |
| Fire Fund | 1,324,375 | 1,324,375 | 993,281 | (331,094) |
| | <u>2,139,375</u> | <u>5,349,729</u> | <u>4,991,120</u> | <u>(358,609)</u> |
| Transfers out to: | | | | |
| Other Special Revenues Fund | (25,000) | (25,000) | (2,363) | 22,637 |
| Gross Receipts Tax Revenue Bonds Fund | (814,409) | (11,225,546) | (11,225,546) | 0 |
| State Loans Fund | (670,000) | (1,120,000) | (1,075,744) | 44,256 |
| Capital Improvement Projects Fund | (12,486,617) | (12,848,987) | (5,074,378) | 7,774,609 |
| Capital Projects Permanent Fund | 0 | (4,000,000) | (4,000,000) | 0 |
| Joint Utility System Fund-Electric | (150,000) | (213,292) | (213,292) | 0 |
| Joint Utility System Fund-Water | (385,000) | (385,000) | (385,000) | 0 |
| Golf Course Fund | (460,000) | (460,000) | (460,000) | 0 |
| Transit Fund | (1,349,433) | (1,415,969) | (1,415,969) | 0 |
| Airport Fund | (488,375) | (488,375) | (228,375) | 260,000 |
| | <u>(16,828,834)</u> | <u>(32,182,169)</u> | <u>(24,080,667)</u> | <u>8,101,502</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(14,689,459)</u> | <u>(26,832,440)</u> | <u>(19,089,547)</u> | <u>7,742,893</u> |
| EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | \$ <u>(3,624,087)</u> | <u>(15,096,260)</u> | <u>4,729,421</u> | <u>19,825,681</u> |
| ADJUSTMENTS TO GAAP | | | | |
| Encumbrances | | | 2,137,862 | |
| Adjustments to inventory | | | (5,377) | |
| | | | <u>2,132,485</u> | |
| GAAP BASIS | | | 6,861,906 | |
| FUND BALANCE | | | | |
| Beginning of fiscal year | | | 34,834,644 | |
| FUND BALANCE - END OF FISCAL YEAR | | | \$ <u>41,696,550</u> | |

**INCORPORATED COUNTY OF LOS ALAMOS
SELF-SUFFICIENCY FUND**

STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)

Year ended June 30, 2009

| | <u>ANNUAL BUDGET</u> | <u>REVISED BUDGET</u> | <u>ACTUALS</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
|---|-----------------------|-----------------------|----------------------|---|
| REVENUES | | | | |
| Interfund/interdepartmental charges | | | | |
| Interfund loan principal | \$ 516,812 | 437,787 | 437,787 | 0 |
| Interfund loan interest | 0 | 116,213 | 116,213 | 0 |
| | <u>516,812</u> | <u>554,000</u> | <u>554,000</u> | <u>0</u> |
| Miscellaneous revenues | | | | |
| Investment income | 195,000 | 195,000 | 75,949 | (119,051) |
| Buildings rental | 0 | 0 | 109,496 | 109,496 |
| Economic development loan repayment (principal) | 0 | 0 | 82,670 | 82,670 |
| Economic development loan repayment (interest) | 0 | 0 | 31,851 | 31,851 |
| | <u>195,000</u> | <u>195,000</u> | <u>299,966</u> | <u>104,966</u> |
| TOTAL REVENUES | 711,812 | 749,000 | 853,966 | 104,966 |
| EXPENDITURES AND ENCUMBRANCES | | | | |
| Administrative Services - O.M.B. | | | | |
| Employee salaries and benefits | 0 | 0 | 10,608 | (10,608) |
| Outside services | 890,000 | 1,615,594 | 267,900 | 1,347,694 |
| Capital outlay | 0 | 1,200,000 | 1,799,675 | (599,675) |
| Economic development loans | 1,500,000 | 5,747,992 | 4,297,992 | 1,450,000 |
| | <u>2,390,000</u> | <u>8,563,586</u> | <u>6,422,461</u> | <u>2,141,125</u> |
| TOTAL EXPENDITURES AND ENCUMBRANCES | 2,390,000 | 8,563,586 | 6,422,461 | 2,141,125 |
| EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | \$ (1,678,188) | (7,814,586) | (5,568,495) | 2,246,091 |
| ADJUSTMENTS TO GAAP | | | | |
| Encumbrances | | | 2,618,251 | |
| Economic development loan distributions | | | 1,693,168 | |
| Economic development loan discount activity | | | 49,770 | |
| Principal on interfund loan repayments | | | (437,787) | |
| Principal on economic development loan repayments | | | (82,670) | |
| Interest added to principal of loans receivable | | | 83,984 | |
| Bad debt expense (reserve for loan losses) | | | (380,000) | |
| Asset held for resale (added as financial asset to balance sheet) | | | 1,194,804 | |
| | | | <u>4,739,520</u> | |
| | | | (828,975) | |
| GAAP BASIS | | | | |
| FUND BALANCE | | | | |
| Beginning of fiscal year | | | 14,155,787 | |
| FUND BALANCE - END OF FISCAL YEAR | | | \$ 13,326,812 | |

See accompanying notes to financial statements



RED CROSS BUILDING
J. TAYLOR '06

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.

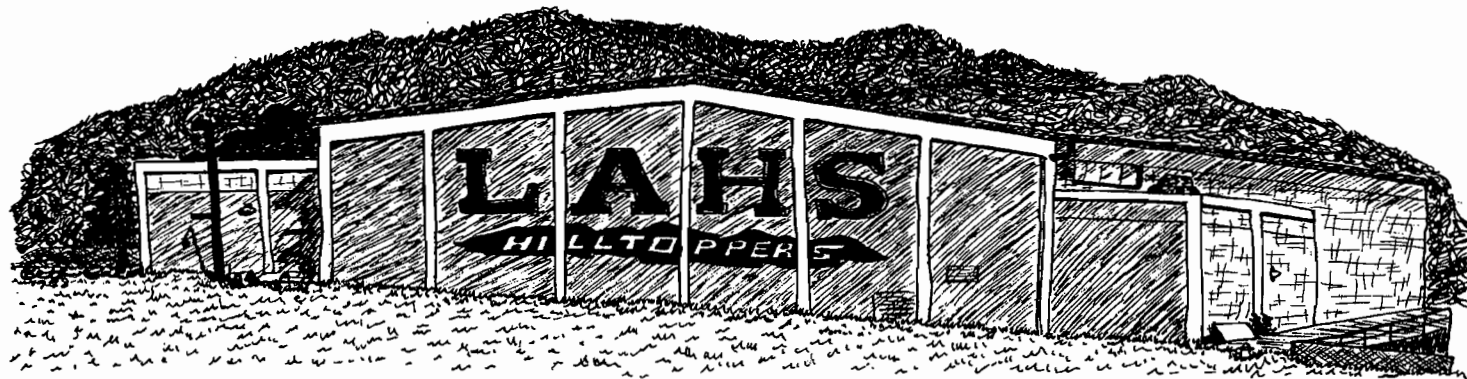
Environmental Services Fund 611 - accounts for the provision of refuse collection and landfill services to the county.

Golf Course Fund 623 - accounts for the operation and maintenance of the County-owned golf course.

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 under contract with Los Alamos National Laboratory and through a cooperative agreement with the National Nuclear Security Administration.

Airport Fund 681 - accounts for the operation and maintenance of the Los Alamos Airport which is leased from the U.S. Department of Energy.



Los Alamos High School

INCORPORATED COUNTY OF LOS ALAMOS

Proprietary Funds

Statement of Net Assets

June 30, 2009

| | ENTERPRISE FUNDS | | | | | | | BUSINESS- TYPE ACTIVITIES - INTERNAL SERVICE FUNDS |
|--|-------------------------|---------------------------|------------------|----------------|-------------------|-------------------|--------------------|--|
| | JOINT UTILITY SYSTEM | ENVIRONMENTAL SERVICES | GOLF COURSE | TRANSIT | FIRE | AIRPORT | TOTAL | |
| ASSETS | | | | | | | | |
| Current Assets: | | | | | | | | |
| Equity in pooled cash and investments | \$ 15,402,747 | 3,479,595 | 216,418 | 72,472 | 0 | 211,324 | 19,382,556 | 14,572,780 |
| Investments | 6,091,365 | 0 | 0 | 0 | 0 | 0 | 6,091,365 | 0 |
| Receivables, net of allowance for uncollectibles | | | | | | | | |
| Accounts | 4,982,338 | 227,768 | 0 | 0 | 76,966 | 36,790 | 5,323,862 | 1,589 |
| Interest | 25,930 | 0 | 0 | 0 | 0 | 0 | 25,930 | 0 |
| Unbilled | 876,718 | 87,043 | 0 | 0 | 0 | 0 | 963,761 | 0 |
| Due from other governments | 48,987 | 176,120 | 0 | 182,613 | 5,591,968 | 0 | 5,999,688 | 0 |
| Inventories and prepayments | | | | | | | | |
| Inventories | 413,802 | 0 | 63,043 | 0 | 0 | 0 | 476,845 | 0 |
| Power plant inventories | 685,077 | 0 | 0 | 0 | 0 | 0 | 685,077 | 0 |
| Prepayments | 116,542 | 0 | 0 | 0 | 0 | 0 | 116,542 | 79,545 |
| Total Current Assets | 28,643,506 | 3,970,526 | 279,461 | 255,085 | 5,668,934 | 248,114 | 39,065,626 | 14,653,914 |
| Non-current assets: | | | | | | | | |
| Restricted assets | | | | | | | | |
| Temporarily Restricted | | | | | | | | |
| Cash and cash equivalents | | | | | | | | |
| Debt reserves and debt service | 1,290,493 | 430,328 | 0 | 0 | 0 | 0 | 1,720,821 | 0 |
| Operations and maintenance | 2,549,101 | 2,302,860 | 0 | 0 | 0 | 0 | 4,851,961 | 0 |
| Capital Projects | 0 | 69,471 | 0 | 0 | 0 | 0 | 69,471 | 0 |
| Investments | | | | | | | | |
| Debt reserves and debt service | 14,766,658 | 0 | 0 | 0 | 0 | 0 | 14,766,658 | 0 |
| Operations and maintenance | 3,420,621 | 0 | 0 | 0 | 0 | 0 | 3,420,621 | 0 |
| Accrued interest | 27,808 | 93 | 0 | 0 | 0 | 0 | 27,901 | 0 |
| Capital assets | | | | | | | | |
| Land | 2,959,328 | 0 | 4,711,478 | 0 | 1,263,289 | 4,387,040 | 13,321,135 | 0 |
| Utility plant in service | 239,450,451 | 0 | 0 | 0 | 0 | 0 | 239,450,451 | 0 |
| Buildings | 0 | 6,076,235 | 616,884 | 0 | 15,338,019 | 1,100,000 | 23,131,138 | 0 |
| Improvements other than buildings | 0 | 2,162,706 | 1,013,911 | 191,780 | 143,285 | 9,458,970 | 12,970,652 | 0 |
| Machinery and equipment | 4,674,669 | 366,339 | 73,213 | 0 | 662,649 | 65,386 | 5,842,256 | 13,808,116 |
| Less accumulated depreciation | (87,849,810) | (899,138) | (1,263,252) | (6,516) | (1,439,025) | (640,775) | (92,088,516) | (8,682,768) |
| Construction in progress | 6,861,488 | 0 | 0 | 0 | 0 | 60,823 | 6,922,311 | 0 |
| Bond issuance costs, net of amortization | 871,020 | 0 | 0 | 0 | 0 | 0 | 871,020 | 0 |
| Total Non-current Assets | 189,021,827 | 10,508,894 | 5,152,234 | 185,264 | 15,968,217 | 14,431,444 | 235,267,880 | 5,125,348 |
| TOTAL ASSETS | 217,665,333 | 14,479,420 | 5,431,695 | 440,349 | 21,637,151 | 14,679,558 | 274,333,506 | 19,779,262 |
| LIABILITIES | | | | | | | | |
| Current Liabilities: | | | | | | | | |
| Accounts payable | 2,443,879 | 70,230 | 21,069 | 18,034 | 65,907 | 845 | 2,619,964 | 325,181 |
| Accrued salaries and benefits payable | 175,470 | 20,756 | 29,182 | 27,083 | 320,238 | 2,122 | 574,851 | 272,079 |
| Customer deposits payable | 149,063 | 6,000 | 0 | 0 | 0 | 0 | 155,063 | 0 |
| Due to other governments | 98,247 | 9,285 | 0 | 0 | 0 | 0 | 107,532 | 0 |
| Due to other funds | 0 | 0 | 0 | 0 | 2,931,364 | 0 | 2,931,364 | 0 |
| Deferred revenues | 0 | 0 | 47,990 | 0 | 0 | 0 | 47,990 | 0 |
| Contractors retentions payable | 8,027 | 0 | 0 | 0 | 0 | 0 | 8,027 | 0 |

| | | | | | | | | |
|---|-----------------------|------------------|------------------|----------------|-------------------|-------------------|-----------------------|-------------------|
| Current portion of long-term liabilities | | | | | | | | |
| Accrued compensated absences | 392,235 | 89,994 | 38,408 | 47,392 | 918,306 | 9,372 | 1,495,707 | 29,826 |
| Claims and judgments payable | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 490,275 |
| Revenue bonds payable | 6,560,000 | 0 | 0 | 0 | 0 | 0 | 6,560,000 | 0 |
| Contracts and intergovernmental debt payable | 7,191 | 136,699 | 0 | 0 | 0 | 0 | 143,890 | 0 |
| Due to other funds (current portion of advances) | 0 | 0 | 0 | 0 | 637,677 | 0 | 637,677 | 0 |
| Interest payable on revenue bonds and other debt | 2,274,757 | 37,472 | 0 | 0 | 0 | 0 | 2,312,229 | 0 |
| Total Current Liabilities | 12,108,869 | 370,436 | 136,649 | 92,509 | 4,873,492 | 12,339 | 17,594,294 | 1,117,361 |
| Noncurrent Liabilities: | | | | | | | | |
| Due in more than one year | | | | | | | | |
| Accrued compensated absences | 191,245 | 51,095 | 10,826 | 10,731 | 455,394 | 1,959 | 721,250 | 19,322 |
| Claims and judgments payable | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 697,665 |
| Revenue bonds payable | 47,045,077 | 0 | 0 | 0 | 0 | 0 | 47,045,077 | 0 |
| Contracts and intergovernmental debt payable | 12,870,994 | 5,471,628 | 0 | 0 | 0 | 0 | 18,342,622 | 0 |
| Advances from other funds | 0 | 0 | 0 | 0 | 1,248,787 | 0 | 1,248,787 | 0 |
| Special closure costs | 2,892,122 | 2,302,860 | 0 | 0 | 0 | 0 | 5,194,982 | 0 |
| Total Noncurrent Liabilities | 62,999,438 | 7,825,583 | 10,826 | 10,731 | 1,704,181 | 1,959 | 72,552,718 | 716,987 |
| TOTAL LIABILITIES | 75,108,307 | 8,196,019 | 147,475 | 103,240 | 6,577,673 | 14,298 | 90,147,012 | 1,834,348 |
| NET ASSETS | | | | | | | | |
| Invested in capital assets, net of related debt | 99,588,771 | 2,167,286 | 5,152,234 | 185,264 | 15,968,217 | 14,431,444 | 137,493,216 | 5,125,348 |
| Restricted, net of related liabilities, for: | | | | | | | | |
| Debt service | 17,782,915 | 430,328 | 0 | 0 | 0 | 0 | 18,213,243 | 0 |
| Unrestricted | 25,185,340 | 3,685,787 | 131,986 | 151,845 | (908,739) | 233,816 | 28,480,035 | 12,819,566 |
| TOTAL NET ASSETS | \$ 142,557,026 | 6,283,401 | 5,284,220 | 337,109 | 15,059,478 | 14,665,260 | 184,186,494 | 17,944,914 |
| Net assets of business-type internal service funds | | | | | | | 17,944,914 | |
| Net activity of internal service funds | | | | | | | (532,094) | |
| TOTAL NET ASSETS AS SHOWN ON GOVERNMENT WIDE STATEMENT OF NET ASSETS | | | | | | | \$ 201,599,314 | |

INCORPORATED COUNTY OF LOS ALAMOS

Proprietary Funds

Statement of Revenues, Expenses, and Changes in Net Assets

Year ended June 30, 2009

| | ENTERPRISE FUNDS | | | | | | TOTAL | BUSINESS- TYPE ACTIVITIES - INTERNAL SERVICE FUNDS |
|---|-------------------------|---------------------------|------------------|--------------------|-------------------|-------------------|--------------------|--|
| | JOINT UTILITY SYSTEM | ENVIRONMENTAL SERVICES | GOLF COURSE | TRANSIT | FIRE | AIRPORT | | |
| OPERATING REVENUES | | | | | | | | |
| Utility sales and other services | \$ 56,914,001 | 2,959,948 | 0 | 2,583 | 442,522 | 43,804 | 60,362,658 | 0 |
| Recreation fees | 0 | 0 | 387,070 | 0 | 0 | 0 | 387,070 | 0 |
| Sales of food or merchandise | 0 | 11,685 | 132,708 | 0 | 0 | 0 | 144,393 | 0 |
| Interfund charges for services | 0 | 103,973 | 0 | 11,597 | 2,398,485 | 0 | 2,514,055 | 3,147,542 |
| Insurance and pension contributions | | | | | | | | |
| County | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,901,771 |
| Employees and retirees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 81,483 |
| Rentals | 22,262 | 0 | 116,580 | 0 | 0 | 40,825 | 179,667 | 0 |
| Intergovernmental | 0 | 0 | 0 | 919,561 | 14,640,665 | 0 | 15,560,226 | 0 |
| Miscellaneous operating revenue | 54,636 | 46,102 | 0 | 0 | 3,357 | 0 | 104,095 | 161,271 |
| | <u>56,990,899</u> | <u>3,121,708</u> | <u>636,358</u> | <u>933,741</u> | <u>17,485,029</u> | <u>84,429</u> | <u>79,262,164</u> | <u>5,292,067</u> |
| OPERATING EXPENSES | | | | | | | | |
| Employee salaries and benefits | 6,957,945 | 1,118,652 | 606,198 | 1,329,414 | 12,878,643 | 120,257 | 23,011,109 | 864,584 |
| Contractual services | 35,948,613 | 1,655,322 | 269,500 | 704,925 | 3,553,677 | 84,869 | 42,216,906 | 2,516,866 |
| Materials and supplies | 844,058 | 199,621 | 216,084 | 58,938 | 892,596 | 5,692 | 2,216,989 | 1,230,129 |
| Depreciation and amortization | 8,206,077 | 116,013 | 47,790 | 6,516 | 450,278 | 554,667 | 9,381,341 | 1,233,029 |
| Special closure costs | 210,947 | 50,494 | 0 | 0 | 0 | 0 | 261,441 | 0 |
| Other | 25,510 | 0 | 6,250 | 0 | 87,927 | 0 | 119,687 | 0 |
| | <u>62,193,160</u> | <u>3,140,102</u> | <u>1,146,822</u> | <u>2,089,793</u> | <u>17,863,121</u> | <u>766,485</u> | <u>77,207,473</u> | <u>5,844,608</u> |
| OPERATING INCOME (LOSS) | 4,797,749 | (18,394) | (509,464) | (1,166,052) | (378,092) | (681,066) | 2,044,691 | (562,541) |
| NONOPERATING REVENUES (EXPENSES) | | | | | | | | |
| Gross receipts taxes for solid waste recycling | 0 | 1,084,563 | 0 | 0 | 0 | 0 | 1,084,563 | 0 |
| Fire excise tax | 0 | 0 | 0 | 0 | 2,157,587 | 0 | 2,157,587 | 0 |
| Intergovernmental - grants | 688,232 | 97,790 | 0 | 246,344 | 9,900 | 60,749 | 1,103,015 | 0 |
| Gain (loss) on disposition of capital assets | 5,615,420 | 5,723 | 0 | 0 | (399,277) | 0 | 5,221,866 | 113,850 |
| Investment income | 1,395,053 | 56,721 | 759 | 958 | 0 | 524 | 1,454,015 | 27,095 |
| Interest on long-term debt | (3,119,724) | (11,458) | 0 | 0 | (116,213) | 0 | (3,247,395) | 0 |
| Inventory adjustment | 1,958 | 0 | 0 | 0 | 0 | 0 | 1,958 | 0 |
| | <u>4,580,939</u> | <u>1,233,339</u> | <u>769</u> | <u>247,302</u> | <u>1,851,997</u> | <u>61,273</u> | <u>7,776,609</u> | <u>140,945</u> |
| INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS | 9,378,688 | 1,214,945 | (508,705) | (918,750) | 1,273,905 | (619,783) | 9,820,300 | (411,596) |
| TRANSFERS AND CONTRIBUTIONS | | | | | | | | |
| Transfers in | 598,292 | 0 | 460,000 | 1,415,969 | 0 | 228,375 | 2,702,636 | 456,488 |
| Transfers out | (944,818) | 0 | 0 | (358,655) | (993,281) | 0 | (2,294,754) | 0 |
| Contributed capital assets - Department of Energy | 0 | 0 | 0 | 0 | 0 | 14,365,536 | 14,365,536 | 0 |
| Contributed capital assets - governmental activities | 649,349 | 0 | 229,523 | 165,375 | 54,689 | 0 | 1,098,936 | 322,019 |
| | <u>302,823</u> | <u>0</u> | <u>689,523</u> | <u>1,224,689</u> | <u>(938,592)</u> | <u>14,593,911</u> | <u>16,872,364</u> | <u>778,507</u> |
| CHANGE IN NET ASSETS | 9,681,511 | 1,214,945 | 180,818 | 305,939 | 335,313 | 13,974,128 | 26,692,664 | 366,911 |
| NET ASSETS | | | | | | | | |
| Beginning of fiscal year | 132,875,515 | 5,068,456 | 5,103,402 | 31,170 | 14,724,165 | 691,132 | 158,493,840 | 17,578,003 |
| NET ASSETS - END OF FISCAL YEAR | \$ 142,557,026 | 6,283,401 | 5,284,220 | 337,109 | 15,059,478 | 14,665,260 | 184,186,494 | 17,944,914 |

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS

Proprietary Funds

Reconciliation of Statement of Revenues, Expenses and Changes in Net Assets to the Statement of Activities Year ended June 30, 2009

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 assets because:

| | | |
|--|----|-------------------|
| Total change in net assets for enterprise funds as reported in the proprietary funds statement of revenues, expenses, and changes in net assets: | \$ | 25,692,654 |
| Total change in net assets for business-type internal service funds as reported in the proprietary funds statement of revenues, expenses, and changes in net assets. | | 366,911 |
| 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. | | 163,347 |
| Change in net assets of business-type activities | \$ | <u>26,222,912</u> |

**INCORPORATED COUNTY OF LOS ALAMOS
PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year ended June 30, 2009**

| | <u>JOINT UTILITY SYSTEM</u> | <u>ENVIRONMENTAL SERVICES</u> | <u>GOLF COURSE</u> | <u>TRANSIT</u> | <u>FIRE</u> | <u>AIRPORT</u> | <u>TOTAL</u> | <u>BUSINESS-TYPE ACTIVITIES INTERNAL SERVICE FUNDS</u> |
|---|---------------------------------|-----------------------------------|--------------------|--------------------|--------------------|------------------|---------------------|--|
| CASH FLOWS - OPERATING ACTIVITIES | | | | | | | | |
| Cash received from customers and users | \$ 58,796,656 | 3,143,699 | 633,912 | 14,180 | 7,995,847 | 47,639 | 70,631,933 | 3,320,069 |
| Cash received from contributions-employer and employees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,994,014 |
| Cash paid to suppliers for goods and services | (36,391,424) | (2,499,156) | (493,269) | (768,631) | (4,450,046) | (90,469) | (44,692,995) | (3,217,457) |
| Cash paid to employees | (6,866,845) | (1,114,229) | (609,992) | (1,309,982) | (12,756,723) | (121,180) | (22,778,951) | (874,231) |
| Taxes received from customers and users | 1,840,059 | 108,164 | 0 | 0 | 0 | 0 | 1,948,223 | 0 |
| Taxes remitted to State (from customers and users) | (1,837,739) | (107,918) | 0 | 0 | 0 | 0 | (1,945,657) | 0 |
| NET CASH FLOWS - OPERATING ACTIVITIES | 15,540,707 | (469,440) | (469,349) | (2,064,433) | (9,210,922) | (164,010) | 3,162,663 | 1,222,396 |
| CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES | | | | | | | | |
| Cash received from grants | 0 | 0 | 0 | 1,232,532 | 6,677,483 | 60,749 | 7,970,764 | 0 |
| Transfers to other funds | (849,985) | 0 | 0 | 0 | (993,280) | 0 | (1,843,265) | 0 |
| Transfers from other funds | 598,292 | 0 | 460,000 | 1,415,969 | 0 | 228,375 | 2,702,636 | 5,000 |
| Gross receipts taxes received | 0 | 1,056,849 | 0 | 0 | 2,119,463 | 0 | 3,176,312 | 0 |
| Cash received from short-term interfund loans | 25,366 | 0 | 0 | 0 | 1,960,406 | 0 | 1,985,772 | 0 |
| Cash paid on short-term interfund loans | 0 | 0 | 0 | (391,830) | 0 | 0 | (391,830) | 0 |
| NET CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES | (226,327) | 1,056,849 | 460,000 | 2,256,671 | 9,764,072 | 289,124 | 13,600,389 | 5,000 |
| CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | | | |
| Cash received from capital grants | 688,232 | 97,790 | 0 | 262,336 | 9,900 | 0 | 1,058,258 | 0 |
| Proceeds received from loans | 540,202 | 0 | 0 | 0 | 0 | 0 | 540,202 | 0 |
| Principal repaid | (6,278,592) | (131,899) | 0 | 0 | (437,787) | 0 | (6,848,278) | 0 |
| Interest and other debt service paid | (3,275,394) | (229,619) | 0 | 0 | (116,213) | 0 | (3,621,226) | 0 |
| Cash paid for acquisition of capital assets | (6,674,763) | (2,006,573) | 0 | (383,060) | (9,900) | (60,823) | (9,135,119) | (770,899) |
| Proceeds from sale of capital assets | 0 | 6,501 | 0 | 0 | 0 | 0 | 6,501 | 116,735 |
| NET CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES | (15,000,315) | (2,263,800) | 0 | (120,724) | (554,000) | (60,823) | (17,999,662) | (654,164) |
| CASH FLOWS - INVESTING ACTIVITIES | | | | | | | | |
| Proceeds from sale of investment securities | 14,457,893 | 0 | 0 | 0 | 0 | 0 | 14,457,893 | 0 |
| Interest received on investments | 1,609,893 | 61,174 | 759 | 958 | 0 | 524 | 1,673,308 | 27,095 |
| Purchase of investment securities | (15,121,578) | 0 | 0 | 0 | 0 | 0 | (15,121,578) | 0 |
| NET CASH FLOWS - INVESTING ACTIVITIES | 946,208 | 61,174 | 759 | 958 | 0 | 524 | 1,009,623 | 27,095 |
| NET INCREASE (DECREASE) IN CASH | 1,260,273 | (1,615,217) | (8,590) | 72,472 | (850) | 64,815 | (227,097) | 600,326 |
| EQUITY IN POOLED CASH AND INVESTMENTS - BEGINNING OF FISCAL YEAR | 17,982,068 | 7,897,471 | 225,008 | 0 | 850 | 146,509 | 26,251,906 | 13,972,454 |
| EQUITY IN POOLED CASH AND INVESTMENTS - END OF FISCAL YEAR | \$ 19,242,341 | 6,282,254 | 216,418 | 72,472 | 0 | 211,324 | 26,024,809 | 14,572,780 |

(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 Assets)

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

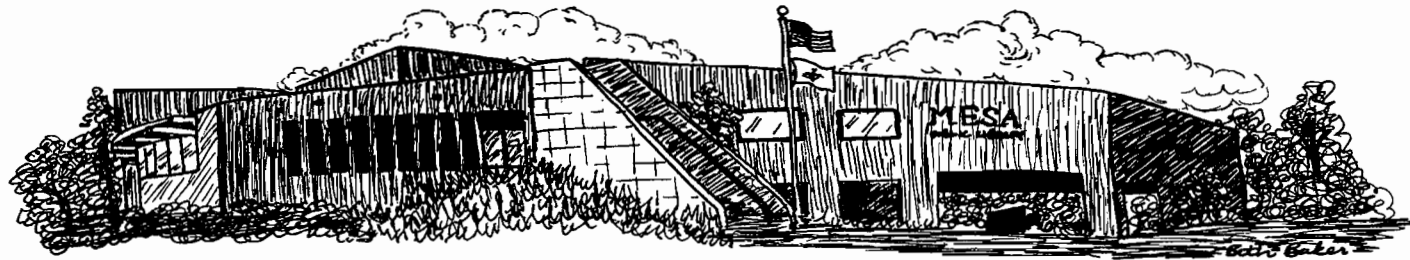
| | | | | | | | | |
|---|--------------|-----------|-----------|-------------|--------------|-----------|--------------|-----------|
| OPERATING INCOME (LOSS) | \$ 4,797,749 | (18,394) | (509,464) | (1,166,052) | (378,092) | (681,056) | 2,044,691 | (552,541) |
| ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FLOWS - OPERATING ACTIVITIES | | | | | | | | |
| Depreciation and amortization expense | 8,206,077 | 116,013 | 47,790 | 6,516 | 450,278 | 554,667 | 9,381,341 | 1,233,029 |
| Operating grants included in operating revenues | 0 | 0 | 0 | (919,561) | (10,252,516) | 0 | (11,172,077) | 0 |
| Amortization of special closure costs | 210,947 | 50,494 | 0 | 0 | 0 | 0 | 261,441 | 0 |
| Provision for uncollectible accounts receivable | 13,730 | (6,124) | 0 | 0 | 45,550 | 0 | 53,156 | 0 |
| Bad debt expense | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1,256) |
| Change in assets and liabilities: | | | | | | | | |
| Accounts and other receivables | 1,807,438 | 28,115 | 0 | 0 | 763,332 | (36,790) | 2,562,095 | 23,272 |
| Inventories | (98,725) | 0 | (8,747) | 0 | 0 | 0 | (107,472) | 0 |
| Prepayments and other | 81,018 | 0 | 0 | 0 | 0 | 0 | 81,018 | 32,134 |
| Accounts and retentions payable | 428,998 | (644,213) | 7,312 | (4,769) | 38,606 | 92 | (173,973) | 191,516 |
| Salaries and benefits payable | 91,100 | 4,423 | (3,794) | 19,432 | 121,920 | (923) | 232,158 | (9,647) |
| Taxes payable | 2,320 | 246 | 0 | 0 | 0 | 0 | 2,566 | 0 |

| | | | | | | | | |
|--|----------------------|------------------|------------------|--------------------|--------------------|------------------|------------------|------------------|
| Other current liabilities | 55 | 0 | 0 | 0 | 0 | 0 | 55 | 0 |
| Deferred revenues and credits | 0 | 0 | (2,446) | 0 | 0 | 0 | (2,446) | 0 |
| Claims and judgements payable | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 218,234 |
| Group insurance payable | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 87,654 |
| Total adjustments | 10,742,958 | (451,046) | 40,115 | (898,381) | (8,832,830) | 517,046 | 1,117,862 | 1,774,936 |
| NET CASH FLOWS - OPERATING ACTIVITIES | \$ 15,540,707 | (469,440) | (469,349) | (2,064,433) | (9,210,922) | (164,010) | 3,162,553 | 1,222,395 |

SCHEDULE OF NON CASH CAPITAL AND RELATED FINANCING ACTIVITIES

NON CASH TRANSACTIONS:

| | | | | | | | | |
|--|---------------------|----------|----------------|------------------|---------------|-------------------|-------------------|----------------|
| Asset transfers - proprietary funds | \$ (94,833) | 0 | 0 | (356,655) | 0 | 0 | (451,488) | 451,488 |
| Contributed capital assets - governmental activities | 649,349 | 0 | 229,523 | 165,375 | 54,689 | 0 | 1,098,936 | 322,019 |
| Contributed capital assets - Department of Energy | 0 | 0 | 0 | 0 | 0 | 14,365,536 | 14,365,536 | 0 |
| Fair value adjustment for investments | 545,047 | 0 | 0 | 0 | 0 | 0 | 545,047 | 0 |
| TOTAL NON CASH TRANSACTIONS | \$ 1,099,563 | 0 | 229,523 | (191,280) | 54,689 | 14,365,536 | 15,558,031 | 773,507 |



Mesa Public Library

Fiduciary Funds

Trust Funds are used to account for assets held by the government in a trustee capacity. Agency 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.

Agency 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 ASSETS
June 30, 2009

| | <u>PENSION TRUST</u> | <u>AGENCY</u> |
|--|-----------------------------|-----------------------|
| ASSETS | | |
| Equity in pooled cash and investments | \$ 4,639 | 80,666 |
| Investments (participant directed mutual funds), at fair value | 24,132,740 | 0 |
| Receivables, net of allowance for uncollectibles | | |
| Property taxes | 0 | 183,214 |
| Employee loans | 981,105 | 0 |
| Other | 0 | 1,634 |
| Due from other funds | 170,682 | 0 |
| TOTAL ASSETS | <u>25,289,166</u> | <u>265,514</u> |
| LIABILITIES | | |
| LIABILITIES | | |
| Accounts payable | 88,407 | 0 |
| Due to other governments | | |
| Taxes and fees payable to state | 0 | 10,435 |
| Property taxes payable | 0 | 242,518 |
| Due to other funds | 1,598 | 0 |
| Donations held for others | 0 | 12,561 |
| TOTAL LIABILITIES | <u>90,005</u> | <u>265,514</u> |
| NET ASSETS | | |
| Held in trust for pension benefits and other purposes | 25,199,161 | 0 |
| TOTAL NET ASSETS | <u>\$ 25,199,161</u> | <u>0</u> |

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS
PENSION TRUST FUND**

STATEMENT OF CHANGES IN NET ASSETS

Year ended June 30, 2009

ADDITIONS TO NET ASSETS

| | | |
|---|----|--------------------|
| Investment income (loss), net of investment expense | \$ | (5,386,023) |
| Contributions | | |
| Employer, net of forfeitures | | 2,732,980 |
| Employee (plan member) | | 323,279 |
| | | <u>(2,329,764)</u> |

DEDUCTIONS FROM NET ASSETS

| | | |
|---|--|------------------|
| Benefits and refunds paid to plan members and beneficiaries | | <u>2,144,412</u> |
|---|--|------------------|

NET INCREASE (DECREASE) IN NET ASSETS (4,474,176)

NET ASSETS

| | | |
|--------------------------|--|-------------------|
| Beginning of fiscal year | | <u>29,673,337</u> |
|--------------------------|--|-------------------|

NET ASSETS - END OF YEAR \$ 25,199,161

Index for Notes to Financial Statements

| | Page Number |
|--|------------------------|
| (1) Summary of Significant Accounting Policies | 63-73 |
| (2) Legal Compliance - Budgets | 73 |
| (3) Pooled Cash and Investments | 73-78 |
| (4) Accounts Receivable and Operating Leases | 78-79 |
| (5) Loans Receivable | 79-82 |
| (6) Interfund Transfers, Assets, and Liabilities | 83-84 |
| (7) Capital Assets | 84-86 |
| (8) Retirement and Deferred Compensation Plans | 87-89 |
| (9) Long-term Obligations | 90-94 |
| (10) Power Supply | 95 |
| (11) Resource Pool | 95-96 |
| (12) Special Closure Costs | 96-97 |
| (13) Risk Management | 97-99 |
| (14) Financial Assistance | 99 |
| (15) Conduit Debt Obligations | 100 |
| (16) Commitments and Contingencies | 100-101 |
| (17) Subsequent Event | 101-102 |
| (18) Economic Dependency | 102 |
| (19) Accounting Standard Pronouncements | 102 |

**INCORPORATED COUNTY OF LOS ALAMOS
NOTES TO FINANCIAL STATEMENTS**

June 30, 2009

(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 Administrator 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 American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units*, and by the Financial Accounting Standards Board (FASB), when applicable. The County has elected not to apply to its enterprise fund activities the FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989. This election is allowed in GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*.

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. 39, *The Financial Reporting Entity*, would need to meet all of the following criteria:

- 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

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

The GASB issued Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations," which became effective for the fiscal year ended June 30, 2009. The statement provides guidance on how to calculate and report the costs and obligations associated with pollution cleanup efforts. The County considered the requirements of this statement and did not find it applicable to current operations and conditions. The County will apply the requirements in the future should the County have obligations of this nature.

The GASB issued Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB)" which became effective for the fiscal year ended June 30, 2009. The statement provides guidance on all aspects of OPEB reporting by employers. The County participates in the State of New Mexico Retiree Health Care Plan which is a postemployment benefits plan. The County believe that its presentation of the benefits offered under this plan meet the requirements of this statement.

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 assets and the statement of activities and 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 assets 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 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 governmental-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 (60% of interfund revenues) enterprise funds. As such, the net assets of these funds are 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 (60 days at most) 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 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, b) total governmental fund liabilities, 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 and, Capital Improvements Project Funds 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.
- **Self-sufficiency Fund** – The Self-sufficiency 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.
- **GRT Revenue Bonds Debt Service Fund** – The GRT Revenue Bond 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.
- **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/Other Grant, Indigent Health Care, Other Special Revenues Fund, Cerro Grande Fire Fund, and the State Loans Debt Service 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 (formerly Refuse Fund) accounts for the operation of the County landfill, commercial and residential refuse collection, curbside and drop off recycling, and composting of yard waste.
- **Golf Course Fund** – The Golf Course Fund accounts for the operations and maintenance of the County-owned golf course.

- **Transit Fund** – The Transit Fund accounts for public transportation services provided to the community under the name Atomic City Transit (ACT). This fund was new in FY2008.
- **Fire Fund** – The Fire Fund accounts for fire protection services provided under a contract with Los Alamos National Laboratory (LANL) which concluded September 30, 2009. Beginning October 1, 2009 this fund accounts for fire protective services 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 operation, 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 an Agency Fund. The Pension Trust Fund is used to account for the Los Alamos County Employees Pension Plan, which is administered by the County. The Agency 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.

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 October when the Department Directors, the County Administrator, and the County Council hold meetings. Following these preliminary meetings, departments begin to prepare plans for maintaining, reducing, or deleting current services, and planning for new services. The Office of Management and Budget provides detailed budget guidelines to the departments in December and meets with departmental staff to discuss the guidelines and the County's goals for the upcoming year. From these guidelines, the departments develop their preliminary budgets. The County Council holds public hearings in April and adopts the annual operating budget and capital improvement program in May. 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 Assets) - 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. In Governmental Fund Types, encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. 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. 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*. There were investments in the Joint Utility Fund, which required a fair value adjustment of \$545,057 at June 30, 2009. Therefore, there is a change in fair value disclosed in the schedule of non-cash activities to the statement of cash flows. 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 K. 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 the current year to provide services occurring in subsequent fiscal years, and a reserve for prepayments has been recognized in governmental funds to signify that a portion of fund balance is not available for other subsequent expenditures.

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 fund balance reserve account 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 is recorded as an expenditure at the time of consumption. Inventories reported in the General Fund financial statement are offset by a fund balance reserve, which indicates that it does not constitute "available expendable resources" even though it is a component of net current assets. Although a reservation of fund balance is not required under the consumption method, this reservation is shown for management purposes only.

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 and investment balances are classified as restricted assets in the Environmental Services Fund because their use is restricted to meet reserve requirements. Certain loan proceeds and related cash equivalents balances are restricted assets in the Environmental Services Fund because their use is restricted for project expenses and debt reserve requirements. Certain cash balances are classified as restricted assets in the Environmental Services Fund because they are set aside for estimated landfill closure costs. Certain cash balances are classified as restricted assets in the GRT Revenue Bonds 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 fair market value 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. In addition, in proprietary funds, debt interest costs are capitalized, net of interest earned on investment of unexpended proceeds of the debt, as incurred for construction of specific assets during the period required to bring the constructed assets to their intended use.

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 rental rate charged to the individual budget activities consists of two amounts based on usage; a routine maintenance and operation charge, and an equipment replacement charge. Both of these charges are recorded in the Equipment Fund as revenue. The equipment replacement charge is calculated using cost and estimated useful lives of the equipment. Rental charges are established at an hourly rate or flat fee.

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 long-term debt which are depreciated by charges to expense approximately equal to the principal payments on the debt (sinking fund method). This is the depreciation method utilized for ratemaking purposes. The difference between this depreciation method and the straight-line method was an increase in depreciation expense of \$1,742,000 in the year ended June 30, 2009, and a cumulative reduction in accumulated depreciation of \$370,000 at June 30, 2009.

The County does not report capital assets purchased under the terms of the LANL Fire Services Contract, because LANL retained title to those assets. Those assets are maintained on LANL's listing of capital assets.

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 assets 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 | 25 - 50 |
| Improvements other than buildings | 10 - 20 |
| Infrastructure | 15 - 50 |
| Equipment | 3 - 25 |
| Automotive equipment | 3 - 20 |
| Utility plant in service: | |
| Electric | 15 - 40 |
| Gas | 30 - 40 |
| Water | 35 - 60 |
| Wastewater | 15 - 80 |

P. 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.

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 ten years of retiree payment experience and utilizing a composite hourly wage rate. The termination sick leave calculation provided an estimated benefit cost of approximately \$316 per year of service for active Fire Department employees at June 30, 2009, and approximately \$225 for other active County employees.

Q. 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 assets. Bond premiums and discounts, as well as issuance costs, 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 deferred charges and amortized over the term of the related debt.

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.

R. Fund Balance

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available to be appropriated for expenditure or legally segregated for a specific future use in accordance with GASB Statement No. 46. Designations of fund balance represent tentative plans for future use of financial resources.

S. Net Assets

The government-wide and business-type fund financial statements utilize a net asset presentation. Net assets are categorized as investment in capital assets net of related debt, restricted and unrestricted.

T. 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 “Transfer 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.

U. 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) LEGAL COMPLIANCE - BUDGETS

During fiscal year 2009, the County Council and the New Mexico Department of Finance and Administration approved a total of approximately \$155 million of budget revisions (transfers and supplemental appropriations) for the General Fund, Joint Utility Systems, and other funds. The approximately \$155 million of budget revisions include the following re-appropriations and carryovers: \$95 million for Capital Improvement Projects Fund projects, \$38 million in encumbrances, and \$3 million in other project and grant re-appropriations. Other major revisions include: approximately \$4 million for additional Capital Improvement costs, \$7 million in debt service revisions related to revenue bonds and approximately \$8 million for various other items and projects. For the fiscal year ended June 30, 2009 expenditures did not exceed appropriations at the legal level of budgetary control for any County department, project, or fund.

(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 asset.

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, GNMA 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 | \$ | 4,732 |
| Carrying amount of deposits | | 95,371,730 |
| Cash equivalents | | 2,262,806 |
| Book value of investments | | <u>135,961,739</u> |
| Total reported in notes to financial statements | \$ | <u><u>233,601,007</u></u> |
| Government-wide Statement of Net Assets: | | |
| Equity in pooled cash and investments | \$ | 121,631,779 |
| Investments | | 26,753,403 |
| Restricted assets-Cash & cash equivalents | | 22,262,559 |
| Restricted assets-Investments | | 38,735,221 |
| Fiduciary Funds: | | |
| Equity in pooled cash and investments | | 85,305 |
| Investments (mutual funds), at fair value | | <u>24,132,740</u> |
| Total reported in financial statements | \$ | <u><u>233,601,007</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 of all 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 \$1,000,000,000 and
- (5) Not operating under a letter of agreement or 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, 2009 the County had deposits of \$96,004,020 that were fully insured or collateralized 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's government's rated debt investments as of June 30, 2009 are presented below using the Standard and Poor's rating scale:

| <u>Investment Type</u> | Fair Value | Quality Ratings | | |
|---|-----------------------|-----------------|----|---|
| | | AAA | AA | A |
| U.S. Government Agencies | \$ 39,677,032 | 39,677,032 | 0 | 0 |
| New Mexico State Local Government Investment Pool (LGIP) | 38,664,297 | 38,664,297 | | |
| <u>Unrated investments:</u> | | | | |
| Repurchase agreements | 6,649,150 | | | |
| New Mexico State Investment Council | 26,316,372 | | | |
| New Mexico State Local Government Investment Pool (LGIP) non performing reserve pool | 522,147 | | | |
| Exempt from credit risk disclosure: | | | | |
| LAC Pension | 24,132,740 | | | |
| Total Investments | \$ 135,961,738 | | | |

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.

| 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 | \$ 39,677,032 | 21,577,161 | 18,099,871 | 0 | 0 |
| Repurchase Agreements | 6,649,150 | 0 | 0 | 6,649,150 | 0 |
| | <u>46,326,182</u> | <u>21,577,161</u> | <u>18,099,871</u> | <u>6,649,150</u> | <u>0</u> |
| <u>Other Investments</u> | | | | | |
| New Mexico State Investment Council | 26,316,372 | | | | |
| LAC Pension Plan | 24,132,740 | | | | |
| New Mexico State Local Government Investment Pool | <u>39,186,444</u> | | | | |
| Total Investments | \$ <u>135,961,738</u> | | | | |

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.

The County maintains a joint powers agreement with the New Mexico State Investment Council (NMSIC) to provide investment services in accordance with guideline 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.

The County voluntarily participates in the New Mexico State Treasurer Local Government (short-term) Investment Pool (LGIP), which is not SEC Registered. Section 6-10-1 I, NMSA 1978 empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are backed by the full faith and credit of the United States government or are agencies sponsored by the United States government. The same investment committee monitors the LGIP investments and the same policies and procedures that apply to all other state investments.

The LGIP does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to contributing entities in amounts directly proportionate to the respective amounts deposited in the LGIP and the length of time the amounts were invested. Participation in the LGIP is voluntary. These investments are stated at fair value.

The LGIP had investments in The Reserve Primary Fund, a money market fund whose value fell below one dollar on September 15, 2008. The Reserve Fund's assets were frozen at that point. The LGIP transferred the value of each entities investment in the Reserve into separate Reserve Contingency Fund accounts on March 6, 2009. The County's balance was \$893,336 at that time. At June 30, 2009 the balance was \$622,790. Several lawsuits have been filed against The Reserve Primary Fund with the outcome undetermined at this point. The LGIP is therefore unable to anticipate the full amount of the loss but expects to recover between 83.84% and 87.78%. The County used the lower value to calculate a \$100,643 adjustment to fair value on the value of the reserve accounts. For more information regarding the LGIP's investment status in The Reserve Fund go to the LGIP website at <http://www.stonm.org/NewMexiGROWLGIP>.

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 at June 30, 2009 that are exposed to custodial credit risk.

Concentration of Credit Risk - Investments

Investments in securities of any individual issuers, other than U.S. Treasury securities, mutual funds, LGIP and NMSIC that represent 5% or more of the total government-wide investments at June 30, 2009 less the pension fund which is disclosed separately are as follows:

| | <u>Issuer</u> | <u>Investment Type</u> | <u>Amount</u> | <u>% of Total Government-wide Investments</u> |
|--------------------------|---------------|---------------------------------|---------------|---|
| Governmental Activities | FHLB | Federal agency securities | \$ 7,970,315 | 8.3% |
| Business-type Activities | MBIA | Investment repurchase agreement | 17,937,863 | 18.6% |

Investments in the securities of any individual issuers that represent 5% or more of the total investments by individual funds at June 30, 2009 are as follows:

| <u>Funds</u> | <u>Issuer</u> | <u>Investment Type</u> | <u>Amount</u> |
|---|---------------|---------------------------------|---------------|
| Major Governmental Funds: General (pooled) | FHLB | Federal agency securities | \$ 7,970,315 |
| Major Proprietary Fund: Joint Utility System | MBIA | Investment repurchase agreement | 17,937,863 |

The County's policy is not to have more than 20% of the 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.

(4) ACCOUNTS RECEIVABLE AND OPERATING LEASES

Accounts receivable balances at June 30, 2009, net of applicable allowances for uncollectible accounts, are as follows:

| | <u>Accounts Receivable</u> | <u>Allowance for Doubtful Accounts</u> | <u>Net</u> |
|---------------------------------|--------------------------------|--|-------------------------|
| Governmental funds: | | | |
| General | \$ 145,485 | (73,511) | 71,974 |
| Capital Improvement Projects | 147,329 | (147,329) | 0 |
| Other Governmental | 1,500 | 0 | 1,500 |
| Proprietary funds: | | | |
| Joint Utility Fund | 5,016,528 | (34,190) | 4,982,338 |
| Environmental Services | 234,965 | (7,197) | 227,768 |
| Fire | 790,569 | (713,603) | 76,966 |
| Airport | 36,790 | 0 | 36,790 |
| Internal Service | 6,379 | (4,790) | 1,589 |
| Totals | \$ <u>6,379,545</u> | <u>(980,620)</u> | <u>5,398,925</u> |

On the Government-wide Statement of Net Assets an additional \$1,598 due from the Pension Trust Fund is classified as pension forfeitures receivable.

The County leases land under non-cancelable operating leases with terms ranging from 30 to 65 years to Sombrillo Nursing and Rehabilitation Center, Aspen Ridge Lodge Retirement and Assisted Living Center, and Los Alamos School of Gymnastics. The following is a schedule of future minimum rentals under these leases at June 30, 2009:

| Fiscal Year Ending June 30, | Amount |
|--------------------------------|-----------|
| 2010 | \$ 55,050 |
| 2011 | 55,050 |

| | |
|------------|---------------------|
| 2012 | 55,050 |
| 2013 | 55,050 |
| 2014 | 55,050 |
| Thereafter | <u>1,140,900</u> |
| | <u>\$ 1,416,150</u> |

(5) LOANS RECEIVABLE

Economic Development Loans Receivable

On occasion, the County will provide public support, in the form of loans, for economic development projects pursuant to the County's Economic Development Plan. As of June 30, 2009 the County had seven outstanding loans receivable recorded in the Self-sufficiency Special Revenue Fund.

On March 29, 2000 the County entered into a loan agreement with Los Alamos Commerce and Development Corporation (LACDC) in the amount of \$800,000 as support for the Los Alamos Research Park. The loan bears no interest, unless an installment is in default, in which event the amount of the delinquent installment shall bear interest at the rate of 18% per annum from the date said installment is due until paid. The loan is not secured with collateral. The final loan payment is due June 30, 2016.

Payments are due as follows:

| <u>Installment Due Date</u> | <u>Principal Installment</u> |
|---|------------------------------|
| June 30, 2010 | \$ 29,575 |
| June 30, 2011 | 32,331 |
| June 30, 2012 | 32,331 |
| June 30, 2013 | 32,331 |
| June 30, 2014 | 32,331 |
| June 30, 2015 | 32,331 |
| June 30, 2016 | 484,960 |
| LACDC Loan Receivable as of June 30, 2009 | <u>\$ 676,190</u> |

On May 30, 2002 the County entered into a loan agreement with Veriscape Inc. in the amount of \$527,000. As of June 30, 2009 the County had distributed \$525,716 of the loan amount to Veriscape. As of February 28, 2006, the loan agreement was amended to defer the first repayment to July 1, 2007. The loan bears interest at 5% per annum beginning June 1, 2007. The loan is secured by any and all assets that Veriscape purchases in whole, or in part, with the loan proceeds. Prior to the loan being amended in FY 2006, Veriscape made three "good faith" principal payments totaling \$9,600. Additionally, Veriscape was given credit of \$3,261 for furniture purchased with the loan and given to the County. The loan was further amended in FY 2008 to provide for graduated monthly payments beginning September 1, 2007 through August 1, 2014. As of June 30, 2009 the loan was current and there was no delinquent balance.

A summary of monthly payments due are as follows:

| <u>Total of monthly payments for fiscal year ending</u> | <u>Principal Installment</u> |
|---|----------------------------------|
| June 30, 2010 | \$ 42,350 |
| June 30, 2011 | 69,075 |
| June 30, 2012 | 97,166 |
| June 30, 2013 | 114,417 |
| June 30, 2014 | 144,828 |
| June 30, 2015 | 24,392 |
| Veriscape Loan Receivable as of June 30, 2009 | <u><u>\$ 492,228</u></u> |

On November 1, 2002 the County entered into a loan agreement with Frola Inc. in the amount of \$57,000. As of June 30, 2009 the County had distributed the entire \$57,000 loan amount to Frola Inc. The loan bears interest at 5% per annum beginning November 1, 2007. The loan is secured by any and all assets that Frola Inc. purchases in whole, or in part, with the loan proceeds. The loan requires Frola Inc. to make sixty monthly payments of \$1,076 beginning November 1, 2007 through October 1, 2012. During FY 2008, Frola Inc. made only three monthly payments. During FY2009, Frola, Inc. made \$5,800 of payments including interest and penalties. At June 30, 2009 Frola was delinquent in the amount of \$13,686 including penalties and interest.

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, 2009 the County had distributed \$73,027 of the loan amount to Elemetric Instruments, Inc.. The loan bears interest at 5% per annum beginning June 1, 2008. The loan is secured by any and all assets that Elemetric Instruments, Inc. purchases in whole, or in part, constructed or installed prior to December 31, 2005. The loan requires Elemetric Instruments, Inc. to make sixty monthly payments of \$1,415 beginning July 1, 2008 through June 2013. During FY2009, Elemetric Instruments Inc. made \$15,569 of payments including interest. At June 30, 2009 Elemetric Instruments, Inc. was delinquent in the amount of \$1,488 including penalties and interest.

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, 2008 the County had distributed the entire \$235,000 loan amount to Avanza Technologies, Inc. The loan bears interest at 5% per annum beginning July 30, 2006. The loan is secured by any and all assets that Avanza Technologies, Inc. purchases in whole or in part with the loan proceeds constructed or installed prior to

December 31, 2004. The loan requires Avanza Technologies, Inc. to make eighty-four monthly payments of \$3,321 beginning July 30, 2006 through January 30, 2012. Over the life of this loan, Avanza Technologies, Inc. has only made three payments totaling \$7,056. On October 17, 2006, Avanza Technologies Inc. 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. The County is pursuing legal measures to collect the balance due.

On September 21, 2006 the County entered into a loan agreement with Caldera Pharmaceuticals Inc. (Caldera) in the amount of \$2,000,000. As of June 30, 2009 the County had distributed \$302,009 of the loan amount to Caldera and an additional \$30,244 of accrued interest was added to principal. The loan bears interest at 5% per annum beginning September 21, 2009. Caldera will pledge as collateral a security interest in the building it constructs and in equipment purchased in whole or in part with the loan distributions. The original loan requires Caldera to make one hundred twenty monthly payments of \$24,793 beginning October 21, 2009 through September 21, 2019 based on the \$2,000,000 commitment. However, the loan amortization schedule was amended subsequent to June 30, 2009 to reflect the repayment of the actual amount drawn. The amended loan amortization schedule calls for Caldera to make one hundred twenty monthly payments of \$3,547 beginning September 21, 2009 through August 21, 2019.

On March 14, 2007, the County entered into a loan agreement with HYTEC Inc. (name since changed to IMTEC Inc.) in the amount of \$2,400,000. As of June 30, 2009 the County had distributed \$1,693,166 of the loan amount to IMTEC Inc. and an additional \$53,740 of accrued interest was added to principal. The loan bears interest at 5.5% per annum. The loan is secured by land and the building being constructed with the proceeds of the loan. The original loan requires Caldera to make one hundred twenty monthly payments of \$31,806 beginning November 1, 2011 based on the \$2,400,000 commitment. This repayment schedule will be updated to reflect the actual amount drawn if all loan proceeds are not drawn down by March 14, 2010.

As of June 30, 2009 the total reserve for loan losses balance was \$1,090,000. The reserve was established since several of these are loans to start up companies and may not prove to be fully collectible.

As of June 30, 2009 the County has a balance of \$223,093 in discounts on the loans receivables. The discounts were established since one of the loans is interest free, and others had initial interest free periods ranging from two to five years. Amortization of loan discounts of \$49,770 was recorded for the fiscal year ended June 30, 2009.

Mortgage Loans Receivable

During the fiscal year ended June 30, 2006, the County recorded mortgage loans receivable and deferred revenue of \$561,730. The County received the mortgage loans in exchange for clearing restrictive covenants on separate land parcels it had previously deeded to Casa Mesita Inc. and Los Alamos Group Home Inc. Should Casa Mesita Inc. or Los Alamos Group Home Inc sell their respective land parcel, the corresponding mortgage loan amount would be due and payable to the County. Other loan receivable balances not backed by mortgages have been fully reserved for in fund balance.

The detail of loan receivable balances at June 30, 2009, is as follows:

| | |
|---|---------------------|
| Principal, economic development loans: | |
| Los Alamos Economic Development Corporation | \$ 676,190 |
| Veriscape Inc. | 492,228 |
| Frola Inc. | 50,185 |
| Elemetric Instruments Inc (formerly Advanced Realtime Technologies, LLC) | 60,548 |
| Avanza Technologies, Inc. | 227,944 |
| Caldera Pharmaceuticals Inc. | 332,253 |
| Hytec Inc. | 1,746,908 |
| Subtotal economic development loans | <u>3,586,256</u> |
| Principal, mortgage loans: | |
| Casa Mesita Inc. | 211,730 |
| Los Alamos Group Home Inc. | 350,000 |
| Subtotal mortgage loans | <u>561,730</u> |
| Less: Discounts on economic development loans | (173,323) |
| Less: Discounts reserve for loan losses | <u>(1,090,000)</u> |
| Total loans receivable, net of discounts and reserve for loan losses (as reflected in Self-sufficiency Fund) | <u>\$ 2,884,663</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, 2009 are presented on the facing page:

| Transfers in (from other funds) | Transfers out (to other funds) | | | | | | Total |
|------------------------------------|--------------------------------|------------------------------------|----------------------------|----------------|----------------|-----------------------|-------------------|
| | General | Capital Improvement Projects | Joint Utility System | Fire | Transit | Other Governmental | |
| General | \$ 0 | 2,110,354 | 844,985 | 993,281 | 0 | 1,042,500 | 4,991,120 |
| GRT Revenue Bonds | 11,225,546 | 0 | 0 | 0 | 0 | 0 | 11,225,546 |
| Capital Improvement Projects | 5,074,378 | 0 | 0 | 0 | 0 | 466,988 | 5,541,366 |
| Capital Projects Permanent | 4,000,000 | 0 | 0 | 0 | 0 | 0 | 4,000,000 |
| Joint Utility System | 598,292 | 0 | 0 | 0 | 0 | 0 | 598,292 |
| Golf Course | 460,000 | 0 | 0 | 0 | 0 | 0 | 460,000 |
| Transit | 1,415,969 | 0 | 0 | 0 | 0 | 0 | 1,415,969 |
| Airport | 228,375 | 0 | 0 | 0 | 0 | 0 | 228,375 |
| Internal Service Funds | 0 | 0 | 99,833 | 0 | 356,655 | 0 | 456,488 |
| Other Governmental | 1,078,107 | 0 | 0 | 0 | 0 | 0 | 1,078,107 |
| | \$ <u>24,080,667</u> | <u>2,110,354</u> | <u>944,818</u> | <u>993,281</u> | <u>356,655</u> | <u>1,509,488</u> | <u>29,995,263</u> |

Capital assets were transferred into the following funds from governmental activities:

| | |
|----------------------|---------------------|
| Joint Utility System | \$ 649,349 |
| Golf Course | 229,523 |
| Transit | 165,375 |
| Fire | 54,689 |
| Internal Service | 322,019 |
| Total | \$ <u>1,420,955</u> |

Interfund assets and liabilities:

At June 30, 2009 there was one advance due from the Fire Fund to the Self-sufficiency Fund for construction costs of the new White Rock Fire Station 3. The amount due to be repaid in more than one year is reported as an advance in both funds in the amount of \$1,248,787, and the amount due within one year is included as due to/due from other funds in the amount of \$637,677. 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 receivables, and the reclassification of negative pooled cash balances.

Due to/due from balances at June 30, 2009 are presented below:

| | Due to other funds | Due from other funds | | |
|---------------|--------------------|----------------------|------------------|---------------|
| | | General | Self-sufficiency | Pension Trust |
| General | \$ 0 | 0 | 170,682 | 170,682 |
| Fire | 2,931,364 | 637,677 | 0 | 3,569,041 |
| Pension Trust | 1,598 | 0 | 0 | 1,598 |
| | \$ 2,932,962 | 637,677 | 170,682 | 3,741,321 |

(7) CAPITAL ASSETS

As part of the Entrada Development, the County sold land which had been recorded in the governmental activities capital assets at a historical value of \$834,569. The land and \$604,871 in cash was exchanged for roadway and utility infrastructure. The roadway infrastructure is included in governmental activities construction in progress in the amount of \$1,020,504. The utility portion of the infrastructure is shown as an addition to the general government infrastructure and a transfer to the business-type activities in the amount of \$648,858. A gain on the disposal of land was recognized in the amount of \$229,922.

Golf course fencing and bus shelters created as part of the governmental activities capital construction activities were transferred out of governmental activities capital assets to business-type activities in the amount of \$394,898. Additionally, machinery and equipment in the amount of \$377,199 was transferred from governmental activities to business-type activities.

During FY 2009 the U.S. Department of Energy transferred ownership of the Los Alamos Airport to the County. The fair value of land was estimated by the County assessor's office based on the same criteria it uses to value other properties within the County. The fair value of buildings was estimated using the same criteria used for determining the insured values (estimate based on age and construction type) of all County properties. The fair value of other improvements was based on an estimate prepared by an airport construction contractor. The total fair value of assets transferred to the County was recorded in the Airport Fund, a business-type activity, in the amount of \$14,365,536.

Capital asset activity for the year ended June 30, 2009 was as follows:

| | June 30, 2008 Balance | Additions | Disposals | Donations, Transfers and Adjustments | June 30, 2009 Balance |
|--|--------------------------|------------|-------------|---|--------------------------|
| Governmental activities capital assets: | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 39,450,411 | 0 | (834,569) | 0 | 38,615,842 |
| Right of way land | 18,001,114 | 0 | 0 | 0 | 18,001,114 |
| Art and historic treasures | 518,750 | 65,303 | (2,650) | 0 | 581,403 |
| Construction in progress | 8,081,923 | 58,882,791 | (9,248,760) | (394,898) | 57,321,056 |

| | | | | | |
|--|------------------------------|--------------------------|----------------------------|---------------------------|---------------------------|
| Total capital assets, not being depreciated | <u>66,052,198</u> | <u>58,948,094</u> | <u>(10,085,979)</u> | <u>(394,898)</u> | <u>114,519,415</u> |
| Capital assets, being depreciated | | | | | |
| Buildings | 26,487,273 | 12,695 | 0 | 0 | 26,499,968 |
| Improvements other than buildings | 7,161,148 | 820,216 | 0 | 0 | 7,981,364 |
| Machinery and equipment | 11,865,453 | 1,579,521 | (1,403,549) | (377,199) | 11,664,226 |
| Infrastructure | 146,904,518 | 6,836,559 | (2,119,663) | (648,858) | 150,972,556 |
| Capital assets, being depreciated | <u>192,418,392</u> | <u>9,248,991</u> | <u>(3,523,212)</u> | <u>(1,026,057)</u> | <u>197,118,114</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings | (10,102,128) | (600,288) | 0 | 0 | (10,702,416) |
| Improvements other than buildings | (3,130,791) | (396,651) | 0 | 0 | (3,527,442) |
| Machinery and equipment | (9,333,077) | (1,053,429) | 1,395,121 | 0 | (8,991,385) |
| Infrastructure | (64,746,447) | (5,068,014) | 1,690,362 | 0 | (68,124,099) |
| Total accumulated depreciation | <u>(87,312,443)</u> | <u>(7,118,382)</u> | <u>3,085,483</u> | <u>0</u> | <u>(91,345,342)</u> |
| Total capital assets, being depreciated, net | <u>105,105,949</u> | <u>2,130,609</u> | <u>(437,729)</u> | <u>(1,026,057)</u> | <u>105,772,772</u> |
| Total governmental activities capital assets | \$ <u>171,158,147</u> | <u>61,078,703</u> | <u>(10,523,708)</u> | <u>(1,420,955)</u> | <u>220,292,187</u> |
| Business-type activities capital assets: | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 8,934,095 | 0 | 0 | 4,387,040 | 13,321,135 |
| Construction in progress | <u>12,777,950</u> | <u>14,617,245</u> | <u>(21,206,161)</u> | <u>733,277</u> | <u>6,922,311</u> |
| Total capital assets, not being depreciated | <u>21,712,045</u> | <u>14,617,245</u> | <u>(21,206,161)</u> | <u>5,120,317</u> | <u>20,243,446</u> |
| Capital assets, being depreciated | | | | | |
| Buildings | 16,579,031 | 6,044,572 | (647,154) | 1,154,689 | 23,131,138 |
| Improvements other than buildings | 2,166,062 | 1,531,196 | 0 | 9,273,394 | 12,970,652 |
| Utility plant in service | 227,648,550 | 13,445,196 | (1,643,295) | 0 | 239,450,451 |
| Machinery and equipment | 18,512,709 | 1,995,894 | (1,172,488) | 314,257 | 19,650,372 |
| Capital assets, being depreciated | <u>264,906,352</u> | <u>23,016,858</u> | <u>(3,462,937)</u> | <u>10,742,340</u> | <u>295,202,613</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings | (1,716,171) | (518,429) | 247,101 | 0 | (1,987,499) |
| Improvements other than buildings | (1,363,054) | (608,039) | 0 | 0 | (1,971,093) |
| Utility plant in service | (81,082,480) | (7,773,886) | 1,006,556 | 0 | (87,849,810) |
| Machinery and equipment | (8,786,508) | (1,281,825) | 1,095,451 | 0 | (8,972,882) |
| Total accumulated depreciation | <u>(92,948,213)</u> | <u>(10,182,179)</u> | <u>2,349,108</u> | <u>0</u> | <u>(100,781,284)</u> |
| Total capital assets, being depreciated, net | <u>171,958,139</u> | <u>12,834,679</u> | <u>(1,113,829)</u> | <u>10,742,340</u> | <u>194,421,329</u> |
| Total business-type activities capital assets | \$ <u>193,670,184</u> | <u>27,451,924</u> | <u>(22,319,990)</u> | <u>15,862,657</u> | <u>214,664,775</u> |

Depreciation expense for the year ended June 30, 2009 was as follows:

| | |
|--|----------------------|
| Depreciation expense was charged to governmental activities as follows: | |
| General government | \$ 948,586 |
| Public safety | 267,154 |
| Physical and economic environment | 19,810 |
| Transportation | 5,187,072 |
| Culture and recreation | 695,760 |
| Total depreciation expense - governmental activities | <u>\$ 7,118,382</u> |
| Depreciation expense was charged to business-type activities as follows: | |
| Joint Utility Fund | |
| Electric | \$ 5,263,471 |
| Gas | 199,732 |
| Water | 1,647,741 |
| Wastewater | 662,942 |
| Environmental Services | 116,013 |
| Golf Course | 47,790 |
| Transit | 6,516 |
| Fire | 450,278 |
| Airport | 554,667 |
| Equipment - Internal Service | 1,233,029 |
| Total depreciation expense - business-type activities | <u>\$ 10,182,179</u> |

The County acquired the Los Alamos Apartment's land and buildings in a U.S. Department of Housing and Urban Development foreclosure sale for \$1,194,804. Since the intent when purchasing the land was to clear the property and make it available for future resale for private development, this asset has not been added to the capital assets of the County. Instead, the asset is recorded in the Self-sufficiency Fund as an "Asset held for resale."

(8) RETIREMENT AND DEFERRED COMPENSATION PLANS

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

Plan description: Substantially all of the County's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, NM 87504-2123. The report is also available on PERA's website at www.pera.state.nm.us.

Funding policy: The contribution requirements of plan members and the County are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For the year ended June 30, 2009, active plan members and the County were each required by statute to contribute at actuarially determined rates of the members' annual covered payroll. These rates are summarized below:

| Class of employee: | Statutory Contribution Rate | |
|-------------------------|-----------------------------|--------|
| | Member | County |
| General County - Plan 3 | 13.15% | 9.15% |
| Police - Plan 5 | 16.30% | 18.50% |
| Fire - Plan 5 | 16.20% | 21.25% |

The County's contributions to PERA for the years ended June 30, 2009, 2008, and 2007 were \$4,118,372, \$3,846,995, and \$3,671,510 respectively, which were equal to the required contributions for each year.

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 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, 2009 were \$3,056,259 (\$323,279 participant; and \$2,732,980 County, net of forfeitures of \$176,658). 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.

Beginning in July 1998, the Plan authorized 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 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 \$50 loan origination fee is charged to the participant at the inception of the loan. An ongoing maintenance fee of \$25 is charged to the participant for each year that a loan is outstanding.

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. Administrative expenses of the plan for the year ended June 30, 2009 were \$53,206, which included allocated audit fees of \$8,536, trustee fees of \$34,254, legal fees of \$6,391, and loan origination fees of \$4,025 charged to individual participants.

The following are the plan investments at June 30, 2009, stated at fair value, based on the funds' share price:

| | | |
|---------------------------------------|----|-------------------|
| Mutual funds at fair value: | | |
| Alliance Growth and Income Fund | \$ | 3,190,793 |
| American Bond Fund of America | | 1,743,808 |
| American Balanced Fund | | 2,638,789 |
| Franklin Small Capital Growth Fund | | 2,081 |
| Columbia Acorn Trust Fund | | 2,477,597 |
| Gabelli Small Cap Growth Fund | | 2,632,406 |
| HB and T Short-term Income Fund | | 3,010,072 |
| ING International Value Fund | | 4,579,370 |
| Oppenheimer Capital Appreciation Fund | | 3,857,824 |
| | | <hr/> |
| Total investments | \$ | <u>24,132,740</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 \$33,869 for the fiscal year ended June 30, 2009.

D. New Mexico Retiree Health Care Act

Plan Description: The County contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which the event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

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.

Funding Policy. The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary. Employers joining the program after January 1, 1998 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature. The County began participation in the RHCA plan in January, 2006.

The County's contributions to the RHCA for the fiscal years ended June 30, 2009, 2008 and 2007 were \$421,859, \$393,300, and 369,583 respectively, which equal the required contributions for each year.

(9) LONG-TERM OBLIGATIONS**A. Changes in Long-term Liabilities**

Long-term liability activity for the year ended June 30, 2009, was as follows:

| | Beginning Balance | Additions | Deletions | Ending Balance | Due Within One Year |
|--------------------------------------|----------------------|-------------------|------------------|-------------------|------------------------|
| Governmental activities: | | | | | |
| Accrued compensated absences | \$ 2,378,961 | 1,433,655 | 1,230,938 | 2,581,678 | 1,785,133 |
| Contracts and intergovernmental debt | 1,760,686 | 0 | 1,760,686 | 0 | 0 |
| Revenue bonds payable | 0 | 75,676,290 | 1,941,515 | 73,734,775 | 3,090,000 |
| Total governmental activities | \$ 4,139,647 | 77,109,945 | 4,933,139 | 76,316,453 | 4,875,133 |
| Business-type activities: | | | | | |
| Accrued compensated absences | \$ 1,980,626 | 1,386,283 | 1,100,804 | 2,266,105 | 1,525,533 |
| Claims and judgments | 969,706 | 1,800,344 | 1,582,110 | 1,187,940 | 490,275 |
| Revenue bonds payable | 59,514,641 | 360,436 | 6,270,000 | 53,605,077 | 6,560,000 |
| Contracts and intergovernmental debt | 18,086,801 | 540,202 | 140,491 | 18,486,512 | 143,890 |
| Special closure costs | 4,933,541 | 261,441 | 0 | 5,194,982 | 0 |
| | \$ 85,485,315 | 4,348,706 | 9,093,405 | 80,740,616 | 8,719,698 |

In prior years, resources of 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 \$49,148 and claims and judgments in the amount of \$1,187,940 from internal service funds are included as part of the business-type activities.

B. 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.

On July 8, 2004 the County issued \$69,445,000 in Utility Revenue bonds (2004 Series A) with an average interest rate of 4.92 percent to retire the outstanding 1994 Series Utility Revenue Bonds, which had an average interest rate of 6 percent and a maturity date of 2017. The net proceeds of \$76,362,372 (including \$4,035,073 in premiums, \$14,245,628 from the 1994 Series sinking fund proceeds, \$403,507 additional funding from the County less \$1,212,708 in underwriting, insurance and issuance costs) were used to retire the outstanding 1994 Series Utility Revenue Bonds plus accrued July

interest, provide \$7,348,007 for future debt service payments and \$3,206,121 in rate stabilization funds. As a result, the 1994 Series Utility Revenue Bonds have been removed from the government wide statement of net assets.

The advanced refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$8,023,543. The difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2024 using the straight-line method. The County completed the advance refunding in order to reduce its total debt service payments over the next 19 years by \$2,769,413 and to recognize an economic gain (difference between the present values of the old and new debt service payments) of \$4,647,598

On July 8, 2004 the County also issued \$1,475,000 in Utility Revenue Bonds (2004 Series B) maturing in 2017 with an average interest rate of 4.67% to fund a \$1,300,000 capital project.

On December 28, 2006, the County issued \$7,695,000 in Utility Revenue Bonds, including a tax-exempt series A in the amount of \$2,930,000 and a taxable series B in the amount of \$4,765,000 with all inclusive interest rates of 4.26% and 5.87%, respectively. The primary purpose of this bond issue was to finance the County's share of environmental improvements at San Juan Generating Station Unit 4. Also funded were electrical distribution improvements associated with major road reconstruction projects within the County. These are 15-year bonds and will be fully amortized on July 1, 2022.

The scheduled annual maturity requirements of the 2004 Series and 2006 Series Utility Revenue Bonds [subject to accelerated debt service payments under certain circumstances – see Note (11)] as of June 30, 2009 are as presented below.

| Year ending June 30 | 2004A Series | | 2004B Series | | 2006A Series | | 2006B Series | | Total |
|------------------------|----------------------|------------------|------------------|----------------|------------------|----------------|------------------|------------------|-------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | |
| 2010 | \$ 6,100,000 | 2,358,437 | 55,000 | 58,275 | 160,000 | 108,000 | 245,000 | 234,575 | 9,319,287 |
| 2011 | 6,375,000 | 2,064,000 | 60,000 | 56,213 | 170,000 | 101,600 | 260,000 | 221,958 | 9,308,771 |
| 2012 | 6,675,000 | 1,745,250 | 60,000 | 53,963 | 175,000 | 94,800 | 270,000 | 208,567 | 9,282,580 |
| 2013 | 6,990,000 | 1,411,500 | 65,000 | 51,562 | 185,000 | 87,800 | 285,000 | 194,663 | 9,270,525 |
| 2014 | 7,320,000 | 1,062,000 | 65,000 | 48,962 | 190,000 | 80,400 | 300,000 | 179,985 | 9,246,347 |
| 2015-2019 | 13,920,000 | 1,009,000 | 375,000 | 197,213 | 1,070,000 | 281,400 | 1,755,000 | 646,135 | 19,253,748 |
| 2020-2024 | 0 | 0 | 585,000 | 105,375 | 750,000 | 60,800 | 1,295,000 | 143,607 | 2,939,782 |
| | <u>\$ 47,380,000</u> | <u>9,650,187</u> | <u>1,265,000</u> | <u>571,563</u> | <u>2,700,000</u> | <u>814,800</u> | <u>4,410,000</u> | <u>1,829,490</u> | <u>68,621,040</u> |
| 2004A Series Principal | \$ 47,380,000 | | | | | | | | |
| 2004B Series Principal | 1,265,000 | | | | | | | | |
| 2006A Series Principal | 2,700,000 | | | | | | | | |
| 2006B Series Principal | 4,410,000 | | | | | | | | |
| Unamortized balances: | | | | | | | | | |
| Refunding costs | (4,376,478) | | | | | | | | |
| Discounts and premiums | 2,226,555 | | | | | | | | |
| | <u>\$ 53,605,077</u> | | | | | | | | |

C. Gross Receipts Tax Improvement Revenue Bonds

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 new bonds were issued in the amount of \$75,000,000 with a final maturity date of June 1, 2028. Interest on the bonds is payable semi-annually beginning June 1, 2009 at rates ranging from 3.75% to 6.00%, with an average coupon rate of 5.52%.

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 2008 GRT Bonds are as follows:

| | Original Balances | FY 2009 Activity: Principal payment, premium amortization, & discount amortization | June 30 Balances |
|------------------------|----------------------|---|----------------------|
| Original par amount | \$ 75,000,000 | (1,845,000) | 73,155,000 |
| Bond premium | 1,024,671 | (120,160) | 904,511 |
| Bond discount | (348,381) | 23,645 | (324,736) |
| Total | <u>\$ 75,676,290</u> | <u>(1,941,515)</u> | <u>73,734,775</u> |
| Current | | | 3,090,000 |
| Long-Term | | | \$ 70,644,775 |
| Total | | | <u>\$ 73,734,775</u> |
| Year ending June 30 | Principal | Interest | Total |
| 2010 | \$ 3,090,000 | 3,821,638 | 6,911,638 |
| 2011 | 3,215,000 | 3,698,038 | 6,913,038 |
| 2012 | 3,345,000 | 3,569,438 | 6,914,438 |
| 2013 | 3,470,000 | 3,442,225 | 6,912,225 |
| 2014 | 3,615,000 | 3,303,425 | 6,918,425 |
| 2015-2019 | 20,955,000 | 13,615,356 | 34,570,356 |
| 2020-2024 | 17,505,000 | 8,318,557 | 25,823,557 |
| 2025-2028 | 17,960,000 | 2,696,155 | 20,656,155 |
| | <u>\$ 73,155,000</u> | <u>42,464,832</u> | <u>115,619,832</u> |

D. Intergovernmental Notes Payable

General Government Activities

In May 1994, the County borrowed \$2,557,688 from the New Mexico Environment Department to pay for the construction of an effluent water line from the Bayo Canyon Wastewater Treatment Facility to the Golf Course. The County paid off the remaining balance on this loan on June 25, 2009 in the amount of \$648,832. There is no future obligation under this loan agreement.

On July 3, 2000 the County entered into a loan agreement with the New Mexico Finance Authority (NMFA). The proceeds of the loan were used to finance roads and buildings projects. The loan amount was \$3,959,444, for a term of ten years, at a rate of 4.975% with a maximum annual debt service payment of \$519,419. The County paid off the remaining balance on this loan on June 26, 2009 in the amount of \$497,668. There is no future obligation under this loan agreement. This loan was payable solely from pledged gross receipts tax revenue and was not a general obligation of the County.

Business-type Activities

In December 2005, the County entered into an agreement to borrow up to \$15,000,000 from the New Mexico Environment Department to partially fund the construction of a new wastewater treatment facility. The loan proceeds will be drawn as they are needed for construction expenses. As of June 30, 2009, the County received \$12,741,785 in loan proceeds, which are recorded in the Joint Utility System Fund. The term of the loan will be 20 years, at an interest rate of 3%. The repayment of the loan will begin one year after the facility is placed in service in an amount to be determined by the actual amount drawn down on the loan. The loan will be payable solely from the net revenues from the operation of only the Wastewater subfund, which is a part of the joint Utility System Fund.

In April 2007 the County entered in to a loan and grant agreement with the Water Trust Board and the New Mexico Finance Authority (NMFA). The agreement includes a \$585,720 grant with a \$65,080 loan for the purpose of constructing 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. During fiscal year 2008 the County received the \$65,080 of loan proceeds under this agreement. The loan is interest free with a term of 15 years. Principal and administration fees that were payable at June 30, 2009 are as follows:

| Year ending June 30 | Principal | Interest | Total |
|---------------------------|-----------|----------|--------|
| 2010 | \$ 3,195 | 147 | 3,342 |
| 2011 | 3,203 | 139 | 3,342 |
| 2012 | 3,211 | 131 | 3,342 |
| 2013 | 3,219 | 123 | 3,342 |
| 2014 | 3,227 | 115 | 3,342 |
| 2015-2019 | 16,255 | 452 | 16,707 |
| 2020-2024 | 16,461 | 248 | 16,709 |
| 2025-2027 | 9,975 | 50 | 10,025 |
| | \$ 58,746 | 1,405 | 60,151 |

In November 2008 the County entered in to a loan and grant agreement with the Water Trust Board and the New Mexico Finance Authority (NMFA). The agreement includes a \$319,648 grant with a \$79,912 loan for the purpose of financing the costs of Phase II of the effluent reuse infrastructure project. The loan is to be repaid from existing Utility water system revenues. During fiscal year 2009 the County received \$79,912 of loan proceeds under this agreement. The loan is interest free with a term of 20 years. Principal and administration fees that were payable at June 30, 2009 are as follows:

| Year ending June 30 | Principal | Interest | Total |
|------------------------|------------------|--------------|---------------|
| 2010 | \$ 3,996 | 194 | 4,190 |
| 2011 | 4,006 | 184 | 4,190 |
| 2012 | 4,016 | 174 | 4,190 |
| 2013 | 4,026 | 164 | 4,190 |
| 2014 | 4,036 | 154 | 4,190 |
| 2015-2019 | 20,331 | 618 | 20,949 |
| 2020-2024 | 20,587 | 363 | 20,950 |
| 2025-2027 | 16,656 | 104 | 16,760 |
| | <u>\$ 77,654</u> | <u>1,955</u> | <u>79,609</u> |

In May 2007 the County entered into a loan agreement with NMFA to borrow \$5,861,189 to construct a solid waste transfer station. The loan term is twenty-seven (27) years with an interest rate of 4.059%. The loan is to be repaid from Municipal Environmental Services Gross Receipts Tax revenues. Principal and interest that were payable at June 30, 2009 are as follows:

| Year ending June 30 | Principal | Interest | Total |
|------------------------|---------------------|------------------|------------------|
| 2010 | \$ 136,699 | 224,831 | 361,530 |
| 2011 | 141,688 | 219,855 | 361,543 |
| 2012 | 146,872 | 214,683 | 361,555 |
| 2013 | 152,276 | 209,293 | 361,569 |
| 2014 | 157,924 | 203,659 | 361,583 |
| 2015-2019 | 884,245 | 923,906 | 1,808,151 |
| 2020-2024 | 1,073,207 | 735,416 | 1,808,623 |
| 2025-2029 | 1,310,571 | 498,645 | 1,809,216 |
| 2030-2034 | 1,604,845 | 205,108 | 1,809,953 |
| | <u>\$ 5,608,327</u> | <u>3,435,396</u> | <u>9,043,723</u> |

(10) POWER SUPPLY

The Federal Energy Regulatory Commission (FERC) has approved a settlement of PNM's 2005 transmission rate case effective October 1, 2005. The settlement increases PNM's Annual Transmission Revenues (ATRR) by approximately 53%, to \$58,500,000 and maintains the loss percentage at 3%. There is no minimum payment required under this contract; however, the County paid an average monthly cost under the NITSA of \$89,880 inclusive of ancillary services during fiscal year 2009.

In July 1987, the County entered a "life-of-plant" agreement with the City of Lincoln, Nebraska (Lincoln) for the long-term purchase of approximately 10 megawatts of capacity and energy from the Lincoln ownership interest in the Laramie River Station (LRS). The agreement requires the County to pay an annual fixed power cost of approximately \$1,322,000, adjusted for certain items in accordance with the contract through August 2016. 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. During the year ended June 30, 2009, the County paid \$3,103,932 under this agreement, which is included in purchased power expense. The energy from LRS is delivered to New Mexico over the WAPA transmission path described below.

The County also has a firm transmission services agreement with the Western Area Power Administration (WAPA) that requires monthly payments of \$14,800 at the current transmission rate.

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 County's contract with NORA has an annual minimum payment of \$32,700 plus gross receipts taxes. The County and Jemez are currently operating under the rate schedule which expired June 30, 2006. The payment to Jemez for FY 2009 was \$40,928.

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 \$150,000 to pay the 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.

(11) RESOURCE POOL

In 1985 the County and the U.S. Department of Energy (DOE) entered into a contract 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 NITSA, and various transmission service agreements. The County received \$28,843,049 in fiscal year 2009 from DOE, which is included in utility sales and services, as a result of this contract.

The contract provides that: if the remaining contract term is less than seven years, then the County must collect over the remaining contract term (which can be no less than seven years), a sum sufficient to retire the Joint Utility revenue bonds which would be outstanding at the end of such term. This contract was renewed on July 5, 2006, and expires on June 30, 2015. The contract term now extends for the full term of the revenue bonds associated with the County's generation assets, eliminating the potential for accelerated debt service payments.

In May 2002, the Grand Canyon Trust and the Sierra Club filed a "citizen suit" against PNM (but not against the co-owners of the San Juan Generating Station (SJGS), such as the County) under the Federal Clean Air Act. The suit alleged two violations of the Federal Clean Air Act: (a) that the SJGS has

violated and is currently in violation of the Federal Prevention of Significant Deterioration rules as well as corresponding provisions of the New Mexico Administrative Code; and (b) that the SJGS has "regularly violated" the 20% opacity limit contained in the SJGS operating permit. On March 9, 2005, PNM, the Grand Canyon Trust, the Sierra Club and the New Mexico Environment Department entered into a cooperative agreement in the form of a Consent Decree by which SJGS will significantly reduce air emissions. This agreement resolves the lawsuit. The Consent Decree was approved by the Federal District Court, District of New Mexico on May 10, 2005. The Consent Decree requires SJGS to invest in new technologies to reduce emissions at SJGS. Total environmental project capital costs are estimated to be \$320 million, of which the County's share is estimated to be \$6.0 million. As of June 30, 2009, the County's share of costs has been \$5.9 million. The remaining estimated cost will be recorded in fiscal year 2009. In addition, the County's share of increased O&M expenses associated with the additional environmental control equipment is estimated to be about \$2 million over the next 10 years.

(12) SPECIAL CLOSURE COSTS

A. Landfill (Refuse Fund)

The County operates a landfill site, which is owned by the U.S. Department of Energy (DOE) and located within the County. State and federal laws require that the County close the landfill, monitor and maintain the landfill site for thirty years after it is closed, and provide financial assurance to fund those activities. The County recognizes a portion of the closure and post-closure care costs in each operating period. The amount recognized each year to date is based on the total estimated cost of closure and post closure care, the amount of the liability that has been recognized in previous years and the estimated time that the landfill will remain open.

The landfill closure costs were updated in fiscal year 2007 as part of submitting the final closure plan to the New Mexico Environment Department (NMED) in November 2006. That closure plan was approved by NMED in May 2007. The new closure cost estimate no longer includes the cost for groundwater monitoring or Phase I & II Assessment since NMED granted the County a waiver from groundwater monitoring at the County Landfill. As of June 30, 2009 the total closure and post closure care cost estimate was \$3,366,269. The waste relocation portion of the landfill closure activities was undertaken at a cost of \$1,046,578. Since the landfill will be open for less than one more fiscal year and is taking limited types of waste, the liability will be funded at 99.5% resulting in a closure liability at June 30, 2009 of \$2,302,860 (calculated liability of \$3,349,438 less the expenditures to date of \$1,046,578). It should also be noted that the total cost of landfill closure is based on an estimate, which is subject to changes resulting from inflation, deflation, technology, or changes in applicable laws or regulations.

In fiscal year 2009, the construction of the new solid waste transfer station was completed and operations began in April 2009. The closure of the current landfill will occur within six months of acceptance of final waste according to the solid waste regulations. The final acceptance of waste is projected to occur in May 2010 with closure completion estimated in October 2010.

B. Generating Station (Electric Utility Fund)

The County owns a 7.2% 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. Unit 4, built in 1982, will expend its planned useful life by the year 2022, however PNM has engaged a consultant to evaluate extension of the life of Unit four until the year 2037.

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 1992 dollars. Using a factor of 4% for inflation, the County anticipates an actual decommissioning cost of approximately \$9.5 million in the year 2022, and approximately \$13 million in the year 2030. In June 2003, an updated demolition study was conducted on the generating station, which materially agreed to the previous estimate. 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 size of the 2004A refunding bonds. An annual accrual of \$177,600 invested at market rates will result in a future value sufficient to pay the closure costs in the year 2030. In fiscal year 2009, \$177,600 was set-aside for this purpose. As of June 30, 2009 \$2,892,122 was invested for this purpose.

(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. On July 1, 1993, the general liability activities of the County were added to this fund. 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 below 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.

| <u>Insurance Coverage</u> | <u>Deductible</u> | <u>Insurance Liability Limits</u> |
|--|-------------------|--|
| General and Automotive Liability, and Emergency Medical Malpractice | \$25,000 | \$400,000 per person and \$750,000 per occurrence for bodily injury \$100,000 per occurrence property damage \$300,000 per year for medical expenses |
| Law Enforcement Liability | \$25,000 | \$1,000,000 per occurrence, \$1,000,000 per year in aggregate |
| Public Officials Errors and Omissions | \$25,000 | \$1,000,000 per occurrence, \$1,000,000 per year in aggregate |
| Buildings and Property | \$25,000 | Limited by individual property's insured value |
| Earthquake and Flood | \$50,000 | Limited by individual property's insured value |
| Inland Marine (Large Equipment) | \$25,000 | 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 Depositor's forgery \$50,000 Theft of money/securities |

The claims liability of \$1,187,940 reported in the Fund at June 30, 2009, 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.

Changes in the fund's claims liability amount in fiscal year 2008 and 2009 are summarized below.

| | Group Insurance (Dental) | Unemployment Compensation | Workers Compensation | General Liability | Total |
|--|--------------------------------|------------------------------|-------------------------|----------------------|--------------------|
| Claims liability, June 30, 2007 | \$ 0 | 0 | 989,689 | 85,904 | 1,075,593 |
| Current year claims, insurance, and changes in estimates | 363,260 | 10,086 | 296,816 | 621,672 | 1,291,834 |
| Claims and insurance payments | <u>(363,260)</u> | <u>(10,086)</u> | <u>(344,102)</u> | <u>(680,273)</u> | <u>(1,397,721)</u> |
| Claims liability, June 30, 2008 | \$ 0 | 0 | 942,403 | 27,303 | 969,706 |
| Current year claims, insurance, and changes in estimates | 377,031 | 8,498 | 550,298 | 864,517 | 1,800,344 |
| Claims and insurance payments | <u>(377,031)</u> | <u>(8,498)</u> | <u>(386,317)</u> | <u>(810,264)</u> | <u>(1,582,110)</u> |
| Claims liability, June 30, 2009 | <u>\$ 0</u> | <u>0</u> | <u>1,106,384</u> | <u>81,556</u> | <u>1,187,940</u> |

Employee Group Insurance

The County offers all regular and limited-term employees, the choice of two medical insurance options, which are HMO and Preferred Provider. 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 is neither self-insured nor retaining risk. Therefore, claims liability is \$0 as of June 30, 2009. 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, thus no claims liability is recorded.

Retiree Health Care (Post-employment benefit)

As of June 30, 2006 the County discontinued its post-employment benefit plan, and began participating in the plan administered by the New Mexico Retiree Health Care Authority. Contributions to the County's plan ceased on December 31, 2005. Benefits under the County's plan ceased on June 30, 2006. Please see Note (8) for a discussion of the New Mexico Retiree Health Care plan.

The County retains no self-insurance, nor any risk in connection with its participation in the New Mexico Retiree Health Care plan. Therefore, the County has no claims liability for post-employment benefits as of June 30, 2009.

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 provided fire protection, emergency medical, and rescue services to county and federal facilities in the county through a contract funded by the federal government. The Los Alamos National Laboratory administered the contract from December 1997 through September 30, 2009. For fiscal year 2009, the County recognized revenue of approximately \$4.4 million under the terms of this contract, which is included in intergovernmental revenue in the Fire Fund (an enterprise fund). Revenues and expenditures under this contract have been subject to audit by LANL internal auditors. The County has submitted a final billing under this contract and is awaiting final payment and contract closeout.

Beginning October 1, 2009, 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 FY2009, the County recognized revenue of approximately \$10.3 million under the terms of this cooperative agreement.

Intergovernmental operating revenues of approximately \$0.9 million were recorded in the Transit Fund for Federal Transit Administration grant funds, which flowed through the New Mexico Department of Transportation.

In addition, the County receives various other financial assistance payments from 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) CONDUIT DEBT OBLIGATIONS

From time to time, the County has issued Health Facility Revenue Bonds and Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of health and industrial facilities deemed to be in the public interest. The bonds are secured by resources provided by leases or loans with third parties, on whose behalf the revenue bonds were issued. The bonds do not constitute a debt or pledge of the faith and credit of the County, and accordingly have not been reported in the accompanying financial statements. At June 30, 2009, Health Facility Revenue Bonds outstanding aggregated approximately \$9 million.

(16) COMMITMENTS AND CONTINGENCIES**A. Gas Purchases**

In November 2006 the County entered into three fixed price contracts with its existing gas supplier for one, two and three-year terms, respectively. Each contract represents approximately 25% of the County's historical gas requirement. The County intends to use the contracted gas, along with additional gas purchased on the spot market to meet its monthly distribution requirements and ensure that adequate capacity is available to gas customers. During fiscal year 2009 the fixed price obligation was \$1,970,300. In fiscal years 2010, the amount will be \$490,000.

B. Fire Contract - LANL

As described in Note (14), the County provided fire protection, emergency medical, and rescue services to all citizens and property located within the County, including federal facilities and employees, through a contract with LANL that was substantially funded by the federal government. The U.S. Department of Energy (DOE) directly administered this contract until November 1997, when DOE transferred the contract administration to Los Alamos National Laboratory (LANL). The activity continued to be funded indirectly by DOE. For the period beginning in December 1997 through September 30, 2009, these services were provided through a pre-contract cost agreement while a new contract was negotiated. The County submitted a final billing to LANL July 10, 2009, but has not received final payment.

Final closeout of the pre-contract cost agreement may result in a settlement of any disputed amount. The County believes that substantially all costs incurred under this pre-contract cost agreement will be reimbursed; however, due to this uncertainty a designation of fund balance is recorded in the General Fund to recognize that some costs may be disallowed at closeout. The designation is calculated to equal 1% of contract, life-to-date expenses.

C. 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.

The County's share of costs under the cooperative agreement is fixed on a federal fiscal year basis with the remainder paid by NNSA. The County believes that substantially all of the costs billed to NNSA under this cooperative agreement will be reimbursed; however, due to this uncertainty a designation of fund balance is recorded in the General Fund to recognize that some costs may be disallowed at closeout. The designation is calculated to equal 1% of cooperative agreement, life-to-date expenses.

D. Construction Contracts

Contractual commitments under construction contracts are reflected in the financial statements as encumbrances.

E. Litigation

The County is subject to various 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 affect on the financial position or results of operations of the County.

F. Operating Leases

The County leases certain equipment and premises under numerous operating leases. Leases are subject to future appropriation and as such are cancelable by the County at the end of a fiscal year. Rental expense for the year ended June 30, 2009 was \$916,735.

The future minimum lease payments under operating leases as of June 30, 2009, are approximately as follows:

| Fiscal Year Ending June 30: | Amount |
|-----------------------------------|---------------------|
| 2010 | \$ 649,437 |
| 2011 | 478,601 |
| 2012 | 383,286 |
| 2013 | 98,647 |
| 2014 | 25,054 |
| | <u>\$ 1,609,971</u> |

(17) SUBSEQUENT EVENTS

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% 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 variable discount is derived from the differential between taxable and non-taxable interest rate indices. 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. The County anticipates annual savings of approximately \$200 thousand under this transaction.

B. Joint Utility System – Financial Assistance

Federal stimulus funding of \$4.5 million from the American Reinvestment and Recovery Act ("ARRA") was designated on November 4, 2009 for a low flow turbine installation at the County's Hydroelectric Plant at Abiquiu. The \$8,494,000 project will see the installation of a new three megawatt low flow turbine to increase production at the Abiquiu facility by 22 percent. The County built the existing plant in 1989 at the foot of the Abiquiu Dam which is owned and operated by the U.S. Army Corps of Engineers. The new turbine will qualify, under the Energy Policy Act of 2005, for Renewable Energy Credits. Existing clean power production capacity at the Abiquiu Hydroelectric Plant is about 14 megawatts. The low flow turbine will add three megawatts. The ARRA grant is designated to come from the U.S. Department of Energy, Wind and Hydropower Technologies Program. The Northern New Mexico region is expected to benefit from the turbine project through gross receipts taxes on \$8,494,000; the continuance of annual property tax payments, with an additional amount estimated at \$90,000 annually; and an increase in power transmission revenues for the local electric coop.

(18) ECONOMIC DEPENDENCY

The County has significant economic dependence upon LANL. It is the County's largest employer, and it was estimated in an August 2004 POLICOM report "Creating a Sustainable Los Alamos" that LANL's expenditures provide, either directly or indirectly, approximately 97% of the County's economy. For the year ended June 30, 2009, an estimated 65-70% of GRT revenues related directly to LANL operations.

(19) ACCOUNTING STANDARD PRONOUNCEMENTS

GASB has issued Statement No. 51, "Accounting and Financial Reporting for Intangible Assets" which is effective for the County's fiscal year ending June 30, 2010. The County has not fully explored the potential impacts of implementing this statement. The County will use the next six to nine months to plan for the implementation of this standard FY2010.

GASB has issued Statement No. 53, "Accounting for Financial Reporting for Derivative Instruments" which is effective for the County's fiscal year ending June 30, 2010. The County will use the next six to nine months to explore how this standard may apply to County agreements for utility commodity purchases.

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. These also include cigarette tax revenues which provide funding for recreation programs. (7-1-6.9 NMSA 1978, 7-12-15 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/Other Grants 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, and Drug Enforcement Agency asset forfeiture funds. (29-13-6 NMSA 1978, 59A-53-5 NMSA 978, Civil Asset Forfeiture Reform Act of 2000)

Indigent Health Care 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; Bench Warrant funds; Community Service funds; and Alternative Sentencing funds. This special revenue fund was established by County Council.

Cerro Grande Fire Fund 191 - accounts for damages and expenditures incurred by the County as a result of the Cerro Grande Wildfire which burned over 400 homes in the community during May 2000. Compensation for these expenditures and damages is being recovered from the Federal Emergency Management Agency, National Resource Conservation Service and the Cerro Grande Fire Assistance Act. This special revenue fund was established by County Council.

State Loans Fund 261 - this debt service fund accounts for amounts accumulated for payment of a loan from the State of New Mexico for the construction of the County's Bayo Canyon effluent water line and a loan from the New Mexico Finance Authority for 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, 2009

| | SPECIAL REVENUE FUNDS | | | | | | | TOTAL |
|--|--------------------------|----------------|-------------------------|-------------------------|------------------------------|--------------------------------------|-----------------------------|------------------|
| | STATE SHARED REVENUES | LODGERS' TAX | STATE GRANTS / OTHER | INDIGENT HEALTH CARE | OTHER SPECIAL REVENUES | CERRO GRANDE FIRE FUND | STATE LOANS DEBT SERVICE | |
| ASSETS | | | | | | | | |
| Equity in pooled cash and investments | \$ 0 | 275,651 | 384,899 | 1,256,073 | 443,972 | | | 2,360,595 |
| Investments | 0 | 0 | 0 | 0 | 12,301 | | | 12,301 |
| Receivables, net of allowance for uncollectibles | | | | | | | | |
| Accounts | 0 | 0 | 1,500 | 0 | 0 | | | 1,500 |
| Interest | 0 | 0 | 0 | 0 | 267 | | | 267 |
| Unbilled | 0 | 27,221 | 0 | 0 | 0 | | | 27,221 |
| Due from other governments | 85,031 | 0 | 15,995 | 333,357 | 0 | | | 434,383 |
| TOTAL ASSETS | \$ 85,031 | 302,872 | 402,394 | 1,589,430 | 456,540 | 0 | 0 | 2,836,267 |
| | | | | | | Funds closed at June 30, 2009 | | |
| LIABILITIES | | | | | | | | |
| Accounts payable | \$ 0 | 19,935 | 4,535 | 34,867 | 6,540 | 0 | 0 | 65,877 |
| Accrued salaries and benefits payable | 0 | 0 | 2,426 | 0 | 2,208 | 0 | 0 | 4,634 |
| Due to other governments | 0 | 0 | 42,070 | 0 | 0 | 0 | 0 | 42,070 |
| Deferred revenues | 0 | 0 | 9,648 | 0 | 0 | 0 | 0 | 9,648 |
| TOTAL LIABILITIES | 0 | 19,935 | 58,679 | 34,867 | 8,748 | 0 | 0 | 122,229 |
| FUND BALANCE | | | | | | | | |
| Reserved fund balance | | | | | | | | |
| Reserved by law or contract | | | | | | | | |
| Clerk records and files | 0 | 0 | 0 | 0 | 71,808 | 0 | 0 | 71,808 |
| Encumbrances | 0 | 16,059 | 275,361 | 0 | 5,072 | 0 | 0 | 296,492 |
| Grants | 0 | 0 | 68,354 | 0 | 0 | 0 | 0 | 68,354 |
| Library operations | 0 | 0 | 0 | 0 | 19,731 | 0 | 0 | 19,731 |
| Lodgers tax-capital | 0 | 150,829 | 0 | 0 | 0 | 0 | 0 | 150,829 |
| Lodgers tax-promotion | 0 | 116,049 | 0 | 0 | 0 | 0 | 0 | 116,049 |
| Indigent health care | 0 | 0 | 0 | 1,554,563 | 0 | 0 | 0 | 1,554,563 |
| Municipal court | 0 | 0 | 0 | 0 | 18,637 | 0 | 0 | 18,637 |
| Property tax valuation | 0 | 0 | 0 | 0 | 280,066 | 0 | 0 | 280,066 |
| Recreation | 367 | 0 | 0 | 0 | 52,478 | 0 | 0 | 52,845 |
| Unreserved fund balance | | | | | | | | |
| Designated for special purposes | | | | | | | | |
| Major street maintenance | 84,664 | 0 | 0 | 0 | 0 | 0 | 0 | 84,664 |
| TOTAL FUND BALANCE | 85,031 | 282,937 | 343,715 | 1,554,563 | 447,792 | 0 | 0 | 2,714,038 |
| TOTAL LIABILITIES AND FUND BALANCE | \$ 85,031 | 302,872 | 402,394 | 1,589,430 | 456,540 | 0 | 0 | 2,836,267 |

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, 2009

| | SPECIAL REVENUE FUNDS | | | | | | | TOTAL |
|--|-----------------------|----------------|----------------------|----------------------|------------------------|------------------------|--------------------------|------------------|
| | STATE SHARED REVENUES | LODGERS' TAX | STATE GRANTS / OTHER | INDIGENT HEALTH CARE | OTHER SPECIAL REVENUES | CERRO GRANDE FIRE FUND | STATE LOANS DEBT SERVICE | |
| REVENUES | | | | | | | | |
| Taxes | | | | | | | | |
| Gross receipts taxes | 0 | 0 | 0 | 2,157,587 | 0 | 0 | 0 | 2,157,587 |
| Lodgers' tax | \$ 0 | 271,517 | 0 | 0 | 0 | 0 | 0 | 271,517 |
| Penalties and interest-taxes | 0 | 3,011 | 0 | 0 | 0 | 0 | 0 | 3,011 |
| | <u>0</u> | <u>274,528</u> | <u>0</u> | <u>2,157,587</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>2,432,115</u> |
| Intergovernmental | | | | | | | | |
| Federal direct | 0 | 0 | 0 | 0 | 0 | 292,076 | 0 | 292,076 |
| State grants-fire | 0 | 0 | 390,749 | 0 | 0 | 0 | 0 | 390,749 |
| State grants-police | 0 | 0 | 66,698 | 0 | 0 | 0 | 0 | 66,698 |
| State shared revenues | 501,686 | 0 | 0 | 0 | 0 | 0 | 0 | 501,686 |
| | <u>501,686</u> | <u>0</u> | <u>457,447</u> | <u>0</u> | <u>0</u> | <u>292,076</u> | <u>0</u> | <u>1,251,209</u> |
| Fines and forfeits | | | | | | | | |
| Court ordered reimbursements | 0 | 0 | 5,760 | 0 | 31,161 | 0 | 0 | 36,921 |
| Charges for services | | | | | | | | |
| Clerk fee | 0 | 0 | 0 | 0 | 16,269 | 0 | 0 | 16,269 |
| Finance/treasurer fees | 0 | 0 | 0 | 0 | 128,661 | 0 | 0 | 128,661 |
| | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>144,930</u> | <u>0</u> | <u>0</u> | <u>144,930</u> |
| Miscellaneous revenue (includes investment loss) | | | | | | | | |
| Investment income | 0 | 480 | 719 | 2,275 | 549 | 2,164 | 11,303 | 17,490 |
| Donations | 0 | 0 | 0 | 0 | 4,365 | 0 | 0 | 4,365 |
| Other judgments and settlements | 0 | 0 | 0 | 3,803 | 0 | 0 | 0 | 3,803 |
| | <u>0</u> | <u>480</u> | <u>719</u> | <u>6,078</u> | <u>4,914</u> | <u>2,164</u> | <u>11,303</u> | <u>25,658</u> |
| TOTAL REVENUES | 501,686 | 275,008 | 463,926 | 2,163,665 | 181,005 | 294,240 | 11,303 | 3,890,833 |
| EXPENDITURES | | | | | | | | |
| General government | | | | | | | | |
| County Courts | 0 | 0 | 0 | 0 | 66,293 | 0 | 0 | 66,293 |
| County Assessor | 0 | 0 | 0 | 0 | 110,040 | 0 | 0 | 110,040 |
| County Clerk | 0 | 0 | 0 | 0 | 44,075 | 0 | 0 | 44,075 |
| | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>220,408</u> | <u>0</u> | <u>0</u> | <u>220,408</u> |
| Public safety | | | | | | | | |
| Cerro Grande Fire recovery | 0 | 0 | 0 | 0 | 0 | 165,171 | 0 | 165,171 |
| Fire marshal | 0 | 0 | 261,026 | 0 | 0 | 0 | 0 | 261,026 |
| Fire-E.M.S. grant | 0 | 0 | 23,025 | 0 | 0 | 0 | 0 | 23,025 |
| Police | 0 | 0 | 70,933 | 0 | 0 | 0 | 0 | 70,933 |
| | <u>0</u> | <u>0</u> | <u>354,984</u> | <u>0</u> | <u>0</u> | <u>165,171</u> | <u>0</u> | <u>520,155</u> |
| Physical and economic environment | | | | | | | | |
| County Administrator | 0 | 254,520 | 0 | 0 | 0 | 0 | 0 | 254,520 |
| Transportation | | | | | | | | |
| Health and welfare | | | | | | | | |
| Administrative Services-OMB | 0 | 0 | 0 | 1,860,474 | 0 | 0 | 0 | 1,860,474 |
| Culture and recreation | | | | | | | | |
| Community Services-Library | 0 | 0 | 0 | 0 | 5,758 | 0 | 0 | 5,758 |
| Community Services-Recreation | 2,292 | 0 | 0 | 0 | 2,934 | 0 | 0 | 5,226 |
| | <u>2,292</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>8,692</u> | <u>0</u> | <u>0</u> | <u>10,984</u> |

| | | | | | | | | |
|---|------------------|----------------|----------------|------------------|----------------|--------------------|------------------|------------------|
| Debt service | 0 | 0 | 0 | 0 | 0 | 0 | 1,839,982 | 1,839,982 |
| TOTAL EXPENDITURES | <u>2,292</u> | <u>254,520</u> | <u>354,984</u> | <u>1,860,474</u> | <u>229,100</u> | <u>165,171</u> | <u>1,839,982</u> | <u>4,706,523</u> |
| EXCESS REVENUES OVER (UNDER) EXPENDITURES | 499,384 | 20,488 | 108,942 | 303,191 | (48,095) | 129,069 | (1,828,679) | (815,690) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers in | 0 | 0 | 0 | 0 | 2,363 | 0 | 1,075,744 | 1,078,107 |
| Transfers out | (466,988) | 0 | 0 | 0 | 0 | (1,042,500) | 0 | (1,509,488) |
| | <u>(466,988)</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>2,363</u> | <u>(1,042,500)</u> | <u>1,075,744</u> | <u>(431,381)</u> |
| EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | 32,406 | 20,488 | 108,942 | 303,191 | (45,732) | (913,431) | (752,935) | (1,247,071) |
| FUND BALANCE - BEGINNING OF FISCAL YEAR | | | | | | | | |
| Beginning of fiscal year | 52,625 | 262,449 | 234,773 | 1,251,372 | 493,524 | 913,431 | 752,935 | 3,961,109 |
| FUND BALANCE - END OF FISCAL YEAR | <u>\$ 85,031</u> | <u>282,937</u> | <u>343,715</u> | <u>1,554,563</u> | <u>447,792</u> | <u>0</u> | <u>0</u> | <u>2,714,038</u> |

**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, 2009

| | <u>ANNUAL BUDGET</u> | <u>REVISED BUDGET</u> | <u>ACTUALS</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
|---|----------------------|-----------------------|------------------|---|
| REVENUES | | | | |
| Intergovernmental | | | | |
| State shared revenues | 578,500 | 578,500 | 501,686 | (76,814) |
| EXPENDITURES AND ENCUMBRANCES | | | | |
| Community Services - juvenile recreation | | | | |
| Employee salaries and benefits | 3,500 | 3,500 | 2,292 | 1,208 |
| EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES | 575,000 | 575,000 | 499,394 | (75,606) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out to: | | | | |
| Capital Improvement Project Fund | (500,000) | (500,000) | (466,988) | 33,012 |
| EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | \$ 75,000 | 75,000 | 32,406 | (42,594) |
| FUND BALANCE | | | | |
| Beginning of fiscal year | | | 52,625 | |
| FUND BALANCE - END OF FISCAL YEAR | | | \$ 85,031 | |

**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, 2009

| | <u>ANNUAL BUDGET</u> | <u>REVISED BUDGET</u> | <u>ACTUALS</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
|---|----------------------|-----------------------|-------------------|---|
| REVENUES | | | | |
| Taxes | | | | |
| Selective gross receipt taxes | \$ 240,000 | 240,000 | 271,517 | 31,517 |
| Penalties and interest-taxes | 5,000 | 5,000 | 3,012 | (1,988) |
| Intergovernmental | | | | |
| State grants-other | 5,000 | 5,000 | 0 | (5,000) |
| Miscellaneous revenues | | | | |
| Investment income | 10,000 | 10,000 | 480 | (9,520) |
| TOTAL REVENUES | <u>260,000</u> | <u>260,000</u> | <u>275,009</u> | <u>15,009</u> |
| EXPENDITURES AND ENCUMBRANCES | | | | |
| County Administrator | | | | |
| Outside services | 249,500 | 281,383 | 260,080 | 21,303 |
| Intrafund/interfund services | 10,500 | 10,100 | 10,500 | (400) |
| Capital outlay | 90,000 | 90,000 | 0 | 90,000 |
| TOTAL EXPENDITURES AND ENCUMBRANCES | <u>350,000</u> | <u>381,483</u> | <u>270,580</u> | <u>110,903</u> |
| EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | <u>\$ (90,000)</u> | <u>(121,483)</u> | <u>4,429</u> | <u>125,912</u> |
| ADJUSTMENTS TO GAAP | | | | |
| Encumbrances | | | 16,059 | |
| GAAP BASIS | | | <u>20,488</u> | |
| FUND BALANCE | | | | |
| Beginning of fiscal year | | | 262,449 | |
| FUND BALANCE - END OF FISCAL YEAR | | | <u>\$ 282,937</u> | |

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS
STATE/OTHER GRANTS FUND**

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2009

| | <u>ANNUAL BUDGET</u> | <u>REVISED BUDGET</u> | <u>ACTUALS</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
|--|----------------------|-----------------------|----------------|---|
| REVENUES | | | | |
| Intergovernmental | | | | |
| State grants-fire | \$ 375,128 | 401,027 | 390,749 | (10,278) |
| State grants-police | 150,765 | 147,388 | 66,698 | (80,690) |
| Fines and forfeits | | | | |
| Court ordered reimbursements | 0 | 0 | 5,760 | 5,760 |
| Miscellaneous revenues | | | | |
| Investment income | 16,000 | 16,000 | 719 | (15,281) |
| TOTAL REVENUES | <u>541,893</u> | <u>564,415</u> | <u>463,926</u> | <u>(100,489)</u> |
| EXPENDITURES AND ENCUMBRANCES | | | | |
| Fire | | | | |
| Grants and contracts | | | | |
| Fire - fire marshal grant | 361,128 | 560,778 | 511,585 | 49,193 |
| Fire - emergency medical services grant | 14,000 | 23,025 | 23,025 | 0 |
| | <u>375,128</u> | <u>583,803</u> | <u>534,610</u> | <u>49,193</u> |
| Police | | | | |
| Grants and contracts | | | | |
| Police - law enforcement protection grant | 40,000 | 49,973 | 49,829 | 144 |
| Police - DWI local grant | 110,765 | 97,415 | 45,906 | 51,509 |
| Police - Seizure/Forfeiture | 0 | 608 | 0 | 608 |
| | <u>150,765</u> | <u>147,996</u> | <u>95,735</u> | <u>52,261</u> |
| TOTAL EXPENDITURES AND ENCUMBRANCES | <u>525,893</u> | <u>731,799</u> | <u>630,345</u> | <u>101,454</u> |

**EXCESS REVENUES AND OTHER SOURCES OVER
(UNDER) EXPENDITURES AND OTHER USES**

\$ 16,000 (167,384) (166,419) 965

ADJUSTMENTS TO GAAP

Encumbrances

275,361

GAAP BASIS

108,942

FUND BALANCE

Beginning of fiscal year

234,773

FUND BALANCE - END OF FISCAL YEAR

\$ 343,715



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

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2009

| | <u>ANNUAL BUDGET</u> | <u>REVISED BUDGET</u> | <u>ACTUALS</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
|---|----------------------|-----------------------|---------------------|---|
| REVENUES | | | | |
| Taxes | | | | |
| General gross receipts taxes | \$ 1,841,079 | 1,841,079 | 2,157,587 | 316,508 |
| Miscellaneous revenues | | | | |
| Investment income | 59,000 | 59,000 | 2,275 | (56,725) |
| Other judgments and settlements | 0 | 0 | 3,803 | 3,803 |
| TOTAL REVENUES | <u>1,900,079</u> | <u>1,900,079</u> | <u>2,163,665</u> | <u>263,586</u> |
| EXPENDITURES AND ENCUMBRANCES | | | | |
| Administrative Services - O.M.B. | | | | |
| Outside services | 2,114,335 | 2,114,335 | 1,784,534 | 329,801 |
| Materials and supplies | 3,000 | 5,685 | 3,946 | 1,739 |
| Intrafund/interfund services | 71,994 | 71,994 | 71,994 | 0 |
| TOTAL EXPENDITURES AND ENCUMBRANCES | <u>2,189,329</u> | <u>2,192,014</u> | <u>1,860,474</u> | <u>331,540</u> |
| EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | <u>\$ (289,250)</u> | <u>(291,935)</u> | 303,191 | <u>595,126</u> |
| FUND BALANCE | | | | |
| Beginning of fiscal year | | | 1,251,372 | |
| FUND BALANCE - END OF FISCAL YEAR | | | <u>\$ 1,554,563</u> | |

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, 2009

| | <u>ANNUAL BUDGET</u> | <u>REVISED BUDGET</u> | <u>ACTUALS</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
|---|----------------------|-----------------------|-----------------|---|
| REVENUES | | | | |
| Charges for services | | | | |
| Court fees | \$ 37,000 | 37,000 | 31,161 | (5,839) |
| Clerk fee | 20,000 | 20,000 | 16,269 | (3,731) |
| Finance/treasurer fees | 133,000 | 133,000 | 128,661 | (4,339) |
| | <u>190,000</u> | <u>190,000</u> | <u>176,091</u> | <u>(13,909)</u> |
| Miscellaneous revenues | | | | |
| Investment income | 4,000 | 4,000 | 549 | (3,451) |
| Donations | 2,000 | 2,000 | 4,365 | 2,365 |
| | <u>6,000</u> | <u>6,000</u> | <u>4,914</u> | <u>(1,086)</u> |
| TOTAL REVENUES | 196,000 | 196,000 | 181,005 | (14,995) |
| EXPENDITURES AND ENCUMBRANCES | | | | |
| Municipal Court | | | | |
| Bench Warrant | 19,791 | 19,791 | 21,863 | (2,072) |
| Community Service | 25,000 | 25,000 | 26,013 | (1,013) |
| Alternative Sentencing | 25,000 | 27,370 | 18,416 | 8,954 |
| County Assessor | | | | |
| Property tax valuation | 194,089 | 194,089 | 115,113 | 78,976 |
| County Clerk | | | | |
| Recording and equipment | 22,500 | 45,382 | 44,075 | 1,307 |
| Community Services | | | | |
| Aquatic center gift | 3,000 | 3,000 | 2,934 | 66 |
| Library gift | 3,200 | 6,470 | 5,758 | 712 |
| TOTAL EXPENDITURES AND ENCUMBRANCES | 292,580 | 321,102 | 234,172 | 86,930 |
| EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES | (96,580) | (125,102) | (53,167) | 71,935 |

See accompanying notes to financial statements

OTHER FINANCING SOURCES (USES)Transfers in from:
General Fund25,00025,0002,363(22,637)**EXCESS REVENUES AND OTHER SOURCES OVER
(UNDER) EXPENDITURES AND OTHER USES**\$ (71,580)(100,102)(50,804)49,298**ADJUSTMENTS TO GAAP**

Encumbrances

5,072**GAAP BASIS**(45,732)**FUND BALANCE**

Beginning of fiscal year

493,524**FUND BALANCE - END OF FISCAL YEAR**\$ 447,792

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS
CERRO GRANDE FIRE**

STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)

Year ended June 30, 2009

| | <u>ANNUAL BUDGET</u> | <u>REVISED BUDGET</u> | <u>ACTUALS</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
|---|----------------------|-----------------------|--------------------|---|
| REVENUES | | | | |
| Intergovernmental | | | | |
| Federal direct | \$ 0 | 0 | 292,076 | 292,076 |
| Miscellaneous revenues | | | | |
| Investment income | 0 | 0 | 2,164 | 2,164 |
| | <u>0</u> | <u>0</u> | <u>294,240</u> | <u>294,240</u> |
| EXPENDITURES AND ENCUMBRANCES | | | | |
| Administrative Services - O.M.B. | | | | |
| Employee salaries and benefits | 0 | 0 | 9,327 | (9,327) |
| Outside services | 0 | 5,005,509 | 141,766 | 4,863,743 |
| Materials and supplies | 0 | 675 | 12,796 | (12,121) |
| Intrafund/interfund services | 0 | 0 | 1,282 | (1,282) |
| | <u>0</u> | <u>5,006,184</u> | <u>165,171</u> | <u>4,841,013</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out to: | | | | |
| General Fund | 0 | (1,100,000) | (1,042,500) | (57,500) |
| | <u>0</u> | <u>(1,100,000)</u> | <u>(1,042,500)</u> | <u>(57,500)</u> |
| EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | <u>\$ 2,500,000</u> | <u>(6,106,184)</u> | <u>(913,431)</u> | <u>5,077,753</u> |
| FUND BALANCE | | | | |
| Beginning of fiscal year | | | 913,431 | |
| FUND BALANCE - END OF FISCAL YEAR | | | <u>\$ 0</u> | |

**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, 2009

| | <u>ANNUAL BUDGET</u> | <u>REVISED BUDGET</u> | <u>ACTUALS</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
|---|-------------------------|-------------------------|----------------------------|---|
| REVENUES | | | | |
| Miscellaneous revenues | | | | |
| Investment income | 0 | 0 | 11,292 | 11,292 |
| EXPENDITURES AND ENCUMBRANCES | | | | |
| Administrative Services - O.M.B. | | | | |
| Principal and interest payments | <u>3,491,214</u> | <u>4,225,546</u> | <u>4,225,545</u> | <u>1</u> |
| EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES | (727,668) | (4,225,546) | (4,214,253) | 11,293 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in from: | | | | |
| General Fund | <u>814,409</u> | <u>11,225,546</u> | <u>11,225,546</u> | <u>0</u> |
| EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | \$ <u>86,741</u> | <u>7,000,000</u> | 7,011,293 | <u>11,293</u> |
| FUND BALANCE | | | | |
| Beginning of fiscal year | | | <u>0</u> | |
| FUND BALANCE - END OF FISCAL YEAR | | | \$ <u>7,011,293</u> | |

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS
STATE LOANS FUND**

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2009

| | <u>ANNUAL BUDGET</u> | <u>REVISED BUDGET</u> | <u>ACTUALS</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
|---|-------------------------|-------------------------|-------------------------|---|
| REVENUES | | | | |
| Miscellaneous revenues | | | | |
| Investment income | \$ 37,000 | 37,000 | 11,303 | (25,697) |
| EXPENDITURES AND ENCUMBRANCES | | | | |
| Administrative Services - O.M.B. | | | | |
| Principal and interest payments | <u>693,484</u> | <u>1,843,484</u> | <u>1,839,982</u> | <u>3,502</u> |
| EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES | (656,484) | (1,806,484) | (1,828,679) | (22,195) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in from: | | | | |
| General Fund | <u>670,000</u> | <u>1,120,000</u> | <u>1,075,744</u> | <u>(44,256)</u> |
| EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | \$ <u>13,516</u> | <u>(686,484)</u> | <u>(752,935)</u> | <u>(66,451)</u> |
| FUND BALANCE | | | | |
| Beginning of fiscal year | | | <u>752,935</u> | |
| FUND BALANCE - END OF FISCAL YEAR | | | \$ <u>0</u> | |

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

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2009

| | <u>ANNUAL BUDGET</u> | <u>REVISED BUDGET</u> | <u>ACTUALS</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
|---|----------------------|-----------------------|----------------------|---|
| REVENUES | | | | |
| Miscellaneous revenues | | | | |
| Investment income | \$ 1,662,063 | 1,662,063 | (3,817,088) | (5,479,151) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Operating transfers in from: | | | | |
| General Fund | 0 | 4,000,000 | 4,000,000 | 0 |
| Transfers out to: | | | | |
| Capital Improvement Project Fund | (847,368) | 0 | 0 | 0 |
| EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | <u>\$ 814,695</u> | <u>5,662,063</u> | 182,912 | <u>(5,479,151)</u> |
| FUND BALANCE | | | | |
| Beginning of fiscal year | | | 19,841,541 | |
| FUND BALANCE - END OF FISCAL YEAR | | | <u>\$ 20,024,453</u> | |

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS
 Fiscal Year Ended June 30, 2009

| PROJECT | PROJECT-LENGTH BUDGET APPROPRIATIONS | EXPENDED IN PRIOR YEARS | EXPENDED IN CURRENT YEAR | EXPENDED THROUGH June 30, 2009 | UNEXPENDED AS OF June 30, 2009 | ENCUMBRANCES AS OF June 30, 2009 | REMAINING BALANCE AS OF June 30, 2009 |
|---|---|--|---|---|---|---|--|
| CIP FUND - MAJOR PROJECTS | | | | | | | |
| Major Network Upgrades | \$ 1,223,090 | 0 | 0 | 0 | 1,223,090 | 9,224 | 1,213,866 |
| Network Expansion (Broadband design) | 550,000 | 0 | 225,539 | 225,539 | 324,461 | 5,015 | 319,446 |
| Airport Basin Site | 65,389,369 | 3,527,296 | 40,377,791 | 43,905,087 | 21,484,282 | 20,055,001 | 1,429,281 |
| Municipal Building Replacement | 15,802,876 | 957,245 | 21,072 | 978,317 | 14,824,559 | 13,975 | 14,810,584 |
| Jail/Courts Replac and Improvements | 20,287,678 | 433,868 | 9,626,022 | 10,059,890 | 10,227,788 | 9,222,484 | 1,005,304 |
| New Fire Station #3 - White Rock (residual) | 253,904 | 0 | 0 | 0 | 253,904 | 815 | 253,089 |
| Animal Shelter | 1,497,380 | 0 | 313,252 | 313,252 | 1,184,128 | 763,251 | 420,877 |
| Trinity Site Demolition | 8,928,949 | 0 | 0 | 0 | 8,928,949 | 8,061 | 8,920,888 |
| White Rock Econ Development (design) | 500,000 | 0 | 0 | 0 | 500,000 | 0 | 500,000 |
| Historical Archives/Records (design) | 150,000 | 0 | 0 | 0 | 150,000 | 0 | 150,000 |
| Street C. I. P. (residual) | 91,348 | 0 | 0 | 0 | 91,348 | 0 | 91,348 |
| West Jemez Bypass Road (residual) | 26,422 | 0 | 0 | 0 | 26,422 | 26,422 | 0 |
| Canyon Rim Trail | 150,000 | 0 | 0 | 0 | 150,000 | 0 | 150,000 |
| DP Road intersection | 870,625 | 0 | 0 | 0 | 870,625 | 0 | 870,625 |
| Diamond Drive Phase 2 | 3,051 | 0 | 0 | 0 | 3,051 | 3,051 | 0 |
| Diamond Drive Phase 3 | 4,643,483 | 0 | 702,209 | 702,209 | 3,941,274 | 3,322,905 | 618,369 |
| Western Area Road Replacement | 150,000 | 0 | 34,354 | 34,354 | 115,646 | 0 | 115,646 |
| Central Avenue Streetscape | 108,901 | 0 | 0 | 0 | 108,901 | 32,200 | 76,701 |
| Public Art (continuing) | 868,087 | 23,159 | 21,000 | 44,159 | 823,928 | 63,265 | 760,663 |
| Library Landscape (residual) | 94,339 | 0 | 0 | 0 | 94,339 | 0 | 94,339 |
| Parks Small Capital Projects | 260,000 | 0 | 19,942 | 19,942 | 240,058 | 162,787 | 77,271 |
| | <u>121,849,502</u> | <u>4,941,568</u> | <u>51,341,181</u> | <u>56,282,749</u> | <u>65,566,753</u> | <u>33,688,456</u> | <u>31,878,297</u> |
| CIP FUND - SMALL PROJECTS | | | | | | | |
| Leisure Pool - Aquatic Center | 144,201 | 17,803 | 0 | 17,803 | 126,398 | 0 | 126,398 |
| TOTAL CAPITAL PROJECTS | <u>121,993,703</u> | <u>4,959,371</u> | <u>51,341,181</u> | <u>56,300,552</u> | <u>65,693,151</u> | <u>33,688,456</u> | <u>32,004,695</u> |
| PROJECTS COMPLETED IN FY 2009 | | | | | | | |
| Major Network Upgrades | 498,074 | 0 | 498,074 | 498,074 | 0 | 0 | 0 |
| Administration (Bond issuance costs) | 304,932 | 0 | 300,481 | 300,481 | 4,451 | 0 | 4,451 |
| New Fire Station #3 - White Rock | 8,274 | 0 | 8,274 | 8,274 | 0 | 0 | 0 |
| Municipal Building Demolition (residual) | 652,199 | 0 | 465,395 | 465,395 | 186,804 | 0 | 186,804 |
| Trinity Site Demolition | 757,668 | 0 | 757,668 | 757,668 | 0 | 0 | 0 |
| Street C. I. P. | 105,378 | 0 | 105,378 | 105,378 | 0 | 0 | 0 |
| West Jemez Bypass Road | 11,913,579 | 1,177,954 | 470,168 | 1,648,122 | 10,265,457 | 0 | 10,265,457 |
| Grand Canyon Drive (residual) | 117,088 | 0 | 11,867 | 11,867 | 105,221 | 0 | 105,221 |
| Diamond Drive Phase 2 | 5,803,375 | 1,920,666 | 3,785,447 | 5,706,113 | 97,262 | 0 | 97,262 |
| Central Avenue Streetscape | 1,088,099 | 0 | 1,088,099 | 1,088,099 | 0 | 0 | 0 |
| Public Health Office (residual) | 16,748 | 0 | 12,695 | 12,695 | 4,053 | 0 | 4,053 |
| Public Art (continuing) | 81,955 | 2,785 | 79,170 | 81,955 | 0 | 0 | 0 |
| Library Landscape (residual) | 37,399 | 0 | 37,399 | 37,399 | 0 | 0 | 0 |
| Los Alamos Skate Park | 500,275 | 21,147 | 479,128 | 500,275 | 0 | 0 | 0 |
| TOTAL PROJECTS COMPLETED IN FY 2009 | <u>21,885,043</u> | <u>3,122,552</u> | <u>8,099,243</u> | <u>11,221,795</u> | <u>10,663,248</u> | <u>0</u> | <u>10,663,248</u> |
| TOTAL | <u>\$ 143,878,746</u> | <u>8,081,923</u> | <u>59,440,424</u> | <u>67,522,347</u> | <u>76,356,399</u> | <u>33,688,456</u> | <u>42,667,943</u> |
| GRT Bond underwriting fees | | | 319,146 | 319,146 | | | |
| Statement of Revenues, Expenditures, and Changes in Fund Balance - Total Expenditures | | | \$ 59,759,570 | \$ 59,759,570 | | | |

Joint Utility System Subfunds

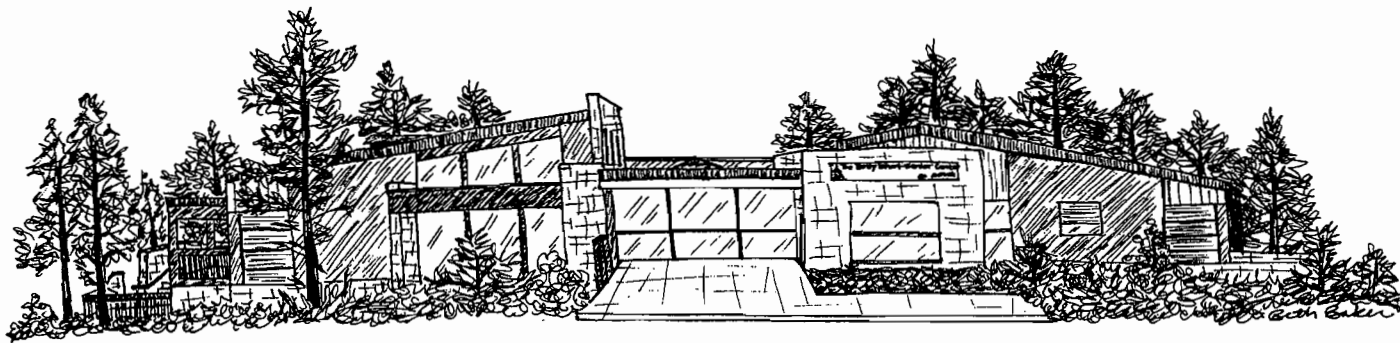
The Joint Utility System is presented as a major fund. This section provides combining schedules for the individual utility subfunds and industry format financial schedules.

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.



Betty Ehart Senior Center

INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM SUBFUNDS
 COMBINING SCHEDULE OF NET ASSETS
 June 30, 2009

| | <u>ELECTRIC</u> | <u>GAS</u> | <u>WATER</u> | <u>WASTEWATER</u> | <u>TOTAL JOINT UTILITY SYSTEM</u> |
|--|--------------------------|--------------------------|--------------------------|--------------------------|---|
| ASSETS | | | | | |
| CURRENT ASSETS | | | | | |
| Equity (deficit) in pooled cash and investments | \$ (3,480,215) | 4,616,362 | 13,471,768 | 794,832 | 15,402,747 |
| Investments | 4,145,935 | 785,113 | 682,981 | 477,336 | 6,091,365 |
| Receivables, net of allowance for uncollectibles | | | | | |
| Accounts | 4,181,841 | 263,264 | 323,237 | 213,996 | 4,982,338 |
| Interest | 10,827 | 5,138 | 9,602 | 363 | 25,930 |
| Unbilled | 417,100 | 126,987 | 194,020 | 138,611 | 876,718 |
| Due from other governments | 48,987 | 0 | 0 | 0 | 48,987 |
| Inventories and prepayments | | | | | |
| Inventories | 171,252 | 45,626 | 168,684 | 28,240 | 413,802 |
| Power plant inventories | 685,077 | 0 | 0 | 0 | 685,077 |
| Prepayments | 62,137 | 0 | 54,405 | 0 | 116,542 |
| | <u>6,242,941</u> | <u>5,842,490</u> | <u>14,904,697</u> | <u>1,653,378</u> | <u>28,643,506</u> |
| RESTRICTED ASSETS | | | | | |
| Cash and cash equivalents | | | | | |
| Debt reserves and debt service | 1,290,493 | 0 | 0 | 0 | 1,290,493 |
| Operations and maintenance | 2,549,101 | 0 | 0 | 0 | 2,549,101 |
| Investments | | | | | |
| Debt reserves and debt service | 14,766,658 | 0 | 0 | 0 | 14,766,658 |
| Operations and maintenance | 3,420,621 | 0 | 0 | 0 | 3,420,621 |
| Accrued interest | 27,808 | 0 | 0 | 0 | 27,808 |
| | <u>22,054,681</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>22,054,681</u> |
| PROPERTY, PLANT AND EQUIPMENT | | | | | |
| Land | 0 | 0 | 0 | 2,959,328 | 2,959,328 |
| Utility plant in service | 129,351,748 | 8,645,802 | 66,219,699 | 35,233,202 | 239,450,451 |
| Machinery and equipment | 3,354,325 | 222,552 | 860,182 | 237,610 | 4,674,669 |
| Less accumulated depreciation | (66,132,037) | (2,805,422) | (13,124,937) | (5,787,414) | (87,849,810) |
| Construction in progress | 3,988,587 | 433,509 | 1,637,223 | 802,169 | 6,861,488 |
| | <u>70,562,623</u> | <u>6,496,441</u> | <u>55,592,167</u> | <u>33,444,895</u> | <u>166,096,126</u> |
| DEFERRED CHARGES AND OTHER ASSETS | | | | | |
| Bond issuance costs, net of amortization | 871,020 | 0 | 0 | 0 | 871,020 |
| TOTAL ASSETS | <u>99,731,265</u> | <u>12,338,931</u> | <u>70,496,864</u> | <u>35,098,273</u> | <u>217,665,333</u> |

LIABILITIES

CURRENT LIABILITIES

| | | | | | |
|---|------------------|----------------|----------------|----------------|------------------|
| Accounts payable | 1,825,713 | 244,488 | 317,340 | 56,338 | 2,443,879 |
| Accrued salaries including benefits payable | 112,197 | 10,045 | 32,186 | 21,042 | 175,470 |
| Accrued compensated absences | 220,777 | 93,305 | 38,070 | 40,083 | 392,235 |
| Contractors retentions payable | 8,027 | 0 | | 0 | 8,027 |
| Customer deposits payable | 65,755 | 41,680 | 41,628 | 0 | 149,063 |
| Due to other governments | 44,827 | 20,497 | 18,202 | 14,721 | 98,247 |
| | <u>2,277,296</u> | <u>410,015</u> | <u>447,426</u> | <u>132,184</u> | <u>3,266,921</u> |

LIABILITIES PAYABLE FROM RESTRICTED ASSETS

| | | | | | |
|--|------------------|----------|--------------|----------------|------------------|
| Current portion of revenue bonds payable | 6,560,000 | 0 | 0 | 0 | 6,560,000 |
| Contracts and intergovernmental debt payable | 0 | 0 | 7,191 | 0 | 7,191 |
| Interest payable on debt | 1,379,644 | 0 | 0 | 895,113 | 2,274,757 |
| | <u>7,939,644</u> | <u>0</u> | <u>7,191</u> | <u>895,113</u> | <u>8,841,948</u> |

NON-CURRENT LIABILITIES

| | | | | | |
|--|-------------------|---------------|----------------|-------------------|-------------------|
| Revenue bonds payable | 47,045,077 | 0 | 0 | 0 | 47,045,077 |
| Special closure costs | 2,892,122 | 0 | 0 | 0 | 2,892,122 |
| Accrued compensated absences | 96,961 | 47,238 | 34,757 | 12,289 | 191,245 |
| Contracts and intergovernmental debt payable | 0 | 0 | 129,209 | 12,741,785 | 12,870,994 |
| | <u>50,034,160</u> | <u>47,238</u> | <u>163,966</u> | <u>12,754,074</u> | <u>62,999,438</u> |

TOTAL LIABILITIES

| | | | | | |
|--|--------------------------|-----------------------|-----------------------|--------------------------|--------------------------|
| | <u>60,251,100</u> | <u>457,253</u> | <u>618,583</u> | <u>13,781,371</u> | <u>75,108,307</u> |
|--|--------------------------|-----------------------|-----------------------|--------------------------|--------------------------|

NET ASSETS

| | | | | | |
|--|-----------------------------|--------------------------|--------------------------|--------------------------|---------------------------|
| Invested in capital assets, net of related debt | 17,828,566 | 6,496,441 | 55,455,767 | 19,807,997 | 99,588,771 |
| Restricted assets for, net of related liabilities: | | | | | |
| Debt service | 17,782,915 | 0 | 0 | 0 | 17,782,915 |
| Unrestricted | 3,868,684 | 5,385,237 | 14,422,514 | 1,508,905 | 25,185,340 |
| TOTAL NET ASSETS | <u>\$ 39,480,165</u> | <u>11,881,678</u> | <u>69,878,281</u> | <u>21,316,902</u> | <u>142,557,026</u> |



INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM SUBFUNDS
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
Year ended June 30, 2009

| | <u>ELECTRIC</u> | <u>GAS</u> | <u>WATER</u> | <u>WASTEWATER</u> | <u>TOTAL JOINT UTILITY SYSTEM</u> |
|---|-----------------------------|--------------------------|--------------------------|--------------------------|---|
| OPERATING REVENUES | | | | | |
| Utility sales and service | \$ 40,752,418 | 8,243,709 | 4,609,426 | 3,308,448 | 56,914,001 |
| Rentals | 22,262 | 0 | 0 | 0 | 22,262 |
| Miscellaneous operating revenue | 19,265 | 17,964 | 9,157 | 8,250 | 54,636 |
| | <u>40,793,945</u> | <u>8,261,673</u> | <u>4,618,583</u> | <u>3,316,698</u> | <u>56,990,899</u> |
| OPERATING EXPENSES | | | | | |
| Employee salaries and benefits | 4,053,549 | 446,994 | 1,251,637 | 1,205,765 | 6,957,945 |
| Contractual services | 26,572,436 | 5,563,797 | 2,312,701 | 1,499,679 | 35,948,613 |
| Materials and supplies | 376,165 | 74,666 | 146,627 | 246,600 | 844,058 |
| Depreciation and amortization | 5,642,097 | 257,103 | 1,643,935 | 662,942 | 8,206,077 |
| Special closure costs | 210,947 | 0 | 0 | 0 | 210,947 |
| Other | 10,044 | 13,916 | 0 | 1,550 | 25,510 |
| | <u>36,865,238</u> | <u>6,356,476</u> | <u>5,354,900</u> | <u>3,616,536</u> | <u>52,193,150</u> |
| OPERATING INCOME (LOSS) | 3,928,707 | 1,905,197 | (736,317) | (299,838) | 4,797,749 |
| NONOPERATING REVENUES (EXPENSES) | | | | | |
| Intergovernmental - grants | 0 | 0 | 688,232 | 0 | 688,232 |
| Gain (loss) on disposition of capital assets | 5,623,061 | (543) | (2,611) | (4,487) | 5,615,420 |
| Investment income | 1,301,136 | 30,569 | 47,270 | 16,078 | 1,395,053 |
| Interest on long-term debt | (3,119,724) | 0 | 0 | 0 | (3,119,724) |
| Inventory adjustment | 2,406 | (150) | (285) | (13) | 1,958 |
| | <u>3,806,879</u> | <u>29,876</u> | <u>732,606</u> | <u>11,578</u> | <u>4,580,939</u> |
| INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS | 7,735,586 | 1,935,073 | (3,711) | (288,260) | 9,378,688 |
| TRANSFERS AND CONTRIBUTIONS | | | | | |
| Transfers in | 213,292 | 0 | 424,875 | 0 | 638,167 |
| Transfers out | (442,643) | (438,370) | (44,331) | (59,349) | (984,693) |
| Contributed capital assets- governmental activities | 114,280 | 67,819 | 253,196 | 214,054 | 649,349 |
| NET INCOME (LOSS) | 7,620,515 | 1,564,522 | 630,029 | (133,555) | 9,681,511 |
| NET ASSETS | | | | | |
| Beginning of fiscal year | 31,859,650 | 10,317,156 | 69,248,252 | 21,450,457 | 132,875,515 |
| NET ASSETS - END OF FISCAL YEAR | \$ <u>39,480,165</u> | <u>11,881,678</u> | <u>69,878,281</u> | <u>21,316,902</u> | <u>142,557,026</u> |

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM SUBFUNDS
COMBINING SCHEDULE OF CASH FLOWS
Year ended June 30, 2009

| | <u>ELECTRIC</u> | <u>GAS</u> | <u>WATER</u> | <u>WASTEWATER</u> | <u>TOTAL JOINT UTILITY SYSTEM</u> |
|---|---------------------|------------------|--------------------|-------------------|---|
| CASH FLOWS - OPERATING ACTIVITIES | | | | | |
| Cash received from customers and users | \$ 42,262,189 | 8,332,037 | 4,775,201 | 3,427,229 | 58,796,656 |
| Cash paid to suppliers for goods and services | (26,465,983) | (5,666,602) | (2,392,700) | (1,866,139) | (36,391,424) |
| Cash paid to employees | (3,984,187) | (422,105) | (1,249,098) | (1,211,455) | (6,866,845) |
| Taxes received from customers and users | 748,658 | 608,478 | 312,880 | 170,043 | 1,840,059 |
| Taxes remitted to State (from customers and users) | (745,386) | (609,259) | (313,163) | (169,931) | (1,837,739) |
| NET CASH FLOWS - OPERATING ACTIVITIES | 11,815,291 | 2,242,549 | 1,133,120 | 349,747 | 15,540,707 |
| CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES | | | | | |
| Transfers to other funds | (442,643) | (402,342) | 0 | (5,000) | (849,985) |
| Transfers from other funds | 213,292 | 0 | 385,000 | 0 | 598,292 |
| Cash received from short-term interfund loans | 0 | 0 | 25,366 | 0 | 25,366 |
| NET CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES | (229,351) | (402,342) | 410,366 | (5,000) | (226,327) |
| CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Cash received from capital grants | 0 | 0 | 688,232 | 0 | 688,232 |
| Proceeds received from loans | 0 | 0 | 79,912 | 460,290 | 540,202 |
| Principal repaid | (6,270,000) | 0 | (8,592) | 0 | (6,278,592) |
| Interest and other debt service paid | (3,275,394) | 0 | 0 | 0 | (3,275,394) |
| Cash paid for acquisition of capital assets | (2,629,198) | (722,993) | (2,098,186) | (1,224,386) | (6,674,763) |
| NET CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES | (12,174,592) | (722,993) | (1,338,634) | (764,096) | (15,000,315) |
| CASH FLOWS - INVESTING ACTIVITIES | | | | | |
| Proceeds from sale of investment securities | 12,593,039 | 753,476 | 650,734 | 460,644 | 14,457,893 |
| Interest received on investments | 1,489,439 | 40,149 | 61,665 | 18,640 | 1,609,893 |
| Purchase of investment securities | (13,176,148) | (785,113) | (682,981) | (477,336) | (15,121,578) |
| NET CASH FLOWS - INVESTING ACTIVITIES | 906,330 | 8,512 | 29,418 | 1,948 | 946,208 |
| NET INCREASE (DECREASE) IN CASH | 317,678 | 1,125,726 | 234,270 | (417,401) | 1,260,273 |
| EQUITY IN POOLED CASH AND INVESTMENTS - BEGINNING OF FISCAL YEAR | 41,701 | 3,490,636 | 13,237,498 | 1,212,233 | 17,982,068 |
| EQUITY IN POOLED CASH AND INVESTMENTS - END OF FISCAL YEAR | \$ 359,379 | 4,616,362 | 13,471,768 | 794,832 | 19,242,341 |

(Electric Sub-fund cash balance is shown in Equity in Pooled Cash and Investments and restricted cash on the Joint Utility System Subfunds Combining Schedule of Net Assets)

RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS - OPERATING ACTIVITIES

| | | | | | | |
|---|----|-------------------|------------------|------------------|----------------|-------------------|
| OPERATING INCOME(LOSS) | \$ | 3,928,707 | 1,905,197 | (736,317) | (299,838) | 4,797,749 |
| ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FLOWS - OPERATING ACTIVITIES | | | | | | |
| Depreciation and amortization expense | | 5,642,097 | 257,103 | 1,643,935 | 662,942 | 8,206,077 |
| Amortization of special closure costs | | 210,947 | 0 | 0 | 0 | 210,947 |
| Provision for uncollectible accounts receivable | | 0 | 13,916 | (1,736) | 1,550 | 13,730 |
| Change in assets and liabilities: | | | | | | |
| Accounts and other receivables | | 1,474,098 | 64,455 | 158,354 | 110,531 | 1,807,438 |
| Inventories | | (92,347) | (1,824) | (4,567) | 13 | (98,725) |
| Prepayments and other | | 55,908 | 0 | 25,110 | 0 | 81,018 |
| Accounts and retentions payable | | 529,101 | (26,315) | 46,085 | (119,873) | 428,998 |
| Salaries and benefits payable | | 69,362 | 24,889 | 2,539 | (5,690) | 91,100 |
| Taxes payable | | 3,272 | (781) | (283) | 112 | 2,320 |
| Other current liabilities | | (5,854) | 5,909 | 0 | 0 | 55 |
| Total adjustments | | 7,886,584 | 337,352 | 1,869,437 | 649,585 | 10,742,958 |
| NET CASH FLOWS - OPERATING ACTIVITIES | \$ | 11,815,291 | 2,242,549 | 1,133,120 | 349,747 | 15,540,707 |

SCHEDULE OF NON CASH CAPITAL AND RELATED FINANCING ACTIVITIES

NON CASH TRANSACTIONS:

| | | | | | | |
|--|----|----------------|---------------|----------------|----------------|------------------|
| Assets transferred - proprietary funds | \$ | 0 | (36,028) | (44,331) | (14,474) | (94,833) |
| Contributed capital assets - governmental activities | | 114,280 | 67,819 | 253,196 | 214,054 | 649,349 |
| Assets transferred - between joint utility funds | | 0 | 0 | 39,875 | (39,875) | 0 |
| Fair value adjustment for investments | | 545,047 | 0 | 0 | 0 | 545,047 |
| TOTAL NON CASH CAPITAL ACQUISITIONS | \$ | 659,327 | 31,791 | 248,740 | 159,705 | 1,099,563 |

**INCORPORATED COUNTY OF LOS ALAMOS
ELECTRIC SUBFUND**

SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2009

| | <u>ANNUAL BUDGET</u> | <u>REVISED BUDGET</u> | <u>ACTUALS</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
|--------------------------------------|--------------------------|--------------------------|--------------------------|---|
| REVENUES | | | | |
| Charges for services | | | | |
| Residential | \$ 11,664,163 | 11,664,163 | 5,230,565 | (6,433,598) |
| Commercial and industrial | 0 | 0 | 3,523,646 | 3,523,646 |
| Public street and highway lighting | 0 | 0 | 61,221 | 61,221 |
| Municipal | 0 | 0 | 1,381,168 | 1,381,168 |
| Educational | 0 | 0 | 349,935 | 349,935 |
| Wholesale | 29,891,442 | 29,891,442 | 29,954,906 | 63,464 |
| Rent from utility properties | 0 | 0 | 22,262 | 22,262 |
| Miscellaneous services | 225,000 | 225,000 | 250,977 | 25,977 |
| | <u>41,780,605</u> | <u>41,780,605</u> | <u>40,774,680</u> | <u>(1,005,925)</u> |
| Miscellaneous revenues | | | | |
| Interest income | 1,202,000 | 1,202,000 | 1,301,136 | 99,136 |
| Interest charges-delinquent accounts | 0 | 0 | 19,265 | 19,265 |
| | <u>1,202,000</u> | <u>1,202,000</u> | <u>1,320,401</u> | <u>118,401</u> |
| TOTAL REVENUES | <u>42,982,605</u> | <u>42,982,605</u> | <u>42,095,081</u> | <u>(887,524)</u> |
| EXPENSES AND ENCUMBRANCES | | | | |
| Utilities Department | | | | |
| Electric production | | | | |
| Employee salaries and benefits | 643,047 | 643,047 | 1,103,106 | (460,059) |
| Outside services | 32,046,179 | 32,207,782 | 28,152,949 | 4,054,833 |
| Materials and supplies | 36,600 | 40,743 | 56,398 | (15,655) |
| Intrafund/interfund services | 844,966 | 844,966 | 739,629 | 105,337 |
| Capital outlay | 5,000 | 5,000 | 19,038 | (14,038) |
| Debt and fiscal charges | 9,015,481 | 9,015,481 | 9,099,116 | (83,635) |
| | <u>42,591,273</u> | <u>42,757,019</u> | <u>39,170,236</u> | <u>3,586,783</u> |
| Electric distribution | | | | |
| Employee salaries and benefits | 1,012,709 | 1,012,709 | 910,118 | 102,591 |
| Outside services | 1,445,845 | 1,994,463 | 1,730,314 | 264,149 |
| Materials and supplies | 126,175 | 127,487 | 305,762 | (178,275) |

| | | | | |
|---|---------------------------|---------------------------|---------------------------|-------------------------|
| Intrafund/interfund services | 1,022,505 | 1,022,505 | 1,240,270 | (217,765) |
| Capital outlay | 235,375 | 235,375 | 16,922 | 218,453 |
| Debt and fiscal charges | 534,052 | 534,052 | 580,607 | (46,555) |
| | <u>4,376,661</u> | <u>4,926,591</u> | <u>4,783,993</u> | <u>142,598</u> |
| General and administrative | | | | |
| Employee salaries and benefits | 2,584,446 | 2,584,446 | 2,178,386 | 406,060 |
| Outside services | 674,196 | 826,707 | 681,653 | 145,054 |
| Materials and supplies | 34,500 | 37,403 | 111,915 | (74,512) |
| Intrafund/interfund services | (3,311,642) | (3,311,642) | (2,888,770) | (422,872) |
| Capital outlay | 18,500 | 18,500 | 7,860 | 10,640 |
| | <u>0</u> | <u>155,414</u> | <u>91,044</u> | <u>64,370</u> |
| TOTAL EXPENSES AND ENCUMBRANCES | <u>46,967,934</u> | <u>47,839,024</u> | <u>44,045,273</u> | <u>3,793,751</u> |
| EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES | (3,985,329) | (4,856,419) | (1,950,192) | 2,906,227 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in from: | | | | |
| General Fund | 150,000 | 213,292 | 213,292 | 0 |
| Transfers out to: | | | | |
| General Fund | (415,000) | (415,000) | (442,643) | (27,643) |
| Proceeds from revenue bonds | | | | |
| Debt proceeds | 3,054,000 | 3,054,000 | 0 | (3,054,000) |
| | <u>2,789,000</u> | <u>2,852,292</u> | <u>(229,351)</u> | <u>(3,081,643)</u> |
| EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENSES AND OTHER USES | <u>(1,196,329)</u> | <u>(2,004,127)</u> | <u>(2,179,543)</u> | <u>(175,416)</u> |
| ADJUSTMENTS TO GAAP | | | | |
| Encumbrances | | | 775,707 | |
| Changes in compensated absences | | | (41,506) | |
| Bad debt adjustment | | | (10,044) | |
| Depreciation and amortization | | | (5,642,097) | |
| Adjustments to inventory | | | 2,406 | |
| Special closure costs | | | (210,947) | |
| Gain(loss) on disposition of fixed assets | | | 5,623,061 | |
| Contributed capital assets - governmental activities | | | 114,280 | |
| Capital outlay capitalized | | | 43,820 | |
| Capital projects capitalized (budgeted by line item) | | | 2,585,378 | |
| Principal on debt service | | | 6,560,000 | |
| | | | <u>9,800,058</u> | |
| GAAP BASIS | | | <u>7,620,515</u> | |
| NET ASSETS | | | | |
| Beginning of fiscal year | | | 31,859,650 | |
| NET ASSETS - END OF FISCAL YEAR | | | <u>39,480,165</u> | |

**INCORPORATED COUNTY OF LOS ALAMOS
GAS SUBFUND**

SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2009

| | <u>ANNUAL BUDGET</u> | <u>REVISED BUDGET</u> | <u>ACTUALS</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
|--|----------------------|-----------------------|------------------|---|
| REVENUES | | | | |
| Charges for services | | | | |
| Residential | \$ 9,690,404 | 9,690,404 | 6,207,225 | (3,483,179) |
| Commercial and industrial | 0 | 0 | 1,284,447 | 1,284,447 |
| Municipal | 0 | 0 | 426,102 | 426,102 |
| Educational | 0 | 0 | 297,291 | 297,291 |
| Miscellaneous services | 50,000 | 50,000 | 28,645 | (21,355) |
| | <u>9,740,404</u> | <u>9,740,404</u> | <u>8,243,710</u> | <u>(1,496,694)</u> |
| Miscellaneous revenues | | | | |
| Interest income | 250,000 | 250,000 | 30,569 | (219,431) |
| Interest charges-delinquent accounts | 0 | 0 | 17,964 | 17,964 |
| | <u>250,000</u> | <u>250,000</u> | <u>48,533</u> | <u>(201,467)</u> |
| TOTAL REVENUES | <u>9,990,404</u> | <u>9,990,404</u> | <u>8,292,243</u> | <u>(1,698,161)</u> |
| EXPENSES AND ENCUMBRANCES | | | | |
| Utilities Department | | | | |
| Gas | | | | |
| Employee salaries and benefits | 409,790 | 409,790 | 472,453 | (62,663) |
| Outside services | 8,940,979 | 9,278,601 | 5,579,933 | 3,698,668 |
| Materials and supplies | 95,700 | 95,700 | 131,663 | (35,963) |
| Intrafund/interfund services | 949,250 | 949,250 | 861,240 | 88,010 |
| Capital outlay | 25,000 | 50,000 | 43,888 | 6,112 |
| TOTAL EXPENSES AND ENCUMBRANCES | <u>10,420,719</u> | <u>10,783,341</u> | <u>7,089,177</u> | <u>3,694,164</u> |

| | | | | |
|---|----------------------------|---------------------------|-----------------------------|-------------------------|
| EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES | (430,315) | (792,937) | 1,203,066 | 1,996,003 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfer out to: | | | | |
| General Fund | <u>(405,000)</u> | <u>(405,000)</u> | <u>(402,342)</u> | <u>2,658</u> |
| EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENSES AND OTHER USES | \$ <u><u>(835,315)</u></u> | <u><u>(1,197,937)</u></u> | 800,724 | <u><u>1,998,661</u></u> |
| ADJUSTMENTS TO GAAP | | | | |
| Encumbrances | | | 305,417 | |
| Changes in compensated absenses | | | (24,691) | |
| Bad debt adjustment | | | (13,916) | |
| Depreciation and amortization | | | (257,103) | |
| Adjustments to inventory | | | (150) | |
| Gain(loss) on disposition of capital assets | | | (543) | |
| Assets transferred - proprietary funds | | | (36,028) | |
| Contributed capital assets - governmental activities | | | 67,819 | |
| Capital outlay capitalized | | | 43,888 | |
| Capital projects capitalized (budgeted by line item) | | | 679,105 | |
| | | | <u>763,798</u> | |
| GAAP BASIS | | | <u>1,564,522</u> | |
| NET ASSETS | | | | |
| Beginning of fiscal year | | | 10,317,156 | |
| NET ASSETS - END OF FISCAL YEAR | | | \$ <u><u>11,881,678</u></u> | |

**INCORPORATED COUNTY OF LOS ALAMOS
WATER SUBFUND**

SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2009

| | <u>ANNUAL BUDGET</u> | <u>REVISED BUDGET</u> | <u>ACTUALS</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
|--------------------------------------|-------------------------|-------------------------|-------------------------|---|
| REVENUES | | | | |
| Intergovernmental | | | | |
| State grants-other | \$ 0 | 1,182,714 | 688,232 | (494,482) |
| Charges for services | | | | |
| Residential | 3,927,975 | 3,927,975 | 2,706,312 | (1,221,663) |
| Commercial and industrial | 0 | 0 | 436,166 | 436,166 |
| Municipal | 0 | 0 | 382,909 | 382,909 |
| Educational | 0 | 0 | 112,101 | 112,101 |
| Wholesale | 1,012,892 | 1,012,892 | 928,544 | (84,348) |
| Miscellaneous services | 60,000 | 60,000 | 43,393 | (16,607) |
| | <u>5,000,867</u> | <u>5,000,867</u> | <u>4,609,425</u> | <u>(391,442)</u> |
| Miscellaneous revenues | | | | |
| Interest income | 840,000 | 840,000 | 47,271 | (792,729) |
| Interest charges-delinquent accounts | 0 | 0 | 7,421 | 7,421 |
| | <u>840,000</u> | <u>840,000</u> | <u>54,692</u> | <u>(785,308)</u> |
| TOTAL REVENUES | <u>5,840,867</u> | <u>7,023,581</u> | <u>5,352,349</u> | <u>(1,671,232)</u> |
| EXPENSES AND ENCUMBRANCES | | | | |
| Utilities Department | | | | |
| Water distribution | | | | |
| Employee salaries and benefits | 466,415 | 466,415 | 541,845 | (75,430) |
| Outside services | 1,443,696 | 2,020,550 | 1,073,805 | 946,745 |
| Materials and supplies | 85,675 | 86,510 | 126,297 | (39,787) |
| Intrafund/interfund services | 619,093 | 619,093 | 620,665 | (1,572) |
| Capital outlay | 30,000 | 55,059 | 40,205 | 14,854 |
| | <u>2,644,879</u> | <u>3,247,627</u> | <u>2,402,817</u> | <u>844,810</u> |
| Water production | | | | |
| Employee salaries and benefits | 912,754 | 912,754 | 853,264 | 59,490 |
| Outside services | 4,593,197 | 5,154,416 | 1,491,117 | 3,663,299 |
| Materials and supplies | 249,276 | 250,721 | 113,444 | 137,277 |
| Intrafund/interfund services | 1,327,894 | 1,327,894 | 1,369,629 | (41,735) |
| Capital outlay | 126,500 | 126,500 | 25,367 | 101,133 |
| Debt and fiscal charges | 0 | 0 | 8,592 | (8,592) |
| | <u>7,209,621</u> | <u>7,772,285</u> | <u>3,861,413</u> | <u>3,910,872</u> |
| Debt and fiscal charges | 0 | 0 | 0 | 0 |

| | | | | |
|---|-----------------------|--------------------|----------------------|--------------------|
| TOTAL EXPENSES AND ENCUMBRANCES | <u>9,854,500</u> | <u>11,019,912</u> | <u>6,264,230</u> | <u>4,755,682</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in from: | | | | |
| General Fund | 385,000 | 385,000 | 385,000 | 0 |
| Proceeds from long-term debt | | | | |
| Intergovernmental loans | <u>1,349,000</u> | <u>1,349,000</u> | <u>79,912</u> | <u>(1,269,088)</u> |
| EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENSES AND OTHER USES | <u>\$ (2,279,633)</u> | <u>(2,262,331)</u> | <u>(446,969)</u> | <u>1,815,362</u> |
| ADJUSTMENTS TO GAAP | | | | |
| Encumbrances | | | 453,687 | |
| Changes in compensated absences | | | (7,199) | |
| Bad debt adjustment | | | 1,736 | |
| Depreciation and amortization | | | (1,643,935) | |
| Adjustments to inventory | | | (285) | |
| Gain(loss) on disposition of fixed assets | | | (2,611) | |
| Proceeds from intergovernmental loans | | | (79,912) | |
| Assets transferred - proprietary funds | | | (4,457) | |
| Contributed capital assets - governmental activities | | | 253,196 | |
| Capital outlay capitalized | | | 54,983 | |
| Capital projects capitalized (budgeted by line item) | | | 2,043,203 | |
| Principal on debt service | | | 8,592 | |
| | | | <u>1,076,998</u> | |
| GAAP BASIS | | | <u>630,029</u> | |
| NET ASSETS | | | | |
| Beginning of fiscal year | | | 69,248,252 | |
| NET ASSETS - END OF FISCAL YEAR | | | <u>\$ 69,878,281</u> | |

**INCORPORATED COUNTY OF LOS ALAMOS
WASTEWATER SUBFUND**

SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2009

| | <u>ANNUAL BUDGET</u> | <u>REVISED BUDGET</u> | <u>ACTUALS</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
|---|----------------------|-----------------------|------------------|---|
| REVENUES | | | | |
| Charges for services | | | | |
| Wastewater collection | \$ 3,486,400 | 3,486,400 | 3,304,507 | (181,893) |
| Non-potable water | 57,000 | 57,000 | 0 | (57,000) |
| Miscellaneous services | 0 | 0 | 3,941 | 3,941 |
| | <u>3,543,400</u> | <u>3,543,400</u> | <u>3,308,448</u> | <u>(234,952)</u> |
| Miscellaneous revenues | | | | |
| Interest income | 0 | 0 | 16,078 | 16,078 |
| Interest charges-delinquent accounts | 0 | 0 | 8,250 | 8,250 |
| | <u>0</u> | <u>0</u> | <u>24,328</u> | <u>24,328</u> |
| TOTAL REVENUES | 3,543,400 | 3,543,400 | 3,332,776 | (210,624) |
| EXPENSES AND ENCUMBRANCES | | | | |
| Utilities Department | | | | |
| Wastewater | | | | |
| Employee salaries and benefits | 1,190,756 | 1,190,756 | 1,244,589 | (53,833) |
| Outside services | 1,597,658 | 1,810,337 | 1,511,057 | 299,280 |
| Materials and supplies | 217,350 | 222,836 | 252,126 | (29,290) |
| Intrafund/interfund services | 1,102,978 | 1,102,978 | 1,162,835 | (59,857) |
| Capital outlay | 61,200 | 63,398 | 56,858 | 6,540 |
| Debt and fiscal charges | 450,000 | 450,000 | 0 | 450,000 |
| TOTAL EXPENSES AND ENCUMBRANCES | 4,619,942 | 4,840,305 | 4,227,465 | 612,840 |
| EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES | (1,076,542) | (1,296,905) | (894,689) | 402,216 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfer out to: | | | | |
| Equipment Fund | 0 | (5,000) | (5,000) | 0 |
| Proceeds from long-term debt | | | | |
| Intergovernmental loans | 1,194,902 | 1,194,902 | 460,290 | (734,612) |

| | | | | | |
|---|----|----------------|------------------|-----------|------------------|
| EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENSES AND OTHER USES | \$ | <u>118,360</u> | <u>(107,003)</u> | (439,399) | <u>(332,396)</u> |
|---|----|----------------|------------------|-----------|------------------|

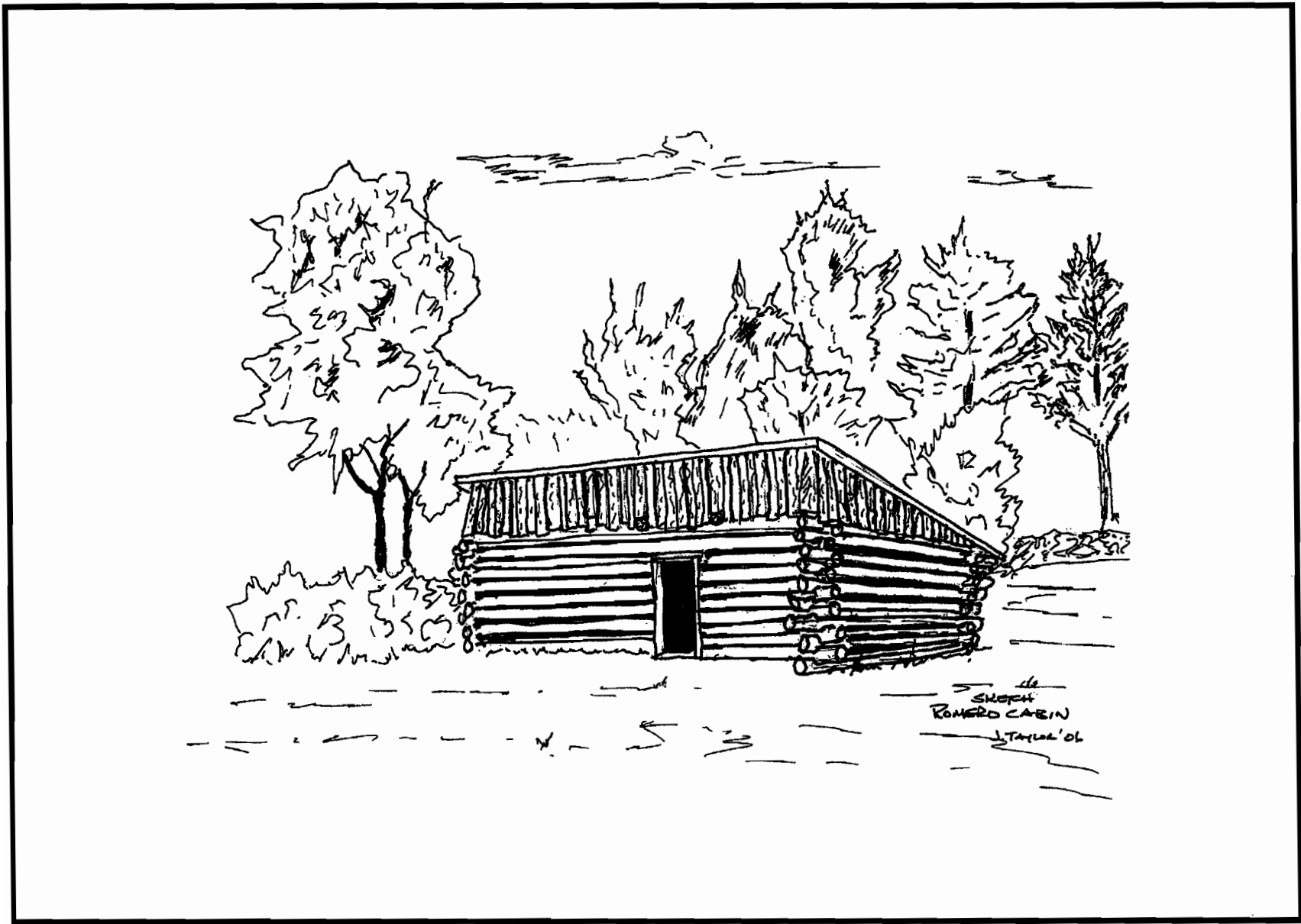
ADJUSTMENTS TO GAAP

| | |
|--|------------------|
| Encumbrances | 61,692 |
| Changes in compensated absenses | (10,657) |
| Bad debt adjustment | (1,550) |
| Depreciation and amortization | (662,942) |
| Adjustments to inventory | (13) |
| Gain(loss) on disposition of fixed assets | (4,487) |
| Proceeds from intergovernmental loans | (460,290) |
| Assets transferred - proprietary funds | (54,349) |
| Contributed capital assets - governmental activities | 214,054 |
| Capital outlay capitalized | 56,858 |
| Capital projects capitalized (budgeted by line item) | 1,167,528 |
| | <u>305,844</u> |
| | <u>(133,555)</u> |

GAAP BASIS

NET ASSETS

| | |
|--|----------------------|
| Beginning of fiscal year | 21,450,457 |
| NET ASSETS - END OF FISCAL YEAR | \$ <u>21,316,902</u> |



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:

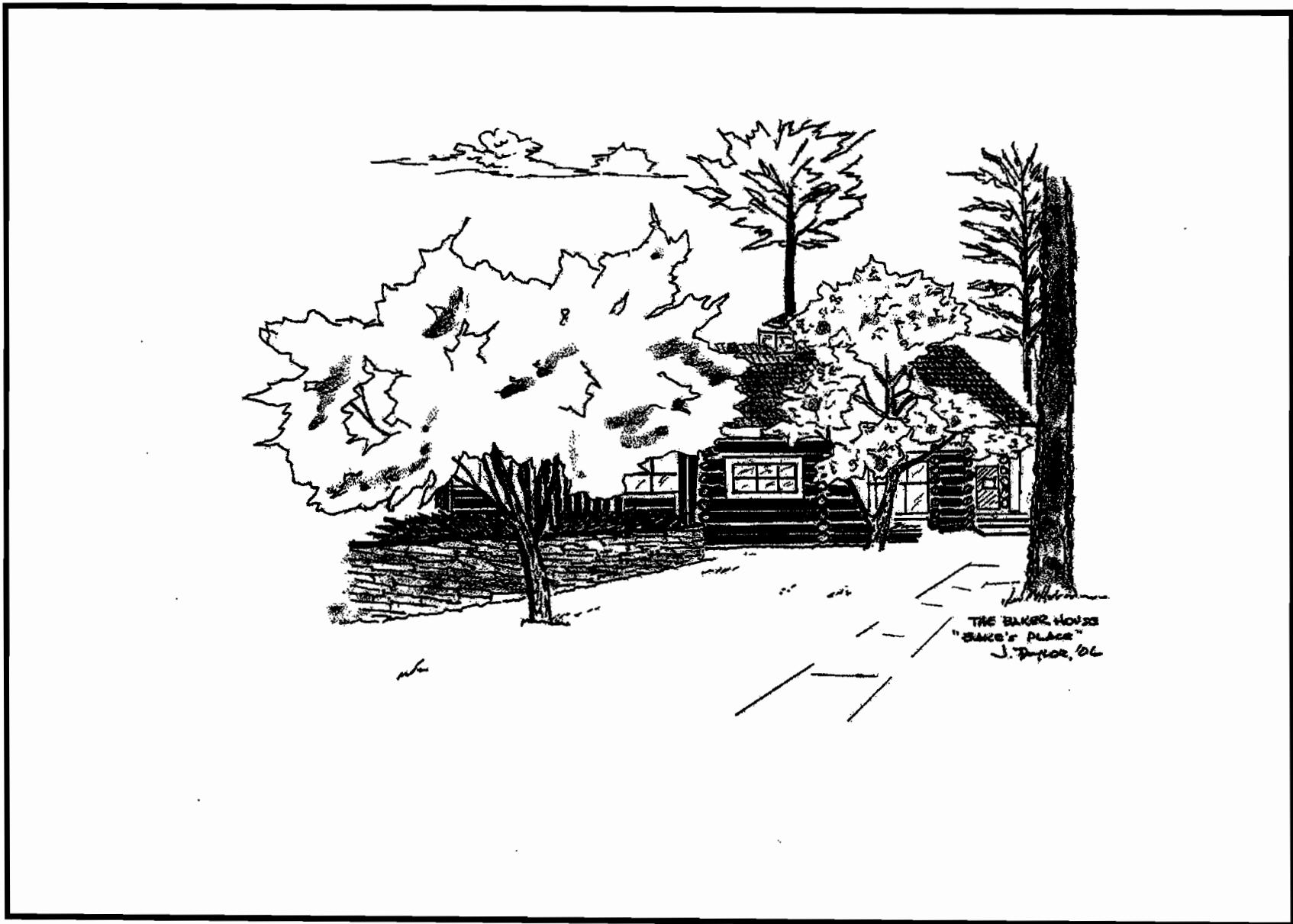
Environmental Services Fund 611 - accounts for the provision of refuse collection and landfill services to the county.

Golf Course Fund 623 - accounts for the operation and maintenance of the County-owned golf course.

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 under contract with Los Alamos National Laboratory and through a cooperative agreement with the National Nuclear Security Administration.

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



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

SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2009

| | <u>ANNUAL BUDGET</u> | <u>REVISED BUDGET</u> | <u>ACTUALS</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
|--|----------------------|-----------------------|------------------|---|
| REVENUES | | | | |
| Taxes | | | | |
| Selective gross receipt taxes | \$ 920,594 | 920,594 | 1,084,563 | 163,969 |
| Intergovernmental | | | | |
| State grants-other | 0 | 96,952 | 97,790 | 838 |
| Charges for services | | | | |
| Sales of food or merchandise (trash bags) | 14,346 | 14,346 | 11,685 | (2,661) |
| Residential | 1,491,930 | 1,491,930 | 1,529,010 | 37,080 |
| Commercial and industrial | 560,000 | 560,000 | 585,057 | 25,057 |
| Other charges for services | 800,000 | 800,000 | 845,881 | 45,881 |
| | <u>2,866,276</u> | <u>2,866,276</u> | <u>2,971,633</u> | <u>105,357</u> |
| Interfund/interdepartmental charges | | | | |
| Interdepartmental services | 0 | 0 | 103,973 | 103,973 |
| Miscellaneous revenues | | | | |
| Interest income | 192,000 | 192,000 | 56,721 | (135,279) |
| Interest charges-delinquent accounts | 0 | 0 | 6,734 | 6,734 |
| Other | 25,000 | 25,000 | 33,245 | 8,245 |
| | <u>217,000</u> | <u>217,000</u> | <u>96,700</u> | <u>(120,300)</u> |
| TOTAL REVENUES | <u>4,003,870</u> | <u>4,100,822</u> | <u>4,354,659</u> | <u>253,837</u> |
| EXPENSES AND ENCUMBRANCES | | | | |
| Public Works | | | | |
| Environmental Services | | | | |
| Employee salaries and benefits | 1,180,442 | 1,180,442 | 1,134,687 | 45,755 |
| Outside services | 950,701 | 5,476,576 | 4,946,661 | 529,915 |
| Materials and supplies | 141,294 | 190,904 | 202,070 | (11,166) |
| Intrafund/interfund services | 1,132,981 | 1,099,981 | 1,156,700 | (56,719) |
| Capital outlay | 30,000 | 54,431 | 61,618 | (7,187) |
| Debt and fiscal charges | 361,356 | 361,356 | 11,458 | 349,898 |
| | <u>3,796,774</u> | <u>8,363,690</u> | <u>7,513,194</u> | <u>850,496</u> |
| TOTAL EXPENSES AND ENCUMBRANCES | <u>3,796,774</u> | <u>8,363,690</u> | <u>7,513,194</u> | <u>850,496</u> |

**EXCESS REVENUES AND OTHER SOURCES OVER
(UNDER) EXPENSES AND OTHER USES**

\$ 207,096 (4,262,868) (3,158,535) 1,104,333

ADJUSTMENTS TO GAAP

| | |
|--|-----------|
| Encumbrances | 2,534,184 |
| Changes in compensated absences | (12,617) |
| Bad debt adjustment | 6,124 |
| Depreciation and amortization | (116,013) |
| Special closure costs | (50,494) |
| Gain(loss) on disposition of fixed assets | 5,723 |
| Capital projects capitalized (budgeted by line item) | 2,006,573 |

4,373,480
1,214,945

GAAP BASIS

NET ASSETS

| | |
|--------------------------|-----------|
| Beginning of fiscal year | 5,068,456 |
|--------------------------|-----------|

NET ASSETS - END OF FISCAL YEAR

\$ 6,283,401

**INCORPORATED COUNTY OF LOS ALAMOS
GOLF COURSE FUND**

SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2009

| | <u>ANNUAL BUDGET</u> | <u>REVISED BUDGET</u> | <u>ACTUALS</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
|--|-------------------------|-------------------------|-------------------------|---|
| REVENUES | | | | |
| Charges for services | | | | |
| Sales of food or merchandise | \$ 220,000 | 220,000 | 132,708 | (87,292) |
| Daily fees/passes | 0 | 0 | 201,054 | 201,054 |
| Annual passes | 0 | 0 | 98,426 | 98,426 |
| Monthly passes | 0 | 0 | 16,767 | 16,767 |
| Punch passes | 0 | 0 | 24,596 | 24,596 |
| Recreation fees | 465,500 | 465,500 | 45,011 | (420,489) |
| Other fees | 0 | 0 | 1,215 | 1,215 |
| | <u>685,500</u> | <u>685,500</u> | <u>519,777</u> | <u>(165,723)</u> |
| Miscellaneous revenues | | | | |
| Interest income | 7,000 | 7,000 | 759 | (6,241) |
| Buildings rental | 0 | 0 | 14,950 | 14,950 |
| Concessions rental | 123,600 | 123,600 | 2,547 | (121,053) |
| Miscellaneous rental | 0 | 0 | 99,083 | 99,083 |
| | <u>130,600</u> | <u>130,600</u> | <u>117,339</u> | <u>(13,261)</u> |
| TOTAL REVENUES | <u>816,100</u> | <u>816,100</u> | <u>637,116</u> | <u>(178,984)</u> |
| EXPENSES AND ENCUMBRANCES | | | | |
| Community Services-Recreation | | | | |
| Parks | | | | |
| Employee salaries and benefits | 625,128 | 625,128 | 594,739 | 30,389 |
| Outside services | 214,765 | 217,055 | 54,425 | 162,630 |
| Materials and supplies | 220,408 | 228,797 | 222,820 | 5,977 |
| Intrafund/interfund services | 219,981 | 219,981 | 215,413 | 4,568 |
| Capital outlay | 27,000 | 27,000 | 0 | 27,000 |
| Debt and fiscal charges | 5,000 | 5,000 | 6,250 | (1,250) |
| TOTAL EXPENSES AND ENCUMBRANCES | <u>1,312,282</u> | <u>1,322,961</u> | <u>1,093,647</u> | <u>229,314</u> |

OTHER FINANCING SOURCES (USES)Transfers in from:
General Fund

460,000

460,000

460,000

0

**EXCESS REVENUES AND OTHER SOURCES OVER
(UNDER) EXPENSES AND OTHER USES**\$ (36,182)(46,861)

3,469

50,330**ADJUSTMENTS TO GAAP**

Encumbrances

7,074

Changes in compensated absences

(11,458)

Depreciation and amortization

(47,790)

Contributed capital assets - governmental activities

229,523

177,349**GAAP BASIS**

180,818

NET ASSETS

Beginning of fiscal year

5,103,402

NET ASSETS - END OF FISCAL YEAR\$ 5,284,220



**INCORPORATED COUNTY OF LOS ALAMOS
TRANSIT FUND**

SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2009

| | <u>ANNUAL BUDGET</u> | <u>REVISED BUDGET</u> | <u>ACTUALS</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
|---|----------------------|-----------------------|--------------------|---|
| REVENUES | | | | |
| Intergovernmental | | | | |
| Federal direct | \$ 1,499,542 | 2,353,261 | 1,165,905 | (1,187,356) |
| Charges for services | | | | |
| Transportation | 0 | 0 | 14,180 | 14,180 |
| Miscellaneous revenues | | | | |
| Interest income | 6,000 | 6,000 | 958 | (5,042) |
| TOTAL REVENUES | <u>1,505,542</u> | <u>2,359,261</u> | <u>1,181,043</u> | <u>(1,178,218)</u> |
| EXPENSES AND ENCUMBRANCES | | | | |
| Public Works | | | | |
| Transit (Atomic City Transit) | | | | |
| Employee salaries and benefits | 1,293,000 | 1,339,536 | 1,286,807 | 52,729 |
| Outside services | 368,174 | 761,289 | 160,316 | 600,973 |
| Materials and supplies | 80,750 | 85,601 | 85,578 | 23 |
| Intrafund/interfund services | 585,551 | 585,551 | 589,198 | (3,647) |
| Capital outlay | 521,500 | 1,610,797 | 1,590,238 | 20,559 |
| TOTAL EXPENSES AND ENCUMBRANCES | <u>2,848,975</u> | <u>4,382,774</u> | <u>3,712,137</u> | <u>670,637</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in from: | | | | |
| General Fund | 1,349,433 | 1,415,969 | 1,415,969 | 0 |
| EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENSES AND OTHER USES | <u>\$ 6,000</u> | <u>(607,544)</u> | <u>(1,115,125)</u> | <u>(507,581)</u> |
| ADJUSTMENTS TO GAAP | | | | |
| Encumbrances | | | 1,278,407 | |
| Changes in compensated absences | | | (42,607) | |
| Depreciation and amortization | | | (6,516) | |
| Contributed capital assets - governmental activities | | | 165,375 | |
| Capital outlay capitalized | | | 383,060 | |
| Assets transferred - proprietary funds | | | (356,655) | |
| | | | <u>1,421,064</u> | |
| GAAP BASIS | | | <u>305,939</u> | |
| NET ASSETS | | | | |
| Beginning of fiscal year | | | 31,170 | |
| NET ASSETS - END OF FISCAL YEAR | | | <u>\$ 337,109</u> | |

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS
FIRE FUND**

SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2009

| | <u>ANNUAL BUDGET</u> | <u>REVISED BUDGET</u> | <u>ACTUALS</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
|---|----------------------|-----------------------|-------------------|---|
| REVENUES | | | | |
| Taxes | | | | |
| Fire excise tax | \$ 1,841,187 | 1,841,187 | 2,157,587 | 316,400 |
| Intergovernmental revenue | | | | |
| Federal direct - NNSA cooperative agreement | 0 | 0 | 10,262,416 | 10,262,416 |
| Federal indirect - LANL contract services | 15,467,273 | 15,552,087 | 4,388,149 | (11,163,938) |
| Charges for services | | | | |
| Ambulance services | 450,000 | 450,000 | 442,522 | (7,478) |
| Interfund/interdepartmental charges | | | | |
| County share of fire services | 3,148,485 | 3,148,485 | 2,398,485 | (750,000) |
| Miscellaneous revenues | | | | |
| Other | 0 | 0 | 3,356 | 3,356 |
| TOTAL REVENUES | <u>20,906,945</u> | <u>20,991,759</u> | <u>19,652,515</u> | <u>(1,339,244)</u> |
| EXPENSES AND ENCUMBRANCES | | | | |
| Fire Department | | | | |
| Operations | | | | |
| Employee salaries and benefits | 12,271,507 | 12,271,507 | 11,046,001 | 1,225,506 |
| Outside services | 83,229 | 93,401 | 27,333 | 66,068 |
| Materials and supplies | 622,805 | 633,145 | 698,334 | (65,189) |
| Capital outlay | 465,935 | 465,935 | 52,277 | 413,658 |
| | <u>13,443,476</u> | <u>13,463,988</u> | <u>11,823,945</u> | <u>1,640,043</u> |
| Life Safety | | | | |
| Employee salaries and benefits | 397,190 | 397,190 | 346,572 | 50,618 |
| Outside services | 6,853 | 6,853 | 34,660 | (27,807) |
| Materials and supplies | 11,596 | 11,596 | 33,087 | (21,491) |
| Capital outlay | 4,212 | 4,212 | 0 | 4,212 |
| | <u>419,851</u> | <u>419,851</u> | <u>414,319</u> | <u>5,532</u> |
| Training | | | | |
| Employee salaries and benefits | 243,553 | 243,553 | 243,082 | 471 |
| Outside services | 84,712 | 84,712 | 60,324 | 24,388 |
| Materials and supplies | 45,810 | 45,810 | 46,606 | (796) |
| Capital outlay | 6,319 | 6,319 | 0 | 6,319 |
| | <u>380,394</u> | <u>380,394</u> | <u>350,012</u> | <u>30,382</u> |

| | | | | |
|---|--------------------|------------------------|-----------------------------|-----------------------|
| Emergency Medical Services | | | | |
| Employee salaries and benefits | 314,207 | 314,207 | 294,119 | 20,088 |
| Outside services | 138,645 | 138,730 | 134,345 | 4,385 |
| Materials and supplies | 79,092 | 92,060 | 124,959 | (32,899) |
| Capital outlay | 38,326 | 38,326 | 0 | 38,326 |
| | <u>570,270</u> | <u>583,323</u> | <u>553,423</u> | <u>29,900</u> |
| Non contract-administration | | | | |
| Materials and supplies | 0 | 0 | 4,731 | (4,731) |
| Interfund loan principal | 463,450 | 437,787 | 437,787 | 0 |
| Interfund loan interest | 53,362 | 116,213 | 116,213 | 0 |
| | <u>516,812</u> | <u>554,000</u> | <u>558,731</u> | <u>(4,731)</u> |
| Administration | | | | |
| Employee salaries and benefits | 709,173 | 709,173 | 575,495 | 133,678 |
| Outside services | 445,684 | 496,400 | 345,559 | 150,841 |
| Materials and supplies | 135,184 | 135,717 | 103,565 | 32,152 |
| Intrafund/interfund services | 2,651,966 | 2,651,966 | 3,035,363 | (383,397) |
| Capital outlay | 309,760 | 309,760 | 0 | 309,760 |
| | <u>4,251,767</u> | <u>4,303,016</u> | <u>4,059,982</u> | <u>243,034</u> |
| Total Fire - Fire Department | 19,582,570 | 19,704,572 | 17,760,412 | 1,944,160 |
| TOTAL EXPENSES AND ENCUMBRANCES | 19,582,570 | 19,704,572 | 17,760,412 | 1,944,160 |
| Transfers out to: | | | | |
| General Fund | (1,324,375) | (1,324,375) | (993,281) | (331,094) |
| EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENSES AND OTHER USES | \$ <u>0</u> | <u>(37,188)</u> | <u>898,822</u> | <u>273,822</u> |
| ADJUSTMENTS TO GAAP | | | | |
| Encumbrances | | | 202,590 | |
| Changes in compensated absences | | | (373,370) | |
| Bad debt expense | | | (45,550) | |
| Depreciation and amortization | | | (450,278) | |
| Capital outlay capitalized | | | 9,900 | |
| Gain(loss) on disposition of fixed assets | | | (399,277) | |
| Contributed capital assets - governmental activities | | | 54,689 | |
| Principal on interfund debt service | | | 437,787 | |
| | | | <u>(563,509)</u> | |
| GAAP BASIS | | | 335,313 | |
| NET ASSETS | | | | |
| Beginning of fiscal year | | | 14,724,165 | |
| NET ASSETS - END OF FISCAL YEAR | | | \$ <u>15,059,478</u> | |

INCORPORATED COUNTY OF LOS ALAMOS

AIRPORT FUND

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

Year ended June 30, 2009

| | <u>ANNUAL BUDGET</u> | <u>REVISED BUDGET</u> | <u>ACTUALS</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
|---|----------------------|-----------------------|----------------------|---|
| REVENUES | | | | |
| Intergovernmental | | | | |
| Federal direct | \$ 776,625 | 428,400 | 57,781 | (370,619) |
| State grants-other | 0 | 1,626 | 2,968 | 1,342 |
| | <u>776,625</u> | <u>430,026</u> | <u>60,749</u> | <u>(369,277)</u> |
| Charges for services | | | | |
| Airport fees | 56,000 | 56,000 | 43,604 | (12,396) |
| Miscellaneous revenues | | | | |
| Interest income | 7,000 | 7,000 | 524 | (6,476) |
| Tie down rental | 42,350 | 42,350 | 40,824 | (1,526) |
| Facilities rental | 66,200 | 66,200 | 0 | (66,200) |
| | <u>115,550</u> | <u>115,550</u> | <u>41,348</u> | <u>(74,202)</u> |
| TOTAL REVENUES | <u>948,175</u> | <u>601,576</u> | <u>145,701</u> | <u>(455,875)</u> |
| EXPENSES AND ENCUMBRANCES | | | | |
| Public Works | | | | |
| Airport operations | | | | |
| Employee salaries and benefits | 140,944 | 140,944 | 114,983 | 25,961 |
| Outside services | 1,165,880 | 820,907 | 83,323 | 737,584 |
| Materials and supplies | 14,350 | 14,350 | 5,692 | 8,658 |
| Intrafund/interfund services | 65,574 | 65,574 | 62,368 | 3,206 |
| Capital outlay | 5,800 | 5,800 | 0 | 5,800 |
| Debt and fiscal charges | 49,100 | 49,100 | 0 | 49,100 |
| | <u>1,441,648</u> | <u>1,096,675</u> | <u>266,366</u> | <u>830,309</u> |
| TOTAL EXPENSES AND ENCUMBRANCES | <u>1,441,648</u> | <u>1,096,675</u> | <u>266,366</u> | <u>830,309</u> |
| EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES | <u>(493,473)</u> | <u>(495,099)</u> | <u>(120,665)</u> | <u>374,434</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in from: | | | | |
| General Fund | 488,375 | 488,375 | 228,375 | (260,000) |
| EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENSES AND OTHER USES | <u>\$ (5,098)</u> | <u>(6,724)</u> | <u>107,710</u> | <u>114,434</u> |
| ADJUSTMENTS TO GAAP | | | | |
| Changes in compensated absences | | | (5,274) | |
| Depreciation and amortization | | | (554,667) | |
| Contributed capital assets - Department of Energy | | | 14,365,536 | |
| Capital projects capitalized (budgeted by line item) | | | 60,823 | |
| | | | <u>13,866,418</u> | |
| GAAP BASIS | | | <u>13,974,128</u> | |
| NET ASSETS | | | | |
| Beginning of fiscal year | | | 691,132 | |
| NET ASSETS - END OF FISCAL YEAR | | | <u>\$ 14,665,260</u> | |

See accompanying notes to financial statements

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.

Agency Fund

Agency Fund 871 - accounts for the collection and payment to the State and local School District of property taxes billed and collected by the County. The Schedule of Changes in Assets and Liabilities is the only required fund financial statement for the Agency Fund, and is presented immediately following the Internal Service Funds financial statements.



INCORPORATED COUNTY OF LOS ALAMOS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
June 30, 2009

| | <u>EQUIPMENT</u> | <u>RISK MANAGEMENT</u> | <u>TOTAL</u> |
|--|-----------------------------|----------------------------|--------------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Equity in pooled cash and investments | \$ 6,366,445 | 8,206,335 | 14,572,780 |
| Receivables, net of allowance for uncollectibles | | | |
| Accounts | 0 | 1,589 | 1,589 |
| Inventories and prepayments | | | |
| Prepayments | 0 | 79,545 | 79,545 |
| | <u>6,366,445</u> | <u>8,287,469</u> | <u>14,653,914</u> |
| PROPERTY, PLANT AND EQUIPMENT | | | |
| Machinery and equipment | 13,796,495 | 11,621 | 13,808,116 |
| Less accumulated depreciation | (8,671,147) | (11,621) | (8,682,768) |
| | <u>5,125,348</u> | <u>0</u> | <u>5,125,348</u> |
| TOTAL ASSETS | <u>11,491,793</u> | <u>8,287,469</u> | <u>19,779,262</u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Accounts payable | 230,526 | 94,655 | 325,181 |
| Claims and judgments payable | 0 | 490,275 | 490,275 |
| Accrued salaries including benefits payable | 14,818 | 257,261 | 272,079 |
| Accrued compensated absences | 26,661 | 3,165 | 29,826 |
| | <u>272,005</u> | <u>845,356</u> | <u>1,117,361</u> |
| NONCURRENT LIABILITIES | | | |
| Accrued compensated absences | 18,880 | 442 | 19,322 |
| Claims and judgments payable | 0 | 697,665 | 697,665 |
| | <u>18,880</u> | <u>698,107</u> | <u>716,987</u> |
| TOTAL LIABILITIES | <u>290,885</u> | <u>1,543,463</u> | <u>1,834,348</u> |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 5,125,348 | 0 | 5,125,348 |
| Unrestricted | 6,075,560 | 6,744,006 | 12,819,566 |
| TOTAL NET ASSETS | <u>\$ 11,200,908</u> | <u>6,744,006</u> | <u>17,944,914</u> |

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

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
Year ended June 30, 2009

| | <u>EQUIPMENT</u> | <u>RISK MANAGEMENT</u> | <u>TOTAL</u> |
|---|-----------------------------|----------------------------|--------------------------|
| OPERATING REVENUES | | | |
| Interfund charges for services | \$ 3,147,542 | 0 | 3,147,542 |
| Insurance and pension contributions | | | |
| County | 0 | 1,901,771 | 1,901,771 |
| Employees and retirees | 0 | 81,483 | 81,483 |
| Miscellaneous operating revenue | 152,197 | 9,074 | 161,271 |
| | <u>3,299,739</u> | <u>1,992,328</u> | <u>5,292,067</u> |
| OPERATING EXPENSES | | | |
| Employee salaries and benefits | 661,408 | 203,176 | 864,584 |
| Contractual services | 412,531 | 2,104,335 | 2,516,866 |
| Materials and supplies | 1,173,573 | 56,556 | 1,230,129 |
| Depreciation and amortization | 1,233,029 | 0 | 1,233,029 |
| | <u>3,480,541</u> | <u>2,364,067</u> | <u>5,844,608</u> |
| OPERATING INCOME (LOSS) | (180,802) | (371,739) | (552,541) |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Gain (loss) on disposition of fixed assets | 113,850 | 0 | 113,850 |
| Investment income | 11,891 | 15,204 | 27,095 |
| | <u>125,741</u> | <u>15,204</u> | <u>140,945</u> |
| INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS | (55,061) | (356,535) | (411,596) |
| TRANSFERS AND CONTRIBUTIONS | | | |
| Transfers in | 456,488 | 0 | 456,488 |
| Contributed capital assets - governmental activities | 322,019 | 0 | 322,019 |
| | <u>778,507</u> | <u>0</u> | <u>778,507</u> |
| NET INCOME (LOSS) | 723,446 | (356,535) | 366,911 |
| NET ASSETS | | | |
| Beginning of fiscal year | 10,477,462 | 7,100,541 | 17,578,003 |
| NET ASSETS - END OF FISCAL YEAR | \$ <u>11,200,908</u> | <u>6,744,006</u> | <u>17,944,914</u> |

INCORPORATED COUNTY OF LOS ALAMOS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year ended June 30, 2009

| | <u>EQUIPMENT</u> | <u>RISK MANAGEMENT</u> | <u>TOTAL</u> |
|--|-------------------------|----------------------------|-------------------------|
| CASH FLOWS - OPERATING ACTIVITIES | | | |
| Cash received from customers and users | \$ 3,320,069 | 0 | 3,320,069 |
| Cash received from contributions-employer and employees | 0 | 1,994,014 | 1,994,014 |
| Cash paid to suppliers for goods and services | (1,405,787) | (1,811,670) | (3,217,457) |
| Cash paid to employees | (658,994) | (215,237) | (874,231) |
| NET CASH FLOWS - OPERATING ACTIVITIES | <u>1,255,288</u> | <u>(32,893)</u> | <u>1,222,395</u> |
| CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES | | | |
| Transfers from other funds | 5,000 | 0 | 5,000 |
| CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Cash paid for acquisition of capital assets | (770,899) | 0 | (770,899) |
| Proceeds from sale of capital assets | 116,735 | 0 | 116,735 |
| NET CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES | <u>(654,164)</u> | <u>0</u> | <u>(654,164)</u> |
| CASH FLOWS - INVESTING ACTIVITIES | | | |
| Interest received on investments | 11,891 | 15,204 | 27,095 |
| NET INCREASE (DECREASE) IN CASH | 618,015 | (17,689) | 600,326 |
| EQUITY IN POOLED CASH AND INVESTMENTS - BEGINNING OF FISCAL YEAR | 5,748,430 | 8,224,024 | 13,972,454 |
| EQUITY IN POOLED CASH AND INVESTMENTS - END OF FISCAL YEAR | <u>\$ 6,366,445</u> | <u>8,206,335</u> | <u>14,572,780</u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS - OPERATING ACTIVITIES | | | |
| OPERATING INCOME(LOSS) | \$ (180,802) | (371,739) | (552,541) |

**ADJUSTMENTS TO RECONCILE OPERATING INCOME TO
NET CASH FLOWS - OPERATING ACTIVITIES**

| | | | |
|--|----------------------------|------------------------|-------------------------|
| Depreciation and amortization expense | 1,233,029 | 0 | 1,233,029 |
| Bad debt expense | 0 | (1,256) | (1,256) |
| Change in assets and liabilities: | | | |
| Accounts and other receivables | 20,330 | 2,942 | 23,272 |
| Prepayments and other | 0 | 32,134 | 32,134 |
| Accounts payable | 180,317 | 11,199 | 191,516 |
| Salaries and benefits payable | 2,414 | (12,061) | (9,647) |
| Claims and judgments payable | 0 | 218,234 | 218,234 |
| Group insurance payable | 0 | 87,654 | 87,654 |
| Total adjustments | <u>1,436,090</u> | <u>338,846</u> | <u>1,774,936</u> |
| NET CASH FLOWS - OPERATING ACTIVITIES | \$ <u>1,255,288</u> | <u>(32,893)</u> | <u>1,222,395</u> |

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

NON CASH TRANSACTIONS:

| | | | |
|--|--------------------------|-----------------|-----------------------|
| Asset transfers - proprietary funds | \$ 451,488 | 0 | 451,488 |
| Contributed capital assets - governmental activities | 322,019 | 0 | 322,019 |
| TOTAL NON CASH CAPITAL ACQUISITIONS | \$ <u>773,507</u> | <u>0</u> | <u>773,507</u> |

**INCORPORATED COUNTY OF LOS ALAMOS
EQUIPMENT FUND**

**SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2009**

| | <u>ANNUAL BUDGET</u> | <u>REVISED BUDGET</u> | <u>ACTUALS</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
|---|-------------------------|-------------------------|-------------------------|---|
| REVENUES | | | | |
| Interfund/interdepartmental charges | | | | |
| Charges for special services | \$ 3,209,111 | 3,209,111 | 3,147,542 | (61,569) |
| Miscellaneous revenues | | | | |
| Investment income | 304,000 | 304,000 | 11,891 | (292,109) |
| Other | 100,000 | 100,000 | 152,197 | 52,197 |
| | <u>404,000</u> | <u>404,000</u> | <u>164,088</u> | <u>(239,912)</u> |
| TOTAL REVENUES | <u>3,613,111</u> | <u>3,613,111</u> | <u>3,311,630</u> | <u>(301,481)</u> |
| EXPENSES AND ENCUMBRANCES | | | | |
| Public Works | | | | |
| Fleet management-equipment maintenance | | | | |
| Employee salaries and benefits | 695,837 | 695,837 | 653,370 | 42,467 |
| Outside services | 149,301 | 152,847 | 127,038 | 25,809 |
| Materials and supplies | 1,177,803 | 1,209,341 | 1,171,088 | 38,253 |
| Intrafund/interfund services | 286,127 | 286,127 | 297,190 | (11,063) |
| Capital outlay | 2,500 | 2,500 | 13,559 | (11,059) |
| | <u>2,311,568</u> | <u>2,346,652</u> | <u>2,262,245</u> | <u>84,407</u> |
| Fleet management-equipment replacement | | | | |
| Materials and supplies | 0 | 0 | 17,439 | (17,439) |
| Capital outlay | 860,500 | 1,105,249 | 1,026,639 | 78,610 |
| | <u>860,500</u> | <u>1,105,249</u> | <u>1,044,078</u> | <u>61,171</u> |
| TOTAL EXPENSES AND ENCUMBRANCES | <u>3,172,068</u> | <u>3,451,901</u> | <u>3,306,323</u> | <u>145,578</u> |
| EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES | 441,043 | 161,210 | 5,307 | (155,903) |

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

| | | | | |
|--|---------|---------|---------|----------|
| Joint Utility System Fund | 0 | 5,000 | 5,000 | 0 |
| Gain (loss) on disposition of fixed assets | 138,000 | 138,000 | 113,850 | (24,150) |

**EXCESS REVENUES AND OTHER SOURCES OVER
(UNDER) EXPENSES AND OTHER USES**

| | | | | |
|----|----------------|----------------|---------|------------------|
| \$ | <u>579,043</u> | <u>304,210</u> | 124,157 | <u>(180,053)</u> |
|----|----------------|----------------|---------|------------------|

ADJUSTMENTS TO GAAP

| | |
|--|-------------|
| Encumbrances | 295,950 |
| Changes in compensated absences | (8,038) |
| Depreciation and amortization | (1,233,029) |
| Capital outlay capitalized | 770,899 |
| Asset transfers - proprietary funds | 451,488 |
| Contributed capital assets - governmental activities | 322,019 |

599,289723,446**GAAP BASIS****NET ASSETS**

| | |
|--------------------------|------------|
| Beginning of fiscal year | 10,477,462 |
|--------------------------|------------|

NET ASSETS - END OF FISCAL YEAR

| | |
|----|-------------------|
| \$ | <u>11,200,908</u> |
|----|-------------------|

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

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

Year ended June 30, 2009

| | <u>ANNUAL BUDGET</u> | <u>REVISED BUDGET</u> | <u>ACTUALS</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
|--|----------------------|-----------------------|------------------|---|
| REVENUES | | | | |
| Charges for services | | | | |
| Administrative charges for services | \$ 0 | 0 | 407 | 407 |
| Interfund/interdepartmental charges | | | | |
| County insurance contributions | 1,745,908 | 1,745,908 | 1,901,771 | 155,863 |
| Miscellaneous revenues | | | | |
| Investment income | 405,000 | 405,000 | 15,204 | (389,796) |
| Group insurance contributions | | | | |
| Employees | 87,138 | 87,138 | 80,086 | (7,052) |
| Retirees and others | 0 | 0 | 1,397 | 1,397 |
| Other judgments and settlements | 0 | 0 | 7,411 | 7,411 |
| | <u>492,138</u> | <u>492,138</u> | <u>104,098</u> | <u>(388,040)</u> |
| TOTAL REVENUES | <u>2,238,046</u> | <u>2,238,046</u> | <u>2,006,276</u> | <u>(231,770)</u> |
| EXPENSES AND ENCUMBRANCES | | | | |
| Administrative Services - Human Resources | | | | |
| Group insurance | | | | |
| Outside services | 442,675 | 484,629 | 636,804 | (152,175) |
| Intrafund/interfund services | (92,675) | (92,675) | (96,113) | 3,438 |
| | <u>350,000</u> | <u>391,954</u> | <u>540,691</u> | <u>(148,737)</u> |
| Unemployment insurance | | | | |
| Outside services | 40,000 | 40,000 | 8,498 | 31,502 |
| Workers' compensation insurance | | | | |
| Outside services | 395,000 | 450,000 | 386,317 | 63,683 |
| Administration and other insurance | | | | |
| Employee salaries and benefits | 230,147 | 230,147 | 214,312 | 15,835 |
| Outside services | 802,300 | 1,022,456 | 860,546 | 161,910 |
| Materials and supplies | 66,000 | 83,429 | 57,011 | 26,418 |
| Intrafund/interfund services | 101,178 | 101,178 | 104,616 | (3,438) |
| | <u>1,199,625</u> | <u>1,437,210</u> | <u>1,236,485</u> | <u>200,725</u> |
| TOTAL EXPENSES AND ENCUMBRANCES | <u>1,984,625</u> | <u>2,319,164</u> | <u>2,171,991</u> | <u>147,173</u> |

| | | | | | |
|---|----|----------------|-----------------|------------------|-----------------|
| EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENSES AND OTHER USES | \$ | <u>253,421</u> | <u>(81,118)</u> | <u>(165,715)</u> | <u>(84,597)</u> |
| ADJUSTMENTS TO GAAP | | | | | |
| Encumbrances | | | | 15,021 | |
| Changes in compensated absences | | | | 11,136 | |
| Bad debt expense | | | | 1,256 | |
| Incurred but not reported claims adjustment | | | | (218,233) | |
| | | | | <u>(190,820)</u> | |
| GAAP BASIS | | | | <u>(356,535)</u> | |
| NET ASSETS | | | | | |
| Beginning of fiscal year | | | | 7,100,541 | |
| NET ASSETS - END OF FISCAL YEAR | \$ | | | <u>6,744,006</u> | |

**INCORPORATED COUNTY OF LOS ALAMOS
AGENCY FUND**

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

Year ended June 30, 2009

| | <u>BALANCE JUNE 30, 2008</u> | <u>ADDITIONS</u> | <u>DELETIONS</u> | <u>BALANCE JUNE 30, 2009</u> |
|---------------------------------------|----------------------------------|--------------------------|--------------------------|----------------------------------|
| ASSETS | | | | |
| Equity in pooled cash and investments | \$ 62,961 | 14,108,393 | 14,090,688 | 80,666 |
| Receivables | | | | |
| Property taxes | 189,762 | 12,934,268 | 12,940,816 | 183,214 |
| Other | 2,618 | 248,335 | 249,319 | 1,634 |
| TOTAL ASSETS | \$ <u>255,341</u> | <u>27,290,996</u> | <u>27,280,823</u> | <u>265,514</u> |
| LIABILITIES | | | | |
| Due to other governments | \$ 243,673 | 13,050,665 | 13,041,385 | 252,953 |
| Donations held in trust | 11,668 | 6,900 | 6,007 | 12,561 |
| TOTAL LIABILITIES | \$ <u>255,341</u> | <u>13,057,565</u> | <u>13,047,392</u> | <u>265,514</u> |

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 ASSETS BY COMPONENT (ACCRUAL BASIS OF ACCOUNTING)**

Table 1

FISCAL YEARS SINCE IMPLEMENTATION OF GASB STATEMENT NUMBER 34 [a]

| | <u>FY2003</u> | <u>FY2004</u> | <u>FY2005</u> | <u>FY2006</u> | <u>FY2007</u> | <u>FY2008</u> | <u>FY2009</u> |
|---|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Governmental activities | | | | | | | |
| Invested in capital assets, net of related debt | \$ 160,898,918 | 174,409,024 | 164,003,992 | 170,030,313 | 179,392,030 | 169,397,461 | 183,000,699 |
| Restricted | 36,469,587 | 23,823,524 | 23,351,168 | 23,546,640 | 25,953,706 | 26,998,503 | 28,017,885 |
| Unrestricted | 85,568,931 | 80,405,017 | 70,051,187 | 68,980,912 | 83,145,949 | 92,425,436 | 89,765,352 |
| Total governmental activities net assets | \$ <u>282,937,436</u> | <u>278,637,565</u> | <u>257,406,347</u> | <u>262,557,865</u> | <u>288,491,685</u> | <u>288,821,400</u> | <u>300,783,936</u> |
| Business-type activities | | | | | | | |
| Invested in capital assets, net of related debt | \$ 69,319,205 | 74,214,139 | 94,580,932 | 99,265,533 | 104,619,109 | 115,346,140 | 142,618,564 |
| Restricted | 21,357,828 | 21,521,740 | 19,323,330 | 17,563,718 | 18,171,112 | 21,313,740 | 18,213,243 |
| Unrestricted | 31,914,793 | 36,005,593 | 37,573,328 | 37,834,350 | 39,456,940 | 38,716,522 | 40,767,507 |
| Total governmental activities net assets | \$ <u>122,591,826</u> | <u>131,741,472</u> | <u>151,477,590</u> | <u>154,663,601</u> | <u>162,247,161</u> | <u>175,376,402</u> | <u>201,599,314</u> |
| Primary government | | | | | | | |
| Invested in capital assets, net of related debt | \$ 230,218,123 | 248,623,163 | 258,584,924 | 269,295,846 | 284,011,139 | 284,743,601 | 325,619,263 |
| Restricted | 57,827,415 | 45,345,264 | 42,674,498 | 41,110,358 | 44,124,818 | 48,312,243 | 46,231,128 |
| Unrestricted | 117,483,724 | 116,410,610 | 107,624,515 | 106,815,262 | 122,602,889 | 131,141,958 | 130,532,859 |
| Total primary government net assets | \$ <u>405,529,262</u> | <u>410,379,037</u> | <u>408,883,937</u> | <u>417,221,466</u> | <u>450,738,846</u> | <u>464,197,802</u> | <u>502,383,250</u> |

Source: Los Alamos County CAFRs

Notes:

[a] All available data is presented. FY2003 was the first year financial statements were presented in net asset format pursuant to GASB Statement No. 34.

**INCORPORATED COUNTY OF LOS ALAMOS
CHANGES IN NET ASSETS (ACCRUAL BASIS OF ACCOUNTING)**

Table 2

FISCAL YEARS SINCE IMPLEMENTATION OF GASB STATEMENT NUMBER 34 [a]

| | <u>FY2003</u> | <u>FY2004</u> | <u>FY2005</u> | <u>FY2006</u> | <u>FY2007</u> | <u>FY2008</u> | <u>FY2009</u> |
|--|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Expenses | | | | | | | |
| Governmental activities: | | | | | | | |
| General government | \$ 8,689,623 | 10,355,749 | 12,331,714 | 11,957,875 | 11,783,696 | 14,426,791 | 15,392,748 |
| Public safety | 4,694,677 | 5,763,085 | 5,725,993 | 6,797,301 | 7,393,321 | 7,029,949 | 9,657,214 |
| Cerro Grande fire recovery | 6,255,925 | 8,042,519 | 4,627,860 | 314,745 | 814,144 | 365,197 | 94,245 |
| Physical and economic environment | 1,930,620 | 1,756,374 | 1,976,859 | 1,707,996 | 1,524,858 | 1,685,895 | 2,017,455 |
| Transportation | 6,872,900 | 8,076,220 | 8,215,650 | 9,710,036 | 9,637,503 | 12,409,532 | 11,250,407 |
| Health and welfare | 973,258 | 1,266,433 | 895,551 | 690,980 | 993,076 | 1,892,186 | 1,860,474 |
| Culture and recreation | 6,769,717 | 7,301,110 | 7,451,803 | 7,666,314 | 7,586,802 | 9,120,096 | 8,682,314 |
| Interest on long-term debt | 210,800 | 190,167 | 169,483 | 146,837 | 122,631 | 96,932 | 2,672,018 |
| Total governmental activities expenses | <u>36,397,520</u> | <u>42,751,657</u> | <u>41,394,913</u> | <u>38,992,084</u> | <u>39,856,031</u> | <u>47,026,578</u> | <u>51,626,875</u> |
| Business-type activities: | | | | | | | |
| Joint Utilities | | | | | | | |
| Electric | 35,686,248 | 40,510,634 | 33,845,511 | 35,973,561 | 37,942,732 | 45,217,104 | 34,387,216 |
| Gas | 5,942,922 | 6,288,433 | 7,679,064 | 8,669,395 | 7,731,388 | 8,434,435 | 6,365,053 |
| Water | 4,224,006 | 4,591,299 | 4,714,635 | 4,924,965 | 4,756,917 | 5,419,693 | 5,377,817 |
| Wastewater | 1,968,097 | 2,271,696 | 2,363,921 | 2,629,412 | 3,016,061 | 2,870,251 | 3,654,838 |
| Environmental Services | 2,638,197 | 2,830,466 | 3,307,436 | 3,094,809 | 2,654,126 | 3,097,723 | 3,221,222 |
| Golf | 899,974 | 976,790 | 990,120 | 992,338 | 1,014,099 | 1,044,012 | 1,150,136 |
| Transit (Atomic City Transit) | 0 | 0 | 0 | 0 | 0 | 1,544,871 [b] | 2,144,194 |
| Fire | 12,434,375 | 13,352,373 | 13,930,128 | 14,847,675 | 14,980,238 | 15,090,781 | 18,411,656 |
| Airport | 263,640 | 238,865 | 297,677 | 283,148 | 222,398 | 446,171 | 767,161 |
| Total business-type activities expenses | <u>64,057,459</u> | <u>71,060,556</u> | <u>67,128,492</u> | <u>71,415,303</u> | <u>72,317,959</u> | <u>83,165,041</u> | <u>75,479,293</u> |
| Total primary government expenses | <u>\$ 100,454,979</u> | <u>113,812,213</u> | <u>108,523,405</u> | <u>110,407,387</u> | <u>112,173,990</u> | <u>130,191,619</u> | <u>127,106,168</u> |
| Program Revenues | | | | | | | |
| Governmental activities: | | | | | | | |
| Charges for Services: | | | | | | | |
| General government | \$ 769,175 | 821,448 | 767,369 | 1,013,965 | 1,145,736 | 879,593 | 909,928 |
| Public safety | 129,515 | 65,726 | 60,922 | 37,917 | 100,100 | 92,377 | 70,792 |
| Physical and economic environment | 704,632 | 651,785 | 399,885 | 379,018 | 327,333 | 296,965 | 274,041 |
| Culture and recreation | 394,282 | 474,911 | 470,866 | 604,924 | 538,676 | 574,193 | 604,296 |
| Operating grants and contributions | 24,805,099 | 7,979,137 | 3,760,244 | 2,830,061 | 1,964,532 | 1,901,447 | 3,368,035 |
| Capital grants and contributions | 495,718 | 2,213,458 | 4,695,476 | 2,963,466 | 1,517,988 | 2,921,918 | 579,715 |
| Total governmental activities program revenues | <u>27,298,421</u> | <u>12,206,465</u> | <u>10,154,762</u> | <u>7,829,351</u> | <u>5,594,365</u> | <u>6,666,493</u> | <u>5,806,807</u> |

| | | | | | | | |
|--|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Business-type activities: | | | | | | | |
| Charges for services: | | | | | | | |
| Joint Utilities | | | | | | | |
| Electric | 35,088,048 | 40,498,428 | 34,627,323 | 35,557,701 | 36,475,970 | 42,521,330 | 40,793,945 |
| Gas | 4,744,467 | 8,444,036 | 8,653,166 | 8,923,993 | 9,163,927 | 8,836,735 | 8,261,673 |
| Water | 5,007,856 | 5,541,930 | 4,831,546 | 5,103,574 | 4,190,068 | 4,781,273 | 4,618,583 |
| Wastewater | 2,001,641 | 2,053,570 | 2,016,944 | 2,373,508 | 2,464,387 | 3,334,040 | 3,316,698 |
| Environmental Services | 2,313,549 | 2,777,937 | 2,541,365 | 2,789,885 | 3,017,966 | 3,150,748 | 3,121,708 |
| Golf | 702,223 | 692,258 | 680,747 | 673,410 | 633,094 | 661,826 | 636,358 |
| Transit (Atomic City Transit) | 0 | 0 | 0 | 0 | 0 | 332 [b] | 14,180 |
| Fire | 12,297,889 | 13,256,884 | 14,008,238 | 14,675,641 | 14,879,607 | 14,781,394 | 7,232,513 |
| Airport | 89,918 | 118,373 | 81,839 | 107,352 | 103,325 | 94,267 | 84,429 |
| Operating grants and contributions | 60,000 | 71,296 | 20,283 | 26,578 | 170,925 | 772,110 | 11,172,077 |
| Capital grants and contributions | 0 | 175,000 | 60,000 | 653,120 | 819,731 | 283,738 | 15,468,551 |
| Total business-type activities program revenues | <u>62,305,591</u> | <u>73,629,712</u> | <u>67,521,451</u> | <u>70,884,762</u> | <u>71,919,000</u> | <u>79,217,793</u> | <u>94,720,715</u> |
| Total primary government program revenues | <u>\$ 89,604,012</u> | <u>85,836,177</u> | <u>77,676,213</u> | <u>78,714,113</u> | <u>77,513,365</u> | <u>85,884,286</u> | <u>100,527,522</u> |
| Net (Expenses)/Revenues | | | | | | | |
| Governmental activities | \$ (9,099,099) | (30,545,192) | (31,240,151) | (31,162,733) | (34,261,666) | (40,360,085) | (45,820,068) |
| Business-type activities | (1,751,868) | 2,569,156 | 392,959 | (530,541) | (398,959) | (3,947,248) | 19,241,422 |
| Total primary government net expense | <u>\$ (10,850,967)</u> | <u>(27,976,036)</u> | <u>(30,847,192)</u> | <u>(31,693,274)</u> | <u>(34,660,625)</u> | <u>(44,307,333)</u> | <u>(26,578,646)</u> |
| General Revenues and Other Changes in Net Assets | | | | | | | |
| Governmental activities: | | | | | | | |
| Taxes | | | | | | | |
| Gross receipts taxes | \$ 11,467,200 | 11,985,528 | 10,592,546 | 13,315,414 | 29,397,771 | 25,943,927 | 32,912,239 |
| Property taxes | 4,300,199 | 4,554,559 | 4,937,898 | 5,198,224 | 5,598,052 | 5,962,093 | 6,268,614 |
| Franchise taxes | 373,370 | 492,603 | 457,501 | 465,821 | 473,599 | 491,631 | 469,347 |
| Grants and contribution not restricted to specific programs | 167,709 | 276,083 | 246,304 | 389,008 | 837,047 | 821,381 | 872,736 |
| State shared tax revenue not restricted to specific programs | 9,752,413 | 10,293,141 | 8,987,334 | 10,797,698 | 19,465,338 | 17,172,099 | 22,164,216 |
| Unrestricted investment earnings | 3,012,657 | 4,416,317 | 4,087,721 | 4,258,030 | 8,328,587 | 2,377,360 | (2,619,223) |
| Special items | 18,261,789 | 0 | 0 | 3,171,874 | 0 | 0 | 0 |
| Transfers | (15,506,643) | (4,388,121) | (17,218,085) | (1,345,890) | (3,904,908) | (12,078,691) | (2,285,325) |
| Total governmental activities | <u>31,828,694</u> | <u>27,630,110</u> | <u>12,091,219</u> | <u>36,250,179</u> | <u>60,195,486</u> | <u>40,689,800</u> | <u>57,782,604</u> |
| Business-type activities: | | | | | | | |
| Gross receipts taxes | 462,208 | 483,502 | 426,193 | 513,684 | 956,397 | 2,557,319 | 3,242,150 |
| Unrestricted investment earnings | 1,936,231 | 1,974,231 | 1,815,387 | 2,388,280 | 3,121,214 | 2,440,479 | 1,454,015 |
| Special items | 552,776 | 0 | 0 | 1,025,000 | 0 | 0 | 0 |
| Transfers | 15,506,643 | 4,388,121 | 17,218,085 | 1,345,890 | 3,904,908 | 12,078,691 | 2,285,325 |
| Total business-type activities | <u>18,457,858</u> | <u>6,845,854</u> | <u>19,459,665</u> | <u>5,272,854</u> | <u>7,982,519</u> | <u>17,076,489</u> | <u>6,981,490</u> |
| Total primary government | <u>\$ 50,286,552</u> | <u>34,475,964</u> | <u>31,550,884</u> | <u>41,523,033</u> | <u>68,178,005</u> | <u>57,766,289</u> | <u>64,764,094</u> |
| Change in Net Assets | | | | | | | |
| Governmental activities | \$ 22,729,595 | (2,915,082) | (19,148,932) | 5,087,446 | 25,933,820 | 329,715 | 11,962,536 |
| Business-type activities | 16,705,990 | 9,415,010 | 19,852,624 | 4,742,313 | 7,583,560 | 13,129,241 | 26,222,912 |
| Total primary government net expense | <u>\$ 39,435,585</u> | <u>6,499,928</u> | <u>703,692</u> | <u>9,829,759</u> | <u>33,517,380</u> | <u>13,458,956</u> | <u>38,185,448</u> |

Source: Los Alamos County CAFRs

Notes:

[a] All available data is presented. FY2003 was the first year financial statements were presented in net asset format pursuant to GASB Statement No. 34.

[b] The County began operating the Atomic City Transit operation in FY2008. This activity is recorded in an enterprise fund.

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

Table 3

| | <u>FY2000</u> | <u>FY2001</u> | <u>FY2002</u> | <u>FY2003</u> | <u>FY2004</u> | <u>FY2005</u> | <u>FY2006</u> | <u>FY2007</u> | <u>FY2008</u> | <u>FY2009</u> |
|------------------------------------|----------------------|-------------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| General Fund | | | | | | | | | | |
| Reserved | \$ 1,486,870 | 2,354,762 | 1,961,431 | 5,053,757 | 5,964,270 | 5,894,466 | 5,133,693 | 6,163,307 | 6,357,698 | 7,322,571 |
| Unreserved | 15,041,021 | 14,062,278 | 15,435,945 | 13,603,692 | 12,212,488 | 10,567,341 | 15,046,741 | 20,310,233 | 28,476,946 | 34,373,979 |
| Total General Fund | <u>\$ 16,527,891</u> | <u>16,417,040</u> | <u>17,397,376</u> | <u>18,657,449</u> | <u>18,176,758</u> | <u>16,461,807</u> | <u>20,180,434</u> | <u>26,473,540</u> | <u>34,834,644</u> | <u>41,696,550</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | \$ 3,340,604 | 6,669,841 | 12,070,553 | 37,933,535 | 42,897,939 | 29,032,956 | 31,529,075 | 36,097,731 | 53,828,212 | 100,153,224 |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | 20,357,212 | 48,523,149 | 73,428,899 | 61,232,884 | 36,587,906 | 42,658,411 | 30,552,033 | 13,161,264 | 8,747,551 | 6,026,702 |
| Debt service funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6,424,030 [b] |
| Capital projects funds | 21,723,232 | 23,790,578 | 19,974,948 | 5,887,212 | 8,269,079 | 5,836,478 | 9,983,649 | 32,198,705 | 23,643,713 | 1,235,010 |
| Permanent funds [a] | 0 | 0 | 0 | 0 | 0 | 1,224,389 | 1,052,257 | 2,401,352 | 0 | 0 |
| Total All Other Governmental Funds | <u>\$ 45,421,048</u> | <u>78,983,568</u> | <u>105,474,400</u> | <u>105,053,631</u> | <u>87,754,924</u> | <u>78,752,234</u> | <u>73,117,014</u> | <u>83,859,052</u> | <u>86,219,476</u> | <u>113,838,966</u> |

Source: Los Alamos County CAFRs

Notes:

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

[b] The County issued gross receipts tax revenue bonds in FY2009.

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

Table 4

| | <u>FY2000</u> | <u>FY2001</u> | <u>FY2002</u> | <u>FY2003</u> | <u>FY2004</u> | <u>FY2005</u> | <u>FY2006</u> | <u>FY2007</u> | <u>FY2008</u> | <u>FY2009</u> |
|---|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|--------------------|--------------------|-------------------|---------------------|
| Revenues: | | | | | | | | | | |
| Taxes and special assessments | \$ 12,390,780 | 13,489,804 | 14,119,878 | 16,195,447 | 17,121,101 | 16,071,052 | 19,097,149 | 35,666,249 [c] | 32,587,924 | 39,867,881 |
| Licenses and permits | 290,512 | 468,958 | 505,242 | 483,596 | 453,696 | 292,515 | 265,649 | 243,071 | 223,071 | 216,234 |
| Intergovernmental | 8,470,873 | 45,703,846 [b] | 56,971,109 | 34,642,813 | 20,036,821 | 17,975,784 | 15,529,217 | 23,017,584 [c] | 21,408,769 | 25,780,683 |
| Fines forfeitures and penalties | 224,746 | 176,009 | 174,113 | 154,147 | 202,661 | 243,866 | 278,157 | 302,516 | 255,665 | 203,514 |
| Charges for services | 616,703 | 833,671 | 843,091 | 1,147,948 | 1,095,939 | 973,796 | 1,191,624 | 1,259,022 | 1,053,068 | 1,045,629 |
| Interfund/Interdepartmental charges | 2,279,585 | 2,304,457 | 2,611,977 | 3,096,692 | 3,311,289 | 3,511,448 | 3,809,053 | 3,746,485 | 3,988,710 | 4,835,634 |
| Investment income | 3,175,344 | 3,785,153 | 3,132,643 | 3,441,069 | 4,416,317 | 4,087,721 | 4,258,030 | 8,328,587 [d] | 2,377,360 [e] | (2,619,223) |
| Other revenues | 308,782 | 331,518 | 497,030 | 290,785 | 623,528 | 315,274 | 380,948 | 711,931 | 493,595 | 872,244 |
| Total revenues | 27,757,325 | 67,093,416 | 78,855,083 | 59,452,497 | 47,261,352 | 43,471,456 | 44,809,827 | 73,275,445 | 62,388,162 | 70,202,596 |
| Expenditures | | | | | | | | | | |
| General government | 8,267,631 | 10,093,431 | 10,805,991 | 11,317,953 | 12,168,257 | 13,569,671 | 13,478,990 | 16,088,626 | 16,743,522 | 18,480,346 |
| Public safety | 3,958,188 | 3,839,525 | 4,427,598 | 4,786,024 | 5,785,615 | 5,754,403 | 6,849,654 | 7,499,938 | 7,043,313 | 9,689,061 |
| Cerro Grande fire recovery | 3,535,698 [a] | 10,125,301 | 16,795,007 | 25,131,793 | 30,886,106 | 17,877,540 | 6,455,294 | 4,723,030 | 4,284,892 | 165,171 |
| Physical and economic environment | 918,573 | 1,364,180 | 1,285,960 | 2,329,142 | 1,767,423 | 1,943,028 | 1,677,129 | 1,521,304 | 1,650,347 | 2,594,303 |
| Transportation | 2,445,180 | 3,519,503 | 4,448,325 | 4,615,906 | 4,724,956 | 4,862,784 | 4,012,760 | 3,530,925 | 3,531,475 | 4,056,407 |
| Health and welfare | 546,388 | 707,673 | 774,927 | 973,258 | 1,266,433 | 895,551 | 690,980 | 993,076 | 1,892,186 [f] | 1,860,474 |
| Culture and recreation | 4,450,929 | 4,733,503 | 5,561,016 | 6,254,695 | 6,715,453 | 6,816,082 | 6,960,304 | 6,850,489 | 7,758,322 | 8,181,407 |
| Capital Projects | 2,725,848 | 2,733,410 | 7,275,232 | 3,386,089 | 1,064,796 | 2,604,819 | 6,382,973 | 11,879,387 | 10,268,206 | 59,440,424 |
| Debt service | | | | | | | | | | |
| Principal | 628,767 | 948,149 | 461,148 | 479,426 | 499,154 | 520,269 | 542,887 | 566,926 | 592,494 | 3,605,686 |
| Interest | 152,960 | 259,349 | 273,394 | 213,767 | 194,080 | 172,965 | 150,480 | 126,447 | 100,933 | 2,459,841 |
| Total expenditures | 27,630,162 | 38,324,024 | 52,108,598 | 59,488,053 | 65,072,273 | 55,017,112 | 47,201,451 | 53,780,148 | 53,865,690 | 110,533,120 |
| Excess of revenues over (under) expenditures: | 127,163 | 28,769,392 | 26,746,485 | (35,556) | (17,810,921) | (11,545,656) | (2,391,624) | 19,495,297 | 8,522,472 | (40,330,524) |
| Other Financial Sources (Uses) | | | | | | | | | | |
| Transfers in | 4,469,689 | 5,599,034 | 4,512,942 | 4,254,204 | 5,485,701 | 6,146,098 | 18,971,878 | 27,571,970 | 27,763,838 | 26,836,139 |
| Transfers out | (3,914,564) | (5,531,916) | (4,320,485) | (3,802,675) | (5,128,911) | (5,318,083) | (18,348,661) | (30,032,123) | (25,564,782) | (27,700,509) |
| Proceeds from long-term debt | 0 | 3,959,444 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 75,676,290 [g] |
| Total other financial sources (uses) | 555,125 | 4,026,562 | 192,457 | 451,529 | 356,790 | 828,015 | 623,217 | (2,460,153) | 2,199,056 | 74,811,920 |
| Net change in fund balance | \$ 682,288 | 32,795,954 | 26,938,942 | 415,973 | (17,454,131) | (10,717,641) | (1,768,407) | 17,035,144 | 10,721,528 | 34,481,396 |
| Debt service as a percentage of non-capital expenditures | | | | | | | | | | |
| | 3.35% | 3.68% | 1.74% | 2.07% | 1.82% | 1.93% | 2.46% | 1.89% | 1.71% | 13.36% |

Source: Los Alamos County CAFRs

Notes:

- [a] First year of expenditures related to Cerro Grande Fire recovery.
- [b] First year of revenue recognition related to Cerro Grande Fire recovery.
- [c] The increase is primarily the result of the change in taxable status of the management contract for Los Alamos National Laboratory on gross receipts taxes collected, and the imposition of new GRT increments.
- [d] The increase in investment income reflects higher cash and investment balances resulting from increased gross receipts taxes.
- [e] The decrease in investment income reflects lower cash and investment balances and lower returns in the overall market.
- [f] The amount of State supported medicaid payments effectively doubled as the calculation is based on prior year GRT receipts.
- [g] Proceeds from issuance of 2008 GRT Revenue Bonds are shown here net of premiums, discounts, and issuance costs.

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

Table 5

LAST TEN FISCAL YEARS

| Fiscal Year | Number of customer accounts | | | |
|-------------|-----------------------------|-------|-------|------------|
| | Electric | Gas | Water | Wastewater |
| 2000 | 8,660 | 7,380 | 7,027 | 6,443 |
| 2001 | 8,763 | 7,454 | 7,099 | 6,443 |
| 2002 | 8,370 | 7,200 | 6,779 | 6,444 |
| 2003 | 8,619 | 7,476 | 6,912 | 6,606 |
| 2004 | 8,467 | 7,369 | 6,838 | 6,217 |
| 2005 | 8,908 | 7,701 | 7,166 | 6,990 |
| 2006 | 8,767 | 7,586 | 7,046 | 7,074 |
| 2007 | 8,891 | 7,682 | 7,150 | 6,959 |
| 2008 | 8,877 | 7,675 | 7,185 | 6,945 |
| 2009 | 8,734 | 7,605 | 7,073 | 6,734 |

Source: Utility Department operating records

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

Table 6

| Fiscal Year | ELECTRIC | | GAS | | WATER | | Wastewater Revenue | Joint Utility System Revenue |
|-------------|---------------|-------------|--------------|----------------|--------------|------------------|--------------------|------------------------------|
| | Revenue | Sales (KWh) | Revenue | Sales (Therms) | Revenue | Sales (MGal) [a] | | |
| 2000 | \$ 34,814,683 | 501,121,874 | \$ 3,849,054 | 8,704,019 | \$ 5,322,257 | 1,297,753 | \$ 1,951,068 | \$ 45,937,062 |
| 2001 | 38,594,674 | 481,566,821 | 7,318,191 | 9,276,535 | 4,683,455 | 1,262,539 | 1,836,028 | 52,432,348 |
| 2002 | 34,962,053 | 494,527,868 | 5,086,748 | 8,715,659 | 5,163,999 | 1,349,970 | 1,758,482 | 46,971,282 |
| 2003 | 35,088,048 | 529,464,200 | 4,744,467 | 9,334,391 | 5,007,856 | 1,311,757 | 2,001,641 | 46,842,012 |
| 2004 | 40,498,428 | 576,352,773 | 8,444,036 | 9,319,399 | 5,541,930 | 1,448,528 | 2,053,570 | 56,537,964 |
| 2005 | 34,627,323 | 505,351,158 | 8,653,166 | 9,435,586 | 4,831,546 | 1,222,873 | 2,016,944 | 50,128,979 |
| 2006 | 35,557,701 | 554,696,686 | 8,923,993 | 8,198,081 | 5,103,574 | 1,352,376 | 2,373,508 | 51,958,776 |
| 2007 | 36,475,970 | 556,125,402 | 9,163,927 | 9,374,019 | 4,190,068 | 1,061,988 | 2,464,387 | 52,294,352 |
| 2008 | 42,521,330 | 536,548,803 | 8,836,735 | 8,726,004 | 4,781,273 | 800,273 | 3,334,040 | 59,473,378 |
| 2009 | 40,793,945 | 544,023,884 | 8,261,673 | 8,434,678 | 4,618,583 | 1,156,924 | 3,316,698 | 56,990,899 |

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 revenue and Mgal sales.

INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM OPERATING REVENUE BY TYPE OF CUSTOMER
LAST TEN FISCAL YEARS

Table 7

| | <u>FY2000</u> | <u>FY2001</u> | <u>FY2002</u> | <u>FY2003</u> | <u>FY2004</u> | <u>FY2005</u> | <u>FY2006</u> | <u>FY2007</u> | <u>FY2008</u> | <u>FY2009</u> |
|--|----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Type of Customer: | | | | | | | | | | |
| Electric Utility | \$ | | | | | | | | | |
| Residential | 4,414,776 | 4,484,790 | 4,415,270 | 4,591,838 | 4,973,983 | 4,918,309 | 4,941,511 | 5,069,467 | 5,346,566 | 5,230,565 |
| Commercial and industrial | 3,053,811 | 2,967,669 | 3,100,030 | 3,180,303 | 3,496,823 | 3,355,875 | 3,325,037 | 3,229,023 | 3,506,293 | 3,523,646 |
| Public street and highway lighting | 89,449 | 88,181 | 92,916 | 78,504 | 60,956 | 61,151 | 55,457 | 60,342 | 58,060 | 61,221 |
| Municipal | 974,654 | 881,256 | 1,094,603 | 929,253 | 1,009,142 | 957,388 | 1,133,598 | 976,043 | 1,273,241 | 1,381,168 |
| Educational | 316,692 | 341,815 | 337,041 | 341,780 | 353,960 | 366,812 | 315,804 | 313,724 | 341,237 | 349,934 |
| Wholesale | 25,625,803 | 29,624,897 | 25,742,719 | 25,727,081 | 30,314,252 | 24,776,754 | 25,612,623 | 26,627,645 | 31,496,210 | 29,954,906 |
| Miscellaneous | 339,498 | 206,066 | 179,474 | 239,289 | 289,312 | 191,234 | 173,671 | 199,726 | 499,723 | 292,505 |
| Total electric utility | <u>34,814,683</u> | <u>38,594,674</u> | <u>34,962,053</u> | <u>35,088,048</u> | <u>40,498,428</u> | <u>34,627,323</u> | <u>35,557,701</u> | <u>36,475,970</u> | <u>42,521,330</u> | <u>40,793,945</u> |
| Gas Utility | | | | | | | | | | |
| Residential | 2,728,677 | 5,078,081 | 3,357,847 | 3,325,916 | 5,947,128 | 6,095,896 | 6,284,862 | 6,452,335 | 6,634,477 | 6,207,224 |
| Commercial and industrial | 752,787 | 1,581,009 | 1,327,432 | 957,747 | 1,758,956 | 1,794,266 | 1,863,946 | 1,951,352 | 1,412,365 | 1,284,447 |
| Municipal | 190,758 | 356,960 | 189,918 | 246,451 | 415,971 | 361,697 | 380,777 | 370,165 | 378,729 | 426,102 |
| Educational | 95,737 | 219,304 | 116,939 | 117,828 | 215,310 | 330,276 | 327,746 | 339,136 | 305,086 | 297,291 |
| Miscellaneous | 81,095 | 82,837 | 94,612 | 96,525 | 106,671 | 71,031 | 66,662 | 50,939 | 106,078 | 46,609 |
| Total gas utility | <u>3,849,054</u> | <u>7,318,191</u> | <u>5,086,748</u> | <u>4,744,467</u> | <u>8,444,036</u> | <u>8,653,166</u> | <u>8,923,993</u> | <u>9,163,927</u> | <u>8,836,735</u> | <u>8,261,673</u> |
| Water Utility | | | | | | | | | | |
| Residential | 2,883,244 | 2,724,511 | 3,037,363 | 2,918,447 | 3,331,753 | 2,752,681 | 3,021,546 | 2,418,937 | 2,948,789 | 2,706,312 |
| Commercial and industrial | 693,804 | 742,196 | 741,931 | 796,760 | 833,388 | 773,239 | 818,856 | 692,244 | 453,342 | 436,167 |
| Municipal | 222,228 | 253,594 | 287,964 | 262,916 | 265,750 | 235,691 | 264,234 | 166,737 | 371,081 [a] | 327,690 |
| Educational | 99,145 | 98,001 | 168,294 | 160,311 | 143,418 | 119,937 | 111,849 | 70,453 | 135,963 | 112,101 |
| Wholesale | 1,129,805 | 813,194 | 869,098 | 756,345 | 848,908 | 854,417 | 816,880 | 780,414 | 806,247 | 983,763 |
| Miscellaneous | 304,031 | 51,959 | 59,349 | 113,077 | 118,713 | 95,581 | 70,209 | 61,283 | 65,851 | 52,550 |
| Total water utility | <u>5,332,257</u> | <u>4,683,455</u> | <u>5,163,999</u> | <u>5,007,856</u> | <u>5,541,930</u> | <u>4,831,546</u> | <u>5,103,574</u> | <u>4,190,068</u> | <u>4,781,273</u> | <u>4,618,583</u> |
| Wastewater Utility | | | | | | | | | | |
| Wastewater collection | 1,775,737 | 1,707,846 | 1,681,175 | 1,921,165 | 1,982,692 | 1,954,040 | 2,299,109 | 2,411,602 | 3,311,657 | 3,304,507 |
| Municipal (non-potable water) | 74,730 | 44,744 | 58,784 | 55,932 | 64,153 | 51,196 | 65,172 | 45,073 | 0 [a] | 0 |
| Miscellaneous | 100,601 | 83,438 | 18,523 | 24,544 | 6,725 | 11,708 | 9,227 | 7,712 | 22,383 | 12,191 |
| Total wastewater utility | <u>1,951,068</u> | <u>1,836,028</u> | <u>1,758,482</u> | <u>2,001,641</u> | <u>2,053,570</u> | <u>2,016,944</u> | <u>2,373,508</u> | <u>2,464,387</u> | <u>3,334,040</u> | <u>3,316,698</u> |
| Total operating revenues- Joint Utility System | \$ <u>45,947,062</u> | <u>52,432,348</u> | <u>46,971,282</u> | <u>46,842,012</u> | <u>56,537,964</u> | <u>50,128,979</u> | <u>51,958,776</u> | <u>52,294,352</u> | <u>59,473,378</u> | <u>56,990,899</u> |

Source: CAFRs, Budget to Actual Statements

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

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

Table 8

| | <u>FY2000</u> | <u>FY2001</u> | <u>FY2002</u> | <u>FY2003</u> | <u>FY2004</u> | <u>FY2005</u> | <u>FY2006</u> | <u>FY2007</u> | <u>FY2008</u> | <u>FY2009</u> |
|---------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Electric Utility | | | | | | | | | | |
| Residential | | | | | | | | | | |
| Rate per kilowatt hour | \$0.0815 | \$0.0815 | \$0.0815 | \$0.0815 | \$0.0815 | \$0.0815 | \$0.0815 | \$0.0815 | \$0.0815 | \$0.0907 |
| Monthly flat service fee | \$5.67 | \$5.67 | \$5.67 | \$5.67 | \$5.67 | \$5.67 | \$5.67 | \$5.67 | \$5.67 | \$5.67 |
| Commercial | | | | | | | | | | |
| Rate per kilowatt hour | \$0.0553 - .0772 | \$0.0553 - .0772 | \$0.0553 - .0772 | \$0.0553 - .0772 | \$0.0553 - .0772 | \$0.0553 - .0772 | \$0.0553 - .0772 | \$0.0553 - .0772 | \$0.0553 - .0772 | .058 - .0859 |
| Monthly flat service fee | \$15.20 -16.00 | \$15.20 -16.00 | \$15.20 -16.00 | \$15.20 -16.00 | \$15.20 -16.00 | \$15.20 -16.00 | \$15.20 -16.00 | \$15.20 -16.00 | \$15.20 -16.00 | \$15.20 -16.00 |
| Demand Rate | \$7.60 - 8.00 | \$7.60 - 8.00 | \$7.60 - 8.00 | \$7.60 - 8.00 | \$7.60 - 8.00 | \$7.60 - 8.00 | \$7.60 - 8.00 | \$7.60 - 8.00 | \$7.60 - 8.00 | 8.50 - 8.91 |
| Gas Utility | | | | | | | | | | |
| Residential | | | | | | | | | | |
| Rate per therm | \$0.36 | \$1.00 | \$0.42 | \$0.55 | \$0.85 | \$0.85 | \$1.05 | \$0.92 | \$0.92 | \$0.92 |
| Monthly flat service fee | \$6.43 | \$6.43 | \$6.43 | \$6.43 | \$6.43 | \$6.43 | \$6.43 | \$6.43 | \$6.43 | \$6.43 |
| Commercial | | | | | | | | | | |
| Rate per therm | \$0.36 | \$1.00 | \$0.42 | \$0.55 | \$0.85 | \$0.85 | \$1.00 - 1.05 | 0.92 | 0.92 | 0.92 |
| Monthly flat service fee | \$6.43 - 19.46 | \$6.43 - 19.46 | \$6.43 - 19.46 | \$6.43 - 19.46 | \$6.43 - 19.46 | \$6.43 - 19.46 | \$6.43 - 19.46 | \$6.43 - 19.46 | \$6.43 - 19.46 | \$6.43 - 19.46 |
| Water Utility | | | | | | | | | | |
| Residential | | | | | | | | | | |
| Rate per 1000 Gallons | \$3.72 | \$3.72 | \$3.72 | \$3.72 | \$3.72 | \$3.72 | \$3.72 | \$3.72 | \$3.72 | \$3.72 |
| Monthly flat service fee | \$7.02 | \$7.02 | \$7.02 | \$7.02 | \$7.02 | \$7.02 | \$7.02 | \$7.02 | \$7.02 | \$7.02 |
| Commercial | | | | | | | | | | |
| Rate per 1000 Gallons | \$3.72 | \$3.72 | \$3.72 | \$3.72 | \$3.72 | \$3.72 | \$3.72 | \$3.72 | \$3.72 | \$3.72 |
| Monthly flat service fee | \$7.02 - \$41.81 | \$7.02 - \$41.81 | \$7.02 - \$41.81 | \$7.02 - \$41.81 | \$7.02 - \$41.81 | \$7.02 - \$41.81 | \$7.02 - \$41.81 | \$7.02 - \$41.81 | \$7.02 - \$41.81 | \$7.02 - \$41.81 |
| Wastewater Utility | | | | | | | | | | |
| Residential | | | | | | | | | | |
| Rate per 1000 Gallons | \$1.95 | \$1.95 | \$1.95 | \$2.90 | \$2.90 | \$3.70 | \$4.60 | \$4.60 | \$4.85 | \$4.85 |
| Monthly flat service fee | \$10.00 | \$10.00 | \$10.00 | \$7.50 | \$7.50 | \$7.50 | \$7.50 | \$7.50 | \$12.00 | \$12.00 |
| Commercial | | | | | | | | | | |
| Rate per 1000 Gallons | \$1.95 | \$1.95 | \$1.95 | \$2.90 | \$2.90 | \$3.70 | \$4.60 | \$4.60 | \$4.85 | \$4.85 |
| Monthly flat service fee | \$10.00 | \$10.00 | \$10.00 | \$7.50 | \$7.50 | \$7.50 | \$7.50 | \$7.50 | \$12.00 | \$12.00 |

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>FY2000</u> | <u>FY2001</u> | <u>FY2002</u> | <u>FY2003</u> | <u>FY2004</u> | <u>FY2005</u> | <u>FY2006</u> | <u>FY2007</u> | <u>FY2008</u> | <u>FY2009</u> |
|------------------------|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|
| Services [a] | \$ 325,752 | 321,079 | 351,262 | 257,957 | 356,300 | 311,521 | 338,489 | 1,255,824 [c] | 1,190,803 | 1,526,945 |
| Construction | 71,559 | 124,801 | 124,816 | 211,612 | 283,085 | 210,750 | 223,999 | 165,717 | 97,351 | 81,169 |
| Retail & Food Service | 74,648 | 85,256 | 83,017 | 79,363 | 90,918 | 79,509 | 68,867 | 59,019 | 57,987 | 68,459 |
| Telecommunications | 15,200 | 14,670 | 10,542 | 3,018 | 8,925 | 8,793 | 9,995 | 10,693 | 10,865 | 11,260 |
| Manufacturing | 3,124 | 3,345 | 2,949 | 2,759 | 2,186 | 2,800 | 2,636 | 2,696 | 3,939 | 6,770 |
| Wholesale | 8,756 | 13,408 | 13,962 | 18,382 | 26,059 | 25,682 | 18,535 | 14,736 | 7,165 | 9,387 |
| Financial Services | 9,957 | 11,600 | 15,471 | 16,212 | 10,305 | 8,268 | 10,247 | 10,360 | 8,808 | 9,253 |
| Agriculture | 252 | 913 | 312 | 677 | 4,901 | 1,568 | 35 | 9 | 29 | 38 |
| Mining | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 105 | 0 |
| Public Administration | 0 | 823 | 0 | 0 | 4,350 | 1,343 | 0 | (5) [d] | 0 | 1,046 |
| Other | 13,049 | 15,362 | 11,085 | 180,423 [b] | 26,457 | 29,490 | 31,657 | 25,280 | 20,477 | 15,218 |
| Totals | \$ 522,297 | 591,257 | 613,416 | 770,403 | 813,486 | 679,724 | 704,460 | 1,544,329 | 1,397,529 | 1,729,543 |

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

Notes:

General Note: 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] The State's reporting system provided larger than usual "Unclassified Establishments" activity in order to protect the confidentiality of a small number of filers.

[c] The marked increase in activity could be largely due to the new taxable status of the largest employer, Los Alamos National Laboratory. In prior years, the laboratory was a non-profit.

[d] The State's reporting system corrected a prior period filing error in the "Public Administration" sector.

**INCORPORATED COUNTY OF LOS ALAMOS
GROSS RECEIPTS TAX (GRT) REVENUES AND RATES
LAST TEN FISCAL YEARS**

Table 10

| | FY2000 | FY2001 | FY2002 | FY2003 | FY2004 | FY2005 | FY2006 | FY2007 | FY2008 | FY2009 |
|--|----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| GRT Revenues | | | | | | | | | | |
| General Fund - Local - Municipal | \$ 6,722,856 | 7,382,782 | 7,797,136 | 9,357,618 | 9,788,714 | 8,628,880 | 10,405,815 | 19,499,692 | 17,197,172 | 24,010,373 |
| General Fund - Local - County | 659,025 | 729,327 | 770,260 | 924,417 | 967,004 | 852,386 | 1,027,875 | 1,927,670 | 1,697,918 | 6,472,762 [g] |
| General Fund - State Shared | 6,776,428 | 7,369,521 | 7,783,131 | 9,340,810 | 9,771,132 | 8,402,324 | 10,765,141 | 19,458,921 | 17,172,099 | 21,806,633 |
| General Fund - subtotal | 14,158,309 | 15,481,630 | 16,350,527 | 19,622,845 | 20,526,850 | 17,883,590 | 22,198,831 | 40,886,283 | 36,067,189 | 52,289,768 |
| Fire Protection Excise Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,703,782 [e] | 2,157,587 |
| Indigent Health Care (IHC) Fund | 659,025 | 729,327 | 770,260 | 924,417 | 967,004 | 852,386 | 1,027,875 | 1,927,670 | 1,697,918 | 2,157,587 |
| Capital Improvement Projects (CIP) Fund | 0 | 0 | 0 | 0 | 0 | 0 | 572,786 | 5,787,044 | 5,093,755 | 0 |
| Refuse Fund | 329,512 | 364,664 | 385,130 | 462,208 | 483,502 | 426,193 | 513,684 | 956,397 | 853,537 | 1,084,583 |
| Total GRT Revenues | \$ 15,146,846 | 16,575,621 | 17,505,917 | 21,009,470 | 21,977,356 | 19,162,169 | 24,313,176 | 49,567,394 | 45,416,181 | 67,689,505 |
| Total GRT Revenues - Own source (excludes State Shared) | \$ 8,370,418 | 9,206,100 | 9,722,786 | 11,668,660 | 12,206,224 | 10,759,845 | 13,548,035 | 30,098,473 | 28,244,082 | 35,882,872 |
| GRT Rates by Imposing Authority | | | | | | | | | | |
| State Imposed Rate | 4.5000% | 4.5000% | 4.5000% | 4.5000% | 4.5000% | 5.0000% [a] | 5.0000% | 5.0000% | 5.0000% | 5.0000% |
| 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 | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0625% [b] | 0.0625% | 0.0625% | 0.0625% |
| Municipal - MIGRT - CIP | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0625% [b] | 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% [c] | 0.1250% | 0.1250% |
| County - Correctional - CIP | | | | | | | | 0.0625% [d] | 0.0625% | 0.0625% |
| County - Correctional - CIP | | | | | | | | 0.0625% [d] | 0.0625% | 0.0625% |
| County - Fire Protection Excise Tax | | | | | | | | | 0.1250% [e] | 0.1250% |
| North-Central Regional Transit District (NCRTD): | | | | | | | | | | |
| Regional Transit 1/8th | | | | | | | | | | 0.1250% [f] |
| Subtotal - Local options: | 1.5625% | 1.5625% | 1.5625% | 1.5625% | 1.5625% | 1.5625% | 1.6875% | 1.9375% | 2.0625% | 2.0625% |
| Total GRT Rates | 6.0625% | 6.0625% | 6.0625% | 6.0625% | 6.0625% | 6.5625% | 6.6875% | 6.9375% | 7.0625% | 7.1875% |
| GRT Rates by Recipient | | | | | | | | | | |
| State Revenue | 3.2750% | 3.2750% | 3.2750% | 3.2750% | 3.2750% | 3.7750% | 3.7750% | 3.7750% | 3.7750% | 3.7750% |
| NCRTD | | | | | | | | | | 0.1250% |
| County Revenue - State Shared | 1.2250% | 1.2250% | 1.2250% | 1.2250% | 1.2250% | 1.2250% | 1.2250% | 1.2250% | 1.2250% | 1.2250% |
| County Revenue - Own Source, locally imposed | 1.5625% | 1.5625% | 1.5625% | 1.5625% | 1.5625% | 1.5625% | 1.6875% | 1.9375% | 2.0625% | 2.0625% |
| Total County Revenue | 2.7875% | 2.7875% | 2.7875% | 2.7875% | 2.7875% | 2.7875% | 2.9125% | 3.1625% | 3.2875% | 3.2875% |
| Total GRT Rates | 6.0625% | 6.0625% | 6.0625% | 6.0625% | 6.0625% | 6.5625% | 6.6875% | 6.9375% | 7.0625% | 7.1875% |

Sources: Los Alamos County CAFRs and Adopted Budgets

Notes:

[a] State Rate Changes January 1, 2005, (middle of FY2005)

[b] Municipal Infrastructure GRT (MIGRT) effective January 1, 2006 (middle of FY2006)

[c] Third 1/8 of the County Gross Receipts Tax effective July 1, 2006

[d] County Correctional effective July 1, 2006

[e] County Fire Protection Excise Tax effective July 1, 2007

[f] Regional Transit increment effective July 1, 2009

[g] Includes \$103,701 of Municipal Equivalent Distribution, which is intended to assist counties with a smaller than average per capita share of GRT base

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

Table 11

| TAX YEAR [a] | TOTAL ADJUSTED TAX LEVY | AS OF | PERCENT OF CURRENT TAXES COLLECTED | AS OF | TOTAL TAX COLLECTIONS | RATIO OF TOTAL TAX COLLECTIONS TO TOTAL TAX LEVY | OUTSTANDING DELINQUENT TAXES | RATIO OF DELINQUENT TAXES TO TOTAL TAX LEVY |
|-----------------|-------------------------------|--------------|---|---------------|-----------------------------|--|------------------------------------|---|
| | | MAY 31, 2009 | | JUNE 30, 2009 | | | | |
| 1999 | \$ 8,027,430 | \$ 7,937,490 | 98.88% | \$ 89,725 | \$ 8,027,215 | 100.00% | \$ 215 | 0.00% |
| 2000 | 8,470,308 | 8,152,191 | 96.24% | 316,931 | 8,469,122 | 99.99% | 1,186 | 0.01% |
| 2001 | 9,319,074 | 9,133,954 | 98.01% | 183,655 | 9,317,609 | 99.98% | 1,465 | 0.02% |
| 2002 | 9,509,176 | 9,213,200 | 96.89% | 294,838 | 9,508,038 | 99.99% | 1,138 | 0.01% |
| 2003 | 10,128,492 | 10,001,739 | 98.75% | 124,506 | 10,126,245 | 99.98% | 2,247 | 0.02% |
| 2004 | 10,554,530 | 10,225,444 | 96.88% | 326,825 | 10,552,269 | 99.98% | 2,261 | 0.02% |
| 2005 | 11,300,062 | 10,994,524 | 97.30% | 299,096 | 11,293,620 | 99.94% | 6,442 | 0.06% |
| 2006 | 12,086,809 | 11,805,510 | 97.67% | 257,835 | 12,063,345 | 99.81% | 23,464 | 0.19% |
| 2007 | 12,440,279 | 12,116,160 | 97.39% | 268,728 | 12,384,888 | 99.55% | 55,391 | 0.45% |
| 2008 | 12,889,999 | 12,384,692 | 96.08% | 220,426 | 12,605,118 | 97.79% | 284,881 | 2.21% |

Sources: Tax rolls, collection reports

Notes:

[a] Tax year refers to corresponding fiscal year (i.e., the 2008 tax year corresponds to the 2008-2009 fiscal year).

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] |
|-----------------|--------------------|--------------------------|---------------------------------------|-------------|----------------------------|------------------------------|----------------------------------|
| | REAL PROPERTY | PERSONAL PROPERTY [c] | CENTRALLY ASSESSED PROPERTY [d] | | | | |
| 1999 | \$ 397,165,356 | 11,469,001 | 6,054,549 | (7,123,381) | 407,565,525 | 1,244,066,718 | 19.70% |
| 2000 | 411,587,651 | 11,898,033 | 7,053,830 | (7,172,763) | 423,366,751 | 1,291,618,542 | 20.01% |
| 2001 | 461,505,161 | 12,119,420 | 7,281,630 | (6,735,890) | 474,170,321 | 1,442,718,633 | 19.65% |
| 2002 | 498,749,101 | 12,139,233 | 7,124,610 | (6,658,240) | 511,354,704 | 1,554,038,832 | 18.60% |
| 2003 | 543,532,823 | 10,763,890 | 7,712,120 | (6,954,610) | 555,054,223 | 1,686,026,499 | 18.25% |
| 2004 | 600,656,370 | 10,672,460 | 7,367,200 | (7,068,500) | 611,627,530 | 1,856,088,090 | 17.26% |
| 2005 | 643,892,960 | 10,670,160 | 7,359,620 | (7,584,420) | 654,338,320 | 1,985,768,220 | 17.27% |
| 2006 | 681,136,700 | 11,046,990 | 7,688,420 | (7,980,370) | 691,891,740 | 2,099,616,330 | 17.47% |
| 2007 | 715,440,480 | 12,183,030 | 7,556,300 | (8,151,920) | 727,027,890 | 2,205,539,430 | 17.11% |
| 2008 | 724,658,990 | 11,300,110 | 8,046,650 | (8,147,160) | 735,858,590 | 2,232,017,250 | 17.52% |

Source: Tax rolls

Notes:

[a] Assessed valuation is calculated at 33 1/3% of estimated actual value for all ten years.

[b] Tax year refers to corresponding fiscal year (i.e., the 2008 tax year corresponds to fiscal year 2009).

[c] Includes mobile homes and personal property (w/ 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 Department. A breakdown of real and personal property is not available.

[e] Weighted average rate applied to assessed value

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

Table 13

LAST TEN TAX YEARS

| <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> |
|---|-----------------|--------------------------------|--|---|--|--------------|
| <u>Tax Rates per \$1000 of Assessed Valuation</u> | | | | | | |
| 1999 | Residential | 1.482 | 8.619 | 7.843 | 1.200 | 19.144 |
| | Non-Residential | 1.482 | 12.122 | 7.856 | 1.237 | 22.697 |
| 2000 | Residential | 1.529 | 8.829 | 7.832 | 1.307 | 19.497 |
| | Non-Residential | 1.529 | 12.417 | 7.999 | 1.345 | 23.290 |
| 2001 | Residential | 1.765 | 8.330 | 7.789 | 1.467 | 19.351 |
| | Non-Residential | 1.765 | 10.529 | 7.542 | 1.415 | 21.251 |
| 2002 | Residential | 1.123 | 8.205 | 7.726 | 1.200 | 18.254 |
| | Non-Residential | 1.123 | 10.616 | 7.565 | 1.166 | 20.470 |
| 2003 | Residential | 1.520 | 7.879 | 7.508 | 1.203 | 18.110 |
| | Non-Residential | 1.520 | 10.479 | 7.451 | 1.192 | 20.642 |
| 2004 | Residential | 1.028 | 7.634 | 7.047 | 1.174 | 16.883 |
| | Non-Residential | 1.028 | 10.306 | 7.044 | 1.175 | 19.553 |
| 2005 | Residential | 1.234 | 7.599 | 6.775 | 1.180 | 16.788 |
| | Non-Residential | 1.234 | 10.792 | 6.925 | 1.199 | 20.150 |
| 2006 | Residential | 1.291 | 7.658 | 6.756 | 1.212 | 16.917 |
| | Non-Residential | 1.291 | 11.312 | 6.923 | 1.263 | 20.789 |
| 2007 | Residential | 1.221 | 7.721 | 6.760 | 0.788 | 16.490 |
| | Non-Residential | 1.221 | 11.856 | 6.945 | 0.873 | 20.895 |
| 2008 | Residential | 1.250 | 8.051 | 6.772 | 0.822 | 16.895 |
| | Non-Residential | 1.250 | 12.591 | 6.969 | 0.927 | 21.737 |

Source: Adopted rates

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

Table 14

June 30, 2009

| TAXPAYER | TYPE OF BUSINESS | FY 2009 | | | FY 2000 | | |
|---|-------------------|--|------|---|--|------|---|
| | | TAX YEAR 2008 ASSESSED VALUATION | RANK | PERCENTAGE OF TOTAL ASSESSED VALUATION | TAX YEAR 1999 ASSESSED VALUATION | RANK | PERCENTAGE OF TOTAL ASSESSED VALUATION |
| PHC-Los Alamos Inc. | Medical Services | \$ 10,300,480 | 1 | 1.40% | \$ - | - | - |
| Qwest Corp.(US West Comm Inc.) | Telephone Utility | 5,123,770 | 2 | 0.70% | 6,182,861 | 1 | 0.84% |
| Los Alamos National Bank | Banking | 5,112,830 | 3 | 0.69% | 3,951,069 | 2 | 0.54% |
| Los Alamos Commerce and Development | Real Estate | 4,502,570 | 4 | 0.61% | - | - | - |
| Netuschil Development Corporation | Real Estate | 4,430,740 | 5 | 0.60% | 2,084,766 | 4 | 0.28% |
| Oppenheimer Place Condo Assoc Inc | Real Estate | 3,830,190 | 6 | 0.52% | - | - | - |
| Housing Solutions LLC | Real Estate | 3,796,310 | 7 | 0.52% | - | - | - |
| Shannon Corporation | Real Estate | 2,204,330 | 8 | 0.30% | - | - | - |
| CC&F Los Alamos Invest Co. | Real Estate | 2,176,070 | 9 | 0.30% | 1,598,400 | 6 | 0.22% |
| Los Alamos Medical Center C/O PVS | Medical Equipment | 2,122,920 | 10 | 0.29% | - | - | - |
| Central School East LTD | Real Estate | - | - | - | 2,672,167 | 3 | 0.36% |
| Western Health Network Inc. | Hospital | - | - | - | 2,063,967 | 5 | 0.28% |
| Los Alamos Business Center | Real Estate | - | - | - | 1,384,967 | 7 | 0.19% |
| Developers Diversified Realty | Real Estate | - | - | - | 1,352,000 | 8 | 0.18% |
| Museum Park Inc. | Real Estate | - | - | - | 1,274,233 | 9 | 0.32% |
| Royal Crest LLC | Real Estate | - | - | - | 1,225,333 | 10 | 0.17% |
| Total assessed valuation of ten principal taxpayers | | 43,600,210 | | 5.93% | 23,789,763 | | 3.23% |
| Total assessed valuation of other taxpayers | | 692,258,380 | | 94.07% | 383,775,762 | | 94.16% |
| Total assessed valuation | | \$ 735,858,590 | | 100.00% | \$ 407,565,525 | | 100.00% |

Sources: Tax rolls

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 | | | |
| 2000 | \$0 | \$565,000 [a] | \$1,856,456 [b] | \$88,566,127 | \$0 | \$90,987,583 | 13% | \$4,960 |
| 2001 | 0 | 0 | 5,432,750 [c] | 85,378,981 | 0 | 90,811,731 | 12% | 4,965 |
| 2002 | 0 | 0 | 4,961,842 | 81,977,188 | 0 | 86,939,030 | 12% | 4,903 |
| 2003 | 0 | 0 | 4,482,416 | 78,430,411 | 0 | 82,912,827 | 10% | 4,530 |
| 2004 | 0 | 0 | 3,983,262 | 74,641,455 | 0 | 78,624,717 | 9% | 4,181 |
| 2005 | 0 | 0 | 3,462,993 | 67,294,605 | 0 | 70,757,598 | 8% | 3,765 |
| 2006 | 0 | 0 | 2,920,105 | 62,347,149 | 1,064,890 [d] | 66,332,144 | 7% | 3,524 |
| 2007 | 0 | 0 | 2,353,180 | 65,019,205 [e] | 15,657,064 [f] | 83,029,449 | 8% | 4,386 |
| 2008 | 0 | 0 | 1,760,686 | 59,514,641 | 18,086,801 [f] | 79,362,128 | 7% | 4,172 |
| 2009 | 0 | 73,734,775 [g] | 0 [h] | 53,605,077 | 18,486,512 | 145,826,364 | 14% | 8,043 |

[a] Gross receipts tax bonds issued for the construction of Mesa Public Library.

[b] New Mexico Environment Department loan for Bayo Canyon effluent water line.

[c] Addition of \$3,959,444 loan from New Mexico Finance Authority for deferred maintenance projects.

[d] Draws on New Mexico Environment Department (NMED) loan for Wastewater Treatment Facility. Total loan amount is not to exceed \$15,000,000.

[e] Addition of \$7,695,000 Series 2006 Revenue Bonds.

[f] Additional draws on NMED loan for Wastewater Treatment Facility and new loan from New Mexico Finance Authority for Solid Waste Transfer Station.

[g] Addition of 2008 Series Gross Receipts Tax Revenue Bonds.

[h] Early retirement of NMED Bayo Canyon effluent line and NMFA deferred maintenance project loans.

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</u> [a] | <u>ASSESSED VALUE</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> |
|--------------------|-----------------------|-----------------------|--------------------------|-------------------------------|------------------------|---|-----------------------------------|
| 2000 | 18,281 | \$ 407,565,525 | \$ 0 | \$ 0 | \$ 0 | 0.00% | \$ 0 |
| 2001 | 18,343 | 423,366,751 | 0 | 0 | 0 | 0.00% | 0 |
| 2002 | 18,500 | 474,170,321 | 0 | 0 | 0 | 0.00% | 0 |
| 2003 | 18,305 | 511,354,704 | 0 | 0 | 0 | 0.00% | 0 |
| 2004 | 18,805 | 555,054,223 | 0 | 0 | 0 | 0.00% | 0 |
| 2005 | 18,796 | 611,627,530 | 0 | 0 | 0 | 0.00% | 0 |
| 2006 | 18,822 | 654,338,320 | 0 | 0 | 0 | 0.00% | 0 |
| 2007 | 18,931 | 691,891,740 | 0 | 0 | 0 | 0.00% | 0 |
| 2008 | 19,022 | 735,858,590 | 0 | 0 | 0 | 0.00% | 0 |
| 2008 | 18,130 | 735,858,590 | 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 2007 tax year corresponds to FY2008)

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

June 30, 2009

| <u>NAME OF GOVERNMENTAL UNIT</u> | <u>2008 CALENDAR YEAR ASSESSED VALUATION</u> | <u>G.O. DEBT OUTSTANDING</u> | <u>PERCENT APPLICABLE TO GOVERNMENT</u> | <u>COUNTY OF LOS ALAMOS SHARE OF DEBT</u> |
|--|--|--------------------------------------|---|---|
| Direct G.O. Debt | | | | |
| City and County of Los Alamos | \$ 735,858,590 | \$ 0 | 100.00% | \$ 0 |
| Overlapping Debt | | | | |
| State of New Mexico | 50,398,084,040 | 388,318,000 | 1.46% | 5,669,802 |
| Los Alamos School District | 735,858,590 | 22,435,000 | 100.00% | 22,435,000 |
| University of New Mexico - Los Alamos | 735,858,590 | 0 | 100.00% | 0 |
| Total overlapping debt | | | | <u><u>28,104,802</u></u> |
| Total direct and overlapping debt | | | | <u><u>\$ 28,104,802</u></u> |

Ratio of estimated direct and overlapping debt to 2008 assessed valuation: 3.82%

Ratio of direct general obligation debt to 2008 assessed valuation: .00%

Per capita direct and overlapping debt: \$1550.18

Per capita direct debt: \$0

County population - 2009 estimate: 18,130

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

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

Table 18

June 30, 2009

| | |
|--|-----------------------------|
| Assessed valuation, tax year 2008 (One third of full valuation) | <u>\$ 735,858,590</u> |
| Legal debt margin: | |
| Debt limitation - 4 percent of assessed valuation | 29,434,344 |
| Less: Debt applicable to limitation (general obligation debt) | <u>0</u> |
| Legal debt margin | <u><u>\$ 29,434,344</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**

Table 19

LAST TEN FISCAL YEARS

| FISCAL YEAR | GROSS REVENUES[a] | EXPENSES[b] | NET REVENUE AVAILABLE FOR DEBT SERVICE | DEBT SERVICE REQUIREMENTS | | | DEBT SERVICE COVERAGE RATIO |
|---------------------------|----------------------|-------------|--|---------------------------|-----------|-----------|--------------------------------|
| | | | | PRINCIPAL | INTEREST | TOTAL | |
| ELECTRIC UTILITY | | | | | | | |
| 2000 | 36,317,383 | 24,730,874 | 11,586,509 | 3,676,828 | 5,609,436 | 9,286,264 | 1.25 |
| 2001 | 40,242,159 | 28,853,050 | 11,389,109 | 3,852,145 | 5,412,048 | 9,264,193 | 1.23 |
| 2002 | 36,514,771 | 25,870,175 | 10,644,596 | 4,037,477 | 5,198,110 | 9,235,587 | 1.15 |
| 2003 | 36,528,036 | 26,257,321 | 10,270,715 | 4,230,000 | 4,969,690 | 9,199,690 | 1.12 |
| 2004 | 41,881,898 | 30,823,844 | 11,058,054 | 4,450,000 | 4,724,940 | 9,174,940 | 1.21 |
| 2005 | 35,652,533 | 26,474,671 | 9,177,862 | 4,685,000 | 3,299,251 | 7,984,251 | 1.15 |
| 2006 | 36,921,888 | 27,730,207 | 9,191,681 | 5,310,000 | 3,205,750 | 8,515,750 | 1.08 |
| 2007 | 38,074,522 | 28,553,817 | 9,520,705 | 5,415,000 | 3,124,113 | 8,539,113 | 1.11 |
| 2008 | 43,875,165 | 31,806,080 | 12,069,085 | 5,865,000 | 3,070,628 | 8,935,628 | 1.35 |
| 2009 | 42,095,081 | 31,665,784 | 10,429,297 | 6,560,000 | 2,759,288 | 9,319,288 | 1.12 |
| WATER UTILITY | | | | | | | |
| 2000 | 9,485,541 | 3,087,002 | 6,398,539 | 47,141 | 5,162 | 52,303 | 122.34 |
| 2001 | 4,983,010 | 2,741,242 | 2,241,768 | 50,642 | 2,720 | 53,362 | 42.01 |
| 2002 - 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| WASTEWATER UTILITY | | | | | | | |
| 2000 | 2,066,346 | 1,358,028 | 708,318 | 15,714 | 1,721 | 17,435 | 40.63 |
| 2001 | 1,981,425 | 1,341,857 | 639,568 | 16,881 | 907 | 17,788 | 35.96 |
| 2002 - 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |

Source: CAFRs

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

**INCORPORATED COUNTY OF LOS ALAMOS
DEMOGRAPHIC AND ECONOMIC STATISTICS**

Table 20

LAST TEN FISCAL YEARS

| <u>Fiscal Year</u> | <u>Population</u> | <u>Personal Income (In thousands)</u> | <u>Per Capita Personal Income</u> | <u>School Enrollment</u> | <u>Unemployment Rate</u> |
|--------------------|-------------------|---|---|------------------------------|------------------------------|
| 2000 | 18,343 | \$ 727,373 | \$ 39,654 | 3,519 | 3.00% |
| 2001 | 18,292 | 744,265 | 40,688 | 3,624 | 2.50% |
| 2002 | 17,733 | 739,236 | 41,687 | 3,572 | 2.30% |
| 2003 | 18,305 | 833,701 | 45,545 | 3,649 | 2.60% |
| 2004 | 18,805 | 881,729 | 46,888 | 3,536 | 2.70% |
| 2005 | 18,796 | 912,377 | 48,541 | 3,625 | 2.60% |
| 2006 | 18,822 | 960,430 | 51,027 | 3,635 | 2.50% |
| 2007 | 18,931 | 1,024,811 | 54,134 | 3,515 | 2.00% |
| 2008 | 19,022 | 1,082,884 | 56,928 | 3,470 | 2.60% |
| 2009 | 18,130 | 1,019,351 | 55,109 | 3,355 | 3.00% |

Sources: School Enrollment provided by Los Alamos Public Schools. All other data provided by the New Mexico Economic Development Department.

INCORPORATED COUNTY OF LOS ALAMOS
LARGEST EMPLOYERS (representing greater than 50% of workforce)

Table 21

June 30, 2009

| EMPLOYER | TYPE OF BUSINESS | FY2009 | | | FY2000 | | |
|----------------------------------|-------------------------------------|-------------------------|------|------------------------------|----------------------|------|------------------------------|
| | | NUMBER OF EMPLOYEES [a] | RANK | % of Total County Employment | NUMBER OF EMPLOYEES | RANK | % of Total County Employment |
| Los Alamos National Laboratory | Research and Development | 9,280 | 1 | 40.91% | 7033 | 1 | 35.79% |
| KSL Services, Inc. | Maintenance and Operations Services | 939 | 2 | 4.14% | - | - | - |
| Los Alamos Public Schools | Education | 680 | 3 | 3.00% | 663 | 3 | 3.37% |
| Los Alamos County | Government | 684 | 4 | 3.02% | 521 | 4 | 2.65% |
| Protection Technology Los Alamos | Security | 594 | 5 | 2.62% | 462 | 5 | 2.35% |
| Los Alamos Medical Center | Medical Services | 305 | 6 | 1.34% | 314 | 6 | 1.60% |
| Los Alamos National Bank | Banking | - | - | - | 160 | 7 | 0.81% |
| Johnson Control World Services | Maintenance and Operations Services | - | - | - | 1350 | 2 | 6.87% |
| ICF Kaiser | Engineering | - | - | - | 82 | 10 | 0.42% |
| Los Alamos Inn Associates | Hotel & Restaurant | - | - | - | 94 | 8 | 0.48% |
| Los Alamos Technical Associates | Engineering & Analysis Studies | - | - | - | 84 | 9 | 0.43% |
| Total from 10 largest employers | | <u>12,482</u> | | <u>55.02%</u> [c] | <u>10,763</u> | | <u>54.77%</u> |
| Total workforce [b] | | <u><u>22,686</u></u> | | <u><u>100.00%</u></u> | <u><u>19,650</u></u> | | <u><u>100.00%</u></u> |

Sources: Individual Employers, New Mexico Department of Labor

Notes:

[a] As of June 30, 2009

[b] Work force total based on estimates from New Mexico Department of Labor and Los Alamos National Laboratory

[c] Top six employers shown, which collectively represent greater than 50% of total employment

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

Table 22

| AGE BRACKET | 1960 | | 1970 | | 1980 | | 1990 | | 2000 | |
|-------------|------------|-------------|------------|-------------|------------|-------------|------------|-------------|------------|-------------|
| | NUMBER | PERCENT | NUMBER | PERCENT | NUMBER | PERCENT | NUMBER | PERCENT | NUMBER | PERCENT |
| 0-4 years | 1,901 | 14.6% | 1302 | 8.6% | 1,115 | 6.3% | 1,090 | 6.0% | 1,102 | 6.0% |
| 5-19 years | 4,226 | 32.4% | 5414 | 35.6% | 4,874 | 27.7% | 4,032 | 22.3% | 4,026 | 21.9% |
| 20-24 years | 375 | 2.9% | 567 | 3.7% | 805 | 4.6% | 565 | 3.1% | 602 | 3.3% |
| 25-34 years | 2,260 | 17.3% | 2061 | 13.6% | 2,608 | 14.8% | 3,126 | 17.3% | 3,019 | 16.5% |
| 35-44 years | 2,653 | 20.3% | 2432 | 16.0% | 3,155 | 17.9% | 3,718 | 20.5% | 3,812 | 20.8% |
| 45-54 years | 1,107 | 8.5% | 2269 | 14.9% | 2,491 | 14.2% | 3,171 | 17.5% | 3,256 | 17.8% |
| 55-64 years | 373 | 2.9% | 839 | 5.5% | 1,829 | 10.4% | 1,909 | 10.5% | 2,012 | 11.0% |
| 65 and over | <u>142</u> | <u>1.1%</u> | <u>314</u> | <u>2.1%</u> | <u>722</u> | <u>4.1%</u> | <u>504</u> | <u>2.8%</u> | <u>514</u> | <u>2.8%</u> |
| Totals | 13,037 | 100.0% | 15,198 | 100.0% | 17,599 | 100.0% | 18,115 | 100.0% | 18,343 | 100.0% |

Source: U.S. Census Bureau

**INCORPORATED COUNTY OF LOS ALAMOS
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM**

LAST TEN FISCAL YEARS

| Function/Program | FY2000 | FY2001 | FY2002 | FY2003 | FY2004 | FY2005 | FY2006 | FY2007 | FY2008 | FY2009 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Governmental activities | | | | | | | | | | |
| General government | | | | | | | | | | |
| County Council | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 |
| County Courts | 4.62 | 4.62 | 4.62 | 4.58 | 4.58 | 4.56 | 4.56 | 4.80 | 4.80 | 4.80 |
| County Administrator | 5.62 | 6.14 | 7.14 | 8.04 | 10.54 | 11.56 | 13.00 | 13.50 | 13.50 | 12.00 |
| County Assessor | 4.30 | 5.42 | 5.42 | 5.88 | 5.72 | 6.59 | 6.59 | 7.00 | 7.00 | 7.00 |
| County Attorney | 5.00 | 5.00 | 5.00 | 5.04 | 4.04 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| County Clerk | 6.20 | 6.66 | 6.65 | 6.72 | 6.72 | 7.33 | 6.97 | 6.75 | 6.72 | 6.70 |
| County Sheriff | 1.95 | 1.75 | 1.91 | 2.23 | 2.19 | 2.03 | 2.03 | 1.97 | 2.02 | 1.90 |
| Administrative Services | 49.63 | 50.46 | 49.90 | 50.77 | 51.15 | 52.11 | 50.50 | 53.86 | 54.75 | 55.25 |
| Public Works [a] | 46.25 | 46.50 | 48.50 | 44.75 | 44.75 | 43.81 | 44.63 | 46.15 | 47.17 | 12.14 |
| Capital Projects & Facilities (new FY2009) [a] | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 38.50 |
| Cemetery | 1.29 | 1.27 | 1.27 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Public Safety | | | | | | | | | | |
| Police | 59.60 | 59.56 | 59.56 | 59.97 | 59.97 | 60.13 | 60.13 | 75.55 | 75.57 | 77.53 |
| Cerro Grande fire recovery | 0.00 | 0.00 | 0.00 | 2.00 | 1.00 | 1.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Physical and economic environment | | | | | | | | | | |
| | 11.21 | 12.10 | 13.00 | 15.00 | 14.00 | 14.00 | 13.00 | 13.00 | 13.00 | 13.00 |
| Transportation [b] | | | | | | | | | | |
| | 21.00 | 22.00 | 22.00 | 24.50 | 25.50 | 27.40 | 25.52 | 25.53 | 27.53 | 27.41 |
| Culture and recreation | | | | | | | | | | |
| | 82.53 | 82.59 | 83.32 | 92.53 | 91.34 | 88.06 | 86.44 | 85.43 | 86.31 | 86.67 |
| Business-type activities | | | | | | | | | | |
| Joint Utilities | | | | | | | | | | |
| Electric | 36.30 | 39.00 | 39.50 | 40.00 | 40.00 | 44.00 | 44.00 | 45.00 | 45.00 | 54.00 |
| Gas | 33.53 | 34.46 | 35.32 | 28.04 | 26.64 | 27.13 | 27.22 | 25.74 | 25.37 | 25.83 |
| Water | 10.75 | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 | 10.25 | 10.25 | 10.25 |
| Wastewater | 0.00 | 0.00 | 0.00 | 9.00 | 10.00 | 10.00 | 10.00 | 10.13 | 10.13 | 9.13 |
| Environmental Services | | | | | | | | | | |
| | 17.00 | 18.21 | 18.36 | 18.32 | 19.82 | 20.04 | 19.26 | 19.26 | 19.26 | 18.75 |
| Golf | | | | | | | | | | |
| | 14.13 | 13.37 | 13.37 | 13.37 | 11.96 | 12.96 | 12.82 | 12.73 | 12.79 | 13.60 |
| Fire [b] | | | | | | | | | | |
| | 137.00 | 128.00 | 130.00 | 130.00 | 135.00 | 135.00 | 135.00 | 141.00 | 141.00 | 148.00 |
| Airport | | | | | | | | | | |
| | 1.25 | 0.50 | 0.50 | 0.50 | 0.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 |
| Transit [c] | | | | | | | | | | |
| | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 22.00 | 24.00 |
| Equipment-internal service | | | | | | | | | | |
| | 9.00 | 9.00 | 9.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 11.00 |
| Risk-internal service | | | | | | | | | | |
| | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 2.50 | 2.50 | 2.50 | 2.50 |
| Totals | <u>568.16</u> | <u>568.61</u> | <u>576.34</u> | <u>593.24</u> | <u>597.42</u> | <u>606.21</u> | <u>599.67</u> | <u>623.65</u> | <u>650.17</u> | <u>673.46</u> |

Source: Administrative Services Department - Office of Management and Budget

Notes:

[a] In FY 2009, Public Works Department is split to create the Capital Projects and Facilities Department. In addition, increase in FTEs for the new department.

[b] Increase in firefighter FTEs in Fire.

[c] Increase in transit operator FTEs.

**INCORPORATED COUNTY OF LOS ALAMOS
OPERATING INDICATORS BY FUNCTION/PROGRAM**

Table 24

LAST SIX FISCAL YEARS

| | FY2004 | FY2005 | FY2006 | FY2007 | FY2008 | FY2009 |
|---|---------------|---------------|---------------|---------------|---------------|-------------------|
| General Government | | | | | | |
| Assessor-number of parcels by tax year | 8,845 | 8,908 | 8,972 | 8,972 | 8,988 | 8,923 |
| Clerk-number of elections managed* | 2 | 3 | 3 | 4 | 1 | 1 |
| Sheriff-number of processes administered | 278 | 271 | 290 | 245 | 276 | 256 |
| ASD-Number of IHC claims processed | 7,555 | 3,321 | 5,177 | 2,811 | 3,300 | 3,681 |
| IT-Number of networked devices supported | not available | not available | not available | 1,452 | 1,535 | 1,537 |
| Public Safety | | | | | | |
| Police-UCR Crime Rate* | 308 | 378 | 350 | 431 | 386 | 297 |
| Police-number of service call responses | 16,403 | 16,751 | 14,535 | 13,773 | 13,883 | 14,264 |
| Police-number of reported traffic accidents | 309 | 300 | 293 | 471 | 260 | 216 |
| Police-number animal control cases | 234 | 297 | 358 | 354 | 355 | 293 |
| Physical & Economic Development | | | | | | |
| Number of construction permits issued* | 243 | 235 | 180 | 191 | 103 | not yet available |
| Transportation | | | | | | |
| Pvmt-Sq ft of sidewalk replaced or added | not available | 3,592 | 3,727 | 1,701 | 6,802 | not yet available |
| Pvmt-linear ft curb & gutter replacement | not available | 5,332 | 2,295 | 664 | 1,170 | not yet available |
| Traffic-miles of lane lines striped | 53 | 66 | 50 | 46 | 58 | 52 |
| Culture and Recreation | | | | | | |
| Library-Number of circulations | 304,803 | 320,596 | 328,098 | 339,895 | 358,216 | 374,358 |
| Number of park acres maintained | 581 | 587 | 590 | 599 | 599 | 599 |
| Number of cemetery interments | not available | not available | not available | 41 | 32 | 39 |
| Number of aquatic center visits | 84,650 | 89,021 | 89,748 | 87,457 | 86,843 | 90,275 |
| Number of rink visits | 12,136 | 12,051 | 10,284 | 20,130 | 23,451 | 20,731 |
| Sr. Center-number of seniors served | not available | not available | not available | 2,263 | 2,348 | 2,410 |
| Joint Utility System | | | | | | |
| EP-Number of megawatt hrs supplied | 583,997 | 512,387 | 562,015 | 590,117 | 550,623 | 567,821 |
| ED-Number of electric utility customers | 8,467 | 8,908 | 8,767 | 8,892 | 8,877 | 8,764 |
| Gas-Number of therms delivered | 9,319,399 | 9,435,586 | 8,198,081 | 9,374,019 | 9,389,368 | 8,396,000 |
| WP-M gallons water produced | 1,542,085 | 1,317,241 | 1,468,907 | 1,245,586 | 1,458,459 | 1,420,686 |
| WD-M gallons of water sold | 1,076,989 | 876,445 | 999,920 | 720,433 | 800,273 | 781,692 |
| WW-K gallons sewage conveyed | not available | not available | 530,375 | 363,182 | 441,351 | 451,640 |
| Refuse | | | | | | |
| Tons waste processed | 67,190 | 42,592 | 42,653 | 39,633 | 46,541 | 38,306 |
| Tons waste recycled | 4,921 | 4,771 | 14,960 | 15,533 | 21,209 | 11,465 |
| Golf Course | | | | | | |
| Number of golf rounds provided | not available | not available | not available | 31,374 | 29,221 | 29,553 |
| Transit (first year of complete data was FY2009) | | | | | | |
| Number of one way passenger rides | not available | not available | not available | not available | not available | 391,338 |
| Number of miles of service provided | not available | not available | not available | not available | not available | 430,180 |
| Fire Protection Services | | | | | | |
| Number of responses | 1,655 | 1,606 | 1,965 | 1,873 | 2,022 | not yet available |
| Airport | | | | | | |
| Number of takeoffs & landings | not available | not available | not available | 11,199 | 13,255 | 13,244 |

Sources: County departments.

Note: Accurate indicators are not available before FY2004.

* Only calendar year data available

**INCORPORATED COUNTY OF LOS ALAMOS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**

LAST SEVEN FISCAL YEARS

| | <u>FY2003</u> | <u>FY2004</u> | <u>FY2005</u> | <u>FY2006</u> | <u>FY2007</u> | <u>FY2008</u> | <u>FY2009</u> |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Public Safety | | | | | | | |
| Police stations (includes WR substation) | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Police vehicles | 32 | 36 | 39 | 41 | 46 | 48 | 50 |
| County owned fire stations | 3 | 3 | 3 | 4 | 4 | 5 | 5 |
| Dept. of Energy owned fire stations | 3 | 3 | 3 | 2 | 2 | 2 | 2 |
| Transportation | | | | | | | |
| Streets, miles | 102.7 | 102.7 | 105.0 | 105.7 | 106.0 | 106.0 | 106.0 |
| Sidewalk, square yards | 223,599 | 221,377 | 223,207 | 227,407 | 229,048 | 231,099 | 235,356 |
| Street lights, county owned | 1,051 | 1,057 | 1,150 | 1,153 | 1,156 | 1,167 | 1,204 |
| Traffic signals | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| School and station flashers | 9 | 9 | 9 | 9 | 9 | 10 | 10 |
| Public Parking Lots | 28 | 28 | 28 | 28 | 30 | 31 | 27 |
| Culture and Recreation | | | | | | | |
| Senior centers | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Public libraries | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Aquatic centers | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Rinks | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Parks and play lots | 31 | 32 | 33 | 33 | 33 | 34 | 35 |
| Baseball/softball diamonds | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| Soccer fields | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Tennis courts | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Joint Utility System | | | | | | | |
| Electric generating capacity, owned resources, MW | 60 | 60 | 60 | 60 | 60 | 60 | 60 |
| Electric distribution line miles | 140.0 | 140.0 | 142.0 | 142.0 | 142.0 | 142.0 | 142.0 |
| Water production wells | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 |
| Water distribution line miles | 145.0 | 145.0 | 147.0 | 147.0 | 147.0 | 147.0 | 147.0 |
| Gas distribution line miles | 118.0 | 118.0 | 120.0 | 120.0 | 120.0 | 120.0 | 120.0 |
| Wastewater collection line miles | 115.0 | 115.0 | 117.0 | 117.0 | 117.0 | 117.0 | 117.0 |
| Refuse | | | | | | | |
| Collection trucks | 6 | 7 | 8 | 8 | 9 | 10 | 10 |
| Golf Course | | | | | | | |
| Holes | 18 | 18 | 18 | 18 | 18 | 18 | 18 |
| Airport | | | | | | | |
| Tie down spaces | 77 | 77 | 83 | 83 | 83 | 98 | 98 |

Sources: County departments

Note: Data prior to FY2003 was not complete enough for adequate presentation.

Other Information

INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF RECONCILIATION OF TAX RECEIPTS AND DISBURSEMENTS

Year ended June 30, 2009

| | |
|---|--------------------------|
| PROPERTY TAX RECEIVABLE, JUNE 30, 2008 | \$ 390,048 |
| Net taxes charged to treasurer | 12,934,268 |
| Collections | (12,866,074) |
| Adjustments | (78,559) |
| PROPERTY TAX RECEIVABLE, JUNE 30, 2009 | <u><u>\$ 379,683</u></u> |

| PROPERTY TAXES RECEIVABLE AS OF JUNE 30, 2008, 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> |
|--|--------------------------|--|--------------------------------|-------------------------------------|--------------------------------------|
| 1993-99 | \$ 1,208 | 685 | 80 | 79 | 364 |
| 2000 | 1,186 | 586 | 85 | 74 | 441 |
| 2001 | 1,465 | 669 | 129 | 105 | 562 |
| 2002 | 1,138 | 525 | 69 | 73 | 471 |
| 2003 | 2,247 | 1,066 | 176 | 139 | 866 |
| 2004 | 2,261 | 1,097 | 130 | 148 | 886 |
| 2005 | 6,442 | 3,289 | 418 | 404 | 2,331 |
| 2006 | 23,464 | 12,074 | 1,565 | 1,508 | 8,317 |
| 2007 | 55,391 | 29,585 | 3,527 | 2,426 | 19,853 |
| 2008 | 284,881 | 146,893 | 19,290 | 13,209 | 105,489 |
| | <u><u>\$ 379,683</u></u> | <u><u>196,469</u></u> | <u><u>25,469</u></u> | <u><u>18,165</u></u> | <u><u>139,580</u></u> |

DISTRIBUTION OF COLLECTED PROPERTY TAXES:

| | |
|-----------------------------------|-----------------------------|
| Incorporated County of Los Alamos | \$ 6,355,213 |
| State of New Mexico | 915,852 |
| University of New Mexico | 613,273 |
| Los Alamos Schools | 4,981,736 |
| | <u><u>\$ 12,866,074</u></u> |

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

Year ended June 30, 2009

| <u>Agency</u> | <u>Property Taxes Levied</u> | <u>Collected in Current Year</u> | <u>Collected to Date</u> | <u>Distributed in Current Year</u> | <u>Distributed to Date</u> | <u>Current Amount Uncollectible</u> | <u>Amount Uncollectible to Date</u> | <u>Undistributed at Year End</u> | <u>Receivable at Year End</u> |
|------------------------------------|------------------------------|----------------------------------|--------------------------|------------------------------------|----------------------------|-------------------------------------|-------------------------------------|----------------------------------|-------------------------------|
| Incorporated County of Los Alamos: | | | | | | | | | |
| 1993-9 | \$ 21,671,412 | 0 | 21,670,727 | 0 | 21,670,727 | 0 | 685 | 0 | 685 |
| 2000 | 3,941,789 | 0 | 3,941,203 | 0 | 3,941,203 | 0 | 586 | 0 | 586 |
| 2001 | 4,115,351 | 151 | 4,114,682 | 151 | 4,114,682 | 0 | 669 | 0 | 669 |
| 2002 | 4,385,907 | 387 | 4,385,382 | 387 | 4,385,382 | 0 | 525 | 0 | 525 |
| 2003 | 4,548,497 | 265 | 4,547,431 | 265 | 4,547,431 | 0 | 1,066 | 0 | 1,066 |
| 2004 | 4,905,502 | 126 | 4,904,405 | 126 | 4,904,405 | 0 | 1,097 | 0 | 1,097 |
| 2005 | 5,273,028 | 12,046 | 5,269,739 | 12,046 | 5,269,739 | 0 | 3,289 | 0 | 3,289 |
| 2006 | 5,661,655 | 8,622 | 5,649,581 | 8,622 | 5,649,581 | 0 | 12,074 | 0 | 12,074 |
| 2007 | 6,036,147 | 109,996 | 6,006,562 | 109,996 | 6,006,562 | 0 | 29,585 | 0 | 29,585 |
| 2008 | 6,370,513 | 6,223,620 | 6,223,620 | 6,223,620 | 6,223,620 | 0 | 146,893 | 0 | 146,893 |
| | 66,909,801 | 6,355,213 | 66,713,332 | 6,355,213 | 66,713,332 | 0 | 196,469 | 0 | 196,469 |
| State of New Mexico: | | | | | | | | | |
| 1993-9 | 3,189,450 | 0 | 3,189,370 | 0 | 3,189,370 | 0 | 80 | 0 | 80 |
| 2000 | 647,720 | 0 | 647,635 | 0 | 647,635 | 0 | 85 | 0 | 85 |
| 2001 | 837,300 | 32 | 837,171 | 32 | 837,171 | 0 | 129 | 0 | 129 |
| 2002 | 574,251 | 45 | 574,182 | 45 | 574,182 | 0 | 69 | 0 | 69 |
| 2003 | 836,247 | 41 | 836,071 | 41 | 836,071 | 0 | 176 | 0 | 176 |
| 2004 | 628,729 | 17 | 628,599 | 17 | 628,599 | 0 | 130 | 0 | 130 |
| 2005 | 808,322 | 1,428 | 807,904 | 1,428 | 807,904 | 0 | 418 | 0 | 418 |
| 2006 | 893,845 | 1,364 | 892,280 | 1,364 | 892,280 | 0 | 1,565 | 0 | 1,565 |
| 2007 | 888,602 | 14,998 | 885,075 | 14,998 | 885,075 | 0 | 3,527 | 0 | 3,527 |
| 2008 | 917,217 | 897,927 | 897,927 | 897,927 | 897,927 | 0 | 19,290 | 0 | 19,290 |
| | 10,221,684 | 915,852 | 10,196,215 | 915,852 | 10,196,215 | 0 | 25,469 | 0 | 25,469 |

University of New Mexico:

| | | | | | | | | | |
|--------|------------------|----------------|------------------|----------------|------------------|----------|---------------|----------|---------------|
| 1993-9 | 2,978,550 | 0 | 2,978,471 | 0 | 2,978,471 | 0 | 79 | 0 | 79 |
| 2000 | 555,500 | 0 | 555,426 | 0 | 555,426 | 0 | 74 | 0 | 74 |
| 2001 | 691,695 | 27 | 691,590 | 27 | 691,590 | 0 | 105 | 0 | 105 |
| 2002 | 610,952 | 47 | 610,879 | 47 | 610,879 | 0 | 73 | 0 | 73 |
| 2003 | 654,986 | 32 | 654,847 | 32 | 654,847 | 0 | 139 | 0 | 139 |
| 2004 | 717,041 | 19 | 716,893 | 19 | 716,893 | 0 | 148 | 0 | 148 |
| 2005 | 773,534 | 1,376 | 773,130 | 1,376 | 773,130 | 0 | 404 | 0 | 404 |
| 2006 | 843,097 | 1,260 | 841,589 | 1,260 | 841,589 | 0 | 1,508 | 0 | 1,508 |
| 2007 | 581,348 | 9,925 | 578,922 | 9,925 | 578,922 | 0 | 2,426 | 0 | 2,426 |
| 2008 | 613,796 | 600,587 | 600,587 | 600,587 | 600,587 | | 13,209 | | 13,209 |
| | 9,020,499 | 613,273 | 9,002,334 | 613,273 | 9,002,334 | 0 | 18,165 | 0 | 18,165 |

Los Alamos Public Schools:

| | | | | | | | | | |
|--------|-------------------|------------------|-------------------|------------------|-------------------|----------|----------------|----------|----------------|
| 1993-9 | 12,681,487 | 0 | 12,681,123 | 0 | 12,681,123 | 0 | 364 | 0 | 364 |
| 2000 | 3,325,299 | 0 | 3,324,858 | 0 | 3,324,858 | 0 | 441 | 0 | 441 |
| 2001 | 3,674,728 | 141 | 3,674,166 | 141 | 3,674,166 | 0 | 562 | 0 | 562 |
| 2002 | 3,938,066 | 305 | 3,937,595 | 305 | 3,937,595 | 0 | 471 | 0 | 471 |
| 2003 | 4,088,762 | 203 | 4,087,896 | 203 | 4,087,896 | 0 | 866 | 0 | 866 |
| 2004 | 4,303,257 | 116 | 4,302,371 | 116 | 4,302,371 | 0 | 886 | 0 | 886 |
| 2005 | 4,445,178 | 7,940 | 4,442,847 | 7,940 | 4,442,847 | 0 | 2,331 | 0 | 2,331 |
| 2006 | 4,688,212 | 7,001 | 4,679,895 | 7,001 | 4,679,895 | 0 | 8,317 | 0 | 8,317 |
| 2007 | 4,934,182 | 83,046 | 4,914,329 | 83,046 | 4,914,329 | 0 | 19,853 | 0 | 19,853 |
| 2008 | 4,988,473 | 4,882,984 | 4,882,984 | 4,882,984 | 4,882,984 | | 105,489 | | 105,489 |
| | 51,067,643 | 4,981,736 | 50,928,063 | 4,981,736 | 46,045,079 | 0 | 139,580 | 0 | 139,580 |

| | | | | | | | | | |
|--------------------|-----------------------|-------------------|--------------------|-------------------|--------------------|----------|----------------|----------|----------------|
| Grand Total | \$ 137,219,627 | 12,866,074 | 136,839,944 | 12,866,074 | 131,956,960 | 0 | 379,683 | 0 | 379,683 |
|--------------------|-----------------------|-------------------|--------------------|-------------------|--------------------|----------|----------------|----------|----------------|

**INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF PLEDGED COLLATERAL**

June 30, 2009

| | <u>LOS ALAMOS NATIONAL BANK</u> | <u>COMMUNITY BANK</u> | <u>WELLS FARGO BANK MINNESOTA</u> | <u>TOTAL</u> |
|---|-------------------------------------|---------------------------|---|--------------------|
| TOTAL AMOUNT OF DEPOSITS (bank balances) | \$ 80,614,690 | 15,234,216 | 155,114 | 96,004,020 |
| TOTAL AMOUNT OF REPURCHASE AGREEMENTS | 0 | 0 | 6,649,150 | 6,649,150 |
| Less: FDIC coverage | 250,000 | 250,000 | 250,000 | 750,000 |
| TOTAL UNINSURED PUBLIC FUNDS | <u>80,364,690</u> | <u>14,984,216</u> | <u>6,554,264</u> | <u>101,903,170</u> |
| COLLATERAL REQUIRED | | | | |
| Deposits | 40,182,345 [a] | 7,492,108 [a] | 0 | 47,674,453 |
| Repurchase agreement | 0 | 0 | 7,144,477 [b] | 7,144,477 |
| COLLATERAL | | | | |
| Letters of Credit | 90,000,000 [c] | 15,000,000 [c] | 0 | 105,000,000 |
| Pledged securities-repurchase agreement | 0 | 0 | 7,414,519 [d] | 7,414,519 |
| OVER(UNDER) SECURED | <u>\$ 49,817,655</u> | <u>7,507,892</u> | <u>270,042</u> | <u>50,087,697</u> |

[a] Collateral requirement is 50% per New Mexico state law. County requirement is 100%.

[b] Collateral requirement is 105% per official statement for Utility Revenue Bond issue of 2006

[c] Letter of Credit - Federal Home Loan Bank of Dallas

[d] Collateral is valued at market value.

INCORPORATED COUNTY OF LOS ALAMOS
DETAIL OF PLEDGED COLLATERAL BY FINANCIAL INSTITUTION

June 30, 2009

| | <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> |
|---|-----------------------------|--------------------------|-------------------------|-------------|------------------------------|---------------------------------|
| LOS ALAMOS NATIONAL BANK | | | | | | |
| Letters of Credit: Federal Home Loan Bank of Dallas | | | | | | |
| Beneficiary: County of Los Alamos | | | | | | |
| | 02/19/09 | 02/22/10 | | | \$ 34,000,000 | 34,000,000 |
| | 12/17/08 | 12/18/09 | | | 5,000,000 | 5,000,000 |
| | 04/11/08 | 04/13/09 | | | 51,000,000 | 51,000,000 |
| | | | | | <u>90,000,000</u> | <u>90,000,000</u> |
| COMMUNITY BANK | | | | | | |
| Letter of Credit: Federal Home Loan Bank of Dallas | | | | | | |
| Beneficiary: County of Los Alamos | | | | | | |
| | 01/28/09 | 07/28/09 | | | 5,000,000 | 5,000,000 |
| | 06/11/08 | 12/07/09 | | | 4,000,000 | 4,000,000 |
| | 06/04/09 | 06/07/10 | | | 2,000,000 | 2,000,000 |
| | 06/04/09 | 06/03/11 | | | 2,000,000 | 2,000,000 |
| | 06/04/09 | 06/04/12 | | | 2,000,000 | 2,000,000 |
| | | | | | <u>15,000,000</u> | <u>15,000,000</u> |
| WELLS FARGO BANK MINNESOTA | | | | | | |
| Custodians: MBIA, New York, NY and | | | | | | |
| AIG Inc., New York, NY | | | | | | |
| | 05/28/09 | 10/12/10 | 31377PDL5 | FMNA | 681,377 | 709,988 |
| | 05/07/09 | 11/01/10 | 31377PGE8 | FMNA | 905,399 | 947,799 |
| | 11/06/08 | 02/01/11 | 31377PU44 | FMNA | 2,534,158 | 2,653,923 |
| | 06/11/09 | 07/01/27 | 83162CRD7 | SBA | 182,049 | 197,011 |
| | 03/05/09 | 05/15/29 | 31359MEU3 | FNMA | 2,475,000 | 2,905,798 |
| | | | | | <u>6,777,983</u> | <u>7,414,519</u> |
| TOTAL PLEDGED COLLATERAL | | | | | <u>\$ <u>101,777,983</u></u> | <u><u>102,414,519</u></u> |

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

June 30, 2009

| <u>NAME OF DEPOSITORY</u> | <u>ACCOUNT NAME</u> | <u>TYPE OF ACCOUNT</u> | <u>TOTAL DEPOSITORY BALANCES</u> |
|----------------------------|---------------------------------|------------------------|--|
| Los Alamos National Bank | Municipal Court Bond | Checking | \$ 25,970 |
| Los Alamos National Bank | Library Gift Fund | Checking | 1 |
| Los Alamos National Bank | Library Gift Fund | C.D. | 12,300 |
| Los Alamos National Bank | Los Alamos County | C.D. | 45,739,890 |
| Community Bank | Los Alamos County | C.D. | 15,234,216 |
| Los Alamos National Bank | Employee Fund | Checking | 12,561 |
| Los Alamos National Bank | GRT Bonds Debt Service | Checking | 587,263 |
| Los Alamos National Bank | 2008 GRT Bonds | Checking | 15,033,043 |
| Los Alamos National Bank | General County | Checking | 10,335,154 |
| Los Alamos National Bank | Fire - LANL Contract | Checking | 13,626 |
| Los Alamos National Bank | Small Purchase | Checking | 28,493 |
| Los Alamos National Bank | General County Reserve | Checking | 1 |
| Los Alamos National Bank | Utility Resource Pool | Checking | 2,543,509 |
| Los Alamos National Bank | Landfill Closure | Checking | 2,835,411 |
| Los Alamos National Bank | Police Operations | Checking | 3,747 |
| Los Alamos National Bank | Utilities | Checking | 2,549,102 |
| Wells Fargo Bank Minnesota | Utilities | Deposit | 155,114 |
| Los Alamos National Bank | Utilities | Checking | 894,621 |
| NMFA / Bank of Albuquerque | Trustee Loan Account | Cash Equivalent | 224,716 |
| NMFA / Bank of Albuquerque | Trustee Loan Account | Cash Equivalent | 69,471 |
| NMFA / Bank of Albuquerque | Trustee Loan Account | Cash Equivalent | 361,383 |
| NMFA / Bank of Albuquerque | Trustee Loan Account | Cash Equivalent | 68,944 |
| Wells Fargo Bank Minnesota | Utilities | Cash Equivalent | 155,338 |
| Wells Fargo Bank Minnesota | Utility Bond 2006 | Cash Equivalent | 5,644 |
| Wells Fargo Bank Minnesota | Utility Bond 2006 | Cash Equivalent | 20,291 |
| Wells Fargo Bank Minnesota | Utility Bond 2006 | Cash Equivalent | 576,301 |
| Wells Fargo Bank Minnesota | Utility Bond 2004 | Cash Equivalent | 714,312 |
| Wells Fargo Bank Minnesota | Utility Bond 2004 | Cash Equivalent | 66,406 |
| State Treasurer's Pool | Self-sufficiency Fund | Pool | 4,744,064 |
| State Treasurer's Pool | Self-sufficiency Fund - Reserve | Pool | 187,664 |
| State Treasurer's Pool | General County | Pool | 133 |
| State Treasurer's Pool | General County - Reserve | Pool | 75,957 |

| | | | |
|--|------------------------------|------------------------|------------------------------|
| State Treasurer's Pool | General County | Pool | 33,920,101 |
| State Treasurer's Pool | General County - Reserve | Pool | 258,526 |
| Wells Fargo Bank Minnesota | Utility Bond 2004 | Repurchase | 6,649,150 |
| Bank of Albuquerque | Los Alamos County | FNMA | 6,510,140 |
| Bank of Albuquerque | Los Alamos County | FHLMC | 10,500,896 |
| Bank of Albuquerque | Los Alamos County | FHLB | 10,573,925 |
| Wells Fargo Bank Minnesota | Utility Bond 2006 | FHLB | 12,092,071 |
| State Investment Council | Permanent Fund | Pool | 15,242,726 |
| State Investment Council | General Fund | Pool | 10,598,362 |
| State Investment Council | Cemetery Perpetual Care | Pool | 475,283 |
| American Industries Trust Co. | L.A.C. Employee Pension Plan | Participant Investment | 24,132,740 |
| Total Depository Balances | | | <u>234,228,565</u> |
| Reconciling items to Bank Reconciliation | | | (632,290) |
| Petty Cash and Change Funds | | | 4,732 |
| Total Deposits and Investments reported in financial statements | | | <u>\$ 233,601,007</u> |

**INCORPORATED COUNTY OF LOS ALAMOS
SUPPLEMENTAL SCHEDULE OF JOINT POWERS AGREEMENTS**June 30, 2009

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 will act as the investment manager for County funds deposited with the SIC, and invest County funds in accordance with the guidelines provided in the County's Investment Policy; providing 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 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, 2009, the County had approximately \$26.3 million invested with the SIC. The County paid approximately \$44,000 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 Los Alamos Public Schools (Schools)

The parties entered into this agreement to develop a project plan to relocate the current facilities from the Trinity Site. The Trinity Site is defined as the adjacent 9.727 acres owned by the County (901 Trinity) and the 5.537 acres owned by the Schools (751 Trinity), which is currently being used by the Schools and the County for administrative office, maintenance shops and warehouse space. Under this agreement the County will procure services on behalf of the Schools and County for a space study, site planning and engineering, a construction cost estimate and conceptual design for relocation of the Trinity Site to allow for future development at that site.

The expenditures will be shared on a percentage of ownership basis. The current ownership percent is 63.7% County and 36.27% Schools. The County will be responsible for procuring the services and payment of invoices. Expenditures and subsequent reimbursements from the schools will be recorded in the Trinity Site Capital Project in the Capital Improvements Project Fund. The current project budget is \$742,500 related to this work and is included on the Project-length Schedule of Construction Projects.

This agreement was entered into on December 15, 2004. The agreement is effective for 12 months or until the expiration of the site planning and engineering contract.

Incorporated County of Los Alamos (the County) and the Los Alamos Public School (Schools)

The parties entered into this agreement to fulfill the federal government's requirement for a use agreement between the County and the Schools. The parties intend to jointly exercise their powers to acquire, utilize and dispose of real property with regards to the Trinity Site relocation project. The agreement will facilitate a shared development of the selected relocation site and the redevelopment of the Trinity Site for the mutual benefit of the parties. The Trinity site will be redeveloped for private use, not public. The revenues and expenses will be shared on a percentage of ownership basis. The current ownership percent is 63.7% County and 36.27% Schools. Under this agreement the County will be the lead agency and fiscal agent for purposes of procurement, sales, leases and all other transactions necessary to implement joint use, vacation of the Trinity Site and the redevelopment of the Trinity Site.

This agreement was entered into June of 2005 and runs until terminated by the parties. The agreement may only be terminated by a subsequent written agreement between the parties, which agreement may provide for one party's purchase from the other party of all interest in the Trinity Site.

The current estimated project budget for this project is approximately \$66.25 million.

Incorporated County of Los Alamos (the County) and the New Mexico Law Enforcement Information Exchange (NM LInX)

The parties entered into this agreement to allow the County to participate in the pilot implementation of the New Mexico law enforcement information exchange. The NM LInX is a federal initiative sponsored by the U.S. Attorney for the District of New Mexico and the Naval Criminal Investigative Service (NCIS) to allow the electronic sharing of public police records with other participating law enforcement agencies. Under this agreement the NCIS will provide the equipment and installation costs associated with the LInX system. The County will use the existing manpower to populate the database and maintain the information resulting in no additional fiscal impact.

This agreement was entered into February 28, 2006 and may be terminated at any time the participants.

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

Year ended June 30, 2009

| <u>STATE GRANTOR /PROGRAM TITLE</u> | ACCRUED REIMBURSEMENT (RESERVED BALANCE) JUNE 30, 2008 | CASH RECEIVED | OTHER (SEE NOTES) | STATE PARTICIPATING EXPENDITURES | ACCRUED REIMBURSEMENT (RESERVED BALANCE) JUNE 30, 2009 |
|--|---|------------------|----------------------|--|---|
| STATE OF NEW MEXICO: | | | | | |
| Administrative Office of the Courts | | | | | |
| Municipal Court Automation Project, Fund #126 | \$ 1,432 | 5,774 | 0 | 6,553 | 2,211 |
| Agency on Aging | | | | | |
| Senior Center - Emergency Compressor Repairs | 2,204 | 2,204 | 0 | 0 | 0 |
| Senior Center - Emergency Phone System Repairs | 6,200 | 6,200 | 0 | 0 | 0 |
| Senior Center - Steamer Replacement | 0 | 0 | 0 | 3,800 | 3,800 |
| | <u>8,404</u> | <u>8,404</u> | <u>0</u> | <u>3,800</u> | <u>3,800</u> |
| Fire Marshal's Office: | | | | | |
| Fire Protection Fund Distribution (FY 2008) | (182,704) | 378,072 | 718 [1] | 261,025 | (300,469) |
| Children, Youth and Families Department | | | | | |
| Juvenile Justice Continuum (07-690-3052) | 14,172 | 14,172 | 0 | 0 | 0 |
| Juvenile Justice Continuum (08-690-6368) | 0 | 23,792 | 34,807 [2] | 23,792 | 0 |
| Juvenile Justice Continuum (09-690-9017) | 0 | 58,188 | 104,421 [2] | 75,778 | 17,590 |
| Total Children, Youth and Families | <u>14,172</u> | <u>96,152</u> | <u>139,228</u> | <u>99,570</u> | <u>17,590</u> |
| Department of Finance and Administration: | | | | | |
| DWI- Local Distribution (08-D-J-D-16) | (10,688) | 0 | (10,688) [3] | 0 | 0 |
| DWI- Local Reimbursement (08-D-J-G-16) | 25,809 | 25,809 | 0 | 0 | 0 |
| DWI- Local Distribution (09-D-J-D-16) | 0 | 57,362 | 0 | 15,291 | (42,071) |
| DWI- Local Reimbursement (09-D-J-G-16) | 0 | 8,860 | 5,760 [4] | 30,615 | 15,995 |
| Enhanced E911 | 550 | 1,523 | 89,056 [5] | 91,229 | 1,200 |
| Law Enforcement Protection Fund Distribution | (13,773) | 36,200 | 0 | 25,026 | (24,947) |
| Total Department of Finance and Administration | <u>1,898</u> | <u>129,754</u> | <u>84,128</u> | <u>162,161</u> | <u>(49,823)</u> |
| Energy, Minerals, and Natural Resources Department | | | | | |
| Clean Energy Grant (06-521-2446-0210) | 0 | 69,240 | 0 | 77,790 | 8,550 |
| Environment Department | | | | | |
| Recycling and Illegal Dumping (07NT-20) | 0 | 20,000 | 0 | 20,000 | 0 |
| Health Department | | | | | |
| Public Health Division Primary Care and EMS Grant - Fire | (10,347) | 12,677 | 0 | 23,024 | 0 |

| | | | | | |
|---|---------------------|------------------|----------------|------------------|------------------|
| State of New Mexico Legislature-Special Appropriation | | | | | |
| Golf Course Waterline (SAP 07-4496-GF) | 0 | 250,000 | 0 | 250,000 | 0 |
| San Ildefonso Waterline (SAP 07-4497-GF) | 0 | 200,000 | 0 | 200,000 | 0 |
| Camp May Road Fire Hydrants (SAP 07-3232-GF) | 0 | 9,660 | 0 | 9,660 | 0 |
| | <u>0</u> | <u>459,660</u> | <u>0</u> | <u>459,660</u> | <u>0</u> |
| Tourism Department | | | | | |
| Cooperative Marketing Award Grant | 5,000 | 5,000 | 0 | 0 | 0 |
| Mainstreet Grant-Central Avenue Streetscape (06-L-7829) | 0 | 200,000 | 0 | 200,000 | 0 |
| Mainstreet Grant-Central Avenue Streetscape (09-419Z80150-9002) | 0 | 80,000 | 0 | 80,000 | 0 |
| | <u>5,000</u> | <u>285,000</u> | <u>0</u> | <u>280,000</u> | <u>0</u> |
| Transportation Department | | | | | |
| Buckledown/Child Restraint Grants (08-OP-RF-055) | 365 | 365 | 0 | 6,643 | 6,643 |
| Community DWI Program(908-CD-05-055) | 1,414 | 1,414 | 0 | 2,509 | 2,509 |
| Capital Cooperative Agreement SP-GA-7528 (201) | 0 | 0 | 0 | 1,435,091 | 1,435,091 |
| Cooperative Agreement, SP-5-07 (016) | 0 | [6] | 0 | 0 | 0 |
| Cooperative Agreement, SB-7768 (961) | 0 | [6] | 0 | 0 | 0 |
| Cooperative Agreement, CAP-5-07-(431) | 0 | [6] | 0 | 0 | 0 |
| Cooperative Agreement, MAP-501(901) | 0 | [6] | 0 | 0 | 0 |
| Airport Drainage Study LAM-008-003 | 0 | 1,521 | 0 | 1,521 | 0 |
| Airport Maintenance-Runway LAM-09-001 | 0 | 1,447 | 0 | 1,447 | 0 |
| | <u>1,779</u> | <u>4,747</u> | <u>0</u> | <u>1,447,211</u> | <u>1,444,243</u> |
| State Engineer | | | | | |
| Water Trust Board | 0 | 228,572 | 0 | 228,572 | 0 |
| Office of Cultural Affairs: | | | | | |
| GO Bonds for Public Library Resources | 2,712 | 17,562 | 0 | 14,850 | 0 |
| New Mexico State Library Grant - Operations | 0 | 4,997 | 0 | 4,997 | 0 |
| Total Office of Cultural Affairs | <u>2,712</u> | <u>22,559</u> | <u>0</u> | <u>19,847</u> | <u>0</u> |
| TOTAL STATE OF NEW MEXICO FINANCIAL ASSISTANCE | \$ (157,654) | 1,720,611 | 224,074 | 3,089,213 | 1,126,102 |

RELATIONSHIP TO BASIC FINANCIAL STATEMENTS:

| | |
|-------------------------------------|------------|
| State-shared Revenues | 22,321,209 |
| Change in Reserved Balances | 118,592 |
| Change in Deferred Revenue | (1,466) |
| DWI Program Revenue | (5,760) |
| Interest Earned on Reserved Balance | (718) |

TOTAL INTERGOVERNMENTAL REVENUES - STATE

\$ 25,521,070

NOTES:

- [1] Interest on reserved fund balance
- [2] County's cash match
- [3] Unexpended grant funds returned to grantee
- [4] DWI program revenue
- [5] Grant expenditures made by State on County's behalf
- [6] Beginning balance as restated

INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2009

| FEDERAL GRANTOR /PROGRAM TITLE | FEDERAL CFDA NUMBER | ACCRUED REIMBURSEMENT (RESERVED BALANCE) JUNE 30, 2008 | CASH RECEIVED | OTHER | FEDERAL PARTICIPATING EXPENDITURES | ACCRUED REIMBURSEMENT (RESERVED BALANCE) JUNE 30, 2009 |
|--|---------------------------------------|---|-------------------|------------------|--|---|
| MAJOR FEDERAL FINANCIAL ASSISTANCE | | | | | | |
| United States Department of Energy: Los Alamos National Laboratory Fire protection, emergency medical and rescue services subcontract (December 1997 through September 2009) | [2] 81.XXX 81.2446L0018-K1 | \$ 2,482,502 | 5,206,000 | 72,295 | [1] 4,479,370 | 1,683,577 |
| United States Department of Energy: National Nuclear Security Administration Fire protection, emergency medical and rescue services Cooperative Agreement | 81.XXX DE-FC52-08NA28090 | 0 | 6,687,382 | 2,630,625 | [3] 12,893,041 | 3,575,034 |
| United States Department of Transportation-Federal Transit Administration Flow through the New Mexico State Transportation Department Nonurbanized Area Formula Grant Program Section 5311 FY08 Contract M00702/1 | [2] 20.509 | 255,730 | 450,231 | 100,983 | [3] 194,501 | 0 |
| FY09 Contract M00812 | [2] | 0 | 526,371 | 536,840 | [3] 708,984 | 182,613 |
| TOTAL MAJOR FEDERAL FINANCIAL ASSISTANCE | | 2,738,232 | 12,869,984 | 3,340,743 | 18,275,896 | 5,441,224 |
| NONMAJOR FEDERAL FINANCIAL ASSISTANCE | | | | | | |
| Cerro Grande Fire Assistance Act CGFAA - Mitigation Projects | 97.XXX Public Law 110-343 | (292,076) | 0 | 0 | 292,076 | 0 |
| United States Department of Agriculture: United States Federal Forest Reserve | 10-665 Public Law 106-393 | 0 | 35,147 | 0 | 35,147 | 0 |
| United States Department of Homeland Security Federal Emergency Management Agency State and Local Assistance Program | 97.036 2008-EMPG-Los Alamos County | 40,846 | 81,909 | 0 | 77,794 | 36,731 |
| Office of Domestic Preparedness Equipment program | 97.067 2004-GE-T4-0005 | 32,358 | [4] 236,198 | 0 | 203,840 | 0 |
| Equipment program | 2008-Los Alamos County-SHSGP | 0 | 46,017 | 0 | 46,017 | 0 |
| Bomb Squad Training Grant | 2007-GE-T7-0023 | (97) | 15,251 | 0 | 16,696 | 1,348 |
| United States Department of Interior, Bureau of Land Management: Section 1 payment for Federal owned entitlement land | 15.226 Public Law 100-343 | 0 | 80,446 | 0 | 80,446 | 0 |

| | | | | | | | |
|--|-----------------|---------------------|-------------------|------------------|-----|-------------------|------------------|
| United States Department of Justice: | | | | | | | |
| Drug Enforcement Administration-Asset Forfeiture | 16.xxx | (608) | 0 | 1 | [5] | 0 | (609) |
| Flow through State of New Mexico Children, Youth & Families Department | 16.727 | | | | | | |
| Enforcing the Underage Drinking Laws Block Grant | 2006-AH-FX-0042 | 4,973 | 4,973 | 0 | | 0 | 0 |
| Enforcing the Underage Drinking Laws Block Grant | 09-690-8330 | 0 | 6,854 | 0 | | 13,264 | 6,410 |
| United States National Nuclear Security Administration | | | | | | | |
| Department of Energy | 81.XXX | 0 | 226,024 | 0 | | 226,024 | 0 |
| United States Department of Transportation-Federal Transit Administration | | | | | | | |
| Flow through the New Mexico State Transportation Department | | | | | | | |
| Job Access & Reverse Commute Section 5316 | 20.516 | | | | | | |
| FY08 Contract M00701 | | 239,853 | 249,454 | 9,601 | [6] | 0 | 0 |
| FY09 Contract M00761 | | 0 | 226,290 | 226,290 | [6] | 226,290 | 0 |
| United States Department of Transportation-Federal Highway Administration | | | | | | | |
| Flow through New Mexico State Transportation Department | | | | | | | |
| Operation DWI (08-AL-64-055) | 20.608 | 1,460 | 5,475 | 0 | | 4,015 | 0 |
| Operation DWI (09-AL-K8-055) | 20.608 | 0 | 0 | 0 | | 7,376 | 7,376 |
| LA Walks | 20.XXX | (17,500) | 0 | 0 | | 17,500 | 0 |
| United States Department of Transportation-Federal Transit Administration | | | | | | | |
| Flow through the Regional Transit District-North Central New Mexico | | | | | | | |
| Federal Transit Capital Investment Grants Section 5309 | 20.500 | | | | | | |
| Expansion van - On Demand Service | | 19,990 | [4] | 19,990 | 0 | 0 | 0 |
| Bus Shelters | | 0 | | 32,132 | 0 | 32,132 | 0 |
| United States Department of Transportation-Federal Aviation Administration | | | | | | | |
| Flow through New Mexico State Transportation Department | | | | | | | |
| Airport Drainage Improvement/LPV Study (3-35-0054-004-2008) | 20.106 | 0 | 57,781 | 1,521 | [6] | 57,781 | 0 |
| United States Environmental Protection Agency | | | | | | | |
| Flow through State of New Mexico Environment Department | | | | | | | |
| Stormwater Management Plan for Los Alamos County | 66.460 | 10,637 | 10,637 | 0 | | 0 | 0 |
| TOTAL NONMAJOR FEDERAL FINANCIAL ASSISTANCE | | <u>39,836</u> | <u>1,334,578</u> | <u>237,413</u> | | <u>1,336,398</u> | <u>51,256</u> |
| TOTAL MAJOR AND NONMAJOR FEDERAL FINANCIAL ASSISTANCE | | <u>\$ 2,778,068</u> | <u>14,204,562</u> | <u>3,578,156</u> | | <u>19,612,294</u> | <u>5,492,480</u> |

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

Year ended June 30, 2009

| FEDERAL GRANTOR /PROGRAM TITLE | FEDERAL CFDA NUMBER | ACCRUED REIMBURSEMENT (RESERVED BALANCE) JUNE 30, 2008 | CASH RECEIVED | OTHER | FEDERAL PARTICIPATING EXPENDITURES | ACCRUED REIMBURSEMENT (RESERVED BALANCE) JUNE 30, 2009 |
|---|---------------------------|---|------------------|-------|--|---|
| RELATIONSHIP TO BASIC FINANCIAL STATEMENTS: | | | | | | |
| Federal Emergency Management Agency | | | | | | 35,125 |
| State and Local Assistance-Change in Deferred Revenue | | | | | | (5,916) |
| Federal Highway Administration-Change in Deferred Revenue | | | | | | (801) |
| Department of Justice-Change in Deferred Revenue | | | | | | (323,361) |
| LANL Fire Contract - Ambulance billing activity and revenues from other sources | | | | | | (2,398,485) |
| County Share of DOE Cooperative agreement expenditures | | | | | | 3,998 |
| Federal Transit Administration -NCRTD additional reimbursement | | | | | | <u>16,922,854</u> |
| INTERGOVERNMENTAL REVENUES - FEDERAL | | | | | | 25,521,070 |
| INTERGOVERNMENTAL REVENUES - STATE | | | | | | <u>42,443,924</u> |
| TOTAL INTERGOVERNMENTAL REVENUES | | | | | \$ | <u><u>42,443,924</u></u> |
| INTERGOVERNMENTAL REVENUES REPORTED IN BASIC FINANCIAL STATEMENTS: | | | | | | |
| Governmental funds | | | | | \$ | 25,780,683 |
| Proprietary funds | | | | | | |
| Operating revenues - intergovernmental | | | | | | 15,560,226 |
| Nonoperating revenues - intergovernmental | | | | | | <u>1,103,015</u> |
| TOTAL INTERGOVERNMENTAL REVENUES | | | | | \$ | <u><u>42,443,924</u></u> |

Notes to Supplemental Schedule of Expenditures of Federal Awards

General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Incorporated County of Los Alamos (County).

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note (1)D to the County's basic financial statements.

The amounts received from the federal government are recorded as intergovernmental revenues of the County.

There were no sub recipients of these grant awards.

Other Notes

- [1] Receipts from ambulance billing and other sources
- [2] Although a major program by dollar amount, this was not tested as major program as a result of risk based audit approach
- [3] County's share of DOE Cooperative agreement expenditures, ambulance billing receipts and miscellaneous revenue
- [4] Beginning balance as restated
- [5] Interest earned on reserved fund balance
- [6] County's cash match



INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM SUBFUNDS
SUPPLEMENTAL COMBINING BALANCE SHEET - INDUSTRY FORMAT
June 30, 2009

Exhibit 8

| | <u>ELECTRIC</u> | <u>GAS</u> | <u>WATER</u> | <u>WASTEWATER</u> | <u>TOTAL JOINT UTILITY SYSTEM</u> |
|--|-----------------------------|-------------------|-------------------|-------------------|---|
| ASSETS AND OTHER DEBITS | | | | | |
| UTILITY PLANT | | | | | |
| Utility plant and adjustments | \$ 132,706,073 | 8,868,354 | 67,079,881 | 38,430,140 | 247,084,448 |
| Construction work in progress | 3,988,587 | 433,509 | 1,637,223 | 802,169 | 6,861,488 |
| Less provision for accumulated depreciation | (66,132,037) | (2,805,422) | (13,124,937) | (5,787,414) | (87,849,810) |
| | <u>70,562,623</u> | <u>6,496,441</u> | <u>55,592,167</u> | <u>33,444,895</u> | <u>166,096,126</u> |
| OTHER PROPERTY AND INVESTMENTS | | | | | |
| Investments and special funds | 22,202,235 | 0 | 0 | 0 | 22,202,235 |
| CURRENT AND ACCRUED ASSETS | | | | | |
| Cash, working funds and investments | 518,166 | 5,401,475 | 14,154,749 | 1,272,168 | 21,346,558 |
| Customer accounts receivable | 4,197,478 | 269,856 | 330,061 | 219,132 | 5,016,527 |
| Less provision for uncollectible accounts | (15,637) | (6,592) | (6,824) | (5,136) | (34,189) |
| Other receivables | 48,987 | 0 | 0 | 0 | 48,987 |
| Fuel stock | 424,051 | 0 | 0 | 0 | 424,051 |
| Materials and supplies | 432,278 | 45,626 | 168,684 | 28,240 | 674,828 |
| Prepayments | 62,137 | 0 | 54,405 | 0 | 116,542 |
| Accrued utility revenues | 417,100 | 126,987 | 194,020 | 138,611 | 876,718 |
| Miscellaneous current and accrued assets | 10,827 | 5,138 | 9,602 | 363 | 25,930 |
| | <u>6,095,387</u> | <u>5,842,490</u> | <u>14,904,697</u> | <u>1,653,378</u> | <u>28,495,952</u> |
| DEFERRED DEBITS | | | | | |
| Unamortized debt expenses | 871,020 | 0 | 0 | 0 | 871,020 |
| Unamortized deferral on refunding | 4,376,478 | 0 | 0 | 0 | 4,376,478 |
| | <u>5,247,498</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>5,247,498</u> |
| ADJUSTMENTS TO GAAP - DEFERRAL ON REFUNDING | (4,376,478) | 0 | 0 | 0 | (4,376,478) |
| TOTAL ASSETS AND OTHER DEBITS | <u>\$ <u>99,731,265</u></u> | <u>12,338,931</u> | <u>70,496,864</u> | <u>35,098,273</u> | <u>217,665,333</u> |

| LIABILITIES AND OTHER CREDITS | | | | | |
|--|-----------------------------|--------------------------|--------------------------|--------------------------|---------------------------|
| PROPRIETARY CAPITAL | | | | | |
| Retained earnings | \$ 39,480,165 | 11,881,678 | 69,878,281 | 21,316,902 | 142,557,026 |
| | <u>39,480,165</u> | <u>11,881,678</u> | <u>69,878,281</u> | <u>21,316,902</u> | <u>142,557,026</u> |
| LONG-TERM DEBT | | | | | |
| Bonds and notes | 55,755,000 | 0 | 0 | 0 | 55,755,000 |
| Other long term debt | 0 | 0 | 136,400 | 12,741,785 | 12,878,185 |
| Plus unamortized premium on long-term debt | 2,226,555 | 0 | 0 | 0 | 2,226,555 |
| | <u>57,981,555</u> | <u>0</u> | <u>136,400</u> | <u>12,741,785</u> | <u>70,859,740</u> |
| CURRENT AND ACCRUED LIABILITIES | | | | | |
| Accounts payable | 1,833,740 | 244,488 | 317,340 | 56,338 | 2,451,906 |
| Customer deposits | 65,755 | 41,680 | 41,628 | 0 | 149,063 |
| Taxes accrued | 44,827 | 20,497 | 18,202 | 14,721 | 98,247 |
| Interest accrued | 1,379,644 | 0 | 0 | 895,113 | 2,274,757 |
| Miscellaneous current and accrued liabilities | 429,935 | 150,588 | 105,013 | 73,414 | 758,950 |
| | <u>3,753,901</u> | <u>457,253</u> | <u>482,183</u> | <u>1,039,586</u> | <u>5,732,923</u> |
| DEFERRED CREDITS | | | | | |
| Other deferred credits | 2,892,122 | 0 | 0 | 0 | 2,892,122 |
| ADJUSTMENTS TO GAAP - DEFERRAL ON REFUNDING | | | | | |
| | (4,376,478) | 0 | 0 | 0 | (4,376,478) |
| TOTAL LIABILITIES AND OTHER CREDITS | \$ <u>99,731,265</u> | <u>12,338,931</u> | <u>70,496,864</u> | <u>35,098,273</u> | <u>217,665,333</u> |

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

Exhibit 9

SUPPLEMENTAL COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN PROPRIETARY CAPITAL - INDUSTRY FORMAT
Year ended June 30, 2009

| | <u>ELECTRIC</u> | <u>GAS</u> | <u>WATER</u> | <u>WASTEWATER</u> | <u>TOTAL JOINT UTILITY SYSTEM</u> |
|---------------------------------------|-------------------|------------------|------------------|-------------------|---|
| UTILITY OPERATING REVENUES | | | | | |
| Sales for resale | \$ 30,205,883 | 0 | 0 | 0 | 30,205,883 |
| Residential | 5,230,565 | 6,235,869 | 2,749,706 | 3,308,448 | 17,524,588 |
| Commercial and industrial | 3,523,646 | 1,284,447 | 436,166 | 0 | 5,244,259 |
| Sales to public authorities | 1,731,103 | 723,393 | 1,423,554 | 0 | 3,878,050 |
| Street lighting | 61,221 | 0 | 0 | 0 | 61,221 |
| Other operating revenues | 41,527 | 17,964 | 9,157 | 8,250 | 76,898 |
| TOTAL OPERATING REVENUES | 40,793,945 | 8,261,673 | 4,618,583 | 3,316,698 | 56,990,899 |
| OPERATING EXPENSES | | | | | |
| Purchased power, natural gas or water | 13,302,060 | 4,421,498 | 0 | 0 | 17,723,558 |
| Distribution | 154,326 | 442,875 | 840,512 | 1,406,028 | 2,843,741 |
| Administrative and general | 2,029,305 | 824,805 | 945,310 | 622,391 | 4,421,811 |
| Steam power generation | 8,520,543 | 0 | 0 | 0 | 8,520,543 |
| Transmission | 2,683,890 | 0 | 0 | 0 | 2,683,890 |
| Other production expenses | 916,107 | 0 | 0 | 0 | 916,107 |
| Hydraulic power generation | 448,631 | 0 | 0 | 0 | 448,631 |
| | 28,054,862 | 5,689,178 | 1,785,822 | 2,028,419 | 37,558,281 |
| MAINTENANCE EXPENSES | | | | | |
| Distribution | 957,411 | 214,752 | 1,884,544 | 925,175 | 3,981,882 |
| Steam power generation | 930,747 | 0 | 0 | 0 | 930,747 |
| Hydraulic power generation | 260,606 | 0 | 0 | 0 | 260,606 |
| Transmission | 112,290 | 0 | 0 | 0 | 112,290 |
| | 2,261,054 | 214,752 | 1,884,544 | 925,175 | 5,285,525 |
| DEPRECIATION EXPENSE | | | | | |
| | 5,923,755 | 257,103 | 1,643,935 | 662,942 | 8,487,735 |
| TAXES | | | | | |
| | 625,567 | 195,443 | 40,599 | 0 | 861,609 |
| TOTAL OPERATING EXPENSES | 36,865,238 | 6,356,476 | 5,354,900 | 3,616,536 | 52,193,150 |
| UTILITY OPERATING INCOME | 3,928,707 | 1,905,197 | (736,317) | (299,838) | 4,797,749 |

| | | | | | |
|---|-----------------------------|--------------------------|--------------------------|--------------------------|---------------------------|
| Other income | 7,254,175 | 98,388 | 1,413,573 | 230,132 | 8,996,268 |
| Other deductions | <u>(442,643)</u> | <u>(439,063)</u> | <u>(47,227)</u> | <u>(63,849)</u> | <u>(992,782)</u> |
| UTILITY INCOME | 10,740,239 | 1,564,522 | 630,029 | (133,555) | 12,801,235 |
| Income deduction for interest on long-term debt | <u>(3,119,724)</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>(3,119,724)</u> |
| INCOME BEFORE EXTRAORDINARY ITEMS | 7,620,515 | 1,564,522 | 630,029 | (133,555) | 9,681,511 |
| Proprietary capital, beginning of fiscal year | 31,859,650 | 10,317,156 | 69,248,252 | 21,450,457 | 132,875,515 |
| PROPRIETARY CAPITAL, END OF FISCAL YEAR | \$ <u>39,480,165</u> | <u>11,881,678</u> | <u>69,878,281</u> | <u>21,316,902</u> | <u>142,557,026</u> |

**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**

Michael Wheeler, Chair, County Council
Members of the Council, and Anthony J. Mortillaro, County Administrator
State of New Mexico – Incorporated County of Los Alamos
Los Alamos, New Mexico 87544, and
Hector H. Balderas, State Auditor

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds, and the combining and individual funds presented as other supplementary information of the Incorporated County of Los Alamos, New Mexico (County) as of and for the year ended June 30, 2009, and have issued our report thereon dated November 19, 2009. We conducted our audit in accordance with 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether County's financial statements are free of 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*.

We noted certain matters that are required to be reported under *Government Auditing Standards July 2007 Revision* paragraphs 5.14 and 5.16, and Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as items 07-01 and 09-03.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the County Council, others within the County, the audit committee, the State Auditor, the New Mexico Legislature, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Moss Adams LLP

Albuquerque, New Mexico
November 19, 2009

www.mossadams.com

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Michael Wheeler, Chair, County Council
Members of the Council, and Anthony J. Mortillaro, County Administrator
State of New Mexico – Incorporated County of Los Alamos
Los Alamos, New Mexico 87544, and
Hector H. Balderas, State Auditor

Compliance

We have audited the compliance of the Incorporated County of Los Alamos, New Mexico (County), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as items 08-01, 09-01 and 09-02.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal

Michael Wheeler, Chair, County Council
Members of the Council, and Anthony J. Mortillaro, County Administrator
State of New Mexico – Incorporated County of Los Alamos
Los Alamos, New Mexico 87544, and
Hector H. Balderas, State Auditor

control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing an opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the County Council, others within the County, the audit committee, the State Auditor, the New Mexico Legislature, and applicable federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Albuquerque, New Mexico
November 19, 2009

INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year ended June 30, 2009

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued

Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes None Reported

Non-compliance material to financial statements noted?

Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weakness(es) Yes None reported

Type of auditor's report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

Yes No

Identification of Major Programs:

CFDA Number
81.XXX

Name of Federal Program or Cluster
National Nuclear Security Administration – U.S. Department of Energy: Fire Protection, emergency medical and rescue services cooperative agreement

Dollar threshold used to distinguish between type A and type B programs \$ 507,686

Auditee qualified as low-risk auditee? X Yes No

B. FINDINGS – AUDIT OF FINANCIAL STATEMENTS

None.

C. FINDINGS – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS PROGRAM AUDIT

08-01 Reporting

Federal Agency: Department of Transportation
CFDA 20.509, Formula Grants for Other than Urbanized Areas (Section 5311)

Statement of Condition

In fiscal year 2008 during our single audit test-work of reporting requirements for the Section 5311 Transit Grant, we noted that the required monthly reporting to CRAFFT was not completed within 25 days of the end of the month for any of the 9 months tested. The condition was not entirely remedied in fiscal year 2009.

Criteria

Per the award document, “a monthly report shall be submitted electronically by the sub-grantee to include financial expenditures and ridership. This monthly report shall be generated through the Client Ridership Referral Financial Tracking (CRAFFT) system, and submitted to the Department by the 25th of the following month.”

Effect

The grantor agency was not kept informed on the status of the grant, financially or operationally, in a timely manner.

Cause

The Transit Program did not begin the required reporting process in a timely manner after the start of the grant period.

Recommendation

The Transit Program should ensure procedures are in place to meet reporting requirements for its grants. We recommend that the County implement a system that will alert them of reporting due dates and relative requirements.

Management's Response

The County will continue to review its internal procedures and work with the State to improve timeliness of these reports. During fiscal year 2009 the County filed several reports on time and extensions were asked for and granted on several other reporting dates. Financial reports in fiscal year 2010 have been submitted timely. The County expects to submit reports timely in the future.

09-01 Lack of Written Policies and Procedures over Compliance with Federal Grants

Federal Agency: Department of Energy

CFDA 81.xxx, Public Law 97-258, DE-FC52-08NA28090, Fire Protection, Emergency Medical and Rescue Services Cooperative Agreement

Condition

During our testing of major federal programs under the Single Audit Act, we noted that there are no formal written policies and procedures over some of the aspects of compliance over managing federal expenditures.

Criteria

The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Written policies and procedures ensure controls are properly maintained, particularly over an entity the size of the County.

Cause

Although there are controls established for compliance with the A-102 Common Rule and OMB Circulars A-110, there are no formal written policies and procedures over compliance. This is due to decentralized grant management.

Effect

There is an increased risk that the County could become non-compliant with the federal grants compliance requirements.

09-01 Lack of Written Policies and Procedures over Compliance with Federal Grants (Continued)**Recommendation**

We recommend that the County institute written policies and procedures over each aspect of the compliance requirements.

Management's Response

The County generally agrees with this comment. The County made an effort last year to draft a formal grant and compliance policy; however, the project was not completed. The decentralized nature of County grant administration made it difficult to define all the roles and responsibilities for all the different operations where grant funding is received. The County will be re-visiting this area, and formalizing a policy.

09-02 Procurement Suspension and Debarment

Federal Agency: Department of Energy

CFDA 81.xxx, Public Law 97-258, DE-FC52-08NA28090, Fire Protection, Emergency Medical and Rescue Services Cooperative Agreement

Condition

During our test work of procurement files we noted that the County does not maintain documentation showing that the County verifies that vendors and contractors are not suspended or debarred from entering into federal contracts, either by including a clause in the contract, obtaining a certification from the vendor, or by checking the Excluded Parties List System (EPLS).

Criteria

According to A-102 Common Rule, non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Covered transactions include those procurement contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria.

Cause

Policies and procedures do not provide written guidance for County employees to follow to help ensure that the County does not enter into a covered transaction with an entity that is suspended or debarred.

Effect

There is an increased risk that the County could enter into a covered transaction with suspended and debarred parties. If this occurs, the County could risk future federal funding.

Recommendation

The County should implement written policies and procedures for the administration of federal funds that include verifying that vendors are not suspended or debarred. The procedures should include at least one of the following: checking the EPLS, collecting a certification from the entity, or adding a clause or condition to the covered transaction with the entity.

Management's Response

The County will examine its current process to determine the most efficient way to insure compliance with A-102 Common Rule.

D. OTHER FINDINGS, AS REQUIRED BY NEW MEXICO STATE STATUTE, SECTION 12-6-5, NMSA 1978

07-01 Internal Control

Statement of Condition

During our internal control walkthrough procedures we noted the following control weaknesses:

- No independent verification of the direct deposit file by someone other than the preparer prior to distribution.
- Lack of segregation of duties at the golf course pro shop in relation to inventory and sales functions.
- Lack of segregation of duties over processing of journal vouchers where four individuals have access to post to the general ledger, initiate purchase requisition and initiate and approve journal vouchers.
- Authorized signers on small purchase checks have access to check stock.

Criteria

Good accounting practices and strong internal controls include safeguarding of assets and adequate segregation of duties.

Effect

The risk of theft, misuse of funds and inaccurate financial reporting is increased with the lack of strong internal controls.

Cause

Due to inadequate segregation of duties and various procedures not having been implemented these conditions exist.

Recommendation

The above areas should be considered by management and changes made to policies and procedures to address the identified risks.

Management's Response

The County agrees in general terms with the comments listed above. Although the County believes it has adequate compensating controls which mitigate the weaknesses noted, it will continue to examine its control system to identify areas for improvement.

09-03 Payroll – Under Payment of OvertimeStatement of Condition

During our test work of 18 payroll transactions, we noted one in which the approved time sheet had 5.00 hours of overtime, however, 4.50 hours of overtime was paid, thereby underpaying the employee \$9.59.

Criteria

Pursuant to NMAC 1.7.4.14 F, time worked in excess of 40 hours during the designated workweek shall be compensated in accordance with the provision of the Fair Labor Standards Act [29 U.S.C. Sections 201 to 262] for Fair Labor Standards Act covered, non-exempt employees.

Cause:

Timekeeper recorded over time amount in error.

Effect:

The employee was underpaid and caused the County to not be in compliance with the Fair Labor Standards Act.

Recommendation:

Ensure that all hours worked are paid accordingly based on second review of time sheets and time entered into the system.

Management's Response

The County believes that its controls over payroll are more than adequate to minimize the possibility of fraud and material misstatements; however, the risk of immaterial errors going undetected will never be zero.

E. PRIOR YEAR COMMENTS

State Auditor Rule 2 NMAC 2.2 requires that the Independent Auditors' Findings include an update regarding the status of prior year auditors' findings.

| Financial Audit Findings | Status |
|---------------------------|----------|
| 07-01 Internal Control | Repeated |
| 07-02 Travel and Per Diem | Resolved |
| 08-01 Reporting | Repeated |

An exit conference was held on November 20, 2009 to discuss the current audit report and current and auditors' findings. The following attended:

Incorporated County of Los Alamos:

Audit Committee:

Robert Gibson, Councilor
Ralph Phelps, Councilor
Glenn Woodwell, Utility Board Member
Anthony Mortillaro, County Administrator
Janet Bettinger, Assistant Utilities Manager
Steven Lynne, Chief Financial Officer

County Staff:

Joseph D'Anna, Accounting Manager
Roger Beaty, Accounting Operations Manager
Mary Arrowsmith, General Ledger Accountant

Moss Adams LLP:

Jim Thompson, Partner
Amy Myer, Manager
Jennifer Hoobler, Senior

