

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



**Comprehensive Annual Financial Report
Fiscal Year Ended
June 30, 2014**

Prepared by the Finance Office

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INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO
1000 Central Avenue Suite 350, Los Alamos, New Mexico 87544

November 25, 2014

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 Incorporated County of Los Alamos (the County) for fiscal year 2014. The Finance Division in the County's Administrative Services Department has prepared this report to present the financial position of the County at June 30, 2014, 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, CliftonLarsonAllen 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 25, 2014, 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 (LANL) in 1943, a few isolated ranches and a preparatory school for boys occupied the area that is now the County. This isolated area became the home for scientists and military personnel working as a key part of the Manhattan Project, which resulted in ending World War II. Initially, the Laboratory and the surrounding area were owned and controlled by the federal government. Under the Atomic Energy Communities Act of 1955, the government sold most commercial real estate, residential lots, and housing units to private owners. Churches and institutional properties, including hospitals, schools, municipal offices, the electric, gas, and water distribution systems and the wastewater collection system were transferred to private institutions, the school system, or 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 fiscal year 2015 budget anticipates \$13.4 more revenue than the fiscal year 2014 adopted budget which is primarily related to expected Utility Revenue Bond proceeds. Expenditures are budgeted at \$5.1 million more than the prior fiscal year. GRT revenues declined significantly in fiscal years 2012 and 2013. In FY 2014 the decrease was much smaller, and for FY 2015, a slight recovery of GRT revenues is projected. 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 the potential negative effects of any significant unforeseen future changes.

LANL is the County's largest employer, and it is estimated that LANL's expenditures provide, either directly or indirectly, over 90% of the County's economy. For the year ended June 30, 2014, an estimated 75-80% of GRT revenues relate directly to LANL operations.

Given the significant impact of LANL operations, the County will be monitoring closely any federal legislative budget activities associated with the Department of Energy (DOE) and other federal agencies and continuing to consider potential impacts to 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 and significant construction projects.

As originally adopted, the fiscal year 2015 Budget projects a combined ending fund balance / working capital of \$96.8 million, an increase of \$0.2 million from the fiscal year 2014 projected ending balance. The largest planned change of working capital is in the Special Revenue Funds where economic development spending is expected to draw down the fund balance by \$2.2 million. The General Fund budget anticipates an increase in fund balance of \$1.1 million.

MAJOR ACCOMPLISHMENTS AND FUTURE INITIATIVES

In 2014, the County Council updated its Strategic Leadership Plan. The plan includes strategic focus areas and major goals for the next five years. Highlights of significant progress made in FY 2014 include the following:

- Economic Vitality – the major new retail redevelopment construction was nearing completion on the Trinity site. Implementation of the White Rock master plan / economic development strategy continued and the A-19 parcel was actively marketed to prospective developers; the White Rock Arroyo Trail project was completed; and the County initiated a Comprehensive Plan update process;
- Quality of Life – the County completed construction of a composting facility; initiated the Nature Center, Teen Center, White Rock Library, White Rock Senior Center and White Rock Youth Activity Center projects; and
- Quality Governance – construction of the new replacement for the Golf Course Community Building was nearing completion; the County directly funded the North Central Regional Transit District, the Regional Coalition of LANL communities, and the Regional Economic Development Initiative under its Progress through Partnering program.

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

- Having the new Trinity site developer complete the initial phase of development and opening a new larger retail (grocery and household goods) store;
- Completion of the Golf Course Community Building project;
- Significant progress and/or completion of the following: the Nature Center, the White Rock Library replacement, the White Rock Senior and Youth Activity Centers upgrades, and the new Teen Center;
- Implementing the County's Economic Vitality Strategic Plan, including developing and implementing projects, where possible, related to the downtown plans; and
- Continue improving the County's long-range financial projections 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 are an aging infrastructure, and the uncertainties of a "one employer town".

ACCOUNTING SYSTEM AND BUDGETARY CONTROLS

The County's Finance Office and budget staff 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, 2013. 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 twenty-three consecutive years (fiscal years 1991 through 2013). 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 2014. This was the twenty-second 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 Finance Office. 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,

A handwritten signature in black ink, appearing to be 'H Burgess', written in a cursive style.

Harry Burgess
County Administrator

A long, horizontal handwritten signature in black ink, appearing to be 'Steven Lynne', written in a cursive style.

Steven Lynne
Deputy County Administrator / Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

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

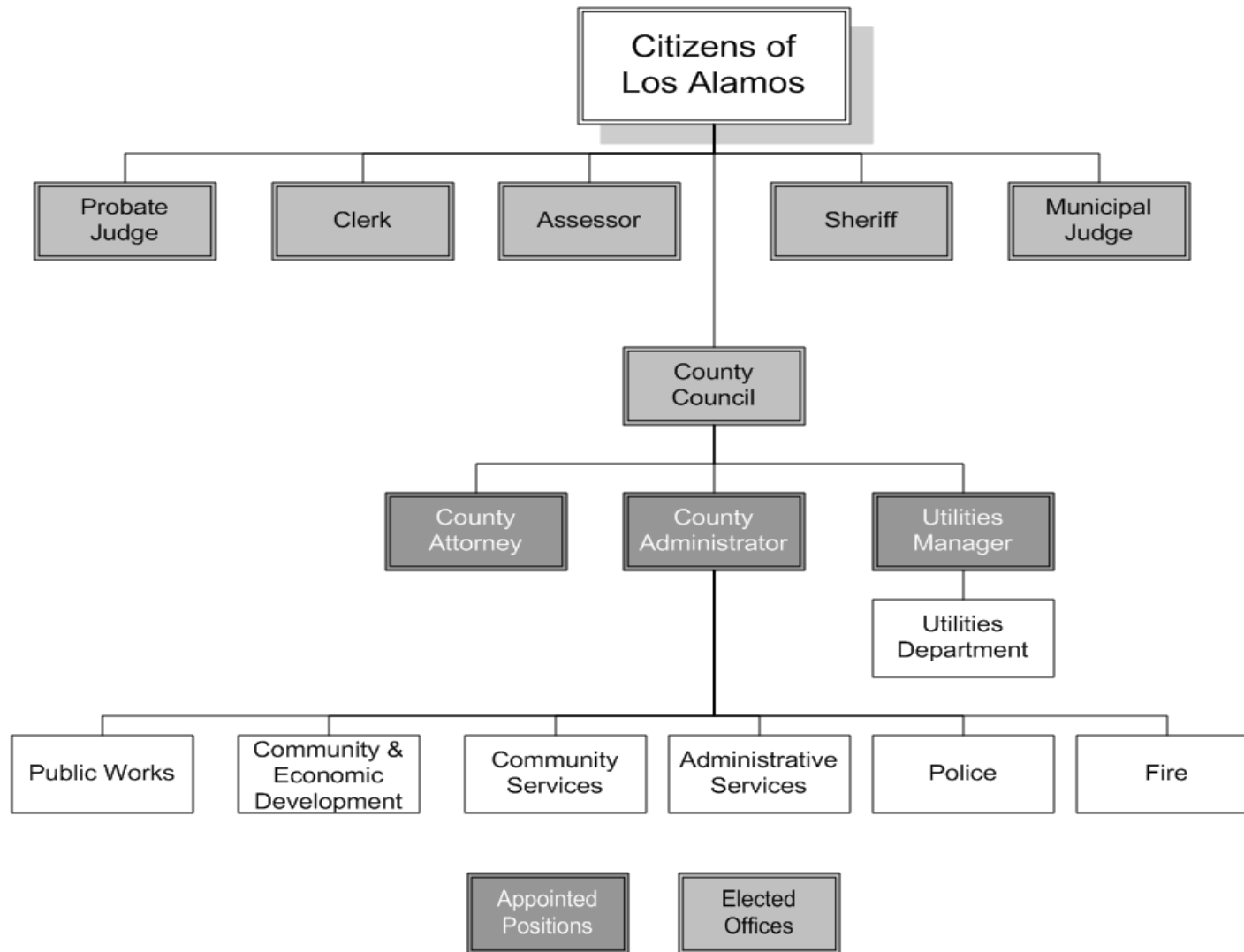
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

A handwritten signature in black ink, reading "Jeffrey R. Enos". The signature is written in a cursive, flowing style.

Executive Director/CEO

INCORPORATED COUNTY OF LOS ALAMOS ORGANIZATIONAL CHART



INCORPORATED COUNTY OF LOS ALAMOS ELECTED AND APPOINTED OFFICIALS

As of June 30, 2014

Elected:

Council

Geoff Rodgers, Chair
Kristen Henderson, Vice-chair
Fran Berting
Steven Girens
David Izraelevitz
Rick Reiss
Pete Sheehy

Clerk

Sharon Stover

Assessor

JoAnn Johnson

Sheriff

Marco Lucero

Probate Judge

Christine Chandler

Municipal Judge

Alan Kirk

Appointed:

County Administrator

Harry Burgess

Deputy County Administrator

Brian Bosshardt

Deputy County Administrator

Steven Lynne

County Attorney

Rebecca Ehler

Utilities Manager

Timothy Glasco

Community & Economic Development Director

Anne Laurent

Community Services Director

Charlie Kalogeros-Chattan

Fire Chief

Troy Hughes

Police Chief

Dino Sgambellone

Public Works

Philo Shelton

Deputy County Assessor

Joaquin Valdez

Deputy County Clerk

Adrianna Ortiz



Bridge over Los Alamos Canyon



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INDEPENDENT AUDITORS' REPORT

Geoff Rodgers, Chair, County Council
Members of the Council, and Harry Burgess, County Administrator
Los Alamos, New Mexico 87544 and
Hector H. Balderas, State Auditor

Report on the Financial Statements

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 fund of the Incorporated County of Los Alamos, New Mexico, (County), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the County's nonmajor governmental funds, fiduciary funds, internal service funds, and the budgetary comparisons for the major capital projects fund, and permanent fund and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2014, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial

Geoff Rodgers, Chair, County Council
Members of the Council, and Harry Burgess, County Administrator
Los Alamos, New Mexico 87544 and
Hector H. Balderas, State Auditor

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue fund for the year then ended in accordance 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 fund and fiduciary fund of the County as of June 30, 2014, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major capital project fund, permanent fund, and all non-major funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 to 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Geoff Rodgers, Chair, County Council
Members of the Council, and Harry Burgess, County Administrator
Los Alamos, New Mexico 87544 and
Hector H. Balderas, State Auditor

Other Information

Our audit was conducted for the purpose of forming opinions on the County's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The introductory and statistical sections, and schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the other schedules required by 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards and other schedules required by 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures and other schedules required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2014, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP



Albuquerque, New Mexico
November 25, 2014

Management's Discussion and Analysis

INCORPORATED COUNTY OF LOS ALAMOS

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2014

Management of the Incorporated County of Los Alamos (County) offers this discussion and analysis about the County government's financial position and financial activities for the fiscal year that ended June 30, 2014. This analysis is intended to serve as an introduction to the County's basic financial statements and to provide an analytical overview of the County's operations. Please read it along with the County's *Basic Financial Statements* starting on page 28, the *Notes to the Financial Statements* starting on page 65, and the *Letter of Transmittal* on page i. Additional data about the County is provided in the Statistical Section, beginning on page 161.

FINANCIAL HIGHLIGHTS

- The County's total net position, the amount of assets and deferred outflows after subtracting related liabilities and deferred inflows, was approximately \$577.2 million at fiscal year-ended June 30, 2014. This is an increase of \$15.7 million in net position, or approximately 2.8%, as compared to the prior fiscal year-end. Overall, the County continues to have a strong financial position, operating reserves, and assets available to provide services to citizens. Although gross receipt tax revenue (GRT) declined for the third fiscal year in a row, cost cutting measures and restructuring of capital plans have been successful in maintaining a sound and strong position for the County overall.
- Governmental activities increased the County's net position by \$2.3 million to \$339.7 million for the fiscal year-ended June 30, 2014. Positive investment earnings and an increase in charges for services, were offset by a decrease in gross receipts tax resulting in current year revenues of \$59.2 million being almost identical to the prior year revenues of \$59.4 million. Likewise, fiscal year 2014 expenses were \$56.1 million, only \$.3 million higher than in the previous year. Gross receipts taxes were slightly lower as Los Alamos National Laboratory (LANL), the largest contributor of GRT, continued to take efforts to control its operational costs and capital spending.
- Business-type activities increased the County's net position by \$13.4 million to \$237.5 million for the fiscal year-ended June 30, 2014. This compares to a \$1.8 million decrease during the previous fiscal year. Total revenue from business-type activities was \$105.9 million for fiscal year 2014, approximately \$9.8 million higher than the previous year. The largest single contributing factor to this increase was the contribution of \$10.9 million in equipment and utility plant in service from outside sources in the current year. Charges for services revenues in the business-type activities decreased by \$2.1 million primarily as a result of slight declines in utility customer consumption and changes in rate structures. Expenses in fiscal year 2014 decreased by \$0.7 million primarily as a result of a \$3.1 million decrease in electric sales offset by an \$2.4 million increase in expenses for providing fire protection services.
- For the fiscal year-ended June 30, 2014, the County's Governmental Funds reported combined ending fund balance of approximately \$100.6 million. This is a \$1.7 million decrease from the end of fiscal year 2013. The decrease is primarily a result of lower GRT revenue in fiscal year 2014, and spending in the Emergency Declarations Fund for which reimbursement has been delayed.

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 Auditor's Report,
 - b. Management's Discussion and Analysis (this part),
 - c. The Basic Financial Statements, that include the Government-wide and the Fund financial statements, along with the Notes to these financial statements,
 - d. Other financial statements and required supplementary information;
- 3) Statistical Section; and
- 4) Other Information

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

The Basic Financial Statements

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

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

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

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

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

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

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

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

Business-type Activities - All of the County's enterprise activities are reported here, including Joint Utility System (Electric, Gas, Water, and Wastewater), Environmental Services, Transit, Fire, and Airport. Unlike governmental services, these services are generally supported by charges paid by users based on the amount of service they use. The Golf Course is shown in fiscal year 2013. The function was moved from an enterprise fund in fiscal year 2013 to the General Fund in fiscal year 2014.

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

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

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

Because the focus of governmental funds is narrower than that of the Government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental fund and governmental activities. The governmental funds financial statements can be found on pages 32-54 of this report.

Proprietary funds include two fund types. *Enterprise funds* are used to report the same functions presented as business-type activities in the Government-wide financial statements. The County uses enterprise funds to account for the Joint Utility System comprised of the Electric, Gas, Water, and Wastewater subfunds. Other enterprise funds are the Environmental Services, Transit, Fire, and Airport funds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for the maintenance and replacement of the County's central equipment pool and for the County's insurance for health, workers compensation, unemployment, retiree health care, and property and general liability. The Golf Course Fund was closed at the end of the prior fiscal year and was accounted for as a division in the General Fund in fiscal year 2014. The proprietary funds financial statements can be found on pages 56-61 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. The Agency Fund is used to account for property taxes and other fees and assessments that are collected by the County for, and distributed to, other governmental entities, is also used to account for the assets and liabilities of the Regional Coalition of LANL communities, of which the County serves as fiscal agent. The fiduciary funds financial statements can be found on pages 63-64 of this report.

Notes to Financial Statements are provided on pages 65-110 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 position Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of net position Statement of revenues, expenses, and changes in net position Statement of cash flows	Statement of net fiduciary net position Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term, and deferred inflows and outflows of resources	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, short-term and long-term, and deferred inflows and outflows of resources	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year Expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

The County's net position, the amount of assets after subtracting related liabilities, was \$577.2 million at fiscal year-ended June 30, 2014. This is an increase of \$15.7 million in net position, or 2.8%, as compared to the prior fiscal year-end. Analyzing changes in the relative mix of capital assets, restricted and unrestricted net position provides additional indicators of financial position. Please see Table 2 below for a high level summary of net position for fiscal year 2014 compared to fiscal year 2013.

	Governmental Activities		Business-type Activities		Totals	
	<u>FY 2014</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2013</u>
Assets:						
Current and other assets	\$ 108.3	109.0	73.1	73.7	181.4	182.7
Capital assets	<u>290.2</u>	<u>291.3</u>	<u>232.0</u>	<u>225.3</u>	<u>522.2</u>	<u>516.6</u>
Total assets	<u>398.5</u>	<u>400.3</u>	<u>305.1</u>	<u>299.0</u>	<u>703.6</u>	<u>699.3</u>
Deferred outflows of resources	<u>9.0</u>	<u>9.7</u>	<u>0.7</u>	<u>1.5</u>	<u>9.7</u>	<u>11.2</u>
Liabilities:						
Current and other liabilities	4.4	5.2	5.1	5.3	9.5	10.5
Long-term liabilities	<u>63.0</u>	<u>67.0</u>	<u>63.2</u>	<u>71.1</u>	<u>126.2</u>	<u>138.1</u>
Total liabilities	<u>67.4</u>	<u>72.2</u>	<u>68.3</u>	<u>76.4</u>	<u>135.7</u>	<u>148.6</u>
Deferred inflows of resources	<u>0.4</u>	<u>0.4</u>	<u>0.0</u>	<u>0.0</u>	<u>0.4</u>	<u>0.4</u>
Net position:						
Net investment in capital assets	239.2	237.3	181.8	166.6	421.0	403.9
Restricted	35.1	35.6	23.0	22.2	58.1	57.8
Unrestricted	<u>65.4</u>	<u>64.5</u>	<u>32.7</u>	<u>35.3</u>	<u>98.1</u>	<u>99.8</u>
Total net position	<u>\$ 339.7</u>	<u>337.4</u>	<u>237.5</u>	<u>224.1</u>	<u>577.2</u>	<u>561.5</u>

The largest portion of the County's net position is invested in capital assets (e.g. land, buildings, infrastructure, machinery and equipment), net of any related debts. As of June 30, 2014 this amount was \$421.0 million (72.9% of total net position). This compares to \$403.9 million (71.9% of total) invested in capital assets net of related debts for the previous fiscal year-end for a net increase of \$17.1 million or 4.2%. The largest components of this increase were associated with assets contributed to the County from outside sources, and the scheduled repayment of capital related debt. Capital assets, including construction work in progress, 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.

The balance of restricted net position is \$58.1 million (10.1% of total) at fiscal year-end 2014, an increase of \$0.3 million or 0.5% compared to the prior year. Restricted net position in the Capital Projects Permanent Fund contributed a \$.3 million increase as the principal is adjusted annually to keep up with inflation. Also, contributing to the increase was restricted balance in the Indigent Health Care Fund which increased \$.6 million as changes in the program resulted in decreased spending. In the general government activities the increase in restricted balances in the Capital Project Permanent and Indigent Health Care Fund were mostly offset by decreases in the balances restricted for cash requirements and restricted for income stabilization. Restricted net position balances in the business-type activities increased \$.8 million as cash and investments were set aside for revenue bond repayment.

The remaining \$98.1 million of the County's net position is categorized as unrestricted and is available to be used to meet the County's ongoing obligations to citizens and creditors. Unrestricted net position declined in fiscal year 2014 by \$1.7 million or 1.7% as the County, primarily as the business-type activities used its available resources to replace equipment and plant assets.

Changes in Net Position

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

	Governmental Activities		Business-type Activities		Total	
	<u>FY 2014</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2013</u>
Revenues:						
Program revenues:						
Charges for services	\$ 2.4	1.9	70.2	72.3	72.6	74.2
Operating grants and contributions	3.2	2.9	20.6	18.6	23.8	21.5
Capital grants and contributions	<u>0.7</u>	<u>1.3</u>	<u>12.0</u>	<u>1.9</u>	<u>12.7</u>	<u>3.2</u>
Total program revenues	<u>6.3</u>	<u>6.1</u>	<u>102.8</u>	<u>92.8</u>	<u>109.1</u>	<u>98.9</u>
General revenues:						
Gross receipts taxes	22.4	24.3	2.2	2.4	24.6	26.7
Property taxes	5.3	5.3	0.0	0.0	5.3	5.3
Franchise taxes	0.5	0.5	0.0	0.0	0.5	0.5
Grants and contributions not restricted to specific programs	1.4	0.5	0.0	0.0	1.4	0.5
State shared revenue	15.0	16.3	0.0	0.0	15.0	16.3
Unrestricted interest and investment earnings (loss)	<u>8.3</u>	<u>6.4</u>	<u>0.9</u>	<u>0.9</u>	<u>9.2</u>	<u>7.3</u>
Total general revenues	<u>52.9</u>	<u>53.3</u>	<u>3.1</u>	<u>3.3</u>	<u>56.0</u>	<u>56.6</u>
Total Revenues	<u>59.2</u>	<u>59.4</u>	<u>105.9</u>	<u>96.1</u>	<u>165.1</u>	<u>155.5</u>
Program expenses:						
General government	14.9	14.2	0.0	0.0	14.9	14.2
Public safety	13.9	14.1	0.0	0.0	13.9	14.1
Physical and economic environment	1.7	1.8	0.0	0.0	1.7	1.8
Transportation	11.6	10.6	0.0	0.0	11.6	10.6
Health and welfare	2.4	2.8	0.0	0.0	2.4	2.8
Culture and recreation	8.5	8.6	0.0	0.0	8.5	8.6
Interest on long-term debt	3.1	3.7	0.0	0.0	3.1	3.7

Electric	0.0	0.0	44.0	47.1	44.0	47.1
Gas	0.0	0.0	6.1	4.8	6.1	4.8
Water	0.0	0.0	6.7	6.8	6.7	6.8
Wastewater	0.0	0.0	3.9	4.0	3.9	4.0
Environmental services	0.0	0.0	4.2	3.7	4.2	3.7
Golf	0.0	0.0	0.0	1.2	0.0	1.2
Transit (Atomic City Transit)	0.0	0.0	4.0	4.2	4.0	4.2
Fire	0.0	0.0	22.9	20.5	22.9	20.5
Airport	<u>0.0</u>	<u>0.0</u>	<u>1.5</u>	<u>1.7</u>	<u>1.5</u>	<u>1.7</u>
Total expenses	<u>56.1</u>	<u>55.8</u>	<u>93.3</u>	<u>94.0</u>	<u>149.4</u>	<u>149.8</u>
Change in net assets before transfers	3.1	3.6	12.6	2.1	15.7	5.7
Transfers	<u>(0.8)</u>	<u>3.9</u>	<u>0.8</u>	<u>(3.9)</u>	<u>0.0</u>	<u>0.0</u>
Total Change in net position	2.3	7.5	13.4	(1.8)	15.7	5.7
Beginning net position	<u>337.4</u>	<u>329.9</u>	<u>224.1</u>	<u>225.9</u>	<u>561.5</u>	<u>555.8</u>
Ending net position	\$ <u>339.7</u>	<u>337.4</u>	<u>237.5</u>	<u>224.1</u>	<u>577.2</u>	<u>561.5</u>

Governmental Activities

Governmental activities increased the County's net position by \$2.3 million for fiscal year 2014 as compared to the prior year. This section compares results of governmental activities for fiscal year 2014 to fiscal year 2013 as summarized in Table 3.

Total revenues were \$59.2 million in fiscal year 2014, approximately \$.2 million less than the previous year. Key variances include:

- An increase in charges for services of \$.5 million due mostly to the activities of the golf course moving from a separately reported proprietary fund in fiscal year 2013 to the General Fund in fiscal year 2014;
- An increase of \$.3 million in operating grants and contributions related to Las Conchas Fire recovery and emergency response and recovery from flooding events in September 2013;
- A decrease in capital grants and contributions of \$.6 million related to spending on a one-time project in fiscal year 2013 that saw reduced spending in fiscal year 2014;
- A decrease of \$3.2 million in GRT revenue (reflected in gross receipts tax and state shared revenue). This variance is a result of cut backs in spending and staff reductions at LANL, the largest single employer in the county;
- An increase of \$.9 million in grants and contributions not restricted to specific programs for payments in lieu of taxes which have been billed to the National Nuclear Security Administration (NNSA); and
- An increase of \$1.9 million in unrestricted interest and investment earnings, which was a result of improved market conditions reflected primarily in balances invested with the New Mexico State Investment Council;

Total expenses for governmental activities were \$56.1 million in fiscal year 2014, or approximately \$.3 million less than the previous year. Key variances include:

- An increase of \$.7 million in General Government expenses due to small variances in specific departmental spending and a \$.4 million increase in depreciation on new facilities;
- A decrease of \$.2 million in Public Safety expenses which reflects the County's efforts at reducing expenses;
- A decrease of \$.1 million in Physical and Economic Environment expenses which again reflects cost control efforts;
- An increase of \$1.0 million in Transportation expenses associated with a higher level of road maintenance (resulting from timing of projects), and an increase of \$.3 million in depreciation of new infrastructure assets; and
- A decrease of \$.4 in Health and Welfare due primarily to changes in the program which resulted in lower spending.

Figure 1 compares program revenues to expenses for governmental activities at the fiscal year-end 2014. 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 \$49.8 million in general revenues and accumulated net position from governmental activities. Approximately 11.2% of governmental program expenses were covered by program revenues during fiscal year 2014, which is relatively consistent compared to last year, 10.9%.

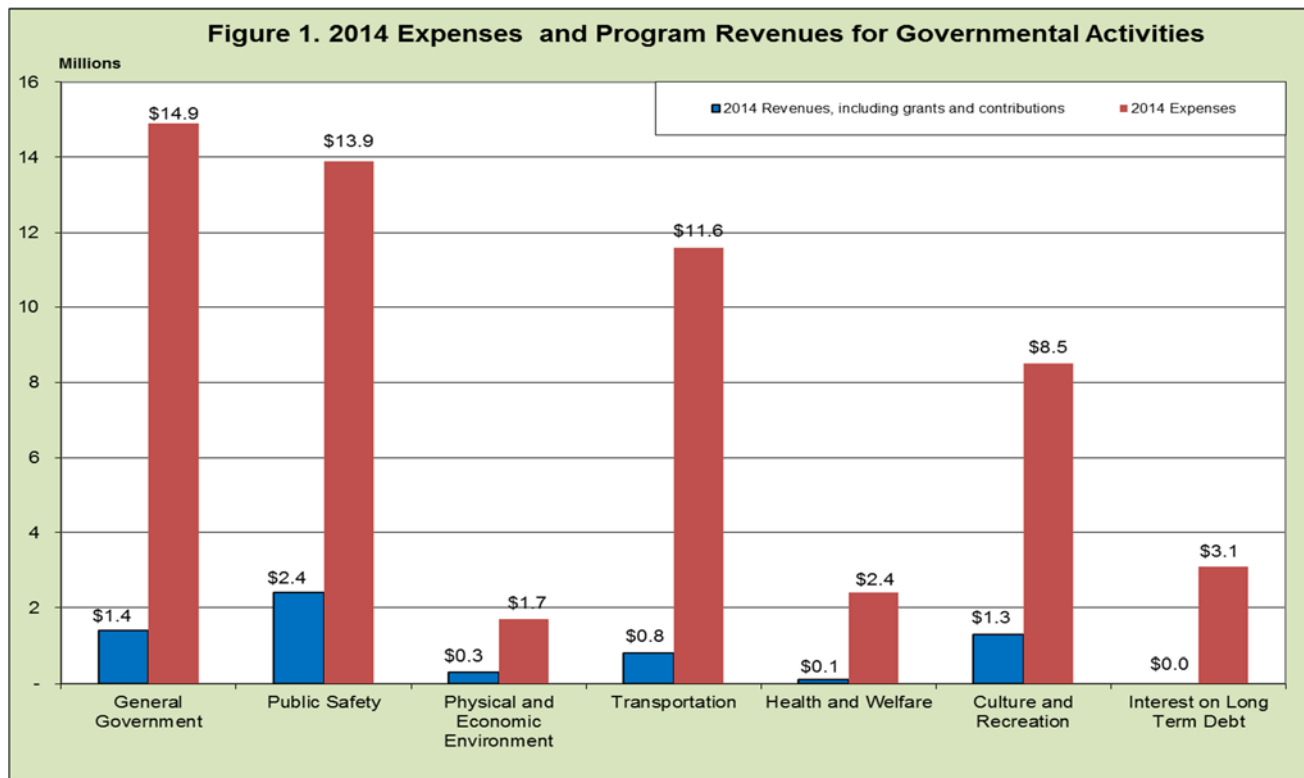
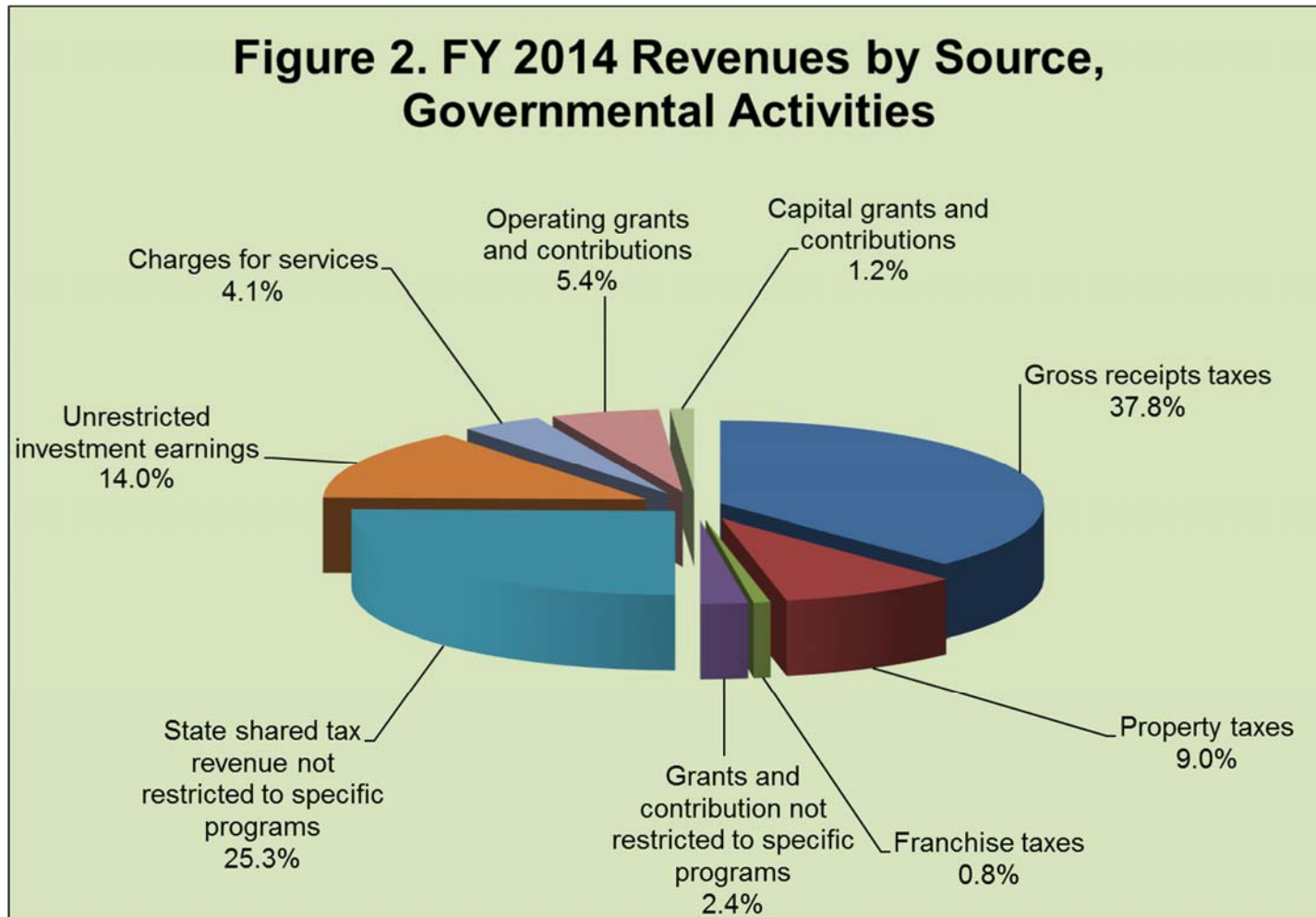


Figure 2 shows the mix of revenues by source for Governmental Activities. This chart demonstrates the relative importance of different types of taxes to the mix of general revenue in 2014. It should be noted that the *State shared tax revenue not restricted to specific programs* is almost entirely State Shared GRT revenue, so combined with locally imposed GRT tax increments, total GRT revenues made up approximately 63.1% of Governmental Activities revenues. In fiscal year 2013, GRT combined with State Shared GRT revenue comprised almost 68.5% of governmental revenues as a result of GRT revenues being slightly higher and unrestricted investment earnings slightly lower.



Business-type Activities

Business-type activities increased the County's net position by \$13.4 million for the fiscal year-ended June 30, 2014. This compares to a \$1.8 million decrease during the previous fiscal year. This section compares results of Business-type Activities for fiscal year 2014 to fiscal year 2013 as summarized in Table 3.

Total revenues and contributions were \$105.9 million in fiscal year 2014; approximately \$9.8 million higher than the previous year. This includes a decrease of \$2.1 million in charges for services primarily as the result of lower utility consumption, a \$2.0 million increase in operating grants and contributions primarily from increased recoverable costs related to fire services to NNSA, and a \$10.1 million increase in capital grants and contributions which was the result of a \$10.9 million contribution of utility equipment and plant assets from the New Energy and Technology Development Organization of Japan (NEDO).

Total expenses were \$93.3 million in fiscal year 2014, a \$.7 million decrease over the previous year. Total joint utility system expenses were approximately \$3.1 million higher lower due to lower commodity and production cost of electricity, offset partially by an increase in gas commodity costs. Fire expenses increased \$2.4 million with fully half of this increase for the reconciliation of actual indirect costs vs. estimated at the conclusion of the five year cooperative agreement with the Department of Energy for fire protective services to Los Alamos National Laboratory. Environmental Services expenses increased \$.5 million returning to historical levels after a \$.6 million decline in the previous fiscal year. Expenses for golf activities dropped by \$1.2 million year to year as this function was moved from a stand-alone enterprise fund in fiscal year 2013 to a division of the Community Services Department in the General Fund in fiscal year 2014.

Figure 3 compares program revenues to expenses for business-type activities for fiscal year 2014. This chart demonstrates what degree revenues covered expenses for each program by type of activity. Overall, total business-type program revenues exceeded total program expenses by approximately \$9.5 million in fiscal year 2014 as compared to a \$1.2 million deficit in fiscal year 2013. Notably, environmental services and fire functions look like they have program losses, but receive gross-receipts tax general revenues to balance their net activity. Total joint utilities program revenues exceeded expenditures by approximately \$1.7 million in fiscal year 2014, which is normal given that spending on capital replacement is not reflected in program expenses.

Figure 3. 2014 Expenses and Program Revenues for Business Type Activities

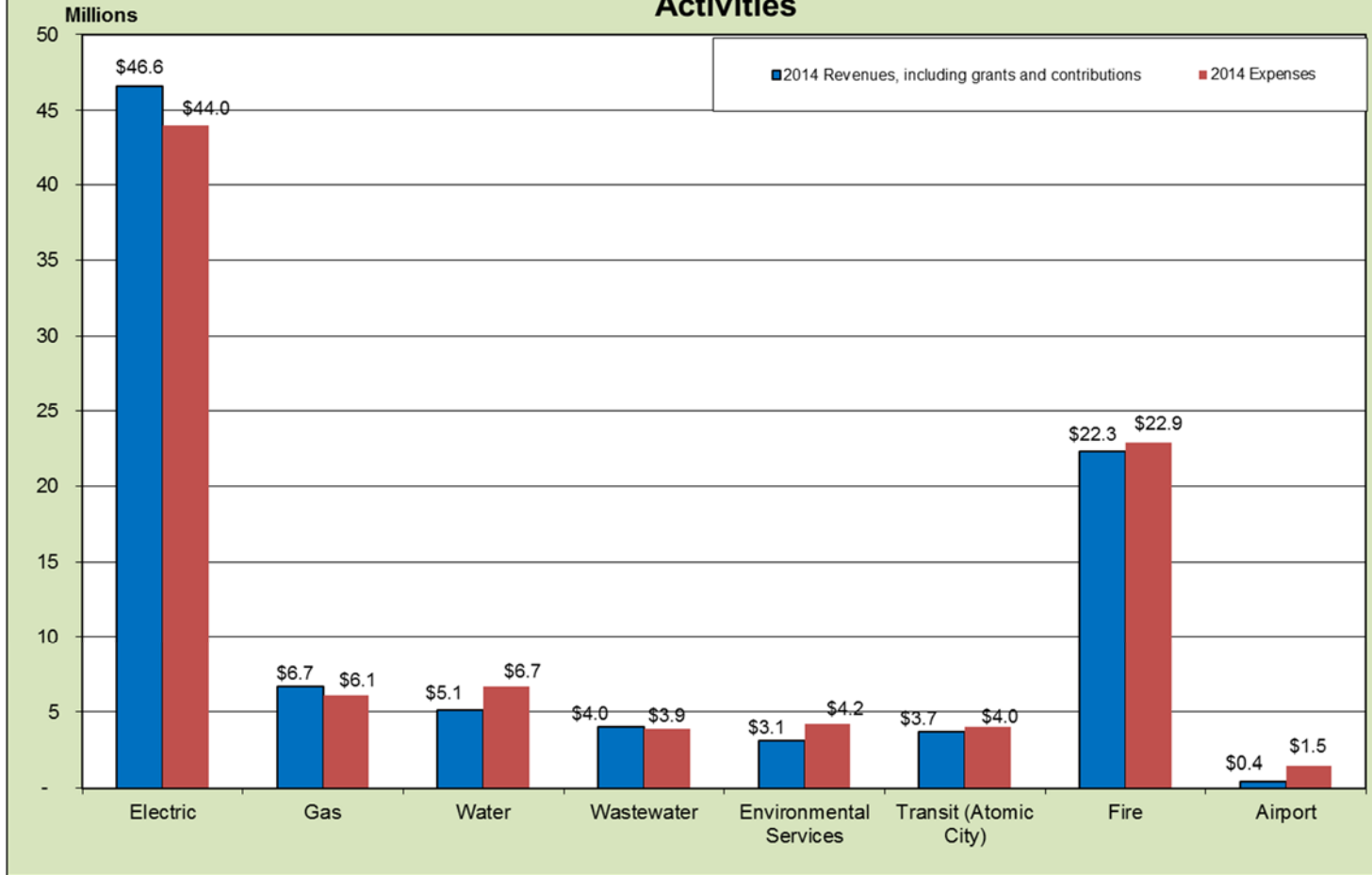
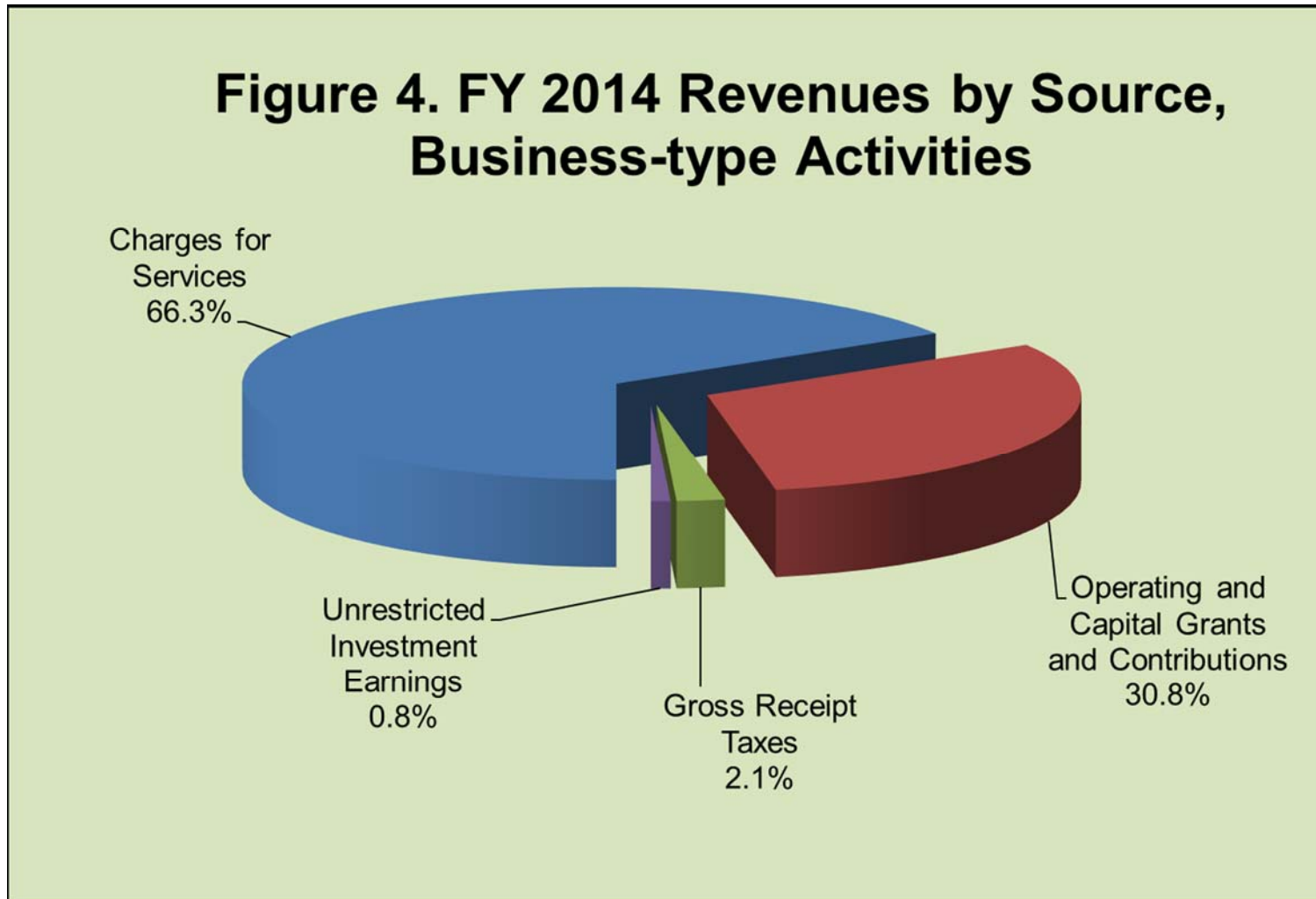


Figure 4 demonstrates that approximately 66.3% of business-type activities revenues were generated from user charges for services in fiscal year 2014. While this a noticeable change from fiscal year 2013 when approximately 75.2% of revenue was generated by charges for services, most of this difference is a result of the contribution of assets to the electric utility from NEDO in fiscal year 2014. In fiscal year 2014, operating and capital grants amounted to \$32.6 million, as compared to \$20.5 million in fiscal year 2013.



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, 2014, the County's Governmental Funds reported combined ending fund balance of approximately \$100.6 million. Overall, this was \$1.7 million less than the prior year. Activities that had major changes on fund balance include a decrease in GRT and state shared revenue of \$3.2 million, an increase in investment income of \$1.9 million and capital expenditures of \$11.7 million. Fund balances are comprised of four categories:

- \$27.5 million was nonspendable at fiscal year-end 2014, a \$.2 million increase over the prior year. The nonspendable balances are reported separately to indicate that certain assets do not represent available, spendable resources even though they are a component of net position. These assets are not expected to be converted to cash in time to pay current obligations. Nonspendable balances typically include principal on permanent funds, long-term receivables and advances to other funds, inventories, prepaid items, and assets held for resale. The largest single nonspendable balance is \$24.4 million in the Capital Projects Permanent Fund, which represents the nonspendable principal balance. The nonspendable fund balance in the Capital Projects Permanent Fund, increased \$.3 million per the annual inflationary calculation required to maintain the real value of the principal.
- \$10.0 million of fund balance in governmental funds was restricted at fiscal year-end 2014, a \$.9 million decrease from the prior year. These balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which require the resources to be used only for a specific purpose. This includes balances restricted by County code. The restricted fund balance in the Capital Projects Permanent Fund decreased \$1.4 million in the amount restricted by County code for income stabilization. This decrease resulted from a combination of \$5.5 million in market gains on long-term securities (\$.3 million nonspendable) and transfers out of \$6.6 million to fund capital projects. The restricted fund balance in the Indigent Health Care Fund increased by \$.6 million as changes in legislation at the state and national level decreased the expenses not covered by other programs. Cumulatively, other restricted fund balances decreased approximately \$.1 million.
- \$54.9 million of governmental funds' fund balance was committed at fiscal year-end 2014, a \$1.2 million increase from the prior year. These fund balances have constraints imposed by formal action of the County Council which may be altered only by subsequent formal action of the County Council. The largest single change in a committed balance was an increase in the fund balance *committed to economic development* of \$1.0 million as allowance for loan losses was decreased and as additional funds were transferred in to support projects. The *committed to revenue stabilization* balance remained relatively flat with a decrease of \$.3 million. The balance *committed for capital projects* decreased \$.4 million as funding for projects approximated the spending of \$11.0 million. The committed to continuing appropriations balance increased \$1.1 million as budget balances approved by County Council for carryover to fiscal year 2015 increased. Cumulatively, other committed balances decreased approximately \$.2 million.
- The remaining \$8.2 million of fund balance was unassigned. This is a \$2.2 million decrease from the prior year. This balance is based upon the County Council financial policy of targeting an unassigned fund balance of 20% of General Fund revenues. Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This balance would include the residual General Fund balance and residual fund balance deficits (Emergency Declarations Fund) of other governmental funds. Most of this change is the result of an increase of \$2.1 million in the fund balance deficit in the Emergency Declarations Fund as the County has made expenditures for fire and flood recovery effort which are anticipated to be reimbursed under grant awards.

General Fund - The General Fund is the main governmental operating fund of the County. Its total fund balance for the fiscal year-ended June 30, 2014 was approximately \$29.1 million as compared to \$28.4 million at the prior year end. Although the County faced declining GRT revenue during fiscal year 2014, fund balance remained relatively flat as a result of cost cutting measures that resulted in total expenditures being approximately \$44.5 million in both years, and by matching transfers out to available resources in the current year. See pages 22-23 for a more detailed explanation of General Fund Budgetary Highlights. Two measures of the General Fund's liquidity are: (1) the percent of total fund balance as a percent of expenditures and (2) the spendable/unrestricted fund balance as a percent of expenditures. The total fund balance was 65.3% of expenditures and the spendable/unrestricted component was 48.8% of expenditures. Both measures rose compared to the prior year as a result of the fund balance increase and flat expenditures. Significant account balances and transactions in the General Fund included:

- \$12.0 million transferred out to other funds. \$4.0 million of this was transferred to the CIP Fund (for capital projects). Other notable transfers out were \$6.2 million to the Gross Receipts Tax Revenue Bond Debt Service Fund (for debt service), \$1.3 million to the Transit Fund (to support operations), and \$.3 million to the Emergency Declarations Fund for flood and fire amounts not covered by federal and state grants;
- \$7.8 million committed for revenue stabilization primarily represents surpluses mostly accumulated in fiscal year 2013 to buffer operations from the drop in GRT revenue experienced in fiscal years 2012 and 2013. As part of the FY 2011 Budget, the County Council approved a financial policy that sets a minimum target level for this committed balance of 5% of General Fund actual revenues. In fiscal year 2012, that target amount was \$3.0 million and the actual revenue stabilization balance dipped to \$1.2 million. Per the policy the Council took steps to insure this balance was restored to the minimum target level. Cost cutting measures and the reduction of transfers to fund capital projects were primarily responsible for increasing this balance during the fiscal year. The fiscal year 2014 balance is 14% of revenue, well above the minimum target level.
- \$5.3 million due from other governments, due primarily from the State of New Mexico for their portion of gross receipts taxes that is shared locally with the County and the GRT that the State collects on behalf of the County for locally imposed GRT increments. This balance is the same as the prior year as a result of slightly lower GRT revenue levels offset by small increases in other grant receivables;
- \$4.4 million restricted for cash requirements. The State requires that one-twelfth of General Fund revised-budgeted expenditures be maintained as a cash reserve;
- The County's financial policies set a target level for the unassigned fund balance of the General Fund at 20% of General Fund revenue. This target was achieved and was approximately \$11.0 million at June 30, 2014;
- General Fund expenditures were flat at approximately \$44.5 million. While this may not appear to reflect cost cutting measures, it is important to note expenditures were flat even though all County employees received a 3% pay increase.
- General Fund revenues decreased by \$.9 million from the prior year. The three largest variances in revenues were associated with GRT revenue, investment earnings, and interfund/interdepartmental cost recovery. GRT revenue (including the state shared revenue portion) was \$3.2 million less than in fiscal year 2013 due to decreased spending at LANL. This was partially offset by an increase in investment income of approximately \$.8 million due to improved financial market conditions. Lastly, there was a \$1.1 increase in revenue from interfund/interdepartmental charges for services, as the County reconciled actual indirect costs, which were higher than those charged at the provisional rate under the cooperative agreement with the Department of Energy for fire protective services.

Economic Development Fund - The Economic Development Fund (special revenue fund) accounts for receipt, management, investment, and expenditure of the buyout payment received from the Department of Energy under the Atomic Energy Communities Act. The commitment of \$10.6 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 fiscal year 2014 was \$10.6 million, which was \$1.0 million higher than in the prior fiscal year. A decrease in the allowance for loan loss of \$.2 million and a transfer of \$.8 million into the fund accounted for the change in fund balance. Other revenues and expenditures offset one another.

Emergency Declarations Fund – The Emergency Declarations Fund (special revenue fund) accounts for revenues and expenditures associated with the response to and recovery from the Las Conchas Fire which began July 26, 2011 and flooding events within the community in September 2013. The fund reflects a deficit fund balance of \$2.7 million, as expenditures under state and federal grant awards were not reimbursed within the County's period of availability (60 days). Based on discussions with the granting agencies, the County believes these amounts will be reimbursed in fiscal year 2015. Expenditures of \$1.8 million were recorded in fiscal year 2014 for response and recovery efforts.

Capital Improvement Projects Fund - The Capital Improvement Projects Fund accounts for the financing and construction of structures and improvements approved by the County Council. The total fund balance at fiscal year-end was \$32.9 million, which represented the unspent portion of previously approved and funded capital projects. The fund balance decreased by \$.4 million from the prior fiscal year as the result of continued capital spending on approved projects which closely approximated the transfers in of \$11.2 million. Significant capital expenditures in fiscal year 2014 include the following: \$2.4 million on the Golf Course Community Building, \$2.3 million on the Eastern Area road replacement project, \$1.5 million on Ashley Pond Improvements, \$1.3 million on the Western Area road replacement project, and \$1.0 million on the Nature Center.

Capital Projects Permanent Fund – The Capital Projects Permanent Fund accounts for amounts received as a settlement of prior years' gross receipts taxes, and that was set aside by the County Council and the County Charter for capital projects. These amounts are invested, and the real value of the fund principal is required by County Charter to be maintained at an annual level that keeps pace with the implicit price deflator for the gross domestic product. The minimum principal requirement of approximately \$24.4 million, as of June 30, 2014, is identified as nonspendable in fund balance to recognize the County Charter restrictions. When there is investment income in excess of the principal maintenance requirement, it is made available for expenditure in the Capital Improvement Projects Fund. During fiscal year 2014, \$1.1 million was transferred out to the CIP fund as regularly scheduled. An additional \$5.5 million was transferred out to the CIP fund, since investment gains recouped amounts that had been lost during the market decline in 2008. There were investment gains of \$5.5 million in fiscal year 2014, which resulted from the longer-term nature of the investments and favorable market performance. The balance in this fund is primarily invested in long-term pooled funds with the New Mexico State Investment Council. Total ending fund balance at June 30, 2014 was \$27.8 million, a decrease of \$1.1 million from the prior year.

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

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

- \$183.9 million in capital assets (net of accumulated depreciation of \$126.2 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 \$6.6 million in fiscal year 2014 as the county received equipment and plant in service of \$10.9 million from NEDO;

- \$46.1 million in debt related to the Utility plant in service, which is \$7.5 million lower than the prior year primarily as a result of regularly scheduled debt service payments; and
- Operating revenues were \$62.2 million in fiscal year 2014, a decrease of \$2.3 million over the prior year. The decrease is the result of lower revenues in electric and water services, higher revenues in gas service, while wastewater service revenues were comparable to the prior year.
- Operating expenses were \$2.0 million lower at \$57.1 million in fiscal year 2014, compared to \$59.1 million in fiscal year 2013. The decrease is primarily the result of lower costs for electric production and distribution.

Environmental Services Fund – The Environmental Services Fund has a long-term liability balance of \$5.3 million. Of this, \$.3 million was for landfill closure and monitoring and \$4.7 million was intergovernmental debt payable for a loan from the New Mexico Finance Authority that was used to fund the construction of the Solid Waste Transfer Station (EcoStation). Operating and nonoperating expenses of \$4.1 million exceeded total revenues of \$3.9 million by only \$.2 million in fiscal year 2014.

Transit Fund – The Transit Fund accounts for public transportation services provided to the community, with no additional user fees or charges, under the name Atomic City Transit (ACT). The fund is funded primarily through state and federal grants (\$2.2 million), payments from the North Central Regional Transit District (\$1.3 million), and transfers in from the general fund (\$1.3 million).

Fire Fund – On October 1, 2008 the County was awarded a five year cooperative agreement with the National Nuclear Security Administration (NNSA) to provide enhanced fire protection services to LANL. That cooperative agreement ended September 30, 2013 and the County entered a new ten year cooperative agreement for a similar scope of services. Under both agreements, the County pays a share of costs for operating the fire department. The County share for fiscal year 2014 was \$4.1 million. The increase in the balance of due from other governments from \$3.1 million in fiscal year 2013 to \$4.8 million in fiscal year 2014 is primarily due to the timing of payments for amounts due from the federal government under the cooperative agreement. \$2.3 million of the receivable from NNSA was received in July 2014. A balance due from DOE of \$.5 million related to the cooperative agreement ended September 30, 2013 remains unsettled. The County believes it will ultimately receive the balance due. The intergovernmental revenue of \$17.6 million in the Fire Fund includes all operating grant revenue under the cooperative agreement.

Airport Fund – Beginning in April 2013, the Airport saw the addition of commuter air service to Albuquerque via a contract with New Mexico Airlines. This service is currently subsidized by the County and a Small Community Air Service Development Program grant from US Department of Transportation's Office of Aviation Analysis. Net position decreased \$.6 million as expenditures of \$1.5 million were only partially offset by revenues of approximately \$.3 million and transfers in of \$.6 million

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund revenues available for spending on budgeted needs were \$3.1 million less than the final revised budget of \$57.9 million. While there were many small variances in individual revenue types, these largely offset one another. The variance between actual revenue and the revised budget was largely due to the decline in GRT relative to projections. GRT revenue (including the state shared revenue portion) was \$3.3 million less than anticipated due to a continuing decrease in spending at Los Alamos National Laboratory.

Actual General Fund expenditures were approximately \$6.1 million less than the final revised fiscal year 2014 budget. This variance was achieved through careful cost management measures across all departments. The Community and Economic Development Department was \$2.4 million under its expenditure budget for facilities maintenance projects, the Police Department was \$.9 million under budget, Community Services

Department was \$.8 million under budget, the County Administrator's Office was \$.6 million under, and other departments contributed \$1.4 million to the variance.

The revised budget for revenues of \$57.9 million was \$1.7 million higher than the adopted budget primarily as a result of grant revenue carryovers from the prior year. The revised budget for expenditures of \$52.3 million was \$6.3 million higher than the adopted budget. The increase is comprised of the following: approximately \$3.4 million in encumbrance carryovers, \$2.2 million in project and grant carryovers, and many smaller revisions totaling \$.7 million.

A detailed statement of budget variances for the General Fund can be found on 42-51.

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, 2014 was \$522.2 million, net of \$267.5 million in accumulated depreciation. This investment in capital assets includes land, utility plant, facilities and buildings, machinery and equipment, parks and recreation facilities and improvements and infrastructure such as highways, roads, sidewalks, storm drains, storm inlets, bridges, traffic lights, flasher beacons and streetlights.

Total capital assets for the County increased by approximately \$5.8 million from 2013 to 2014 or 1.1%. Capital assets associated with business-type activities increased by \$6.8 million. The largest component of this increase was the contribution of \$10.9 million transfer of assets from NEDO to the Joint Utility Fund. Other than this single contribution, the change in accumulated depreciation exceeded other additions to capital by \$4.1 million. Capital assets associated with governmental activities decreased by \$1.0 million. Additions to infrastructure assets exceeded retirements by \$4.7 million. Construction work in progress declined \$2.8 million as assets were placed in service. Accumulated depreciation increased \$7.2 million as depreciation of \$9.9 million exceeded retirements of \$2.7 million. Additional information about the County's capital assets can be found on pages 88-90.

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

Table 4
Los Alamos County's Capital Assets, Net of Accumulated Depreciation
As of June 30, 2014 and 2013
(in millions of \$)

	Governmental Activities		Business-type Activities		Total	
	<u>FY 2014</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2013</u>
Land	\$ 53.0	53.0	8.6	8.6	61.6	61.6
Right of Way	18.0	18.0	0.0	0.0	18.0	18.0
Utility Plant in Service	0.0	0.0	296.5	271.2	296.5	271.2
Buildings	120.2	118.8	24.0	23.0	144.2	141.8
Improvements other than buildings	18.0	15.8	17.4	18.0	35.4	33.8
Machinery and Equipment, Art and Historic Treasures	17.5	16.8	26.6	24.9	44.1	41.7
Infrastructure	174.9	170.2	0.0	0.0	174.9	170.2
Less Accumulated Depreciation	(119.8)	(112.6)	(147.7)	(136.8)	(267.5)	(249.4)
Construction in Progress	8.4	11.2	6.6	16.3	15.0	27.5
Total	\$ 290.2	291.2	232.0	225.2	522.2	516.4

Administration of Debt - From fiscal year 2014 to 2013, the County's total debt payable for governmental and business-type activities combined decreased by \$13.0 million primarily due to regularly scheduled debt service. The deferred amounts on refunding were reclassified to a new category on the Statements of Net Position, deferred outflows of financial resources. The County has no General Obligation debt outstanding. See additional information in Note 9 in the Notes to Financial Statements, starting on page 94.

ECONOMIC FACTORS AND THE FISCAL YEAR 2015 ADOPTED BUDGET

The County budgets on a modified accrual basis. The fiscal year 2015 budget anticipates revenues of \$13.4 million more than the fiscal year 2014 adopted budget, and expenditures are budgeted at \$5.1 million more than the prior fiscal year. Most of the budget increase in revenues and other financing sources is expected in the Joint Utility System Fund where refunding of debt and issuance of new debt is expected to generate \$17.5 million. GRT which has declined the past three fiscal years is projected to increase modestly in fiscal year 2015 as LANL spending increases slightly and new development generates additional GRT. 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 the potential negative effects of any significant unforeseen future changes.

LANL is the County's largest employer, with estimates that its expenditures provide, either directly or indirectly, approximately 90-95% of the County's economic activity. It is also estimated that LANL generates directly approximately 75-80% 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 (DOE) and other federal agencies and continuing to consider potential impacts to 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 and significant construction projects.

As originally adopted, the fiscal year 2015 Budget projects a combined ending fund balance / working capital of \$96.8 million, in line with projected fiscal year 2014 ending fund balance / working capital of \$96.6 million.

REQUESTS FOR INFORMATION

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



Government-wide Financial Statements



Bridge over Los Alamos Canyon

INCORPORATED COUNTY OF LOS ALAMOS

Government-wide

Statement of Net Position

June 30, 2014

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Equity in pooled cash and investments	\$ 66,279,700	31,508,743	97,788,443
Investments	28,584,215	0	28,584,215
Receivables, net of allowance for uncollectibles			
Accounts	71,746	4,549,872	4,621,618
Interest	156,185	0	156,185
Pension forfeitures	18,457	0	18,457
Property taxes	148,200	0	148,200
Unbilled	0	1,273,448	1,273,448
Loans receivable, net of discounts/reserve for loan losses	579,282	0	579,282
Due from other governments	8,463,919	6,247,368	14,711,287
Internal balances	2,296,167	(2,296,167)	0
Inventories and prepayments			
Inventories	1,024,037	1,003,963	2,028,000
Power plant inventories	0	794,806	794,806
Prepayments	33,028	571,357	604,385
Restricted assets			
Cash and cash equivalents			
Debt reserves and debt service	29,238	12,999,705	13,028,943
Operations and maintenance	0	5,219,060	5,219,060
Investments			
Debt reserves and debt service	0	7,056,760	7,056,760
Operations and maintenance	0	3,013,505	3,013,505
Premiums and discounts	0	159,307	159,307
Accrued interest	0	15,136	15,136
Asset held for resale	597,402	948,236	1,545,638
Capital assets			
Land	52,977,882	8,609,657	61,587,539
Right of way	18,001,114	0	18,001,114
Utility plant in service	0	296,494,534	296,494,534
Buildings	120,196,433	23,936,475	144,132,908
Improvements other than buildings	18,012,795	17,381,450	35,394,245
Machinery, equipment, art and historic treasures	17,493,699	26,622,155	44,115,854
Infrastructure	174,890,558	0	174,890,558
Less accumulated depreciation	(119,753,472)	(147,658,150)	(267,411,622)
Construction in progress	8,383,243	6,576,410	14,959,653
TOTAL ASSETS	398,483,828	305,027,630	703,511,458
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred amounts (debits) from refunding of debt	8,964,259	729,413	9,693,672

LIABILITIES

Accounts payable	2,650,698	4,342,837	6,993,535
Accrued salaries and benefits payable	1,417,597	461,189	1,878,786
Customer deposits payable	204,098	178,817	382,915
Due to other governments	29,735	118,120	147,855
Donations held in trust	58,389	23,763	82,152
Unearned revenue	87,941	0	87,941
Noncurrent liabilities			
Due within one year			
Accrued compensated absences	1,874,757	2,053,308	3,928,065
Claims and judgments payable	0	2,603,916	2,603,916
Revenue bonds payable	3,795,000	8,510,000	12,305,000
Contracts and intergovernmental debt payable	0	828,954	828,954
Special closure costs	0	30,757	30,757
Interest payable on non-current liabilities	206,283	660,723	867,006
Due in more than one year			
Accrued compensated absences	996,569	1,090,012	2,086,581
Claims and judgments payable	0	1,009,337	1,009,337
Revenue bonds payable	56,117,216	24,312,680	80,429,896
Contracts and intergovernmental debt payable	0	17,284,068	17,284,068
Special closure costs	0	4,793,584	4,793,584
TOTAL LIABILITIES	<u>67,438,283</u>	<u>68,302,065</u>	<u>135,740,348</u>

DEFERRED INFLOWS OF RESOURCES:

Mortgage loan (contingent on future sale)	350,000	0	350,000
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NET POSITION

Net investment in capital assets	239,254,295	181,756,242	421,010,537
Restricted for (Restricted by):			
Capital projects - nonexpendable (County code)	24,350,874	0	24,350,874
Debt service (Bond and loan agreements)	29,238	22,978,409	23,007,647
Perpetual care (County code)	682,052	0	682,052
Lodgers' tax (State law)	88,301	0	88,301
Clerk records and files (State law)	51,088	0	51,088
Indigent health care (State law)	680,094	0	680,094
Property tax valuation (State law)	494,316	0	494,316
Grants (Granting entities)	272,167	0	272,167
Cash requirements (State law)	4,360,484	0	4,360,484
Recreation (County code and contributors)	191,464	0	191,464
Library operations (Contributors)	84,270	0	84,270
Major street maintenance (State law)	308,615	0	308,615
Municipal court (County code)	8,351	0	8,351
Income stabilization (County code)	3,387,171	0	3,387,171
Unrestricted	65,417,024	32,720,327	98,137,351
TOTAL NET POSITION	<u>\$ 339,659,804</u>	<u>237,454,978</u>	<u>577,114,782</u>

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS

Government-wide

Statement of Activities

Year ended June 30, 2014

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
FUNCTIONS / PROGRAMS							
Governmental activities							
General government	\$ 14,792,046	957,045	392,482	0	(13,442,519)	0	(13,442,519)
Public safety	13,888,177	10,075	1,972,253	446,182	(11,459,667)	0	(11,459,667)
Physical and economic environment	1,704,968	297,164	0	0	(1,407,804)	0	(1,407,804)
Transportation	11,592,103	0	580,618	175,771	(10,835,714)	0	(10,835,714)
Health and welfare	2,413,003	0	144,974	0	(2,268,029)	0	(2,268,029)
Culture and recreation	8,539,264	1,095,508	102,752	89,000	(7,252,004)	0	(7,252,004)
Interest on long-term debt	3,143,244	0	0	0	(3,143,244)	0	(3,143,244)
Total governmental activities	56,072,805	2,359,792	3,193,079	710,953	(49,808,981)	0	(49,808,981)
Business-type activities							
Joint Utilities							
Electric	43,960,638	46,479,599	94,715	10,864,838	0	13,478,514	13,478,514
Gas	6,075,188	6,714,276	0	0	0	639,088	639,088
Water	6,663,350	4,913,083	25,625	210,000	0	(1,514,642)	(1,514,642)
Wastewater	3,943,016	4,019,962	0	0	0	76,946	76,946
Environmental Services	4,225,768	3,096,701	0	0	0	(1,129,067)	(1,129,067)
Transit (Atomic City Transit)	3,993,193	150,000	2,743,285	827,053	0	(272,855)	(272,855)
Fire	22,908,775	4,702,845	17,552,526	0	0	(653,404)	(653,404)
Airport	1,537,667	100,434	215,751	51,701	0	(1,169,781)	(1,169,781)
Total business-type activities	93,307,595	70,176,900	20,631,902	11,953,592	0	9,454,799	9,454,799
Total government	\$ 149,380,400	72,536,692	23,824,981	12,664,545	(49,808,981)	9,454,799	(40,354,182)
General revenues:							
					22,376,156	2,197,573	24,573,729
					5,328,528	0	5,328,528
					481,665	0	481,665
					1,451,287	0	1,451,287
					14,979,816	0	14,979,816
					8,321,837	898,846	9,220,683
Transfers:							
					(807,895)	807,895	0
					52,131,394	3,904,314	56,035,708
					2,322,413	13,359,113	15,681,526
					337,877,325	224,555,846	562,433,171
					(539,934)	(459,981)	(999,915)
					\$ 339,659,804	237,454,978	577,114,782

See accompanying notes to financial statements

Major Governmental Funds

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

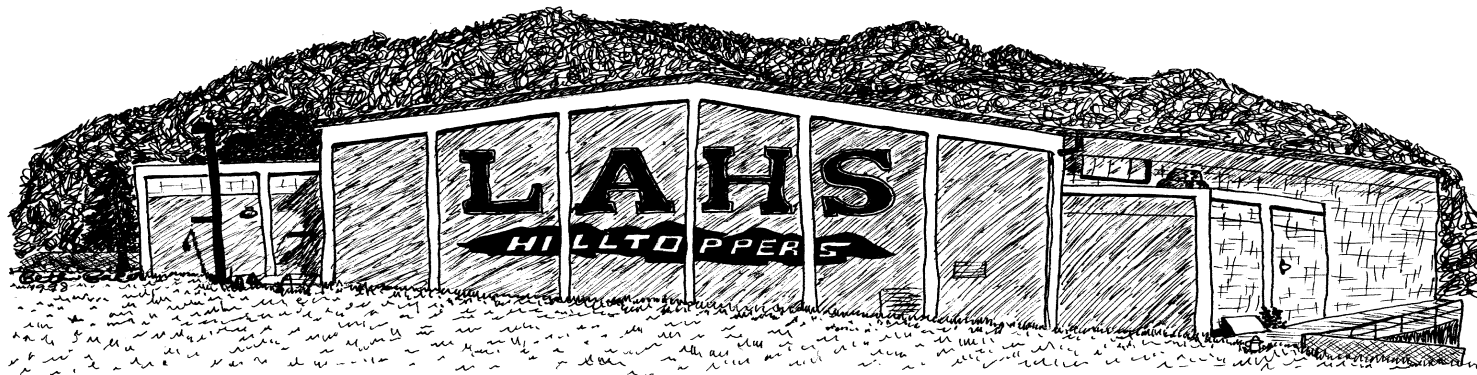
Economic Development Fund 171 - accounts for the receipt, management, investment, and expenditure of the buyout payment received from the U.S. Department of Energy under the Atomic Energy Community Act. This special revenue fund was established by County Council.

Emergency Declarations Fund 191 - this special revenue fund accounts for the revenues and expenditures associated with response and recovery to the Las Conchas Fire, which began June 26, 2011 and flooding events in the community in September 2013. This special revenue fund was established by County Council.

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

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

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



Los Alamos High School

INCORPORATED COUNTY OF LOS ALAMOS

Governmental Funds

Balance Sheet

June 30, 2014

	GENERAL	ECONOMIC DEVELOPMENT SPECIAL REVENUE	EMERGENCY DECLARATIONS SPECIAL REVENUE	CAPITAL IMPROVEMENT PROJECTS	CAPITAL PROJECTS PERMANENT	OTHER GOVERNMENTAL	TOTAL
ASSETS							
Equity in pooled cash and investments	\$ 19,067,087	10,775,952	0	34,454,089	47,362	1,935,210	66,279,700
Investments	881,232	0	0	0	27,690,683	12,300	28,584,215
Receivables, net of allowance for uncollectibles							
Accounts	45,910	0	0	0	0	25,836	71,746
Interest	156,168	0	0	0	0	17	156,185
Property taxes	148,200	0	0	0	0	0	148,200
Loans receivable, net of discounts/reserve for loan losses	0	579,282	0	0	0	0	579,282
Due from other governments	5,316,882	0	2,854,516	0	0	292,521	8,463,919
Due from other funds	5,312,818	0	0	0	0	0	5,312,818
Inventories and prepayments							
Inventories	1,024,037	0	0	0	0	0	1,024,037
Prepayments	17,578	0	0	0	0	15,450	33,028
Advances to other funds	646,799	0	0	0	0	0	646,799
Restricted assets							
Cash and cash equivalents							
Debt reserves and debt service	0	0	0	0	0	29,238	29,238
Asset held for resale (LA Apartments Land)	0	597,402	0	0	0	0	597,402
TOTAL ASSETS	\$ 32,616,711	11,952,636	2,854,516	34,454,089	27,738,045	2,310,572	111,926,569
LIABILITIES							
Accounts payable	\$ 969,491	58,381	0	1,578,302	0	44,524	2,650,698
Accrued salaries and benefits payable	1,171,689	0	723	7,570	0	3,991	1,183,973
Customer deposits payable	71,098	133,000	0	0	0	0	204,098
Due to other governments	0	0	0	0	0	29,735	29,735
Due to other funds	233,624	0	2,733,147	0	0	0	2,966,771
Donations held in trust	58,389	0	0	0	0	0	58,389
Unearned revenue	87,941	0	0	0	0	0	87,941
TOTAL LIABILITIES	2,592,232	191,381	2,733,870	1,585,872	0	78,250	7,181,605
DEFERRED INFLOWS OF RESOURCES:							
Federal and state grants (unavailable)	913,257	0	2,854,516	0	0	0	3,767,773
Mortgage loan (contingent on future sale)	0	350,000	0	0	0	0	350,000
TOTAL DEFERRED INFLOWS OF RESOURCES	913,257	350,000	2,854,516	0	0	0	4,117,773
FUND BALANCE							
Nonspendable							
Principal - Capital projects	0	0	0	0	24,350,874	0	24,350,874
Principal - Perpetual care	682,052	0	0	0	0	0	682,052
Advances	646,799	0	0	0	0	0	646,799
Inventories	1,024,037	0	0	0	0	0	1,024,037
Loans receivable	0	229,282	0	0	0	0	229,282
Prepaid items	17,578	0	0	0	0	0	17,578
Asset held for resale	0	597,402	0	0	0	0	597,402
Restricted for							
Clerk records and files (State law)	0	0	0	0	0	51,088	51,088
Debt service (Bond and loan agreements)	0	0	0	0	0	29,238	29,238

Grants (Granting entities)	0	0	0	0	0	272,167	272,167
Library operations (contributors) Lodgers' tax (State law)	68,141	0	0	0	0	16,129	84,270
Indigent health care claims (State law)	0	0	0	0	0	88,301	88,301
Municipal court (County code)	0	0	0	0	0	680,094	680,094
Property tax valuation (State law)	0	0	0	0	0	8,351	8,351
Recreation (County code and contributors)	149,480	0	0	0	0	494,316	494,316
Income stabilization (County code) Major street maintenance (State law) Cash requirements (State law)	0	0	0	0	3,387,171	0	3,387,171
	4,360,484	0	0	0	0	308,615	308,615
						0	4,360,484
Committed to							
Debt service	0	0	0	0	0	242,039	242,039
Capital projects	0	0	0	32,868,217	0	0	32,868,217
Revenue stabilization	7,750,230	0	0	0	0	0	7,750,230
Fire services	627,987	0	0	0	0	0	627,987
Continuing appropriations	2,838,300	0	0	0	0	0	2,838,300
Economic development	0	10,584,571	0	0	0	0	10,584,571
Unassigned	10,946,134	0	(2,733,870)	0	0	0	8,212,264
TOTAL FUND BALANCE (deficit)	<u>29,111,222</u>	<u>11,411,255</u>	<u>(2,733,870)</u>	<u>32,868,217</u>	<u>27,738,045</u>	<u>2,232,322</u>	<u>100,627,191</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 32,616,711</u>	<u>11,952,636</u>	<u>2,854,516</u>	<u>34,454,089</u>	<u>27,738,045</u>	<u>2,310,572</u>	<u>111,926,569</u>

See accompanying notes to financial statements



INCORPORATED COUNTY OF LOS ALAMOS
Governmental Funds

Reconciliation of Balance Sheet to the Statement of Net Position
June 30, 2014

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

Total fund balance as reported in governmental funds balance sheet:	\$ 100,627,191
Capital assets (\$409,955,724), net of accumulated depreciation (\$119,753,472), used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	290,202,252
Long-term liabilities, including bonds payable (\$54,570,000), bond premium/discount (\$5,342,216), and compensated absences (\$2,871,326) are not due and payable in the current period and, therefore are not reported in the governmental funds.	(62,783,542)
Deferred outflows related to advance refunding of long-term debt is not recorded in the governmental funds, but is included in the government-wide statement of net position.	8,964,259
Accrued interest payable on long-term liabilities are not recorded in the governmental funds, but are included in the government-wide statement of net position.	(206,283)
Other long-term receivables are not available to pay for current period expenditures and, therefore are recorded as deferred inflows in the governmental funds.	3,767,773
Internal service funds are used by the County to charge the costs of equipment and risk management functions to individual funds. An internal balance is shown on the government-wide statement of Net Position to reflect the allocation of the internal service fund loss to the governmental funds from the business-type funds, where the internal service funds balances are combined.	(911,846)
Net position of governmental activities	<u>\$ 339,659,804</u>

INCORPORATED COUNTY OF LOS ALAMOS

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balance
Year ended June 30, 2014

	GENERAL	ECONOMIC DEVELOPMENT SPECIAL REVENUE	EMERGENCY DECLARATIONS SPECIAL REVENUE	CAPITAL IMPROVEMENT PROJECTS	CAPITAL PROJECTS PERMANENT	OTHER GOVERNMENTAL	TOTAL
REVENUES							
Taxes							
Property taxes-current	\$ 5,328,528	0	0	0	0	0	5,328,528
Local units in-lieu taxes	272,271	0	0	0	0	0	272,271
Gross receipts taxes	20,698,369	0	0	0	0	1,465,025	22,163,394
Lodgers' tax	0	0	0	0	0	212,762	212,762
Franchise tax-privately owned	121,466	0	0	0	0	0	121,466
Franchise tax-County owned	360,199	0	0	0	0	0	360,199
Penalties and interest-taxes	48,785	0	0	0	0	0	48,785
	26,829,618	0	0	0	0	1,677,787	28,507,405
Licenses and permits							
Business	44,995	0	0	0	0	0	44,995
Nonbusiness	229,325	0	0	0	0	0	229,325
	274,320	0	0	0	0	0	274,320
Intergovernmental							
Federal indirect	186,125	0	11,648	0	0	0	197,773
Federal shared revenues	4,380	0	0	0	0	0	4,380
Federal in-lieu taxes	85,962	0	0	0	0	0	85,962
State grants-fire	0	0	0	0	0	531,034	531,034
State grants-library	29,152	0	0	0	0	0	29,152
State grants-major street maintenance	0	0	0	175,771	0	0	175,771
State grants-police	152,590	0	0	0	0	91,641	244,231
State grants-other	238,682	0	0	0	0	0	238,682
State shared revenues	14,979,815	0	0	0	0	580,619	15,560,434
	15,676,706	0	11,648	175,771	0	1,203,294	17,067,419
Fines and forfeitures							
Fines	76,125	0	0	0	0	0	76,125
Correction fees	37,494	0	0	0	0	0	37,494
Special fees	13,915	0	0	0	0	0	13,915
Court ordered reimbursements	36,840	0	0	0	0	2,367	39,207
Noncourt fines and forfeitures	500	0	0	0	0	0	500
	164,874	0	0	0	0	2,367	167,241
Charges for services							
Court fees	708	0	0	0	0	0	708
Clerk fees	48,027	0	0	0	0	19,211	67,238
Planning fees	22,844	0	0	0	0	0	22,844
Finance/treasurer fees	0	0	0	0	0	156,552	156,552
Administrative charges for services	43,314	0	0	0	0	0	43,314
Sales of food or merchandise	106,679	0	0	0	0	0	106,679
Other charges for services	41,013	0	0	0	0	0	41,013
Sheriff fees	4,710	0	0	0	0	0	4,710
Police charges for services	6,782	0	0	0	0	0	6,782
Miscellaneous services	722	0	0	0	0	0	722

Cemetery services	14,967	0	0	0	0	0	14,967
Perpetual care services	39,375	0	0	0	0	0	39,375
Animal shelter fees	3,293	0	0	0	0	0	3,293
Daily fees/passes	196,447	0	0	0	0	0	196,447
Annual passes	142,957	0	0	0	0	0	142,957
Three-month passes	43,678	0	0	0	0	0	43,678
Monthly passes	6,651	0	0	0	0	0	6,651
Punch passes	98,343	0	0	0	0	0	98,343
Recreation fees	220,169	0	0	0	0	0	220,169
Other fees	13,978	0	0	0	0	0	13,978
	1,054,657	0	0	0	0	175,763	1,230,420
Interfund/interdepartmental charges							
Interdepartmental services	7,478,187	0	0	0	0	0	7,478,187
Loan interest	15,000	0	0	0	0	0	15,000
	7,493,187	0	0	0	0	0	7,493,187
Miscellaneous revenue							
Investment income (loss)	2,354,961	384,079	0	0	5,532,219	50,578	8,321,837
Interest charges-delinquent accounts	21,161	0	0	0	0	0	21,161
Building rental	75,749	0	0	0	0	44,889	120,638
Land rental	330,612	0	0	0	0	0	330,612
Concessions	2,061	0	0	0	0	0	2,061
Miscellaneous rentals	140,383	0	0	0	0	0	140,383
Pension forfeitures	122,567	0	0	0	0	0	122,567
Economic development loan interest	0	14,652	0	0	0	0	14,652
Donations	73,400	0	0	0	0	200	73,600
Other	116,414	344,316	0	0	0	0	460,730
	3,237,308	743,047	0	0	5,532,219	95,667	9,608,241
TOTAL REVENUES	54,730,670	743,047	11,648	175,771	5,532,219	3,154,878	64,348,233

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS**Governmental Funds**Statement of Revenues, Expenditures, and Changes in Fund Balance
Year ended June 30, 2014

	<u>GENERAL</u>	<u>ECONOMIC DEVELOPMENT SPECIAL REVENUE</u>	<u>EMERGENCY DECLARATIONS SPECIAL REVENUE</u>	<u>CAPITAL IMPROVEMENT PROJECTS</u>	<u>CAPITAL PROJECTS PERMANENT</u>	<u>OTHER GOVERNMENTAL</u>	<u>TOTAL</u>
EXPENDITURES							
Current expenditures:							
General government							
County Council	312,448	0	0	0	0	0	312,448
Municipal Court	381,722	0	0	0	0	8,684	390,406
County Administrator	1,744,342	0	0	0	0	0	1,744,342
County Administrator-Comm. and Public Relations	487,497	0	0	0	0	0	487,497
County Administrator-Human Resources	1,121,803	0	0	0	0	0	1,121,803
County Assessor	379,354	0	0	0	0	115,426	494,780
County Attorney	671,676	0	0	0	0	0	671,676
County Clerk	414,343	0	0	0	0	29,242	443,585
County Sheriff	82,279	0	0	0	0	0	82,279
Administrative Services-Information Technologies	3,723,237	0	0	0	0	0	3,723,237
Administrative Services-Finance Office	1,227,897	0	0	0	0	0	1,227,897
Administrative Services-Procurement	956,898	0	0	0	0	0	956,898
Public Works	837,262	0	0	0	0	0	837,262
Community and Economic Development	5,911,152	0	0	0	0	0	5,911,152
Community Services-Cemetery	72,850	0	0	0	0	0	72,850
	<u>18,324,760</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>153,352</u>	<u>18,478,112</u>
Public safety							
Fire Department-County share	4,055,000	0	0	0	0	0	4,055,000
Emergency response	0	0	1,838,091	0	0	0	1,838,091
Fire Marshal	0	0	0	0	0	200,909	200,909
Fire-E.M.S. grant	0	0	0	0	0	12,928	12,928
Police	7,163,681	0	0	0	0	95,305	7,258,986
	<u>11,218,681</u>	<u>0</u>	<u>1,838,091</u>	<u>0</u>	<u>0</u>	<u>309,142</u>	<u>13,365,914</u>
Physical and economic environment							
Community and Economic Development	1,081,644	413,747	0	0	0	219,526	1,714,917
Transportation							
Public Works	4,613,400	0	0	0	0	0	4,613,400
Health and welfare							
Community Services-Social Services	1,196,982	0	0	0	0	1,217,624	2,414,606
Culture and recreation							
Community Services-Administration	754,454	0	0	0	0	0	754,454
Community Services-Library	2,161,954	0	0	0	0	614	2,162,568
Community Services-Parks	1,847,256	0	0	0	0	0	1,847,256
Community Services-Recreation	3,020,498	0	0	0	0	3,936	3,024,434
	<u>7,784,162</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,550</u>	<u>7,788,712</u>

Capital outlay:							
General government							
Administrative Services	63,553	0	0	367,233	0	0	430,786
Community and Economic Development	6,788	0	0	3,376,010	0	0	3,382,798
Public Works	40,265	0	0	0	0	0	40,265
Public safety							
Fire	0	0	0	0	0	387,680	387,680
Police	42,399	0	0	0	0	0	42,399
Economic environment - Community and Econ. Dev.	6,258	0	0	0	0	0	6,258
Transportation							
Public Works	112,328	0	0	4,560,507	0	0	4,672,835
Culture and recreation							
Community and Economic Development	0	0	0	1,026,766	0	0	1,026,766
Community Services	64,161	0	0	1,634,622	0	0	1,698,783
	<u>335,752</u>	<u>0</u>	<u>0</u>	<u>10,965,138</u>	<u>0</u>	<u>387,680</u>	<u>11,688,570</u>
Debt service:							
Principal	0	0	0	0	0	3,615,000	3,615,000
Interest	0	0	0	0	0	2,542,740	2,542,740
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,157,740</u>	<u>6,157,740</u>
TOTAL EXPENDITURES	<u>44,555,381</u>	<u>413,747</u>	<u>1,838,091</u>	<u>10,965,138</u>	<u>0</u>	<u>8,449,614</u>	<u>66,221,971</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	10,175,289	329,300	(1,826,443)	(10,789,367)	5,532,219	(5,294,736)	(1,873,738)
OTHER FINANCING SOURCES (USES)							
Transfers in	2,578,431	777,500	333,417	11,212,071	0	6,457,740	21,359,159
Transfers out	(12,025,718)	(488,748)	(635,673)	(843,500)	(6,591,071)	(541,653)	(21,126,363)
	<u>(9,447,287)</u>	<u>288,752</u>	<u>(302,256)</u>	<u>10,368,571</u>	<u>(6,591,071)</u>	<u>5,916,087</u>	<u>232,796</u>
NET CHANGE IN FUND BALANCE	728,002	618,052	(2,128,699)	(420,796)	(1,058,852)	621,351	(1,640,942)
FUND BALANCE							
Beginning of fiscal year	28,383,220	10,793,203	(605,171)	33,289,013	28,796,897	1,610,971	102,268,133
FUND BALANCE - END OF FISCAL YEAR	<u>\$ 29,111,222</u>	<u>11,411,255</u>	<u>(2,733,870)</u>	<u>32,868,217</u>	<u>27,738,045</u>	<u>2,232,322</u>	<u>100,627,191</u>

See accompanying notes to financial statements



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, 2014

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

Total net change in fund balance as reported in the governmental funds statement of revenues, expenditures, and changes in fund balance:	\$ (1,640,942)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$11,688,570) exceeded depreciation (\$9,901,524) in the current period.	1,787,046
Loss on disposal of capital assets is not recorded in governmental funds. This includes expenditures in the Capital Improvement Projects capital projects funds which did not result in the creation of a capital asset.	(1,787,592)
Transfers of capital assets to/from governmental capital assets from/to proprietary funds are not recorded in governmental funds.	(1,040,691)
The repayment of debt is reflected as a use of current financial resources in the governmental funds, but has no effect on net position.	3,615,000
The amortization of debt premiums and discounts does not use current financial resources, and therefore is not reported in the governmental funds.	83,442
The change in interest payable on long-term liabilities is not recorded in the governmental funds, but is included in the government-wide statement of net position.	5,612
Amortization of deferred amounts related to advance refunding of long-term debt is not recorded in the governmental funds, but is included in the government-wide statement of activities.	(689,558)
Expenses, such as compensated absences, reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in governmental funds.	288,683
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	2,333,067
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.	(631,654)
Change in net position of governmental activities	<u>\$ 2,322,413</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, 2014

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Taxes				
Property taxes-current	\$ 5,250,000	5,250,000	5,328,528	78,528
Local units in-lieu taxes	222,000	222,000	272,271	50,271
General gross receipts taxes	22,617,000	22,617,000	20,698,369	(1,918,631)
Franchise tax-privately owned	117,000	117,000	121,466	4,466
Franchise tax-County owned	375,000	375,000	360,199	(14,801)
Penalties and interest-taxes	51,000	51,000	48,785	(2,215)
	28,632,000	28,632,000	26,829,618	(1,802,382)
Licenses and permits				
Business	36,822	36,822	44,995	8,173
Nonbusiness	230,354	230,354	229,325	(1,029)
	267,176	267,176	274,320	7,144
Intergovernmental				
Federal direct	0	3,375	0	(3,375)
Federal indirect	90,502	339,615	186,125	(153,490)
Federal shared revenues	5,300	5,300	4,380	(920)
Federal in-lieu taxes	297,800	297,800	85,962	(211,838)
State grants-library	0	28,230	29,152	922
State grants-police	0	216,991	152,590	(64,401)
State grants-other	111,398	190,608	238,682	48,074
State shared revenues	16,340,000	16,340,000	14,979,815	(1,360,185)
	16,845,000	17,421,919	15,676,706	(1,745,213)
Fines and forfeitures				
Fines	112,008	112,008	76,125	(35,883)
Correction fees	48,001	48,001	37,494	(10,507)
Special fees	9,286	9,286	13,915	4,629
Court ordered reimbursements	5,054	5,054	36,840	31,786
Noncourt fines and forfeitures	881	881	500	(381)
	175,230	175,230	164,874	(10,356)

Charges for services

Court fees	906	906	708	(198)
Clerk fees	41,680	41,680	48,027	6,347
Planning fees	70,068	70,068	22,844	(47,224)
Administrative charges for services	31,326	31,326	43,314	11,988
Sales of food or merchandise	147,300	147,300	106,679	(40,621)
Other charges for services	151,836	178,194	41,013	(137,181)
Sheriff fees	7,118	7,118	4,710	(2,408)
Police charges for services	73,992	73,992	6,782	(67,210)
Miscellaneous services	0	0	722	722
Cemetery services	13,963	13,963	14,967	1,004
Perpetual care services	24,813	24,813	39,375	14,562
Animal shelter fees	2,238	2,238	3,293	1,055
Daily fees/passes	82,380	82,380	196,447	114,067
Annual passes	82,192	82,192	142,957	60,765
Three-month passes	36,502	36,502	43,678	7,176
Monthly passes	0	0	6,651	6,651
Punch passes	61,578	61,578	98,343	36,765
Recreation fees	613,013	613,013	220,169	(392,844)
Other fees	0	7,000	13,978	6,978
	1,440,905	1,474,263	1,054,657	(419,606)

Interfund/interdepartmental charges

Interdepartmental services	3,221,513	3,221,513	3,381,176	159,663
Indirect overhead-fire services	2,394,245	3,427,361	3,454,547	27,186
Indirect overhead - dispatch services	642,464	642,464	642,464	0
Loan interest	0	0	15,000	15,000
	6,258,222	7,291,338	7,493,187	201,849

Miscellaneous revenue

Interest income	1,883,000	1,883,000	2,354,961	471,961
Interest charges-delinquent accounts	0	0	21,161	21,161
Buildings rental	84,490	84,490	75,749	(8,741)
Land rental	193,341	193,341	330,612	137,271
Concessions rental	722	722	2,061	1,339
Other rental	111,136	111,136	140,383	29,247
Pension forfeitures	110,000	110,000	122,567	12,567
Donations	61,000	103,000	73,400	(29,600)
Other	104,000	108,453	116,414	7,961
	2,547,689	2,594,142	3,237,308	643,166

TOTAL REVENUES

	56,166,222	57,856,068	54,730,670	(3,125,398)
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**INCORPORATED COUNTY OF LOS ALAMOS
GENERAL FUND**

STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2014

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
EXPENDITURES AND ENCUMBRANCES				
County Council				
Employee salaries and benefits	82,129	82,129	80,425	1,704
Outside services	287,328	300,540	249,221	51,319
Materials and supplies	18,075	18,701	13,094	5,607
Intrafund/interfund services	1,779	1,779	1,779	0
	389,311	403,149	344,519	58,630
County Courts				
Employee salaries and benefits	308,515	311,006	303,341	7,665
Outside services	88,020	144,120	73,095	71,025
Materials and supplies	17,500	17,500	13,488	4,012
Intrafund/interfund services	6,606	6,606	6,606	0
Debt and fiscal charges	1,000	1,000	683	317
	421,641	480,232	397,213	83,019
County Administrator				
Operations				
Employee salaries and benefits	859,808	859,382	810,591	48,791
Outside services	904,750	968,725	966,082	2,643
Materials and supplies	17,800	17,800	8,680	9,120
Intrafund/interfund services	10,583	10,583	10,583	0
	1,792,941	1,856,490	1,795,936	60,554
Communications and Public Relations				
Employee salaries and benefits	326,619	330,459	289,152	41,307
Outside services	225,650	221,650	177,724	43,926
Materials and supplies	20,650	21,703	19,093	2,610
Intrafund/interfund services	2,272	2,272	2,272	0
Capital outlay	0	1,007	0	1,007
	575,191	577,091	488,241	88,850
Human Resources				
Employee salaries and benefits	1,096,827	1,101,490	934,617	166,873
Outside services	263,455	458,942	142,562	316,380
Materials and supplies	44,535	45,908	42,790	3,118
Intrafund/interfund services	8,126	8,126	8,126	0
	1,412,943	1,614,466	1,128,095	486,371
Total County Administrator	3,781,075	4,048,047	3,412,272	635,775

County Assessor

Employee salaries and benefits	358,921	360,547	356,896	3,651
Outside services	21,900	20,900	13,760	7,140
Materials and supplies	8,550	8,550	4,322	4,228
Intrafund/interfund services	4,376	4,376	4,376	0
	393,747	394,373	379,354	15,019

County Attorney

Employee salaries and benefits	602,505	604,445	611,051	(6,606)
Outside services	117,123	113,723	35,847	77,876
Materials and supplies	27,064	27,064	20,081	6,983
Intrafund/interfund services	4,702	4,702	4,702	0
	751,394	749,934	671,681	78,253

County Clerk

Employee salaries and benefits	393,012	394,583	349,574	45,009
Outside services	43,461	69,381	39,027	30,354
Materials and supplies	16,900	22,400	24,317	(1,917)
Intrafund/interfund services	4,194	4,194	4,194	0
Debt and fiscal charges	125	125	231	(106)
	457,692	490,683	417,343	73,340

County Sheriff

Employee salaries and benefits	64,249	64,751	63,697	1,054
Outside services	10,391	9,660	15,707	(6,047)
Materials and supplies	6,650	7,497	2,504	4,993
Intrafund/interfund services	372	372	372	0
	81,662	82,280	82,280	0

Administrative Services

Information Technologies

Employee salaries and benefits	2,263,247	2,274,078	2,313,140	(39,062)
Outside services	1,341,473	1,641,973	1,496,542	145,431
Materials and supplies	104,500	132,272	133,236	(964)
Intrafund/interfund services	48,996	46,879	49,668	(2,789)
Capital outlay	96,000	108,056	71,699	36,357
	3,854,216	4,203,258	4,064,285	138,973

Finance Office

Employee salaries and benefits	1,092,970	1,096,823	1,055,189	41,634
Outside services	182,890	178,890	149,003	29,887
Materials and supplies	26,000	26,000	13,036	12,964
Intrafund/interfund services	9,620	17,535	9,620	7,915
Debt and fiscal charges	0	0	76	(76)
	1,311,480	1,319,248	1,226,924	92,324

**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, 2014

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
Procurement				
Employee salaries and benefits	825,381	829,399	785,710	43,689
Outside services	54,000	51,450	49,587	1,863
Materials and supplies	97,500	105,179	102,333	2,846
Intrafund/interfund services	41,945	41,945	44,840	(2,895)
	<u>1,018,826</u>	<u>1,027,973</u>	<u>982,470</u>	<u>45,503</u>
Total Administrative Services	6,184,522	6,550,479	6,273,679	276,800
Fire - County Shared Cost				
Intrafund/interfund services	3,668,219	4,055,000	4,055,000	0
Community Services-Administration				
Employee salaries and benefits	324,261	386,934	400,142	(13,208)
Outside services	339,296	360,057	362,818	(2,761)
Materials and supplies	4,000	5,128	8,851	(3,723)
Intrafund/interfund services	8,622	8,622	8,622	0
Capital outlay	0	64,161	64,161	0
Debt and fiscal charges	0	0	330	(330)
	<u>676,179</u>	<u>824,902</u>	<u>844,924</u>	<u>(20,022)</u>
Community Services-Library				
Library operations				
Employee salaries and benefits	1,749,476	1,754,337	1,663,989	90,348
Outside services	126,166	120,809	127,208	(6,399)
Materials and supplies	49,135	55,702	50,178	5,524
Intrafund/interfund services	29,791	29,791	29,879	(88)
	<u>1,954,568</u>	<u>1,960,639</u>	<u>1,871,254</u>	<u>89,385</u>
Collection development				
Materials and supplies	218,501	235,664	233,544	2,120
Outside funding sources				
Employee salaries and benefits	0	2,952	1,222	1,730
Outside services	0	0	7,505	(7,505)
Materials and supplies	0	150,006	58,137	91,869
	<u>0</u>	<u>152,958</u>	<u>66,864</u>	<u>86,094</u>
Total Community Services-Library	2,173,069	2,349,261	2,171,662	177,599

Community Services-Parks

Parks Maintenance

Employee salaries and benefits	1,274,448	1,221,761	1,146,876	74,885
Outside services	51,800	305,187	105,820	199,367
Materials and supplies	174,000	189,790	259,936	(70,146)
Intrafund/interfund services	440,789	440,789	378,615	62,174
Capital outlay	3,000	3,000	0	3,000
	<u>1,944,037</u>	<u>2,160,527</u>	<u>1,891,247</u>	<u>269,280</u>

Parks Maintenance Projects

Outside services	60,930	60,930	23,490	37,440
Materials and supplies	0	0	14,429	(14,429)
	<u>60,930</u>	<u>60,930</u>	<u>37,919</u>	<u>23,011</u>

Cemetery

Employee salaries and benefits	83,269	83,269	39,848	43,421
Outside services	500	500	0	500
Materials and supplies	4,000	4,000	939	3,061
Intrafund/interfund services	36,000	36,000	31,531	4,469
Debt and fiscal charges	0	0	532	(532)
	<u>123,769</u>	<u>123,769</u>	<u>72,850</u>	<u>50,919</u>

Total Community Svcs.-Parks

	2,128,736	2,345,226	2,002,016	343,210
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Community Services-Recreation

Recreation

Employee salaries and benefits	551,536	554,702	556,045	(1,343)
Outside services	37,849	27,031	13,471	13,560
Materials and supplies	10,521	10,521	10,316	205
Intrafund/interfund services	12,689	12,689	12,689	0
Capital outlay	0	0	2,331	(2,331)
	<u>612,595</u>	<u>604,943</u>	<u>594,852</u>	<u>10,091</u>

Recreation - Programs

Employee salaries and benefits	220,008	220,401	220,365	36
Outside services	67,175	67,175	46,033	21,142
Materials and supplies	36,890	36,890	26,547	10,343
Intrafund/interfund services	16,000	16,000	92	15,908
	<u>340,073</u>	<u>340,466</u>	<u>293,037</u>	<u>47,429</u>

Recreation -Aquatic Center

Employee salaries and benefits	709,709	712,920	682,092	30,828
Outside services	81,569	81,589	67,770	13,819
Materials and supplies	82,259	82,596	77,253	5,343
Intrafund/interfund services	262,817	262,817	282,962	(20,145)
Debt and fiscal charges	2,428	2,428	2,331	97
	<u>1,138,782</u>	<u>1,142,350</u>	<u>1,112,408</u>	<u>29,942</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, 2014

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
Recreation - Ice Rink				
Employee salaries and benefits	139,412	139,747	105,607	34,140
Outside services	11,075	11,075	4,531	6,544
Materials and supplies	20,542	20,542	28,431	(7,889)
Intrafund/interfund services	13,612	13,612	13,612	0
Capital outlay	4,000	4,000	0	4,000
Debt and fiscal charges	800	800	1,106	(306)
	<u>189,441</u>	<u>189,776</u>	<u>153,287</u>	<u>36,489</u>
Recreation -Golf Course				
Employee salaries and benefits	570,059	571,587	542,187	29,400
Outside services	53,833	50,833	47,065	3,768
Materials and supplies	194,497	198,963	193,555	5,408
Intrafund/interfund services	169,138	169,138	148,383	20,755
Debt and fiscal charges	6,000	6,000	5,515	485
	<u>993,527</u>	<u>996,521</u>	<u>936,705</u>	<u>59,816</u>
Total Community Svcs.-Recreation	<u>3,274,418</u>	<u>3,274,056</u>	<u>3,090,289</u>	<u>183,767</u>
Community Services-Social Services				
Employee salaries and benefits	102,044	102,714	84,639	18,075
Outside services	1,181,683	1,259,652	1,141,185	118,467
Materials and supplies	7,000	7,000	6,038	962
Intrafund/interfund services	33,451	33,451	33,389	62
Total Community Svcs.-Social Services	<u>1,324,178</u>	<u>1,402,817</u>	<u>1,265,251</u>	<u>137,566</u>
Total Community Svcs. Department	<u>9,576,580</u>	<u>10,196,262</u>	<u>9,374,142</u>	<u>822,120</u>
Police				
Operations				
Employee salaries and benefits	6,428,765	6,461,842	5,753,867	707,975
Outside services	365,475	317,234	253,821	63,413
Materials and supplies	258,300	262,305	314,974	(52,669)
Intrafund/interfund services	439,595	439,595	440,216	(621)
Capital outlay	40,000	40,000	1,770	38,230
Debt and fiscal charges	0	0	230	(230)
	<u>7,532,135</u>	<u>7,520,976</u>	<u>6,764,878</u>	<u>756,098</u>

Emergency Management				
Employee salaries and benefits	203,091	203,572	208,495	(4,923)
Outside services	41,075	256,618	155,932	100,686
Materials and supplies	8,400	19,273	24,408	(5,135)
Intrafund/interfund services	4,002	4,002	4,002	0
Capital outlay	0	0	40,629	(40,629)
	<u>256,568</u>	<u>483,465</u>	<u>433,466</u>	<u>49,999</u>
Police Grants				
Employee salaries and benefits	18,000	24,684	8,498	16,186
Outside services	0	216,991	148,373	68,618
Materials and supplies	4,000	7,375	0	7,375
	<u>22,000</u>	<u>249,050</u>	<u>156,871</u>	<u>92,179</u>
Total Police	7,810,703	8,253,491	7,355,215	898,276
Public Works				
Administration				
Employee salaries and benefits	224,621	225,327	219,706	5,621
Outside services	14,270	13,490	8,947	4,543
Materials and supplies	2,625	2,625	996	1,629
Intrafund/interfund services	7,149	7,149	7,149	0
	<u>248,665</u>	<u>248,591</u>	<u>236,798</u>	<u>11,793</u>
Engineering services				
Employee salaries and benefits	550,592	554,555	499,942	54,613
Outside services	49,657	67,234	56,581	10,653
Materials and supplies	6,000	10,559	17,115	(6,556)
Intrafund/interfund services	27,026	27,026	27,061	(35)
Capital outlay	0	40,265	40,265	0
	<u>633,275</u>	<u>699,639</u>	<u>640,964</u>	<u>58,675</u>
Traffic and Streets				
Employee salaries and benefits	1,953,773	1,966,008	1,850,493	115,515
Outside services	922,175	1,915,183	1,812,844	102,339
Materials and supplies	558,592	604,645	562,815	41,830
Intrafund/interfund services	828,198	828,198	857,430	(29,232)
Capital outlay	15,800	15,800	120,220	(104,420)
	<u>4,278,538</u>	<u>5,329,834</u>	<u>5,203,802</u>	<u>126,032</u>
Total Public Works	5,160,478	6,278,064	6,081,564	196,500

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS
GENERAL FUND**

STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2014

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
Community and Economic Development (CEDD)				
CEDD - Administration				
Employee salaries and benefits	351,411	352,750	352,083	667
Outside services	58,555	54,555	10,553	44,002
Materials and supplies	18,500	20,355	11,057	9,298
Intrafund/interfund services	13,573	13,573	13,573	0
	<u>442,039</u>	<u>441,233</u>	<u>387,266</u>	<u>53,967</u>
CEDD - Community Development				
Employee salaries and benefits	978,354	981,471	1,022,314	(40,843)
Outside services	102,200	124,540	43,279	81,261
Materials and supplies	5,100	5,100	5,283	(183)
Intrafund/interfund services	11,314	11,314	11,314	0
Capital outlay	0	6,258	6,258	0
	<u>1,096,968</u>	<u>1,128,683</u>	<u>1,088,448</u>	<u>40,235</u>
CEDD - Custodial				
Employee salaries and benefits	887,153	893,454	843,588	49,866
Outside services	144,267	164,796	121,307	43,489
Materials and supplies	72,833	81,302	75,100	6,202
Intrafund/interfund services	39,538	39,538	39,632	(94)
Capital outlay	0	0	6,788	(6,788)
	<u>1,143,791</u>	<u>1,179,090</u>	<u>1,086,415</u>	<u>92,675</u>
CEDD - Facilities maintenance				
Employee salaries and benefits	1,074,006	1,079,818	1,044,781	35,037
Outside services	341,699	353,280	230,466	122,814
Materials and supplies	199,532	199,657	187,353	12,304
Intrafund/interfund services	940,982	940,982	864,110	76,872
Debt and fiscal charges	0	0	627	(627)
	<u>2,556,219</u>	<u>2,573,737</u>	<u>2,327,337</u>	<u>246,400</u>
CEDD - Facilities maintenance projects				
Employee salaries and benefits	0	0	66,765	(66,765)
Outside services	1,800,000	4,766,014	2,255,323	2,510,691
Materials and supplies	0	0	301	(301)
Intrafund/interfund services	0	0	17,043	(17,043)
	<u>1,800,000</u>	<u>4,766,014</u>	<u>2,339,432</u>	<u>2,426,582</u>

CEDD - Project management				
Employee salaries and benefits	206,176	207,308	124,725	82,583
Outside services	21,918	19,739	6,953	12,786
Materials and supplies	14,825	14,825	4,244	10,581
Intrafund/interfund services	13,178	13,178	13,178	0
	<u>256,097</u>	<u>255,050</u>	<u>149,100</u>	<u>105,950</u>
Total Comm. and Economic Development	7,295,114	10,343,807	7,377,998	2,965,809
TOTAL EXPENDITURES AND ENCUMBRANCES	45,972,138	52,325,801	46,222,260	6,103,541
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	10,194,084	5,530,267	8,508,410	2,978,143
OTHER FINANCING SOURCES (USES)				
Transfers in from:				
Other Special Revenues Fund	0	64,407	11,653	(52,754)
Economic Development Fund	0	2,500	2,500	0
Emergency Declarations Fund	635,673	635,673	635,673	0
Joint Utility System Fund-Electric	532,326	532,326	478,324	(54,002)
Joint Utility System Fund-Gas	274,648	274,648	253,562	(21,086)
Environmental Services Fund	0	8,000	8,000	0
Transit Fund	0	3,600	3,600	0
Fire Fund	1,600,000	1,638,645	1,170,719	(467,926)
Airport Fund	0	3,700	3,700	0
Equipment Fund	0	7,000	7,000	0
Risk Management Fund	0	3,700	3,700	0
	<u>3,042,647</u>	<u>3,174,199</u>	<u>2,578,431</u>	<u>(595,768)</u>
Transfers out to:				
Indigent Health Care Fund	(300,000)	(300,000)	(300,000)	0
Other Special Revenues Fund	(31,000)	0	0	0
Emergency Declarations Fund	0	(75,978)	(75,978)	0
Gross Receipts Tax Revenue Bonds Fund	(6,178,291)	(6,178,291)	(6,157,740)	20,551
Capital Improvement Projects Fund	(3,970,000)	(3,970,000)	(3,970,000)	0
Transit Fund	(1,300,000)	(1,300,000)	(1,300,000)	0
Airport Fund	(222,000)	(222,000)	(222,000)	0
	<u>(12,001,291)</u>	<u>(12,046,269)</u>	<u>(12,025,718)</u>	<u>20,551</u>
TOTAL OTHER FINANCING SOURCES (USES)	(8,958,644)	(8,872,070)	(9,447,287)	(575,217)
NET CHANGE IN FUND BALANCE	\$ 1,235,440	(3,341,803)	(938,877)	2,402,926
ADJUSTMENTS TO GAAP				
Encumbrances			1,667,853	
Bad debt expense			8,216	
Adjustments to inventory			(9,190)	
			<u>1,666,879</u>	
GAAP BASIS			728,002	
FUND BALANCE				
Beginning of fiscal year			28,383,220	
FUND BALANCE - END OF FISCAL YEAR			\$ 29,111,222	

See accompanying notes to financial statements

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

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

Year ended June 30, 2014

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Miscellaneous revenues				
Investment income	\$ 158,000	158,000	384,079	226,079
Other	214,347	214,347	32,251	(182,096)
Economic development loan repayment (principal)	0	0	694,136	694,136
Economic development loan repayment (interest)	0	0	14,652	14,652
	<u>372,347</u>	<u>372,347</u>	<u>1,125,118</u>	<u>752,771</u>
TOTAL REVENUES	372,347	372,347	1,125,118	752,771
EXPENDITURES AND ENCUMBRANCES				
Community and Economic Development				
Employee salaries and benefits	0	0	3,980	(3,980)
Outside services	925,600	5,335,352	588,473	4,746,879
Materials and supplies	9,400	9,400	1,826	7,574
Economic development loans	300,000	2,300,000	0	2,300,000
	<u>1,235,000</u>	<u>7,644,752</u>	<u>594,279</u>	<u>7,050,473</u>
TOTAL EXPENDITURES AND ENCUMBRANCES	1,235,000	7,644,752	594,279	7,050,473
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	(862,653)	(7,272,405)	530,839	7,803,244
OTHER FINANCING SOURCES (USES)				
Transfer in from:				
Capital Improvement Project Fund	0	777,500	777,500	0
Transfers out to:				
General Fund	0	(2,500)	(2,500)	0
Capital Improvement Project Fund	0	(121,000)	(121,000)	0
Airport Fund	0	(365,248)	(365,248)	0
	<u>0</u>	<u>(693,748)</u>	<u>(693,748)</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	\$ (862,653)	(6,983,653)	819,591	7,803,244

ADJUSTMENTS TO GAAP

Encumbrances	180,532
Economic development loan discount activity	72,065
Principal on economic development loan repayments	(694,136)
Bad debt expense (reserve for loan losses)	240,000

(201,539)

GAAP BASIS

618,052

FUND BALANCE

Beginning of fiscal year	10,793,203
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FUND BALANCE - END OF FISCAL YEAR

\$ 11,411,255

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

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

Year ended June 30, 2014

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental				
Federal indirect	\$ 0	3,639,700	11,648	(3,628,052)
State grants-other	0	333,416	0	(333,416)
	<u>0</u>	<u>3,973,116</u>	<u>11,648</u>	<u>(3,961,468)</u>
EXPENDITURES AND ENCUMBRANCES				
Administrative Services - Finance Office				
Outside services	0	2,667,331	1,838,091	829,240
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	0	1,305,785	(1,826,443)	(3,132,228)
OTHER FINANCING SOURCES (USES)				
Transfers in from:				
General Fund	0	75,978	75,978	0
Joint Utilities System Fund	0	253,818	253,818	0
Environmental Services Fund	0	3,621	3,621	0
Transfers out to:				
General Fund	(635,673)	(635,673)	(635,673)	0
	<u>(635,673)</u>	<u>(302,256)</u>	<u>(302,256)</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	\$ (635,673)	1,003,529	(2,128,699)	(3,132,228)
FUND BALANCE				
Beginning of fiscal year			(605,171)	
FUND BALANCE - END OF FISCAL YEAR			<u><u>\$ (2,733,870)</u></u>	

See accompanying notes to financial statements

Major Proprietary Funds

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

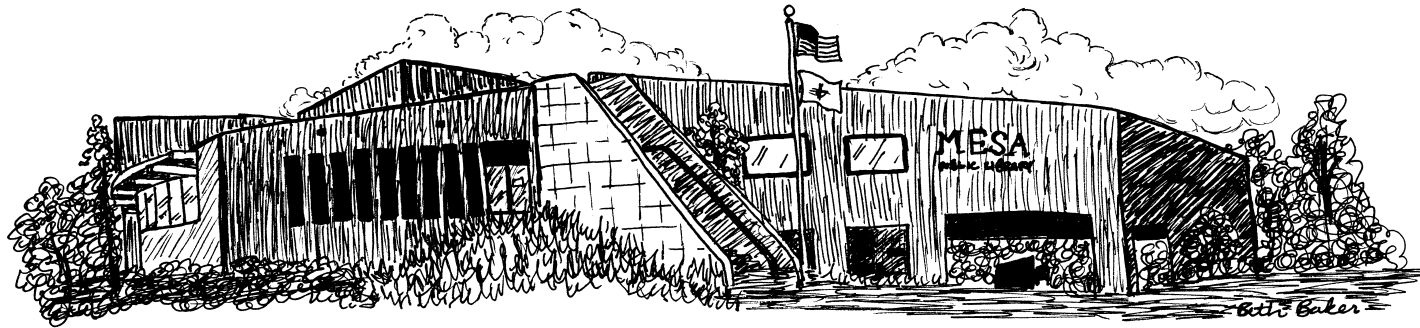
Environmental Services Fund 611 - accounts for the provision of refuse collection and landfill services to the county.

Golf Course Fund 623 - accounted for the operation and maintenance of the County-owned golf course. This fund was closed at June 30, 2013. In the future, this function will be accounted for as a division in the General Fund.

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

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

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



Mesa Public Library

INCORPORATED COUNTY OF LOS ALAMOS

Proprietary Funds

Statement of Net Position

June 30, 2014

	ENTERPRISE FUNDS						BUSINESS-TYPE ACTIVITIES - INTERNAL SERVICE FUNDS
	JOINT UTILITY SYSTEM	ENVIRONMENTAL SERVICES	TRANSIT	FIRE	AIRPORT	TOTAL	
ASSETS							
Current Assets:							
Equity in pooled cash and investments	\$ 11,739,885	2,870,936	456,681	0	398,683	15,466,185	16,042,558
Receivables, net of allowance for uncollectibles							
Accounts	4,142,652	165,385	0	226,367	0	4,534,404	15,468
Unbilled	1,180,612	92,836	0	0	0	1,273,448	0
Due from other governments	0	90,052	1,312,857	4,827,410	17,049	6,247,368	0
Inventories and prepayments							
Inventories	1,003,963	0	0	0	0	1,003,963	0
Power plant inventories	794,806	0	0	0	0	794,806	0
Prepayments	544,457	0	0	0	0	544,457	26,900
Total Current Assets	19,406,375	3,219,209	1,769,538	5,053,777	415,732	29,864,631	16,084,926
Non-current assets:							
Restricted assets							
Cash and cash equivalents							
Debt reserves and debt service	12,533,640	466,065	0	0	0	12,999,705	0
Operations and maintenance	4,861,656	357,404	0	0	0	5,219,060	0
Investments							
Debt reserves and debt service	7,056,760	0	0	0	0	7,056,760	0
Operations and maintenance	3,013,505	0	0	0	0	3,013,505	0
Premiums and discounts	159,307	0	0	0	0	159,307	0
Accrued interest	15,136	0	0	0	0	15,136	0
Assets held for resale	948,236	0	0	0	0	948,236	0
Capital assets							
Land	2,959,328	0	0	1,263,289	4,387,040	8,609,657	0
Utility plant in service	296,494,534	0	0	0	0	296,494,534	0
Buildings	0	6,112,038	0	16,724,437	1,100,000	23,936,475	0
Improvements other than buildings	0	1,683,448	901,449	143,285	14,653,268	17,381,450	0
Machinery and equipment	4,567,747	74,322	88,928	1,215,122	57,604	6,003,723	20,618,432
Less accumulated depreciation	(126,206,602)	(1,102,330)	(299,242)	(3,760,428)	(4,763,332)	(136,131,934)	(11,526,216)
Construction in progress	6,084,041	0	426,637	0	65,732	6,576,410	0
Total Non-current Assets	212,487,288	7,590,947	1,117,772	15,585,705	15,500,312	252,282,024	9,092,216
TOTAL ASSETS	231,893,663	10,810,156	2,887,310	20,639,482	15,916,044	282,146,655	25,177,142
DEFERRED OUTFLOWS OF RESOURCES:							
Deferred amounts (debits) from refunding of debt	729,413	0	0	0	0	729,413	0
LIABILITIES							
Current Liabilities:							
Accounts payable	3,455,819	119,509	72,763	209,107	43,625	3,900,823	442,014
Accrued salaries and benefits payable	149,089	14,705	34,136	241,535	2,052	441,517	19,672
Customer deposits payable	156,693	22,124	0	0	0	178,817	0
Due to other governments	109,751	8,369	0	0	0	118,120	0
Donations held in trust	23,763	0	0	0	0	23,763	0

Current portion of long-term liabilities								
Accrued compensated absences	574,830	79,045	107,443	1,203,311	5,179	1,969,808	83,500	
Claims and judgments payable	0	0	0	0	0	0	2,603,916	
Revenue bonds payable	8,510,000	0	0	0	0	8,510,000	0	
Contracts and intergovernmental debt payable	665,124	163,830	0	0	0	828,954	0	
Due to other funds (current portion of advances)	0	0	0	2,561,214	0	2,561,214	0	
Special closure costs	0	30,757	0	0	0	30,757	0	
Interest payable on revenue bonds and other debt	628,213	32,510	0	0	0	660,723	0	
Total Current Liabilities	<u>14,273,282</u>	<u>470,849</u>	<u>214,342</u>	<u>4,215,167</u>	<u>50,856</u>	<u>19,224,496</u>	<u>3,149,102</u>	
Noncurrent Liabilities:								
Due in more than one year								
Accrued compensated absences	291,996	45,695	59,056	658,517	4,552	1,059,816	30,196	
Claims and judgments payable	0	0	0	0	0	0	1,009,337	
Revenue bonds payable	24,312,680	0	0	0	0	24,312,680	0	
Contracts and intergovernmental debt payable	12,575,030	4,709,038	0	0	0	17,284,068	0	
Advances from other funds	500,000	0	0	0	146,799	646,799	0	
Special closure costs	4,466,937	326,647	0	0	0	4,793,584	0	
Total Noncurrent Liabilities	<u>42,146,643</u>	<u>5,081,380</u>	<u>59,056</u>	<u>658,517</u>	<u>151,351</u>	<u>48,096,947</u>	<u>1,039,533</u>	
TOTAL LIABILITIES	<u>56,419,925</u>	<u>5,552,229</u>	<u>273,398</u>	<u>4,873,684</u>	<u>202,207</u>	<u>67,321,443</u>	<u>4,188,635</u>	
NET POSITION								
Net investment in capital assets	138,565,627	1,894,610	1,117,772	15,585,705	15,500,312	172,664,026	9,092,216	
Restricted, net of related liabilities, for:								
Debt service	22,544,854	433,555	0	0	0	22,978,409	0	
Unrestricted	15,092,670	2,929,762	1,496,140	180,093	213,525	19,912,190	11,896,291	
TOTAL NET POSITION	<u>\$ 176,203,151</u>	<u>5,257,927</u>	<u>2,613,912</u>	<u>15,765,798</u>	<u>15,713,837</u>	<u>215,554,625</u>	<u>20,988,507</u>	
Net position of business-type internal service funds						20,988,507		
Net activity of internal service funds						911,846		
TOTAL NET POSITION AS SHOWN ON GOVERNMENT WIDE STATEMENT OF NET POSITION						<u>\$ 237,454,978</u>		

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
Proprietary Funds

 Statement of Revenues, Expenses, and Changes in Net Position
 Year ended June 30, 2014

	ENTERPRISE FUNDS						BUSINESS- TYPE ACTIVITIES - INTERNAL SERVICE FUNDS
	JOINT UTILITY SYSTEM	ENVIRONMENTAL SERVICES	TRANSIT	FIRE	AIRPORT	TOTAL	
OPERATING REVENUES							
Utility sales and other services	\$ 62,049,882	2,559,806	150,000	639,725	67,603	65,467,016	0
Sales of food or merchandise	0	6,711	0	0	0	6,711	0
Interfund charges for services	0	423,834	0	4,055,000	0	4,478,834	3,484,275
Insurance and pension contributions							
County	0	0	0	0	0	0	7,523,883
Employees and retirees	0	0	0	0	0	0	1,446,482
Rentals	22,262	0	0	0	32,631	54,893	0
Intergovernmental	120,340	0	2,743,285	17,552,526	215,751	20,631,902	0
Miscellaneous operating revenue	54,776	106,350	0	8,120	200	169,446	251,209
	<u>62,247,260</u>	<u>3,096,701</u>	<u>2,893,285</u>	<u>22,255,371</u>	<u>316,185</u>	<u>90,808,802</u>	<u>12,705,849</u>
OPERATING EXPENSES							
Employee salaries and benefits	7,654,097	1,104,803	2,218,910	15,564,753	155,913	26,698,476	1,006,996
Contractual services	37,565,833	2,457,668	1,340,371	5,417,866	590,778	47,372,516	10,271,405
Materials and supplies	1,341,566	88,905	90,622	1,100,121	14,813	2,636,027	1,594,654
Depreciation and amortization	10,161,780	199,321	82,988	498,681	771,828	11,714,598	1,920,232
Special closure costs	388,148	0	0	0	0	388,148	0
Other	20,249	1,500	560	159,934	500	182,743	0
	<u>57,131,673</u>	<u>3,852,197</u>	<u>3,733,451</u>	<u>22,741,355</u>	<u>1,533,832</u>	<u>88,992,508</u>	<u>14,793,287</u>
OPERATING INCOME (LOSS)	5,115,587	(755,496)	(840,166)	(485,984)	(1,217,647)	1,816,294	(2,087,438)
NONOPERATING REVENUES (EXPENSES)							
Gross receipts taxes for solid waste recycling	0	732,548	0	0	0	732,548	0
Fire excise tax	0	0	0	1,465,025	0	1,465,025	0
Gain (loss) on disposition of capital assets	(900,107)	0	0	0	0	(900,107)	3,404
Investment income	723,861	115,799	45,067	0	14,119	898,846	587,784
Interest on long-term debt	(2,363,755)	(202,690)	0	0	0	(2,566,445)	0
Inventory adjustment	16,061	0	0	0	0	16,061	0
	<u>(2,523,940)</u>	<u>645,657</u>	<u>45,067</u>	<u>1,465,025</u>	<u>14,119</u>	<u>(354,072)</u>	<u>591,188</u>
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	2,591,647	(109,839)	(795,099)	979,041	(1,203,528)	1,462,222	(1,496,250)
TRANSFERS AND CONTRIBUTIONS							
Transfers in	0	0	1,300,000	0	587,248	1,887,248	1,059,329
Transfers out	(1,016,519)	(332,694)	(608,639)	(1,207,121)	(3,700)	(3,168,673)	(10,700)
Intergovernmental - capital grants	210,000	0	827,053	0	51,701	1,088,754	0
Contributed capital assets - outside source	10,864,838	0	0	0	0	10,864,838	0
Contributed capital assets - governmental activities	54,233	0	0	787,246	0	841,479	199,212
	<u>10,112,552</u>	<u>(332,694)</u>	<u>1,518,414</u>	<u>(419,875)</u>	<u>635,249</u>	<u>11,513,646</u>	<u>1,247,841</u>
CHANGE IN NET POSITION	12,704,199	(442,533)	723,315	559,166	(568,279)	12,975,868	(248,409)
NET POSITION							
Beginning of fiscal year	163,958,933	5,700,460	1,890,597	15,206,632	16,282,116	203,038,738	21,236,916
Prior period restatement - GASB Statement 65	(459,981)	0	0	0	0	(459,981)	0
NET POSITION - END OF FISCAL YEAR	\$ 176,203,151	5,257,927	2,613,912	15,765,798	15,713,837	215,554,625	20,988,507

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS

Proprietary Funds

Reconciliation of Statement of Revenues, Expenses and Changes in Net Position to the Statement of Activities Year ended June 30, 2014

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

Total change in net position for enterprise funds as reported in the proprietary funds statement of revenues, expenses, and changes in net position:	\$	12,975,868
Total change in net position for business-type internal service funds as reported in the proprietary funds statement of revenues, expenses, and changes in net position.		(248,409)
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.		631,654
Change in net position of business-type activities	\$	<u>13,359,113</u>

INCORPORATED COUNTY OF LOS ALAMOS
PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year ended June 30, 2014

	<u>JOINT UTILITY SYSTEM</u>	<u>ENVIRONMENTAL SERVICES</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	\$ 62,228,166	3,112,047	150,000	4,535,231	83,384	70,108,828	3,721,416
Cash received from contributions-employer and employees	0	0	0	0	0	0	8,970,365
Cash paid to suppliers for goods and services	(39,412,737)	(2,585,274)	(1,369,714)	(6,423,064)	(645,455)	(50,436,244)	(10,804,590)
Cash paid to employees	(7,581,131)	(1,130,046)	(2,198,315)	(15,285,892)	(155,812)	(26,351,196)	(1,011,590)
Taxes received from customers and users	1,503,819	102,979	0	0	0	1,606,798	0
Taxes remitted to State (from customers and users)	(1,503,106)	(102,703)	0	0	0	(1,605,809)	0
NET CASH FLOWS - OPERATING ACTIVITIES	15,235,011	(602,997)	(3,418,029)	(17,173,725)	(717,883)	(6,677,623)	875,601
CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES							
Cash received from grants	0	0	2,487,207	15,866,061	320,085	18,673,353	0
Transfers to other funds	(985,704)	(11,621)	(3,600)	(1,170,719)	(3,700)	(2,175,344)	(10,700)
Transfers from other funds	0	0	1,300,000	0	587,248	1,887,248	66,000
Gross receipts taxes received	0	751,587	0	1,465,025	0	2,216,612	0
Cash received from short-term interfund loans	0	0	(49,379)	0	0	(49,379)	0
Cash paid on short-term interfund loans	0	0	0	1,278,400	(25,773)	1,252,627	0
NET CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES	(985,704)	739,966	3,734,228	17,438,767	877,860	21,805,117	55,300
CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES							
Cash received from capital grants	210,000	0	1,174,898	0	290,319	1,675,217	0
Proceeds received from loans	140,000	0	0	0	0	140,000	0
Principal repaid	(8,784,034)	(157,924)	0	0	0	(8,941,958)	0
Interest and other debt service paid	(2,220,404)	(203,658)	0	0	0	(2,424,062)	0
Federal debt subsidy received	120,179	0	0	0	0	120,179	0
Cash paid for acquisition of capital assets	(6,739,833)	(321,073)	(1,079,483)	(265,042)	(65,732)	(8,471,163)	(903,666)
Proceeds from sale of capital assets	0	0	0	0	0	0	51,109
NET CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES	(17,274,092)	(682,655)	95,415	(265,042)	224,587	(17,901,787)	(852,557)
CASH FLOWS - INVESTING ACTIVITIES							
Proceeds from sale of investment securities	14,605,798	0	0	0	0	14,605,798	0
Interest received on investments	948,489	115,799	45,067	0	14,119	1,123,474	587,784
Purchase of investment securities	(7,918,835)	0	0	0	0	(7,918,835)	0
NET CASH FLOWS - INVESTING ACTIVITIES	7,635,452	115,799	45,067	0	14,119	7,810,437	587,784
NET INCREASE (DECREASE) IN CASH	4,610,667	(429,887)	456,681	0	398,683	5,036,144	666,128
EQUITY IN POOLED CASH AND INVESTMENTS - BEGINNING OF FISCAL YEAR	24,524,514	4,124,292	0	0	0	28,648,806	15,376,430
EQUITY IN POOLED CASH AND INVESTMENTS - END OF FISCAL YEAR	\$ 29,135,181	3,694,405	456,681	0	398,683	33,684,950	16,042,558

(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)	\$ 5,115,587	(755,496)	(840,166)	(485,984)	(1,217,647)	1,816,294	(2,087,438)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FLOWS - OPERATING ACTIVITIES							
Depreciation and amortization expense	10,161,780	199,323	82,988	498,681	771,828	11,714,600	1,920,232
Operating grants included in operating revenues	0	0	(2,743,285)	(17,552,526)	0	(20,295,811)	0
Amortization of special closure costs	388,148	0	0	0	0	388,148	0
Provision for uncollectible accounts receivable	20,249	1,500	0	159,934	0	181,683	0
Intergovernmental revenue	(120,340)	0	0	0	(215,751)	(336,091)	0
Change in assets and liabilities:							
Accounts and other receivables	98,653	15,346	0	(167,614)	(17,050)	(70,665)	(14,068)
Inventories	26,135	0	0	0	0	26,135	0
Prepayments and other	(59,084)	0	0	0	0	(59,084)	0
Accounts and retentions payable	(472,389)	(38,703)	61,839	94,923	(39,364)	(393,694)	117,802
Salaries and benefits payable	72,966	(25,243)	20,595	278,861	101	347,280	(4,594)
Other current liabilities	2,593	0	0	0	0	2,593	0
Claims and judgements payable	0	0	0	0	0	0	943,667
Due to other governments	713	276	0	0	0	989	0
Total adjustments	10,119,424	152,499	(2,577,863)	(16,687,741)	499,764	(8,493,917)	2,963,039
NET CASH FLOWS - OPERATING ACTIVITIES	\$ 15,235,011	(602,997)	(3,418,029)	(17,173,725)	(717,883)	(6,677,623)	875,601

SCHEDULE OF NON CASH CAPITAL AND RELATED FINANCING ACTIVITIES

NON CASH TRANSACTIONS:

Asset transfers - proprietary funds	\$ (30,815)	(321,073)	(605,039)	(36,402)	0	(993,329)	993,329
Contributed capital assets from outside sources	10,864,838	0	0	0	0	10,864,838	0
Change in due from other governments (capital grant receivable)	0	0	347,845	0	(238,618)	109,227	0
Contributed capital assets - governmental activities	54,233	0	0	787,246	0	841,479	199,212
Fair value adjustment for investments	57,854	0	0	0	0	57,854	0
TOTAL NON CASH TRANSACTIONS	\$ 10,946,110	(321,073)	(257,194)	750,844	(238,618)	10,880,069	1,192,541



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. Also accounts for the assets and liabilities held for the Regional Coalition of LANL Communities, of which Los Alamos County serves as the fiscal agent.

INCORPORATED COUNTY OF LOS ALAMOS
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
June 30, 2014

	<u>PENSION TRUST</u>	<u>AGENCY</u>
ASSETS		
Equity in pooled cash and investments	\$ 6,978	353,439
Investments (participant directed mutual funds), at fair value	40,550,566	0
Receivables, net of allowance for uncollectibles		
Property taxes	0	269,527
Employee loans	1,601,920	0
Other	0	264
Due from other funds	233,624	0
TOTAL ASSETS	<u>42,393,088</u>	<u>623,230</u>
LIABILITIES		
LIABILITIES		
Accounts payable	136,050	0
Due to other governments		
Taxes and fees payable to state	0	18,178
Property taxes payable	0	315,896
Other	0	274,216
Due to other funds	18,457	0
Donations held for others	0	14,940
TOTAL LIABILITIES	<u>154,507</u>	<u>623,230</u>
NET POSITION		
Held in trust for pension benefits and other purposes	42,238,581	
TOTAL NET POSITION	<u>\$ 42,238,581</u>	

See accompanying notes to financial statements

INCORPORATED COUNTY OF LOS ALAMOS
PENSION TRUST FUND
STATEMENT OF CHANGES IN NET POSITION
Year ended June 30, 2014

ADDITIONS TO NET POSITION

Investment income (loss), net of investment expense	\$	5,840,977
Contributions		
Employer, net of forfeitures		3,075,142
Employee (plan member)		354,358
		<u>9,270,477</u>

DEDUCTIONS FROM NET POSITION

Benefits and refunds paid to plan members and beneficiaries		<u>3,821,115</u>
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NET INCREASE (DECREASE) IN NET POSITION

5,449,362

NET POSITION

Beginning of fiscal year		<u>36,789,219</u>
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NET POSITION - END OF YEAR

	\$	<u><u>42,238,581</u></u>
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INCORPORATED COUNTY OF LOS ALAMOS
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

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

B. Financial Reporting Entity

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

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

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

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

C. Implementation of New Accounting Standards

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* ("GASB 65"), requires governments to adopt provisions of Concepts Statement No. 4 for all other items reported as assets and liabilities, which were not addressed as part of GASB 63. The Statement also revised the major fund calculation so that assets are combined with deferred outflows of resources and liabilities should be combined with deferred inflows of resources. GASB 65 also restricts the use of the term deferred to only deferred outflows of resources and deferred inflows of resources.

Some examples of transactions that are impacted by the adoption of GASB 65:

- Bond Refunding: the difference between the reacquisition price and the net carrying amount of the old debt will be reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.
- Debt Issuance Costs: debt issuance costs, except any portion related to prepaid insurance costs, will be recognized as an expense in the period incurred. Prepaid insurance costs will be reported as an asset and recognized as an expense in a systematic and rational manner over the duration of the related debt.
- Revenue Recognition in Governmental Funds - When an asset is recorded in governmental fund financial statements but the revenue is not available, a deferred inflow of resources will be reported until such time as the revenue becomes available.

A prior period restatement is shown on the face of the financial statements for bond issuance costs that were previously reported as an asset, but are now treated as expense.

GASB Statement No. 66, *Technical Corrections - 2012* ("GASB 66"), resolves conflicting accounting and financial reporting guidance from the issuance of GASB 54 and GASB 62. This Statement was effective for fiscal year 2014 and its guidance was considered during preparation of these financial statements.

D. Basic Financial Statements

Basic financial statements consist of the following:

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

The government-wide financial statements consist of the statement of net position and the statement of activities 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 position have been eliminated, with the exception of those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total government column.

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

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

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

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

Measurement Focus and Basis of Accounting

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

It is important to note that the Internal Service Funds of the County are unusual in nature, since they predominantly serve enterprise funds (58% of interfund revenues). As such, the net position of these funds is reflected in the government-wide financial statements in the business-type activities.

The Governmental Fund Types (General, Special Revenue, Debt Service, Capital Project, and Permanent Funds) use a current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter (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, if available, from federal and state grants are recognized as soon as all eligibility requirements imposed by the individual grant provider and agreement have been met.

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

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

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

Presentation of Funds

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

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

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

- **General Fund** – The General Fund is the principal operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. For the County, the General Fund includes most basic services, such as police, parks, recreation facilities and programs, library, and general administration.
- **Economic Development Fund** – The Economic Development Fund (special revenue fund) accounts for receipt, management, investment, and expenditure of the buyout payment received from the Department of Energy under the Atomic Energy Communities Act.
- **Emergency Declarations Fund** – The Emergency Declarations Fund (special revenue fund) accounts for revenues and expenditures associated with response to and recovery from the Las Conchas Fire which began June 26, 2011 and flooding events within the community in September 2013. This special revenue fund was established by County Council.
- **Capital Improvement Projects Fund** – The Capital Improvement Projects Fund (capital projects fund) accounts for the financing and construction of structures and improvements approved by the County Council.
- **Capital Projects Permanent Fund** – The Capital Projects Permanent Fund accounts for amounts received under a settlement of prior year's gross receipts taxes, set aside by the County Council and the County Charter for capital projects. The original principal of this fund, adjusted for inflation, is restricted and non-expendable.

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

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

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

The County has the following additional fund types:

- **Internal Service Funds** – The Internal Service Funds are used to account for vehicle maintenance and replacement, and risk management operations that provide services to other funds and departments of the County. As previously mentioned, the Internal Service Funds of the County are unusual in nature, since they predominantly serve enterprise funds.
- **Fiduciary Funds** – The Fiduciary Funds of the County consist of a Pension Trust Fund and 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 along with the assets and liabilities of the Regional Coalition of LANL Communities of which the County serves as the fiscal agent.

F. Budgetary Control

Annual appropriated budgets are adopted for all funds using the modified accrual basis, including encumbrances, except as follows: capital projects funds are budgeted over the life of the projects and not on an annual basis; budgets are not adopted for the Pension Trust Fund and for the Agency Fund. All annual appropriations lapse at the end of the fiscal year, except as approved by Council as “Committed for Continuing Appropriations” prior to the end of the fiscal year.

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

The budget process for the County is an on-going, year-round process. It formally begins in October when the Department Directors, the County Administrator, and the County Council hold strategy meetings. Following these preliminary meetings, departments begin to prepare plans for maintaining, reducing, or deleting current services, and planning for new or enhanced services. The Office of the County Administrator 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 Position) - Budget and Actual present comparisons of actual results of operations to budgetary data for those funds for which annual operating budgets are legally adopted. The effect of encumbrances is added to actual results for these comparisons.

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

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

G. Encumbrances

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

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

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

be “cash equivalents.” Significant negative balances incurred in pooled cash at year-end are treated as interfund receivables of the General Fund and interfund payables of the deficit fund, except where the deficit fund has liquid investments to offset the deficit in pooled cash. In such cases, the investments are shown net of the pooled cash deficit.

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

All of the County’s investments are stated at fair value, in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. In the Joint Utility Fund, there were investments that required a positive fair value adjustment of \$50,854. The County does not have investments that are reported at amortized cost.

The County reports amounts encompassed by GASB Statement No. 59, *Financial Instruments Omnibus*, which indicates that a 2a7-like pool as described in Statement No. 31, represents an external investment pool that operates in conformity with the Securities and Exchange Commission’s (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended.

I. Accounts and Loans Receivable – Allowance for Doubtful Accounts

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

J. Property Taxes Receivable

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

K. Prepaid Items

Prepaid balances are for payments made by the County in a current year to provide services occurring in subsequent fiscal years. Since these assets are not available for other subsequent expenditures they are categorized as a nonspendable component of fund balance.

L. Interfund Receivables and Payables

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

M. Inventories

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

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

N. Restricted Assets

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

O. Capital Assets

Capital assets, which include property, plant, equipment (includes externally developed software), and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are recorded in the applicable governmental or business-type activities columns in the government-wide financial statements. County policy requires capitalization of assets with an initial, individual cost of \$5,000 or more. All capital assets are recorded at cost or, if contributed property, at their estimated 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 certain long-term debt. An adjustment is made to the annual depreciation, based on annual debt service requirements to smooth annual expenditures for ratemaking purposes. This resulted in an increase in depreciation expense of \$2,621,000 in the year ended June 30, 2014, and a cumulative increase in accumulated depreciation of \$10,910,000 as of June 30, 2014.

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

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

Asset Category	Estimated Useful Life in Years
Buildings	30 - 40
Improvements other than buildings	10 - 20
Infrastructure	15 - 50
Equipment	5 - 25
Automotive equipment	3 - 20
Utility plant in service:	
Electric	15 - 40
Gas	30 - 40
Water	35 - 60
Wastewater	15 - 80

P. Deferred Outflows of Resources and Deferred Inflows of Resources

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

Q. Compensated Absences

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

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

The basis for recording these compensated absences is at the current hourly rate of each employee plus associated employer paid benefits except for termination sick leave which has been accrued based on five years of retiree payment experience and utilizing a composite hourly wage rate. The termination sick leave calculation provided an estimated benefit cost of approximately \$460 per year of service for active Fire Department employees at June 30, 2014, and approximately \$293 for other active County employees.

R. Long-term Obligations

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

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

S. Net Position

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

T. Fund Balance

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

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

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

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

Committed fund balances have constraints imposed by formal action of the County Council which may be altered only by subsequent formal action of the County Council. Committed fund balances are established in the financial policies adopted annually by the County Council as part of the formal budget adoption process.

Assigned fund balances are amounts constrained by the County's intent to be used for a specific purpose, but are neither restricted nor committed. The County Council has not delegated authority to assign balances. Thus, this fund balance category would only represent encumbrances to the extent that they were not otherwise categorized as *Restricted* or *Committed*.

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

U. Stabilization Arrangements

The County has two stabilization arrangements formalized through County Council action. The Capital Projects Permanent Fund has a portion of fund balance *Restricted for Income Stabilization* in accordance with County Code Sec. 20-361. This arrangement is in place to establish a cushion in the fund to allow market fluctuations to affect the stabilization balance, without impacting the real value of principal. The income of the Permanent Fund is used in the following priority: 1) first, to make additions to principal in an amount that maintains the real value of the principal, and then if any income remains, 2) second, to make distributions for capital projects in accordance subsection (g) of the Code, and then if any income remains, 3) third, to make additions to the balance *Restricted for Income Stabilization*.

The General Fund has a portion of fund balance *Committed for Revenue Stabilization* in accordance with the Council approved Financial Policies. This stabilization arrangement is in place to provide an additional margin of safety so that short-term negative fluctuations in projected revenue do not

unnecessarily restrict operating expenditures if after the short-term period, normal revenue growth is projected. This recognizes the significant dependence the local economy has on the single largest employer, Los Alamos National Laboratory.

The amount to be maintained is established as any amount by which the General Fund Unassigned fund balance exceeds 20% of General Fund actual revenues. Should the balance Committed for Revenue Stabilization exceed 15% of budgeted expenditures for more than a one year period, the County (by Council direction) should take specific actions to reduce the balance through such means as tax reductions or by funding, as one time programs, projects or services that are consistent with Council goals and do not excessively increase ongoing expenditures of the County.

V. Interfund Transactions

Interfund transactions are classified as follows:

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

W. Use of Estimates

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

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

During fiscal year 2014, the County Council and the New Mexico Department of Finance and Administration approved a total of approximately \$78.2 million of budget revisions (transfers and supplemental appropriations) for the General Fund, Capital Improvement Projects (CIP) Fund, Emergency Declarations Fund, Joint Utility System Fund, and other funds. The approximately \$78.2 million of budget revisions include the following re-appropriations and carryovers: \$34.7 million for CIP project carryovers, \$16.9 million in encumbrance carryovers, \$5.3 million in other project and grant re-appropriations, and \$6 million for Economic Development projects in the Economic Development Fund. Other major revisions include: \$2.7 million for the September 2013 flood damage FEMA emergency declaration in the Emergency Declarations Fund, \$5.5 million transfer Capital Projects Permanent Fund to the CIP Fund, \$1.3 million in the Fire Fund for indirect charges, and approximately \$5.8 million for other items and projects. For the fiscal year ended June 30, 2014 expenditures did not exceed appropriations at the legal level of budgetary control for any County department, project, or fund.

Individual Deficit Fund Balance

At fiscal year end June 30, 2014, the Emergency Declarations Fund, a major governmental fund, reported a deficit fund balance of \$2,733,870. The deficit in the fund arose because expenditures made under grant awards were not reimbursed within the 60 day period of availability, and were properly recorded as deferred inflows of resources instead of revenue. The County anticipates that amounts due from other governments will be received in fiscal year 2015, eliminating the fund deficit without the need for additional resources from other funds.

(3) POOLED CASH AND INVESTMENTS

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

A. Cash**Policies**

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

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

Petty cash and change funds	\$	5,810
Carrying amount of deposits		31,621,322
Cash equivalents		4,143,810
Book value of investments		<u>159,990,274</u>
Total reported in notes to financial statements	\$	<u><u>195,761,216</u></u>
Government-wide Statement of Net Assets:		
Equity in pooled cash and investments	\$	97,788,443
Investments		28,584,215
Restricted assets-Cash & Cash Equivalents		18,248,003
Restricted assets-Investments		10,229,572
Fiduciary Funds:		
Equity in pooled cash and investments		360,417
Investments (mutual funds), at fair value		<u>40,550,566</u>
Total reported in financial statements	\$	<u><u>195,761,216</u></u>

Custodial Credit Risk – Deposits

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

- (1) Equity-to-asset ratio is equal to or greater than the level recommended by the federal deposit insurance corporation;
- (2) A current audited annual financial statement has been submitted to the County
- (3) No successive losses for two preceding years
- (4) If not a local financial institution, its assets must be in excess of \$1,000,000,000 and
- (5) Not operating under cease and desist order issued by any regulatory agency.

Under New Mexico law, financial institutions holding public deposits must pledge collateral in an amount not less than 50% of the uninsured balance. At June 30, 2014 the County had deposits with bank balances of \$31,621,322 that were fully insured or collateralized with securities held by the pledging financial institution in the County's name and therefore not exposed to custodial credit risk under New Mexico law.

B. Investments**Credit Risk**

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

The County government's rated debt investments as of June 30, 2014 are presented below using the Standard and Poor's rating scale:

Investment Type	Fair Value	Net Asset Value	Quality Ratings		
			AAAm	AA+	A
U.S. Government Agencies	\$ 64,677,372		0	64,677,372	0
2a7 Like - New Mexico State Local Government Investment Pool (LGIP)		6,318	6,318	0	0
<u>Unrated investments:</u>					
Repurchase agreements	8,916,807				
New Mexico State Investment Council	45,839,212				
<u>Exempt from credit risk disclosure:</u>					
LAC Pension	40,550,566				
Total Investments	\$ 159,983,956	6,318			

Interest rate risk

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

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

Investment Type	Fair Value	Net Asset Value	Investment Maturities (in years)			
			Less Than 1	1 to 5	6 to 10	More Than 10
<u>Debt Securities</u>						
U.S. Agencies	\$ 64,677,372		24,296,322	40,381,050	0	0
Repurchase Agreements	8,916,807		0	8,916,807	0	0
	<u>73,594,179</u>		<u>24,296,322</u>	<u>49,297,857</u>	<u>0</u>	<u>0</u>
<u>Other Investments</u>						
New Mexico State Investment Council	45,839,212					
LAC Pension Plan	40,550,566					
2a7 Like - New Mexico State Local Government Investment Pool		<u>6,318</u>				
Total Investments	<u>\$ 159,983,956</u>	<u>6,318</u>				

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

Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that, in the event of a failure of the counter-party, the County will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The County does not have any investments at June 30, 2014 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, and NMSIC that represent 5% or more of the total government-wide investments at June 30, 2014 (not inclusive of the pension fund which is disclosed separately) are as follows:

	<u>Issuer</u>	<u>Investment Type</u>	<u>Amount</u>	<u>% of Total Government-wide Investments</u>
Governmental Activities	FNMA	Federal agency securities	\$ 5,049,050	4.2%
	FHLMC	Federal agency securities	15,361,800	12.9%
	FFCB	Federal agency securities	18,955,910	15.9%
	FHLB	Federal agency securities	10,058,200	8.4%
	T-NOTE	Federal agency securities	5,022,850	4.2%
Business-type Activities	FHLB	Federal agency securities	10,229,562	8.6%

Investments in the securities of any individual issuers that represent 5% or more of the total investments by individual funds at June 30, 2014 are as follows:

<u>Funds</u>	<u>Issuer</u>	<u>Investment Type</u>	<u>Amount</u>
Major Governmental Funds:			
General (pooled)	FNMA	Federal agency securities	\$ 5,049,050
General (pooled)	FHLMC	Federal agency securities	15,361,800
General (pooled)	FFCB	Federal agency securities	18,955,910
General (pooled)	FHLB	Federal agency securities	10,058,200
General (pooled)	T-NOTE	Federal agency securities	5,022,850
Major Proprietary Fund:			
Joint Utility System	FHLB	Federal agency securities	10,229,562

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

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

(4) ACCOUNTS RECEIVABLE AND OPERATING LEASES

Accounts receivable balances at June 30, 2014, net of applicable allowances for uncollectible accounts, are as follows:

	Accounts Receivable	Allowance for Doubtful Accounts	Net
Governmental activities:			
General	\$ 54,344	(8,434)	45,910
Capital Improvement Projects	147,329	(147,329)	0
Other Governmental	39,696	(13,860)	25,836
Total governmental activities	<u>241,369</u>	<u>(169,623)</u>	<u>71,746</u>
Business-type activities:			
Joint Utility System	4,177,364	(34,712)	4,142,652
Environmental Services	175,454	(10,069)	165,385
Fire	2,032,341	(1,805,974)	226,367
Internal Service	21,128	(5,660)	15,468
Total business-type activities	<u>6,406,287</u>	<u>(1,856,415)</u>	<u>4,549,872</u>
Totals	<u>\$ 6,647,656</u>	<u>(2,026,038)</u>	<u>4,621,618</u>

On the Government-wide Statement of Net Position an additional \$18,457 due from the Pension Trust Fund is classified as pension forfeitures receivable.

The County leases land under non-cancelable operating leases with terms ranging from 5 to 99 years to Sombrillo Nursing and Rehabilitation Center, Aspen Ridge Lodge Retirement and Assisted Living Center, Los Alamos School of Gymnastics, Los Alamos Dog Obedience Club, Nectar Properties, and Smith's. The following is a schedule of future minimum rentals under these leases at June 30, 2014:

Fiscal Year Ending June 30,	Amount
2015	\$ 245,693
2016	257,238
2017	248,718
2018	238,498
2019	229,549
Thereafter	13,132,998
	<u>\$ 14,352,694</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, 2014 the County had five outstanding loans receivable recorded in the Economic Development 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. On June 30, 2014 LACDC made the principal installment due that day in the amount of \$32,331. Additionally, LACDC made the balloon payment in the amount of \$484,960 that, per the loan agreement, would have been due on June 30, 2016.

The final payment due is as follows on the LACDC loan:

<u>Installment Due Date</u>	<u>Principal Installment</u>
June 30, 2015	<u>\$ 32,331</u>

On May 30, 2002 the County entered into a loan agreement with Veriscape Inc. in the amount of \$527,000. Ultimately, the County 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, 2014 the loan was current and there was no delinquent balance.

Payments due are as follows on the Veriscape loan:

<u>Total of monthly payments for fiscal year ending</u>	<u>Principal Installment</u>
June 30, 2015	<u>\$ 24,392</u>

On June 20, 2003 the County entered into a loan agreement with Advanced Realtime Technologies, LLC (name since changed to Elemetric Instruments, Inc.) in the amount of \$75,000. As of June 30, 2010 the County had distributed \$73,027 of the loan amount to Elemetric. The loan bears interest at 5% per annum beginning June 1, 2008. The loan is secured by any and all assets that Elemetric purchases in whole, or in part, constructed or installed prior to December 31, 2005. The loan requires Elemetric to make sixty monthly payments of \$1,415 beginning July 1, 2008 through June 2013. During FY 2010, Elemetric made \$14,303 of payments including interest. No payments have been made since FY 2011. Elemetric is in default, and the County is pursuing legal measures to collect the loan balance due of \$51,170.

On July 30, 2003 the County entered into a loan agreement with Avanza Technologies, Inc. in the amount of \$235,000. As of June 30, 2010 the County had distributed the entire \$235,000 loan amount to Avanza. The loan bears interest at 5% per annum beginning July 30, 2006. The loan is secured by any and all assets that Avanza purchases in whole or in part with the loan proceeds constructed or installed prior to December 31, 2004. The loan requires Avanza to make eighty-four monthly payments of \$3,321 beginning July 30, 2006 through January 30, 2012. Over the life of this loan, Avanza has only made three payments totaling \$7,056. On October 17, 2006, Avanza sent a letter notifying the County that it was no longer a viable entity and that it would not be making any further loan payments. A reserve for loan losses has been recorded for the outstanding balance on the loan. The County is pursuing legal measures to collect the loan balance due of \$227,944.

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, 2010 the County had distributed \$302,009 of the loan amount to Caldera and an additional \$32,395 of accrued interest was added to principal. The loan bears interest at 5% per annum beginning September 21, 2010. 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 in FY 2010 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. As of June 30, 2014 the loan was current and there was no delinquent balance.

Payments due are as follows on the Caldera loan:

<u>Total of monthly payments for fiscal year ending</u>	<u>Principal Installment</u>
June 30, 2015	\$ 33,655
June 30, 2016	35,376
June 30, 2017	37,186
June 30, 2018	39,089
June 30, 2019	41,089
June 30, 2020	7,050
Caldera Loan Receivable as of June 30, 2014	<u><u>\$ 193,445</u></u>

As of June 30, 2014 the total reserve for loan losses balance was \$300,000. The reserve was established since several of these loans are to start-up companies and may not prove to be fully collectible.

As of June 30, 2014 the County has fully amortized discounts on loans receivables and there was no balance reported. The discount was established since one of the loans was interest free. Amortization of loan discounts of \$72,065 was recorded for the fiscal year ended June 30, 2014.

Mortgage Loans Receivable

During the fiscal year ended June 30, 2006, the County recorded mortgage loans receivable and a deferred inflow or resources of \$350,000. The County received the mortgage loan in exchange for clearing restrictive covenants on the land parcels it had previously deeded to Los Alamos Group Home Inc. The restrictive covenants state that should Los Alamos Group Home Inc. sell their land parcel, the corresponding mortgage loan amount would be due and payable to the County. The balance in mortgage loans and related deferred inflow or resources at June 30, 2014 remained at \$350,000.

The detail of the loan receivable balances at June 30, 2014, is as follows:

Principal, economic development loans:	
Los Alamos Commerce and Development Corporation	\$ 32,331
Veriscape Inc.	24,392
Elemetric Instruments Inc (formerly Advanced Realtime Technologies, LLC)	51,170
Avanza Technologies, Inc.	227,944
Caldera Pharmaceuticals Inc.	193,445
Subtotal economic development loans	<u>529,282</u>
Principal, mortgage loans:	
Los Alamos Group Home Inc.	350,000
Less: Reserve for loan losses	<u>(300,000)</u>
Total loans receivable, net of reserve for loan losses (as reflected in Economic Development Fund)	<u><u>\$ 579,282</u></u>

(6) INTERFUND TRANSFERS, ASSETS, AND LIABILITIES

Interfund transfers:

The County records transfers to fund the operations and projects of other funds, to provide for debt service, to record profit transfers from utility funds, record the movement of capital assets between funds, and as otherwise needed and required by GAAP. The interfund transfers during the year ended June 30, 2014 are presented below:

Transfers in (from other funds)	Transfers out (to other funds)												Total
	General	Economic Development	Emergency Declarations	Capital Improvement Projects	Capital Projects Permanent	Joint Utility System	Environmental Services	Transit	Fire	Airport	Internal Service	Other Governmental	
General	\$ 0	2,500	635,673	0	0	731,886	8,000	3,600	1,170,719	3,700	10,700	11,653	2,578,431
Economic Development	0	0	0	777,500	0	0	0	0	0	0	0	0	777,500
Emergency Declarations	333,417	0	0	0	0	0	0	0	0	0	0	0	333,417
Capital Improvement Projects	3,970,000	121,000	0	0	6,591,071	0	0	0	0	0	0	530,000	11,212,071
Transit	1,300,000	0	0	0	0	0	0	0	0	0	0	0	1,300,000
Airport	222,000	365,248	0	0	0	0	0	0	0	0	0	0	587,248
Internal Service	0	0	0	66,000	0	30,815	321,073	605,039	36,402	0	0	0	1,059,329
Other Governmental	6,200,301	0	0	0	0	253,818	3,621	0	0	0	0	0	6,457,740
	<u>\$ 12,025,718</u>	<u>488,748</u>	<u>635,673</u>	<u>843,500</u>	<u>6,591,071</u>	<u>1,016,519</u>	<u>332,694</u>	<u>608,639</u>	<u>1,207,121</u>	<u>3,700</u>	<u>10,700</u>	<u>541,653</u>	<u>24,305,736</u>
Capital assets were transferred into (out of) the following funds from (to) governmental activities:													
Joint Utility System	\$ 54,233												
Fire	787,246												
Internal Service	199,212												
Total	<u>\$ 1,040,691</u>												

Interfund assets and liabilities:

An advance from the General Fund to the Airport Fund for construction projects was recorded in FY 2010 in the amount of \$146,799. Since additional advances are expected for other Airport projects, no repayment schedule has been set and the entire balance is considered long-term. An advance of \$500,000 was made from the General Fund to the Joint Utility in FY 2013, upon completion of the Smart House Project. Interest in the amount of \$15,000 per year is due on this advance. The advance will be repaid when the Smart House is sold.

Advance From/to balances at June 30, 2014 are presented below:

<u>Advances from other funds</u>	<u>Advances to other funds</u>
	<u>General</u>
Airport	\$ 146,799
Joint Utility System	500,000
	<u>\$ 646,799</u>

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

Due to/due from balances at June 30, 2014 are presented below:

<u>Due to other funds</u>	<u>Due from other funds</u>		
	<u>General</u>	<u>Pension Trust</u>	<u>Total</u>
General	\$ 0	233,624	233,624
Emergency Declarations	2,733,147	0	2,733,147
Fire	2,561,214	0	2,561,214
Pension Trust	18,457	0	18,457
	<u>\$ 5,312,818</u>	<u>233,624</u>	<u>5,546,442</u>

(7) CAPITAL ASSETS

During FY 2014, the Joint Utility Fund received contributions of equipment and plant from New Energy and Technology Development Organization of Japan (NEDO), an agency of the Japanese government with a fair value of approximately \$10.9 million.

Machinery and equipment in the amount of \$199,212 was transferred from governmental activities to business-type activities. This represents vehicles purchased by the General Fund and transferred to the Equipment internal service fund. Construction work in progress of \$54,233 was transferred from governmental activities to the Joint Utility System Fund for utility assets being constructed as part of the Stables Area Covered Arena project. Building improvements at Fire Station 6 were transferred from governmental activities to the business-type activities (Fire Fund).

The County capitalized approximately \$30.1 million in construction work in progress (CWIP) capital assets net of approximately \$1.8 of losses on disposal of capital assets where expenditures initially accounted for as an addition to CWIP did not result in the creation of a capital asset. In addition, during FY 2014, the County added approximately \$18.2 million in new construction in progress. Of these additions, \$7.2 million related to business-type activities including roughly \$3.6 million in electric and gas Utility infrastructure projects, \$3.1 million in water and wastewater infrastructure projects, and \$.5 million in the Transit Fund for a software system and additional bus shelters. There were additions of \$11.0 million in capital projects of the governmental activities during the year. Capital asset activity for the year ended June 30, 2014 was as follows:

	June 30, 2013 Balance	Additions	Disposals	Donations, Transfers and Adjustments	June 30, 2014 Balance
Governmental activities capital assets:					
Capital assets, not being depreciated:					
Land	\$ 52,977,882	0	0	0	52,977,882
Right of way land	18,001,114	0	0	0	18,001,114
Art and historic treasures	916,379	51,423	0	0	967,802
Construction in progress	11,228,325	10,991,137	(12,994,740)	(841,479)	8,383,243
Total capital assets, not being depreciated	<u>83,123,700</u>	<u>11,042,560</u>	<u>(12,994,740)</u>	<u>(841,479)</u>	<u>80,330,041</u>
Capital assets, being depreciated					
Buildings	118,936,416	1,260,017	0	0	120,196,433
Improvements other than buildings	15,756,840	2,255,955	0	0	18,012,795
Machinery and equipment	15,817,630	1,394,004	(475,205)	(210,532)	16,525,897
Infrastructure	170,181,433	7,519,075	(2,809,950)	0	174,890,558
Capital assets, being depreciated	<u>320,692,319</u>	<u>12,429,051</u>	<u>(3,285,155)</u>	<u>(210,532)</u>	<u>329,625,683</u>
Less accumulated depreciation for:					
Buildings	(15,883,817)	(2,393,517)	0	0	(18,277,334)
Improvements other than buildings	(6,226,543)	(431,961)	0	0	(6,658,504)
Machinery and equipment	(9,320,481)	(780,082)	475,205	11,320	(9,614,038)
Infrastructure	(81,141,689)	(6,295,964)	2,234,057	0	(85,203,596)
Total accumulated depreciation	<u>(112,572,530)</u>	<u>(9,901,524)</u>	<u>2,709,262</u>	<u>11,320</u>	<u>(119,753,472)</u>
Total capital assets, being depreciated, net	<u>208,119,789</u>	<u>2,527,527</u>	<u>(575,893)</u>	<u>(199,212)</u>	<u>209,872,211</u>
Total governmental activities capital assets	\$ <u>291,243,489</u>	<u>13,570,087</u>	<u>(13,570,633)</u>	<u>(1,040,691)</u>	<u>290,202,252</u>

Business-type activities capital assets:

Capital assets, not being depreciated:

Land	\$ 8,609,657	0	0	0	8,609,657
Construction in progress	16,341,637	7,243,944	(17,063,404)	54,233	6,576,410
Total capital assets, not being depreciated	<u>24,951,294</u>	<u>7,243,944</u>	<u>(17,063,404)</u>	<u>54,233</u>	<u>15,186,067</u>

Capital assets, being depreciated

Buildings	23,149,229	0	0	787,246	23,936,475
Improvements other than buildings	17,991,558	47,807	(657,915)	0	17,381,450
Utility plant in service	271,201,374	16,416,910	(1,528,588)	10,404,838	296,494,534
Machinery and equipment	24,787,104	2,130,885	(966,366)	670,532	26,622,155
Capital assets, being depreciated	<u>337,129,265</u>	<u>18,595,602</u>	<u>(3,152,869)</u>	<u>11,862,616</u>	<u>364,434,614</u>

Less accumulated depreciation for:

Buildings	(3,736,761)	(563,411)	0	0	(4,300,172)
Improvements other than buildings	(4,779,795)	(834,994)	657,915	0	(4,956,874)
Utility plant in service	(117,322,936)	(10,161,780)	1,289,434	(11,320)	(126,206,602)
Machinery and equipment	(10,976,251)	(2,074,645)	856,394	0	(12,194,502)
Total accumulated depreciation	<u>(136,815,743)</u>	<u>(13,634,830)</u>	<u>2,803,743</u>	<u>(11,320)</u>	<u>(147,658,150)</u>

Total capital assets, being depreciated, net

Total capital assets, being depreciated, net	<u>200,313,522</u>	<u>4,960,772</u>	<u>(349,126)</u>	<u>11,851,296</u>	<u>216,776,464</u>
Total business-type activities capital assets	<u>\$ 225,264,816</u>	<u>12,204,716</u>	<u>(17,412,530)</u>	<u>11,905,529</u>	<u>231,962,531</u>

Depreciation expense for the year ended June 30, 2014 was as follows:

Depreciation expense was charged to governmental activities as follows:	
General government	\$ 2,202,323
Public safety	589,152
Physical and economic environment	1,218
Transportation	6,342,986
Culture and recreation	765,845
Total depreciation expense - governmental activities	<u>\$ 9,901,524</u>
Depreciation expense was charged to business-type activities as follows:	
Joint Utility Fund	
Electric	\$ 7,166,744
Gas	362,076
Water	1,868,089
Wastewater	764,871
Environmental Services	199,321
Transit	82,988
Fire	498,681
Airport	771,828
Equipment - Internal Service	1,920,232
Total depreciation expense - business-type activities	<u>\$ 13,634,830</u>

(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, 2014, 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:

	Statutory Contribution Rate	
	Member	County
Class of employee:		
General County - Plan 3	13.15%	9.15%
Police - Plan 5	16.30%	18.50%
Municipal Detention Officer – Plan 5	16.65%	16.65%
Fire - Plan 5	16.20%	21.25%

The County's contributions to PERA for the years ended June 30, 2014, 2013, and 2012 were \$4,612,333, \$4,587,284, and \$4,282,923 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 County does not prepare a separate report for the Plan. The Plan Agreement requires the County to contribute bi-weekly an amount equal to 9.0 percent of the compensation paid to all participating employees. Participants are required to contribute bi-weekly an amount equal to 1.0 percent of their individual compensation. The amount contributed by the participant, and four ninths of the amount contributed by the County, are vested immediately. Five ninths of the amount contributed by the County is subject to a seven-year step-vesting schedule. Participants are not allowed to make voluntary contributions to the Plan. Changes to plan provisions require approval by the County Council.

Total contributions for the year ended June 30, 2014 were \$3,429,500 (\$354,358 participant; and \$3,075,142 County, net of forfeitures of \$116,291). 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 percent plus the prime rate listed in the Wall Street Journal at loan origination. Loans used to acquire a home are limited to a term of up to fifteen years. Other loans are limited to a term of up to five years. A one-time \$125 loan origination fee is charged to the participant at the inception of the loan.

Financial statements for the Plan are prepared using the accrual basis of accounting. Employer and participant contributions are recognized in the period that the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the Plan. Administrative expenses of the plan for the year ended June 30, 2014 were \$58,994, which included allocated audit fees of \$6,292, trustee fees of \$51,017, and legal fees of \$1,685.

The following are the plan investments at June 30, 2014, stated at fair value, based on the funds' share price:

Mutual funds at fair value:		
Alliance Bernstein Growth and Income Fund	\$	7,002,293
American Balanced Fund		3,035,463
Columbia Acorn Trust Fund		4,473,933
Gabelli Small Cap Growth Fund		4,893,634
Invesco International Growth Fund		2,558,999
Loomis Sayles Strategic Income Fund		1,685,674
Mutual Global Discovery Fund		4,345,965
Nuveen Large Cap Growth Opportunities Fund		8,024,715
Templeton Global Bond Fund		1,337,096
Pimco Stable Income Fund		3,192,794
		<hr/>
Total investments	\$	<u>40,550,566</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 \$28,379 for the fiscal year ended June 30, 2014.

D. New Mexico Retiree Health Care Act

Plan Description: 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 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 employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

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. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

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 County began participation in the RHCA plan in January, 2006. The County's contributions to the RHCA for the fiscal years ended June 30, 2014, 2013, and 2012 were \$769,204, \$775,021, and \$671,963 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, 2014, was as follows:

	Beginning Balance	Reclassification GASB 65	Additions	Deletions	Ending Balance	Due Within One Year
Governmental activities:						
Accrued compensated absences	\$ 3,160,009	0	1,602,938	1,891,621	2,871,326	1,874,757
Revenue bonds payable	53,956,841	9,653,817	0	3,698,442	59,912,216	3,795,000
Total governmental activities	<u>\$ 57,116,850</u>	<u>9,653,817</u>	<u>1,602,938</u>	<u>5,590,063</u>	<u>62,783,542</u>	<u>5,669,757</u>
Business-type activities:						
Accrued compensated absences	\$ 2,866,688	0	1,793,036	1,516,404	3,143,320	2,053,308
Claims and judgments	2,669,586	0	8,844,727	7,901,060	3,613,253	2,603,916
Revenue bonds payable	39,879,153	1,458,826	0	8,515,299	32,822,680	8,510,000
Contracts and intergovernmental debt	18,784,979	0	140,000	811,957	18,113,022	828,954
Special closure costs	4,523,732	0	388,148	87,539	4,824,341	30,757
	<u>\$ 68,724,138</u>	<u>1,458,826</u>	<u>11,165,911</u>	<u>18,832,259</u>	<u>62,516,616</u>	<u>14,026,935</u>

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 \$113,696 and claims and judgments in the amount of \$3,613,253 from internal service funds are included as part of the business-type activities. The County implemented GASB Statement No. 65 which resulted in the restatement of beginning balances of Net Position for bond issuance costs. Additionally, as shown above, amounts deferred on refunding of debt which were previously reflected as a reduction of bonds payable were reclassified and are reported in a new category, deferred outflows of resources, on the Proprietary and Government-wide Statements of Net Position.

B. Gross Receipts Tax Improvement Revenue Bonds

GRT Revenue Bonds – 2008/2013 Series

On October 21, 2008, the County closed on the sale of The Incorporated County of Los Alamos, New Mexico Gross Receipts Tax (GRT) Improvement Revenue Bonds, Series 2008. The original bonds were issued in the amount of \$75,000,000 with a final maturity date of June 1, 2028. On June 26, 2013, the County issued \$38,235,000 Gross Receipts Tax Refunding Revenue Bonds, Series 2013 which advance refunded a portion of the 2008 Series. The net proceeds of \$49,926,817 (including \$5,178,930 in premiums net of discount [\$115,496], \$6,700,000 additional funding from the County less \$187,113

in underwriting, insurance and issuance costs) were deposited into escrow and used to pay a portion of the interest on the 2008 Series when due beginning December 1, 2013 through June 1, 2028 and redeem the outstanding 2008 Series maturing on June 1, 2029 and after, when callable on June 1, 2018. The unfunded Series 2008 Revenue Bonds have principal outstanding of \$16,335,000 at June 30, 2014, with a final maturity date of June 1, 2018. Interest on the bonds is payable semi-annually at rates ranging from 3.45% to 5.00%, with an average coupon rate of 4.22%.

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

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

Revenues pledged to cover debt service include (1) the County's State-Shared Gross Receipts Tax Revenues, at the rate authorized (currently 1.225%), (2) the Municipal Gross Receipts Tax Revenues, which equal one and one quarter percent (1.25%), (3) the Municipal Infrastructure Gross Receipts Tax Revenues, in an amount of one-eighth of one percent (0.125%), and (4) the third one-eighth of one percent (0.125%) increment of County Gross Receipts Tax Revenues. The schedules of current year activity and annual maturity requirements of the 2008 GRT Bonds and 2013 GRT Advance Refunding Bonds are as follows:

Year ending June 30	2008 Series		2013 Series	
	Principal	Interest	Principal	Interest
2015	\$ 3,795,000	829,838	0	1,645,559
2016	3,970,000	653,550	0	1,645,559
2017	4,175,000	444,088	0	1,645,559
2018	4,395,000	228,038	0	1,645,559
2019	0	0	4,620,000	1,645,559
2020-2024			16,950,000	5,811,894
2025-2028			16,665,000	1,529,604
	<u>\$ 16,335,000</u>	<u>2,155,513</u>	<u>38,235,000</u>	<u>15,569,291</u>
2008 Series Principal	\$ 16,335,000			
2013 Series Principal			38,235,000	
Unamortized balances:				
Discounts and premiums		5,342,216		
	<u>\$ 59,912,216</u>			

C. Utility System Revenue Bonds

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

Utility Revenue Bonds – 2004/2006 Series

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% 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 position.

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, 2014 are as presented below.

Year ending June 30	2004 A Series		2004 B Series		2006 A Series		2006 B Series		Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2015	\$ 7,660,000	696,000	70,000	46,038	200,000	72,800	315,000	164,235	9,224,073
2016	6,260,000	313,000	70,000	42,887	205,000	64,800	330,000	147,698	7,433,385
2017	0	0	75,000	39,738	215,000	56,600	350,000	130,372	866,710
2018	0	0	80,000	36,175	220,000	48,000	370,000	111,998	866,173
2019	0	0	80,000	32,375	230,000	39,200	390,000	91,832	863,407
2020-2024	0	0	475,000	99,875	750,000	60,800	1,295,000	143,607	2,824,282
2025	0	0	110,000	5,500	0	0	0	0	115,500
	<u>\$ 13,920,000</u>	<u>1,009,000</u>	<u>960,000</u>	<u>302,588</u>	<u>1,820,000</u>	<u>342,200</u>	<u>3,050,000</u>	<u>789,742</u>	<u>22,193,530</u>
2004A Series Principal	\$ 13,920,000								
2004B Series Principal	960,000								
2006A Series Principal	1,820,000								
2006B Series Principal	3,050,000								
Unamortized balances:									
Discounts and premiums	<u>381,670</u>								
Total payable	<u>\$ 20,131,670</u>								

D. Intergovernmental Notes Payable

Business-type Activities

Beginning in December 2005 through January 2013, the County entered into various agreements to borrow \$21,533,598 from several State of New Mexico Agencies, to partially fund various projects. The purpose of each loan, the source of debt service payments, and other details are described below:

CWSRF 1438143: To partially fund the construction of a new wastewater treatment facility. The loan is to be repaid solely from the net revenues from the operation of only the Wastewater subfund, which is a part of the Joint Utility System Fund.

WTB 63: To construct a water line to transfer treated effluent water to County parks and ball fields. The loan is to be repaid from existing Utility system revenues. The agreement included a grant in the amount of \$585,720.

PP 1898: To construct a solid waste transfer station. The loan is to be repaid from Municipal Environmental Services Gross Receipts Tax revenues.

WTB 89: To finance the costs of Phase II of the water conservation, treatment and reuse infrastructure project. The loan is to be repaid from existing Utility water system revenues. The agreement included a grant in the amount of \$319,648.

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

WTB 156: To finance the costs of Phase II of the water conservation, treatment, and reuse infrastructure project. The loan is to be repaid from existing Utility water system revenues. The agreement included a grant in the amount of \$590,000.

WTB 157: To finance the costs of environmental studies for a proposed collector well for water from the San Juan/Chama Diversion Project. The loan is to be repaid from existing Utility water system revenues. The agreement included a grant in the amount of \$200,000.

WTB 220: To finance the costs of the project to upgrade public safety at the Los Alamos Canyon Dam. The loan is to be repaid from existing Utility water system revenues. The agreement included a grant in the amount of \$900,000.

WTB 221: To finance the costs of the water conservation treatment recycling or reuse project at the Los Alamos Canyon Reservoir. The loan is to be repaid from existing Utility water system revenues. The agreement included a grant in the amount of \$210,000.

Loan terms and repayment schedules are shown below:

	New Mexico Environment Department	New Mexico Water Trust Board and New Mexico Finance Authority	New Mexico Finance Authority	New Mexico Water Trust Board and New Mexico Finance Authority	New Mexico Environment Department Construction Programs Bureau	New Mexico Water Trust Board and New Mexico Finance Authority	New Mexico Water Trust Board and New Mexico Finance Authority	New Mexico Water Trust Board and New Mexico Finance Authority	New Mexico Water Trust Board and New Mexico Finance Authority	Totals
Loan Number	CWSRF 1438143	WTB 63	PP 1898	WTB 89	ARRA CWSRF 09	WTB 156	WTB 157	WTB 220	WTB 221	
Date of agreement	Dec 2005	Apr 2007	May 2007	Nov 2008	Dec 2009	Jul 2010 (a)	Jul 2010 (b)	Nov 2011	Jan 2013	
Beginning principal	14,355,105	65,080	5,861,189	79,912	234,812	147,500	50,000	600,000	140,000	
Term of agreement, in years	20	20	27	20	20	20	20	20	20	
Interest rate	3%	-	4.06%	-	2.56%	-	-	-	-	
Administrative fee	-	0.25%	-	0.25%	0.44%	0.25%	0.25%	0.25%	0.25%	
Payable in year ending 6/30/2015:										
Principal	601,287	3,235	163,830	4,046	9,549	7,274	2,466	30,398	6,869	828,954
Interest and/or admin fee	363,602	107	197,768	144	6,234	296	100	1,317	316	569,884
Total	964,889	3,342	361,598	4,190	15,783	7,570	2,566	31,715	7,185	1,398,838
Payable in year ending 6/30/2016:										
Principal	619,325	3,243	170,021	4,056	9,835	7,292	2,472	30,472	6,887	853,603
Interest and/or admin fee	345,563	99	191,592	134	5,948	278	94	1,241	299	545,248
Total	964,888	3,342	361,613	4,190	15,783	7,570	2,566	31,713	7,186	1,398,851
Payable in year ending 6/30/2017:										
Principal	637,905	3,251	176,515	4,066	10,131	7,310	2,478	30,546	6,904	879,106
Interest and/or admin fee	326,983	90	185,114	124	5,653	260	88	1,165	281	519,759
Total	964,888	3,341	361,629	4,190	15,784	7,570	2,566	31,711	7,185	1,398,865
Payable in year ending 6/30/2018:										
Principal	657,042	3,259	183,346	4,076	10,434	7,328	2,484	30,620	6,921	905,510
Interest and/or admin fee	307,846	82	178,300	113	5,349	241	82	1,089	264	493,366
Total	964,888	3,341	361,646	4,189	15,783	7,569	2,566	31,709	7,185	1,398,876
Payable in year ending 6/30/2019:										
Principal	676,753	3,267	190,533	4,087	10,747	7,347	2,490	30,694	6,938	932,856
Interest and/or admin fee	288,135	74	171,132	103	5,036	223	76	1,012	247	466,038
Total	964,888	3,341	361,665	4,190	15,783	7,570	2,566	31,706	7,185	1,398,894

Payable in five years ending 6/30/2024:										
Principal	3,700,763	16,461	1,073,207	20,587	58,771	37,009	12,546	154,592	34,954	5,108,890
Interest and/or admin fee	1,123,678	248	735,416	363	20,144	841	285	3,906	973	1,885,855
Total	4,824,441	16,709	1,808,623	20,950	78,915	37,850	12,831	158,498	35,927	6,994,745
Payable in five years ending 6/30/2029:										
Principal	4,290,201	9,975	1,310,571	16,656	68,133	37,475	12,703	156,480	35,392	5,937,586
Interest and/or admin fee	534,243	50	498,646	105	10,782	377	128	1,965	534	1,046,830
Total	4,824,444	10,025	1,809,217	16,761	78,915	37,852	12,831	158,445	35,926	6,984,416
Payable in five years ending 6/30/2034:										
Principal	936,788	-	1,604,845	-	30,201	7,552	2,560	63,123	21,448	2,666,517
Interest and/or admin fee	28,104	-	205,107	-	1,366	19	6	237	107	234,946
Total	964,892	-	1,809,952	-	31,567	7,571	2,566	63,360	21,555	2,901,463
Total payable										
Principal	12,120,064	42,691	4,872,868	57,574	207,801	118,587	40,199	526,925	126,313	18,113,022
Interest and/or admin fee	3,318,154	750	2,363,075	1,086	60,512	2,535	859	11,933	3,022	5,761,926
Total	15,438,218	43,441	7,235,943	58,660	268,313	121,122	41,058	538,858	129,335	23,874,948

(10) POWER SUPPLY

On March 1, 2012, the Public Service Company of New Mexico (PNM) and active interveners reached agreement on a Transmission Rate Case before the Federal Energy Regulatory Commission (FERC) adjusting the annual transmission revenue requirements to \$79.6 million and the loss factor to 3.47%. Although PNM's transmission rate increase was lower than they requested, their actions resulted in an estimated total of \$56,000 additional cost to Los Alamos County retail customers. PNM filed a Formula Rate Case immediately following conclusion of that Transmission Rate Case. Under this methodology, the rate is adjusted each year using the FERC Form 1 worksheet which reflects PNM's actual financials for the previous year. Since this Formula Rate was filed immediately following approval of the previous rate case, it is not anticipated that the Formula Rate will have a significant impact on Los Alamos County in the immediate future.

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. For the year ended June 30, 2014, the County paid \$965,969 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 at a rate of approximately \$12,000 plus ancillary services.

Furthermore, the County has transmission service agreements with Jemez Mountain Electric Cooperative (Jemez), Tri-State Generation and Transmission Cooperative, PNM, and Northern Rio Arriba Electric Cooperative (NORA) for transmission of County hydroelectric power to the County service area. The 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 a rate schedule which expired June 30, 2006. The payment to Jemez for FY 2014 was \$55,141.

Notes to Financial Statements

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 to 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.

The New Mexico State Environmental Improvement Board (EIB) unanimously approved a State Implementation Plan (SIP) for Best Available Retrofit Technology (BART) at San Juan Generating Station (SJGS) and forwarded to the EPA for their approval. Under the agreement, units 2 and 3 of SJGS would be retired by 12/31/17 and Selective Non Catalytic Reduction (SNCR) technology would be installed on the remaining units 1 and 4. Final EPA approval of the SIP was granted in October 2014 (subsequent to fiscal year end). The County's share of the capital cost for this upgrade is estimated to be \$6.2 million, including costs associated with converting the plant to a Balanced Draft Configuration.

(11) RESOURCE POOL

In 1985 the County and the U.S. Department of Energy (DOE) entered into an Electric Coordination Agreement (ECA) to create a Resource Pool (Pool) to which each party contributes the capacity and energy of their individual electric supply and transmission resources to meet their combined requirements. The County's major contributions to the Pool consist of energy from its San Juan Unit 4 Interest, the El Vado Hydroelectric Project, the Abiquiu Hydroelectric Project, the Laramie River Station, the WAPA entitlement, the PNM NITSA, and various transmission service agreements. The County received \$27,562,605 for fiscal year 2014 from DOE, which is included in utility sales and services, as a result of this contract.

The ECA was renewed in FY 2014 with a five year base term and five one year options. If all options are exercised the agreement would run through the end of the County's FY 2024.

(12) SPECIAL CLOSURE COSTS

A. Landfill (Environmental Services Fund)

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

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

The total cost estimate for landfill closure increased in fiscal year 2012 because the original closure plan had to be enhanced to accommodate the solar panels. The new total cost estimate is \$4,307,168, and expenditures to date are \$3,949,764.

As of June 30, 2014, the landfill closure liability is estimated to be \$357,404 (\$30,757 to complete the landfill closure, \$276,269 for 30-year post-closure costs, and \$50,378 for transfer station decommissioning). The liability is funded at 100% and there are restricted assets in the Environmental Services Fund equal to the closure liability amount.

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

B. 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 exceed its planned useful life by the year 2022, however PNM has engaged a consultant to evaluate extension of the life of Unit 4 until the year 2052. Unit 2 and 3 are scheduled for closure by December 31, 2017 under the SIP (discussed in Note 10), but Unit 4 remains operational.

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. In June 2003, an updated demolition study was conducted on the generating station, which materially agreed to the previous estimate. In January 2012 another updated study was performed which estimated the County's portion of decommissioning costs to be \$3,388,233 in 2011 dollars. After the 1992 study the County began accumulating a decommissioning reserve fund to accumulate sufficient funds for the anticipated decommissioning and demolition costs, using an assumed 4% inflation factor. During fiscal year 2005, in conjunction with the refinancing of the 1994 bond issue, \$403,507 of the decommissioning reserves was applied to reduce the face amount of the 2004A refunding bonds. In fiscal year 2014, \$177,600 was set aside for this purpose. As of June 30, 2014 \$3,718,200 was invested for this purpose.

Using the 2014 updated study and the inflation factor of 4%, the County would incur an actual decommissioning cost of \$9.7 million in 2022 or \$13.3 million in 2030, and should have accumulated \$4 million as of June 30, 2014. Actual inflation has not been over 4% since 1991, and has averaged approximately 2.5% in that time, so the County believes the accumulated reserve is adequate as of June 30, 2014, but will periodically review the assumptions to determine whether more or less should be set aside each year.

C. Coalmine Reclamation (Electric Utility Fund)

The County is required under the San Juan Generation Project Participation Agreement (PPA) to assist in funding future reclamation costs for the San Juan surface coalmine. The mine currently is estimated for closure in 2038. Under the terms of the mine reclamation agreement, the current estimate of costs is \$133.1 million, of which \$2,928,200 is Los Alamos County's share. In FY 2013, the County began funding a trust account as required for its share of the cost. As of June 30, 2014 the balance in this trust is \$405,716. The trust is funded based on the original cost estimate, but future contributions will be adjusted as cost estimates are updated. Plant restructuring is anticipated and has the potential to significantly change the funding requirement and timing of mine reclamation. The owners are currently evaluating projected closure dates and funding requirements. The County will adjust funding to the trust as estimates are updated.

(13) RISK MANAGEMENT

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

The claims liability of \$3,613,253 reported in the Risk Management Fund at June 30, 2014 is based on the requirements of GASB Statements No. 10 and No. 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The claims payable also includes an estimate for claims incurred but not reported.

FY 2014 Insurance coverage summary:

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

Changes in the Risk Management Fund's claims liability amount in fiscal year 2013 and 2014 are summarized below.

	Group Insurance (Dental)	Medical Insurance	Unemployment Compensation	Workers Compensation	General Liability	Total
Claims liability, June 30, 2012	\$ 0	0	0	2,491,869	219,462	2,711,331
Current year claims, insurance, and changes in estimates	470,140	3,512,350	38,791	84,372	812,831	4,918,484
Claims and insurance payments	(470,140)	(2,817,553)	(38,791)	(683,330)	(950,415)	(4,960,229)
Claims liability, June 30, 2013	\$ 0	694,797	0	1,892,911	81,878	2,669,586
Current year claims, insurance, and changes in estimates	439,527	5,450,145	48,138	950,581	1,956,336	8,844,727
Claims and insurance payments	(425,258)	(5,456,969)	(48,138)	(704,252)	(1,266,443)	(7,901,060)
Claims liability, June 30, 2014	\$ 14,269	687,973	0	2,139,240	771,771	3,613,253

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, both provided through Blue Cross Blue Shield of New Mexico (BCBS). The County pays 80 percent of the premium for full-time employees, 60 percent for three-quarter-time employees, and 40 percent for half-time employees. Under these medical plans, the County was neither self-insured nor retaining risk prior to January 1, 2013. Beginning January 1, 2013, the County changed the structure of the insurance program to be self-insured. The plans and contribution percentages remain the same. Since January 1, 2013, the County has accounted for contributions as revenue and paid BCBS for actual claims and claims processing. The County has reinsurance should claims for an individual participant exceed \$100,000 in a claim year. As of June 30, 2014 the estimated claims liability was \$687,973. The County also offers dental and vision insurance. The County pays actual dental claims, which are capped based on the individual procedure. The County chose this method as the premiums were much more expensive than paying the actual claims. Claims are paid monthly with one month prepaid. Claims liability is recorded for the amount by which the estimated claims exceeds the prepaid balance.

Retiree Health Care (Post-employment benefit)

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, 2014. Please see Note (8) for a discussion of the New Mexico Retiree Health Care plan.

Unemployment Compensation

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

Worker Compensation/General Insurance

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

(14) FINANCIAL ASSISTANCE

The County provides fire protection, emergency medical, and rescue services to all citizens and property located within the County, including federal facilities and employees, through a cooperative agreement with the National Nuclear Security Administration (NNSA), an agency of the U.S. Department of Energy (DOE). During FY 2014, the County recognized intergovernmental revenue of approximately \$17.5 million under the terms of this cooperative agreement.

Intergovernmental revenues of approximately \$2.2 million were recorded in the Transit Fund for Federal Transit Administration grant funds. An addition to deferred inflows of approximately \$1.3 million was recorded in the Emergency Declarations Fund for grants from the United States Department of Homeland Security. The County receives financial assistance from numerous other federal and state grantors as detailed in the Schedule of Expenditures of State Awards and the Schedule of Expenditures of Federal Awards, Exhibits 6 and 7 in the Other Information section of this report.

(15) 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, 2014, the balance of Health Facility Revenue Bonds outstanding was \$7,374,218.

(16) COMMITMENTS AND CONTINGENCIES

A. Joint Utility System – Natural Gas Purchase Agreement

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

Under the agreement with RBC, changes in bank regulatory requirements can result in restructuring of the agreement. In October 2013 RBC notified NMMEAA that certain regulatory requirements becoming effective in calendar 2014 could make the agreement uneconomical. A restructuring agreement was in fact entered into later in FY 2014. This new agreement provides for a fixed discount for the life of the agreement, with an option to continue, renegotiate, or terminate at the end of the initial five year period. The discount for the initial term is fixed at \$0.2894 per MCF (thousand cubic feet) of gas purchased.

B. Fire Cooperative Agreement with NNSA

As described in Note (14), the County provides fire protection, emergency medical, and rescue services to all citizens and property located within the County, including federal facilities and employees, through cooperative agreements with the NNSA. One five year cooperative agreement ended September 30, 2013 and a new ten year cooperative agreement began October 1, 2013.

The County's share of costs under the cooperative agreement ending September 30, 2013 was fixed on a federal fiscal year basis with the remainder paid by NNSA. The County has not yet settled with NNSA for amounts it believes it is owed in the amount of \$482,389 under that cooperative agreement. For this reason and in accordance with County financial policies adopted by County Council, a commitment of fund balance is recorded in the General Fund to recognize that these costs may not be collected.

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

C. Encumbrances

The County uses an encumbrance system as an extension of normal budgetary accounting for all funds as the County's budgetary basis includes encumbrances. Under this system, purchase orders, contracts and commitments for expenditures are recorded to reserve that portion of applicable appropriations. In governmental funds, encumbrances outstanding at fiscal year-end are recorded as restricted, committed, or assigned fund balance depending on the classification of the resources to be used to liquidate the encumbrance, since they do not constitute expenditures or liabilities. Outstanding encumbrances at fiscal year-end are re-appropriated for the following year. Encumbrances outstanding by fund at June 30, 2014 are as follows:

Major Governmental Funds:	
General Fund	\$ 1,667,853
Economic Development	180,532
Capital Improvement Projects	12,874,552
Other Governmental	231,951
Total Governmental Funds	<u>14,954,888</u>
Major Proprietary Funds:	
Joint Utility System	1,463,548
Environmental Services	138,974
Transit	261,253
Fire	302,761
Airport	56,435
Total Proprietary Funds	<u>2,222,971</u>
Internal Service Funds:	
Equipment	<u>194,355</u>
Outstanding Encumbrances at June 30, 2014	<u>\$ 17,372,214</u>

D. Litigation

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

E. Operating Leases

The County leases certain equipment and premises under numerous operating leases. Leases are subject to future appropriation and as such are cancelable by the County at the end of a fiscal year. Rental expense for the year ended June 30, 2014 was \$797,522.

The future minimum lease payments under operating leases as of June 30, 2014, are approximately as follows:

Year ending June 30	Amount
2015	\$ 404,097
2016	353,926
2017	315,401
2018	300,678
2019	92,702
2020-2022	216,305
	<u>\$ 1,683,109</u>

(17) ECONOMIC DEPENDENCY

The County has significant economic dependence upon LANL. It is the County’s largest employer, and it is estimated that LANL’s expenditures provide, either directly or indirectly, over 90% of the County’s economy. For the year ended June 30, 2014, an estimated 75-80% of GRT revenues relate directly to LANL operations.

(18) ACCOUNTING STANDARD PRONOUNCEMENTS

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB No. 27* ("GASB 65"), replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. This Statement will have a significant effect on future financial statements as it will require the County to record its portion of the unfunded actuarial liability of the State of New Mexico Public Employees Retirement Association (PERA). GASB 68 will be effective for the County fiscal year 2015.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations* ("GASB 69"), establishes accounting and financial reporting standards for mergers, acquisitions, and transfers of operations. The County does not believe it will be impacted upon implementation by GASB 69 which will be effective for the County fiscal year 2015.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* ("GASB 69"), establishes accounting and financial reporting standards for situations where a state or local government, as a guarantor, agrees to indemnify a third-party obligation holder under specified conditions. The County does not believe it will be impacted upon implementation by GASB 69 which will be effective for the County fiscal year 2015.

(19) SUBSEQUENT EVENT

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

The Series 2014A and 2014B bonds were issued to refund the Joint Utility Fund Bonds, Series 2004A, 2004B, 2006A, and 2006B, and provide approximately \$16.8 million for Joint Utility System projects.

Other (nonmajor) Governmental Funds

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

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

State Grants/Other Fund 140 - this special revenue fund accounts for the receipt and expenditure of certain State grants and other grant awards. These include Law Enforcement Protection, Local DWI, Fire Marshal, Fire EMS, 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.

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.

INCORPORATED COUNTY OF LOS ALAMOS
Other Governmental Funds
Combining Balance Sheet
June 30, 2014

	SPECIAL REVENUE FUNDS					DEBT SERVICE FUND	TOTAL
	STATE SHARED REVENUES	LODGERS' TAX	STATE GRANTS / OTHER	INDIGENT HEALTH CARE	OTHER SPECIAL REVENUES	GROSS RECEIPTS TAX REVENUE BOND	
ASSETS							
Equity in pooled cash and investments	\$ 212,218	82,653	305,718	487,715	604,867	242,039	1,935,210
Investments	0	0	0	0	12,300	0	12,300
Receivables, net of allowance for uncollectibles							
Accounts	0	25,836	0	0	0	0	25,836
Interest	0	0	0	0	17	0	17
Due from other governments	96,397	0	16,032	180,092	0	0	292,521
Prepayments	0	0	0	15,450	0	0	15,450
Restricted assets							
Cash and cash equivalents	0	0	0	0	0	29,238	29,238
Debt reserves and debt service	0	0	0	0	0	0	0
TOTAL ASSETS	\$ 308,615	108,489	321,750	683,257	617,184	271,277	2,310,572
LIABILITIES							
Accounts payable	\$ 0	20,188	18,073	2,347	3,916	0	44,524
Accrued salaries and benefits payable	0	0	1,775	816	1,400	0	3,991
Due to other governments	0	0	29,735	0	0	0	29,735
TOTAL LIABILITIES	0	20,188	49,583	3,163	5,316	0	78,250
FUND BALANCE							
Restricted for							
Clerk records and files (State law)	0	0	0	0	51,088	0	51,088
Debt service (Bond and loan agreements)	0	0	0	0	0	29,238	29,238
Grants (Granting entities)	0	0	272,167	0	0	0	272,167
Library operations (contributors)	0	0	0	0	16,129	0	16,129
Lodgers' tax (State law)	0	88,301	0	0	0	0	88,301
Indigent health care claims (State law)	0	0	0	680,094	0	0	680,094
Municipal court (County code)	0	0	0	0	8,351	0	8,351
Property tax valuation (State law)	0	0	0	0	494,316	0	494,316
Recreation (County code and contributors)	0	0	0	0	41,984	0	41,984
Major street maintenance (State law)	308,615	0	0	0	0	0	308,615
Committed to							
Debt service	0	0	0	0	0	242,039	242,039
TOTAL FUND BALANCE	308,615	88,301	272,167	680,094	611,868	271,277	2,232,322
TOTAL LIABILITIES AND FUND BALANCE	\$ 308,615	108,489	321,750	683,257	617,184	271,277	2,310,572

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, 2014

	SPECIAL REVENUE FUNDS					DEBT SERVICE FUND	TOTAL
	STATE SHARED REVENUES	LODGERS' TAX	STATE GRANTS / OTHER	INDIGENT HEALTH CARE	OTHER SPECIAL REVENUES	GROSS RECEIPTS TAX REVENUE BOND	
REVENUES							
Taxes							
Gross receipts taxes	\$ 0	0	0	1,465,025	0	0	1,465,025
Lodgers' tax	0	212,762	0	0	0	0	212,762
	<u>0</u>	<u>212,762</u>	<u>0</u>	<u>1,465,025</u>	<u>0</u>	<u>0</u>	<u>1,677,787</u>
Intergovernmental							
State grants-fire	0	0	531,034	0	0	0	531,034
State grants-police	0	0	91,641	0	0	0	91,641
State shared revenues	580,619	0	0	0	0	0	580,619
	<u>580,619</u>	<u>0</u>	<u>622,675</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,203,294</u>
Fines and forfeits							
Court ordered reimbursements	0	0	0	0	2,367	0	2,367
Charges for services							
Clerk fee	0	0	0	0	19,211	0	19,211
Finance/treasurer fees	0	0	0	0	156,552	0	156,552
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>175,763</u>	<u>0</u>	<u>175,763</u>
Miscellaneous revenue							
Investment income	0	4,081	20,878	13,252	1,954	10,413	50,578
Buildings rental	0	0	0	44,889	0	0	44,889
Donations	0	0	0	0	200	0	200
	<u>0</u>	<u>4,081</u>	<u>20,878</u>	<u>58,141</u>	<u>2,154</u>	<u>10,413</u>	<u>95,667</u>
TOTAL REVENUES	580,619	216,843	643,553	1,523,166	180,284	10,413	3,154,878
EXPENDITURES							
General government							
Municipal Court	0	0	0	0	8,684	0	8,684
County Assessor	0	0	0	0	115,426	0	115,426
County Clerk	0	0	0	0	29,242	0	29,242
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>153,352</u>	<u>0</u>	<u>153,352</u>
Public safety							
Fire marshal	0	0	200,909	0	0	0	200,909
Fire-E.M.S. grant	0	0	12,928	0	0	0	12,928
Police	0	0	95,305	0	0	0	95,305
	<u>0</u>	<u>0</u>	<u>309,142</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>309,142</u>
Physical and economic environment							
Community and Economic Development	0	219,526	0	0	0	0	219,526
Health and welfare							

Community Services-Social Services	0	0	0	1,217,624	0	0	1,217,624
Culture and recreation							
Community Services-Library	0	0	0	0	614	0	614
Community Services-Recreation	0	0	0	0	3,936	0	3,936
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,550</u>	<u>0</u>	<u>4,550</u>
Capital outlay:							
Public Safety							
Fire	0	0	387,680	0	0	0	387,680
Debt service:							
Principal	0	0	0	0	0	3,615,000	3,615,000
Interest	0	0	0	0	0	2,542,740	2,542,740
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,157,740</u>	<u>6,157,740</u>
TOTAL EXPENDITURES	<u>0</u>	<u>219,526</u>	<u>696,822</u>	<u>1,217,624</u>	<u>157,902</u>	<u>6,157,740</u>	<u>8,449,614</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	580,619	(2,683)	(53,269)	305,542	22,382	(6,147,327)	(5,294,736)
OTHER FINANCING SOURCES (USES)							
Transfers in	0	0	0	300,000	0	6,157,740	6,457,740
Transfers out	(530,000)	0	0	0	(11,653)	0	(541,653)
	<u>(530,000)</u>	<u>0</u>	<u>0</u>	<u>300,000</u>	<u>(11,653)</u>	<u>6,157,740</u>	<u>5,916,087</u>
NET CHANGE IN FUND BALANCE	50,619	(2,683)	(53,269)	605,542	10,729	10,413	621,351
FUND BALANCE							
Beginning of fiscal year	257,996	90,984	325,436	74,552	601,139	260,864	1,610,971
FUND BALANCE - END OF FISCAL YEAR	<u>\$ 308,615</u>	<u>88,301</u>	<u>272,167</u>	<u>680,094</u>	<u>611,868</u>	<u>271,277</u>	<u>2,232,322</u>

See accompanying notes to financial statements

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

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

Year ended June 30, 2014

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental				
State shared revenues	\$ 530,000	530,000	580,619	50,619
EXPENDITURES AND ENCUMBRANCES				
TOTAL EXPENDITURES AND ENCUMBRANCES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	530,000	530,000	580,619	50,619
OTHER FINANCING SOURCES (USES)				
Transfers out to:				
Capital Improvement Project Fund	<u>(530,000)</u>	<u>(530,000)</u>	<u>(530,000)</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	<u>\$ 0</u>	<u>0</u>	<u>50,619</u>	<u>50,619</u>
FUND BALANCE				
Beginning of fiscal year			<u>257,996</u>	
FUND BALANCE - END OF FISCAL YEAR			<u>\$ 308,615</u>	

**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, 2014

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Taxes				
Selective gross receipt taxes	\$ 202,000	219,000	212,762	(6,238)
Miscellaneous revenues				
Investment income	0	0	4,081	4,081
TOTAL REVENUES	202,000	219,000	216,843	(2,157)
EXPENDITURES AND ENCUMBRANCES				
Community and Economic Development				
Outside services	190,000	207,000	206,831	169
Intrafund/interfund services	12,695	12,695	12,695	0
TOTAL EXPENDITURES AND ENCUMBRANCES	202,695	219,695	219,526	169
NET CHANGE IN FUND BALANCE	\$ (695)	(695)	(2,683)	(1,988)
FUND BALANCE				
Beginning of fiscal year			90,984	
FUND BALANCE - END OF FISCAL YEAR			\$ 88,301	

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

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

Year ended June 30, 2014

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental				
State grants-fire	\$ 441,500	531,034	531,034	0
State grants-police	104,000	121,733	91,641	(30,092)
Miscellaneous revenues				
Investment income	0	0	20,878	20,878
TOTAL REVENUES	545,500	652,767	643,553	(9,214)
EXPENDITURES AND ENCUMBRANCES				
Fire				
Grants and contracts				
Fire - Fire marshal grant	430,000	838,961	817,784	21,177
Fire - Emergency medical services grant	11,500	12,928	12,928	0
	441,500	851,889	830,712	21,177
Police				
Grants and contracts				
Police - Law enforcement protection grant	40,000	45,865	45,864	1
Police - DWI local grant	64,000	79,533	49,441	30,092
Police - Seizure/Forfeiture	0	217	0	217
	104,000	125,615	95,305	30,310
TOTAL EXPENDITURES AND ENCUMBRANCES	545,500	977,504	926,017	51,487
NET CHANGE IN FUND BALANCE	\$ 0	(324,737)	(282,464)	42,273
ADJUSTMENTS TO GAAP				
Encumbrances			229,195	
GAAP BASIS			(53,269)	
FUND BALANCE				
Beginning of fiscal year			325,436	
FUND BALANCE - END OF FISCAL YEAR			\$ 272,167	

See accompanying notes to financial statements

**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, 2014

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Taxes				
General gross receipts taxes	\$ 1,601,000	1,601,000	1,465,025	(135,975)
Miscellaneous revenues				
Investment income	0	0	13,252	13,252
Buildings rental	35,000	35,000	44,889	9,889
TOTAL REVENUES	<u>1,636,000</u>	<u>1,636,000</u>	<u>1,523,166</u>	<u>(112,834)</u>
EXPENDITURES AND ENCUMBRANCES				
Community Services-Social Services				
Employee salaries and benefits	71,233	71,903	62,071	9,832
Outside services	1,848,400	1,848,400	1,155,119	693,281
Materials and supplies	1,000	1,000	990	10
TOTAL EXPENDITURES AND ENCUMBRANCES	<u>1,920,633</u>	<u>1,921,303</u>	<u>1,218,180</u>	<u>703,123</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	<u>(284,633)</u>	<u>(285,303)</u>	<u>304,986</u>	<u>590,289</u>
OTHER FINANCING SOURCES (USES)				
Transfers in from:				
General Fund	300,000	300,000	300,000	0
NET CHANGE IN FUND BALANCE	<u>\$ 15,367</u>	<u>14,697</u>	<u>604,986</u>	<u>590,289</u>
ADJUSTMENTS TO GAAP				
Encumbrances			556	
GAAP BASIS			<u>605,542</u>	
FUND BALANCE				
Beginning of fiscal year			74,552	
FUND BALANCE - END OF FISCAL YEAR			<u>\$ 680,094</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, 2014

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Fines and Forfeits				
Court ordered reimbursements	\$ 35,000	7,000	2,367	(4,633)
Charges for Services				
Clerk fee	20,000	20,000	19,211	(789)
Finance/treasurer fees	150,000	150,000	156,552	6,552
	<u>170,000</u>	<u>170,000</u>	<u>175,763</u>	<u>5,763</u>
Miscellaneous revenues				
Investment income	1,500	1,500	1,954	454
Donations	3,000	6,000	200	(5,800)
	<u>4,500</u>	<u>7,500</u>	<u>2,154</u>	<u>(5,346)</u>
TOTAL REVENUES	209,500	184,500	180,284	(4,216)
EXPENDITURES AND ENCUMBRANCES				
Municipal Court				
Bench warrant	25,000	0	0	0
Community service	35,000	0	0	0
Alternative sentencing	8,684	8,684	8,684	0
County Assessor				
Property tax valuation	129,693	126,463	117,627	8,836
County Clerk				
Recording and equipment	58,112	58,112	29,242	28,870
Community Services				
Aquatic center gift	3,000	4,300	3,935	365
Library gift	3,200	6,200	614	5,586
TOTAL EXPENDITURES AND ENCUMBRANCES	262,689	203,759	160,102	43,657
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	(53,189)	(19,259)	20,182	39,441

OTHER FINANCING SOURCES (USES)

Transfers in from:				
General Fund	31,000	0	0	0
Transfers out to:				
General Fund	<u>0</u>	<u>(64,407)</u>	<u>(11,653)</u>	<u>(52,754)</u>
NET CHANGE IN FUND BALANCE	\$ <u><u>(22,189)</u></u>	<u><u>(83,666)</u></u>	<u>8,529</u>	<u><u>(13,313)</u></u>
ADJUSTMENTS TO GAAP				
Encumbrances			<u>2,200</u>	
GAAP BASIS			10,729	
FUND BALANCE				
Beginning of fiscal year			<u>601,139</u>	
FUND BALANCE - END OF FISCAL YEAR			\$ <u><u>611,868</u></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, 2014

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Miscellaneous revenues				
Investment income	\$ 158,000	158,000	10,413	(147,587)
EXPENDITURES AND ENCUMBRANCES				
Administrative Services - Finance Office				
Principal payment on debt	3,615,000	3,615,000	3,615,000	0
Interest payment on debt	2,563,425	2,563,425	2,542,740	20,685
	<u>6,178,425</u>	<u>6,178,425</u>	<u>6,157,740</u>	<u>20,685</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	(6,020,425)	(6,020,425)	(6,147,327)	(126,902)
OTHER FINANCING SOURCES (USES)				
Transfers in from:				
General Fund	6,178,291	6,178,291	6,157,740	(20,551)
NET CHANGE IN FUND BALANCE	\$ <u>157,866</u>	<u>157,866</u>	10,413	<u>(147,453)</u>
FUND BALANCE				
Beginning of fiscal year			260,864	
FUND BALANCE - END OF FISCAL YEAR			\$ <u>271,277</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, 2014

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Miscellaneous revenues				
Investment income	\$ 2,070,000	7,570,000	5,532,219	(2,037,781)
OTHER FINANCING SOURCES (USES)				
Transfers out to:				
Capital Improvement Project Fund	(1,091,000)	(6,591,071)	(6,591,071)	0
NET CHANGE IN FUND BALANCE	\$ 979,000	978,929	(1,058,852)	(2,037,781)
FUND BALANCE				
Beginning of fiscal year			28,796,897	
FUND BALANCE - END OF FISCAL YEAR			\$ 27,738,045	

INCORPORATED COUNTY OF LOS ALAMOS
PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS
Quarter Ended June 30, 2014

PROJECT	PROJECT-LENGTH BUDGET APPROPRIATIONS	EXPENDED IN PRIOR YEARS	EXPENDED IN CURRENT YEAR	EXPENDED THROUGH JUNE 30, 2014	UNEXPENDED AS OF JUNE 30, 2014	ENCUMBRANCES AS OF JUNE 30, 2014	REMAINING BALANCE AS OF JUNE 30, 2014
CIP FUND - MAJOR PROJECTS							
Information Technology	\$ 1,755,646	0	95,436	95,436	1,660,210	128,906	1,531,304
Community Broadband (residual)	117,957	0	0	0	117,957	0	117,957
Municipal Building Replacement (residual)	330,535	0	0	0	330,535	10,088	320,447
Trinity Site Demolition (residual)	752,529	0	0	0	752,529	644,975	107,554
Golf Course Clubhouse	5,724,960	2,721,484	2,368,165	5,089,649	635,311	159,950	475,361
White Rock Civic Center	8,516,832	191,357	513,140	704,497	7,812,335	4,466,254	3,346,081
Potential Public Schools Projects	170,800	0	0	0	170,800	0	170,800
Canyon Rim Trail	575,327	0	0	0	575,327	183,534	391,793
NM 502 Knecht to Tewa	1,514,528	0	560,005	560,005	954,523	783,086	171,437
Western Area Road Replacement (continuing)	1,059,051	0	0	0	1,059,051	648,990	410,061
Eastern Area Project	110,478	0	0	0	110,478	0	110,478
Eastern Area Soundwall	757,241	12,617	91,668	104,285	652,956	524,450	128,506
Ice Rink Parking Lot	244,000	0	0	0	244,000	0	244,000
Central Avenue Improvement	3,042,902	0	94,405	94,405	2,948,497	2,369,169	579,328
Public Art (continuing)	923,990	0	11,275	11,275	912,715	36,388	876,327
Parks Small Capital Projects (continuing)	407,433	0	0	0	407,433	0	407,433
White Rock Gateway Structure	50,000	32,941	0	32,941	17,059	0	17,059
Stables Area Covered Arena (residual)	47,994	0	0	0	47,994	133	47,861
Ice Rink Improvements	240,000	177,759	0	177,759	62,241	0	62,241
Ashley Pond Improvements (residual)	73,473	0	0	0	73,473	33,840	39,633
Teen Center	4,110,396	191,191	33,410	224,601	3,885,795	296,504	3,589,291
Nature Center	4,377,427	141,974	976,054	1,118,028	3,259,399	2,588,285	671,114
	<u>34,903,499</u>	<u>3,469,323</u>	<u>4,743,558</u>	<u>8,212,881</u>	<u>26,690,618</u>	<u>12,874,552</u>	<u>13,816,066</u>
PROJECTS COMPLETED IN FY2014							
Information Technology	814,825	554,562	260,263	814,825	0	0	0
Community Broadband	11,534	0	11,534	11,534	0	0	0
Municipal Building Replacement	419,711	0	419,711	419,711	0	0	0
Trinity Site Demolition	74,994	0	74,994	74,994	0	0	0
La Plaza Mainstreet	23,376	0	0	0	23,376	0	23,376
Diamond Drive Phase 4	173,141	57,377	26,049	83,426	89,715	0	89,715
Western Area Road Replacement	1,509,481	251,813	1,257,668	1,509,481	0	0	0
White Rock Arroyo Trail	606,023	348,034	253,928	601,962	4,061	0	4,061
Iris Street Project	60,000	0	0	0	60,000	0	60,000
Eastern Area Project	5,413,531	3,136,747	2,276,784	5,413,531	0	0	0
Public Art (closed projects)	72,932	12,000	60,932	72,932	0	0	0
Parks Small Capital Projects (closed projects)	22,984	0	22,984	22,984	0	0	0
White Rock Visitor Center / RV Lot	1,818	0	1,818	1,818	0	0	0
Stables Area Covered Arena	750,642	735,158	15,484	750,642	0	0	0
Ashley Pond Improvements	2,255,955	716,524	1,539,431	2,255,955	0	0	0
TOTAL PROJECTS COMPLETED IN FY 2014	<u>12,210,947</u>	<u>5,812,215</u>	<u>6,221,580</u>	<u>12,033,795</u>	<u>177,152</u>	<u>0</u>	<u>177,152</u>
PROJECT TOTALS FY 2014	<u>\$ 47,114,446</u>	<u>9,281,538</u>	<u>10,965,138</u>	<u>20,246,676</u>	<u>26,867,770</u>	<u>12,874,552</u>	<u>13,993,218</u>

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 POSITION
June 30, 2014

	<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	\$ (8,663,910)	6,256,573	13,994,694	152,528	11,739,885
Receivables, net of allowance for uncollectibles					
Accounts	3,280,137	302,283	321,134	239,098	4,142,652
Unbilled	568,541	139,335	280,193	192,543	1,180,612
Due from other subfunds (not included in total column)	0	0	69,784	0	0
Inventories and prepayments					
Inventories	704,697	46,932	233,779	18,555	1,003,963
Power plant inventories	794,806	0	0	0	794,806
Prepayments	392,038	0	152,419	0	544,457
	<u>(2,923,691)</u>	<u>6,745,123</u>	<u>15,052,003</u>	<u>602,724</u>	<u>19,406,375</u>
RESTRICTED ASSETS					
Cash and cash equivalents					
Debt reserves and debt service	11,618,437	0	191,537	723,666	12,533,640
Operations and maintenance	4,502,778	0	0	358,878	4,861,656
Investments					
Debt reserves and debt service	7,056,760	0	0	0	7,056,760
Operations and maintenance	3,013,505	0	0	0	3,013,505
Premiums and discounts	159,307	0	0	0	159,307
Accrued interest	15,136	0	0	0	15,136
	<u>26,365,923</u>	<u>0</u>	<u>191,537</u>	<u>1,082,544</u>	<u>27,640,004</u>
PROPERTY, PLANT AND EQUIPMENT					
Land	0	0	0	2,959,328	2,959,328
Utility plant in service	161,612,665	13,468,153	81,380,180	40,033,536	296,494,534
Machinery and equipment	3,260,127	175,769	868,716	263,135	4,567,747
Less accumulated depreciation	(91,267,574)	(3,870,213)	(21,704,135)	(9,364,680)	(126,206,602)
Construction in progress	3,832,644	642,621	1,317,275	291,501	6,084,041
	<u>77,437,862</u>	<u>10,416,330</u>	<u>61,862,036</u>	<u>34,182,820</u>	<u>183,899,048</u>
OTHER ASSETS					
Assets held for resale	948,236	0	0	0	948,236
Advances to other subfunds (not included in total column)	0	0	730,216	0	0
TOTAL ASSETS	<u>101,828,330</u>	<u>17,161,453</u>	<u>77,835,792</u>	<u>35,868,088</u>	<u>231,893,663</u>
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred amounts from refunding of debt (debits)	729,413	0	0	0	729,413

LIABILITIES

CURRENT LIABILITIES

Accounts payable	2,507,952	266,330	668,291	13,246	3,455,819
Accrued salaries including benefits payable	95,074	10,295	27,112	16,608	149,089
Accrued compensated absences	367,988	100,230	50,078	56,534	574,830
Customer deposits payable	64,558	44,586	47,549	0	156,693
Due to other governments	53,245	16,793	23,432	16,281	109,751
Donations held in trust	23,763	0	0	0	23,763
	<u>3,112,580</u>	<u>438,234</u>	<u>816,462</u>	<u>172,453</u>	<u>4,469,945</u>

LIABILITIES PAYABLE FROM RESTRICTED ASSETS

Current portion of revenue bonds payable	8,500,270	0	9,730	0	8,510,000
Contracts and intergovernmental debt payable	0	0	60,602	604,522	665,124
Interest payable on debt	535,314	0	9,212	83,687	628,213
	<u>9,035,584</u>	<u>0</u>	<u>79,544</u>	<u>688,209</u>	<u>9,803,337</u>

NON-CURRENT LIABILITIES

Revenue bonds payable	22,686,007	0	1,626,673	0	24,312,680
Special closure costs	4,466,937	0	0	0	4,466,937
Accrued compensated absences	148,786	70,755	49,522	22,933	291,996
Advances from other funds	500,000	0	0	0	500,000
Contracts and intergovernmental debt payable	0	0	1,016,797	11,558,233	12,575,030
	<u>27,801,730</u>	<u>70,755</u>	<u>2,692,992</u>	<u>12,311,382</u>	<u>42,146,643</u>

TOTAL LIABILITIES

	<u>39,949,894</u>	<u>508,989</u>	<u>3,588,998</u>	<u>13,172,044</u>	<u>56,419,925</u>
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NET POSITION

Net investment in capital assets	46,980,998	10,416,330	59,148,234	22,020,065	138,565,627
Restricted assets for, net of related liabilities:					
Debt service	21,363,672	0	182,325	998,857	22,544,854
Unrestricted	(5,736,821)	6,236,134	14,916,235	(322,878)	15,092,670
TOTAL NET POSITION	<u>\$ 62,607,849</u>	<u>16,652,464</u>	<u>74,246,794</u>	<u>22,696,044</u>	<u>176,203,151</u>

See accompanying notes to financial statements



INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM SUBFUNDS
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Year ended June 30, 2014

	<u>ELECTRIC</u>	<u>GAS</u>	<u>WATER</u>	<u>WASTEWATER</u>	<u>TOTAL JOINT UTILITY SYSTEM</u>
OPERATING REVENUES					
Utility sales and service	\$ 46,437,361	6,701,825	4,898,629	4,012,067	62,049,882
Rentals	22,262	0	0	0	22,262
Intergovernmental	94,715	0	25,625	0	120,340
Miscellaneous operating revenue	19,976	12,451	14,454	7,895	54,776
	<u>46,574,314</u>	<u>6,714,276</u>	<u>4,938,708</u>	<u>4,019,962</u>	<u>62,247,260</u>
OPERATING EXPENSES					
Employee salaries and benefits	4,847,102	347,846	1,342,798	1,116,351	7,654,097
Contractual services	28,436,053	5,213,768	2,533,590	1,382,422	37,565,833
Materials and supplies	733,055	97,055	327,772	183,684	1,341,566
Depreciation and amortization	7,166,744	362,076	1,868,089	764,871	10,161,780
Special closure costs	388,148	0	0	0	388,148
Other	10,823	8,332	0	1,094	20,249
	<u>41,581,925</u>	<u>6,029,077</u>	<u>6,072,249</u>	<u>3,448,422</u>	<u>57,131,673</u>
OPERATING INCOME (LOSS)	4,992,389	685,199	(1,133,541)	571,540	5,115,587
NONOPERATING REVENUES (EXPENSES)					
Gain (loss) on disposition of capital assets	(413,161)	(7,755)	(440,742)	(38,449)	(900,107)
Investment income (loss)	(107,811)	226,739	567,720	37,213	723,861
Interest on long-term debt	(1,896,007)	0	(90,049)	(377,699)	(2,363,755)
Inventory adjustment	27,442	(2,935)	(1,735)	(6,711)	16,061
	<u>(2,389,537)</u>	<u>216,049</u>	<u>35,194</u>	<u>(385,646)</u>	<u>(2,523,940)</u>
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	2,602,852	901,248	(1,098,347)	185,894	2,591,647
TRANSFERS AND CONTRIBUTIONS					
Transfers out	(483,305)	(253,562)	(253,818)	(25,834)	(1,016,519)
Intergovernmental - capital grants	0	0	210,000	0	210,000
Contributed capital assets - outside source	10,864,838	0	0	0	10,864,838
Contributed capital assets- governmental activities	17,898	0	36,335	0	54,233
	<u>13,002,283</u>	<u>647,686</u>	<u>(1,105,830)</u>	<u>160,060</u>	<u>12,704,199</u>
NET INCOME (LOSS)	13,002,283	647,686	(1,105,830)	160,060	12,704,199
NET POSITION					
Beginning of fiscal year	50,059,499	16,004,778	75,358,672	22,535,984	163,958,933
Prior period restatement - GASB Statement 65	(453,933)	0	(6,048)	0	(459,981)
NET POSITION - END OF FISCAL YEAR	\$ <u>62,607,849</u>	<u>16,652,464</u>	<u>74,246,794</u>	<u>22,696,044</u>	<u>176,203,151</u>

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

COMBINING SCHEDULE OF CASH FLOWS
Year ended June 30, 2014

	<u>ELECTRIC</u>	<u>GAS</u>	<u>WATER</u>	<u>WASTEWATER</u>	<u>TOTAL</u>
CASH FLOWS - OPERATING ACTIVITIES					
Cash received from customers and users	\$ 46,383,921	6,609,122	5,195,623	4,039,500	62,228,166
Cash paid to suppliers for goods and services	(29,405,387)	(5,202,870)	(2,625,049)	(2,179,431)	(39,412,737)
Cash paid to employees	(4,785,010)	(341,419)	(1,335,675)	(1,119,027)	(7,581,131)
Taxes received from customers and users	684,654	419,028	205,649	194,488	1,503,819
Taxes remitted to State (from customers and users)	(681,092)	(416,049)	(212,452)	(193,513)	(1,503,106)
NET CASH FLOWS - OPERATING ACTIVITIES	12,197,086	1,067,812	1,228,096	742,017	15,235,011
CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES					
Transfers to other funds	(478,324)	(253,562)	(253,818)	0	(985,704)
Cash received from short-term intra subfund loans	0	0	0	800,000	800,000
Cash paid for short-term intra subfund loans	0	0	(800,000)	0	(800,000)
NET CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES	(478,324)	(253,562)	(1,053,818)	800,000	(985,704)
CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES					
Cash received from capital grants	0	0	210,000	0	210,000
Proceeds received from loans	0	0	140,000	0	140,000
Principal repaid	(8,120,756)	0	(76,278)	(587,000)	(8,784,034)
Interest and other debt service paid	(1,745,608)	0	(93,066)	(381,730)	(2,220,404)
Federal debt subsidy received	94,588	0	25,591	0	120,179
Cash paid for acquisition of capital assets	(2,829,935)	(751,395)	(2,112,613)	(1,045,890)	(6,739,833)
NET CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES	(12,601,711)	(751,395)	(1,906,366)	(2,014,620)	(17,274,092)
CASH FLOWS - INVESTING ACTIVITIES					
Proceeds from sale of investment securities	14,605,798	0	0	0	14,605,798
Interest received on investments	116,817	226,739	567,720	37,213	948,489
Purchase of investment securities	(7,918,835)	0	0	0	(7,918,835)
NET CASH FLOWS - INVESTING ACTIVITIES	6,803,780	226,739	567,720	37,213	7,635,452
NET INCREASE (DECREASE) IN CASH	5,920,831	289,594	(1,164,368)	(435,390)	4,610,667
EQUITY IN POOLED CASH AND INVESTMENTS - BEGINNING OF FISCAL YEAR	1,536,474	5,966,979	15,350,599	1,670,462	24,524,514
EQUITY IN POOLED CASH AND INVESTMENTS - END OF FISCAL YEAR	\$ 7,457,305	6,256,573	14,186,231	1,235,072	29,135,181

(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)	\$	4,992,389	685,199	(1,133,541)	571,540	5,115,587
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FLOWS - OPERATING ACTIVITIES						
Depreciation and amortization expense		7,166,744	362,076	1,868,089	764,871	10,161,780
Amortization of special closure costs		388,148	0	0	0	388,148
Provision for uncollectible accounts receivable		10,823	8,332	0	1,094	20,249
Intergovernmental revenue		(94,715)	0	(25,625)	0	(120,340)
Change in assets and liabilities:						
Accounts and other receivables		(94,029)	(105,329)	278,473	19,538	98,653
Inventories		91,743	(476)	(58,439)	(6,693)	26,135
Prepayments and other		(84,582)	0	25,498	0	(59,084)
Accounts and retentions payable		(243,440)	108,429	269,254	(606,632)	(472,389)
Salaries and benefits payable		62,092	6,427	7,123	(2,676)	72,966
Other current liabilities		(1,649)	175	4,067	0	2,593
Due to other governments		3,562	2,979	(6,803)	975	713
Total adjustments		7,204,697	382,613	2,361,637	170,477	10,119,424
NET CASH FLOWS - OPERATING ACTIVITIES	\$	12,197,086	1,067,812	1,228,096	742,017	15,235,011

SCHEDULE OF NON CASH CAPITAL AND RELATED FINANCING ACTIVITIES

NON CASH TRANSACTIONS:

Asset transfers - proprietary funds	\$	(4,981)	0	0	(25,834)	(30,815)
Contributed capital assets from outside sources		10,864,838	0	0	0	10,864,838
Contributed capital assets - governmental activities		17,898	0	36,335	0	54,233
Fair value adjustment for investments		57,854	0	0	0	57,854
TOTAL NON CASH TRANSACTIONS	\$	10,935,609	0	36,335	(25,834)	10,946,110

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

**SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30 2014**

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental	\$ 0	0	330,340	330,340
Charges for services	71,232,240	71,232,240	62,072,144	(9,160,096)
Miscellaneous revenues	956,730	956,730	774,013	(182,717)
TOTAL REVENUES	<u>72,188,970</u>	<u>72,188,970</u>	<u>63,176,497</u>	<u>(9,012,473)</u>
EXPENSES AND ENCUMBRANCES				
Utilities Department				
Electric Subfund	57,365,339	58,985,224	47,315,123	11,670,101
Gas Subfund	6,776,895	6,883,602	6,421,076	462,526
Water Subfund	12,390,330	13,348,537	6,852,146	6,496,391
Wastewater Subfund	5,003,960	6,019,693	5,279,902	739,791
TOTAL EXPENSES AND ENCUMBRANCES	<u>81,536,524</u>	<u>85,237,056</u>	<u>65,868,247</u>	<u>19,368,809</u>
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	(9,347,554)	(13,048,086)	(2,691,750)	10,356,336
OTHER FINANCING SOURCES (USES)				
Transfers out	(806,974)	(1,060,792)	(985,704)	75,088
Proceeds from long-term debt	344,504	344,504	0	(344,504)
Proceeds from intergovernmental loans	0	0	140,000	140,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>(462,470)</u>	<u>(716,288)</u>	<u>(845,704)</u>	<u>(129,416)</u>
NET CHANGE IN FUND BALANCE	\$ <u>(9,810,024)</u>	<u>(13,764,374)</u>	<u>(3,537,454)</u>	<u>10,226,920</u>
ADJUSTMENTS TO GAAP				
Encumbrances			1,463,548	
Changes in compensated absences			(44,418)	
Bad debt adjustment			(15,625)	
Depreciation and amortization			(10,161,780)	
Adjustments to inventory			16,061	
Special closure costs			(388,148)	

Net book value of disposed capital assets	(900,108)
Proceeds from intergovernmental loans	(140,000)
Assets transferred - proprietary funds	(30,815)
Contributed capital assets - governmental activities	54,233
Contributed capital - outside source	10,864,838
Capital outlay capitalized	36,065
Capital projects capitalized (budgeted by line item)	6,703,768
Principal on debt service	8,784,034
	<u>16,241,653</u>
GAAP BASIS	12,704,199
NET POSITION	
Beginning of fiscal year	163,958,933
Prior period restatement - GASB Statement 65	(459,981)
NET POSITION - END OF FISCAL YEAR	\$ <u><u>176,203,151</u></u>

**INCORPORATED COUNTY OF LOS ALAMOS
ELECTRIC SUBFUND**

SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30 2014

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental				
Federal subsidy	\$ 0	0	94,715	94,715
Charges for services				
Residential	13,520,670	13,520,670	5,801,691	(7,718,979)
Commercial and industrial	0	0	3,888,005	3,888,005
Public street and highway lighting	0	0	66,035	66,035
Municipal	0	0	1,444,776	1,444,776
Educational	0	0	473,886	473,886
Wholesale	41,416,495	41,416,495	34,425,200	(6,991,295)
Rent from utility properties	0	0	22,262	22,262
Miscellaneous services	183,750	183,750	337,768	154,018
	<u>55,120,915</u>	<u>55,120,915</u>	<u>46,459,623</u>	<u>(8,661,292)</u>
Miscellaneous revenues				
Interest income (loss)	75,000	75,000	(107,811)	(182,811)
Interest charges-delinquent accounts	0	0	18,456	18,456
Other	0	0	1,520	1,520
Interfund loans (principal)	58,945	58,945	0	(58,945)
	<u>133,945</u>	<u>133,945</u>	<u>(87,835)</u>	<u>(221,780)</u>
TOTAL REVENUES	<u>55,254,860</u>	<u>55,254,860</u>	<u>46,466,503</u>	<u>(8,788,357)</u>
EXPENSES AND ENCUMBRANCES				
Utilities Department				
Electric production				
Employee salaries and benefits	1,409,501	1,413,904	1,388,276	25,628
Outside services	40,071,982	40,441,962	28,932,835	11,509,127
Materials and supplies	110,900	139,765	129,924	9,841
Intrafund/interfund services	1,144,482	1,144,482	1,035,661	108,821
Capital outlay	19,050	23,233	0	23,233
Debt and fiscal charges	8,748,251	8,748,251	9,213,763	(465,512)
	<u>51,504,166</u>	<u>51,911,597</u>	<u>40,700,459</u>	<u>11,211,138</u>
Electric distribution				
Employee salaries and benefits	1,327,115	1,334,020	1,430,032	(96,012)
Outside services	1,895,701	2,651,265	1,499,361	1,151,904

Materials and supplies	205,500	590,604	1,495,465	(904,861)
Intrafund/interfund services	1,451,502	1,451,502	1,243,621	207,881
Capital outlay	161,000	161,000	0	161,000
Debt and fiscal charges	820,354	820,354	803,001	17,353
	<u>5,861,172</u>	<u>7,008,745</u>	<u>6,471,480</u>	<u>537,265</u>
General and administrative				
Employee salaries and benefits	2,593,766	2,605,739	2,495,330	110,409
Outside services	871,486	906,047	587,420	318,627
Materials and supplies	88,989	107,336	132,376	(25,040)
Intrafund/interfund services	(3,597,840)	(3,597,840)	(3,076,923)	(520,917)
Capital outlay	43,600	43,600	4,981	38,619
	<u>1</u>	<u>64,882</u>	<u>143,184</u>	<u>(78,302)</u>
TOTAL EXPENSES AND ENCUMBRANCES	<u>57,365,339</u>	<u>58,985,224</u>	<u>47,315,123</u>	<u>11,670,101</u>
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	(2,110,479)	(3,730,364)	(848,620)	2,881,744
OTHER FINANCING SOURCES (USES)				
Transfers out to:				
General Fund	(532,326)	(532,326)	(478,324)	54,002
Proceeds from long-term debt				
Revenue bonds	65,532	65,532	0	(65,532)
	<u>65,532</u>	<u>65,532</u>	<u>0</u>	<u>(65,532)</u>
NET CHANGE IN FUND BALANCE	\$ <u>(2,577,273)</u>	<u>(4,197,158)</u>	<u>(1,326,944)</u>	<u>2,870,214</u>
ADJUSTMENTS TO GAAP				
Encumbrances			496,587	
Changes in compensated absences			(44,373)	
Bad debt adjustment			(10,823)	
Depreciation and amortization			(7,166,744)	
Adjustments to inventory			27,442	
Special closure costs			(388,148)	
Net book value of disposed capital assets			(413,161)	
Assets transferred - proprietary funds			(4,981)	
Contributed capital assets - governmental activities			17,898	
Contributed capital - outside source			10,864,838	
Capital outlay capitalized			4,981	
Capital projects capitalized (budgeted by line item)			2,824,954	
Principal on debt service			8,120,757	
			<u>14,329,227</u>	
GAAP BASIS			13,002,283	
NET POSITION				
Beginning of fiscal year			50,059,499	
Prior period restatement - GASB Statement 65			(453,933)	
NET POSITION - END OF FISCAL YEAR			<u>62,607,849</u>	

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS
GAS SUBFUND**

SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30 2014

	ANNUAL BUDGET	REVISED BUDGET	ACTUALS	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Charges for services				
Residential	\$ 5,906,418	5,906,418	5,068,656	(837,762)
Commercial and industrial	0	0	879,141	879,141
Municipal	0	0	322,610	322,610
Educational	0	0	227,578	227,578
Miscellaneous services	14,639	14,639	203,840	189,201
	<u>5,921,057</u>	<u>5,921,057</u>	<u>6,701,825</u>	<u>780,768</u>
Miscellaneous revenues				
Interest income	50,000	50,000	226,739	176,739
Interest charges-delinquent accounts	0	0	12,451	12,451
	<u>50,000</u>	<u>50,000</u>	<u>239,190</u>	<u>189,190</u>
TOTAL REVENUES	5,971,057	5,971,057	6,941,015	969,958
EXPENSES AND ENCUMBRANCES				
Utilities Department				
Gas				
Employee salaries and benefits	601,601	611,017	577,030	33,987
Outside services	4,844,889	4,920,770	4,600,030	320,740
Materials and supplies	120,350	141,760	200,064	(58,304)
Intrafund/interfund services	1,183,055	1,183,055	1,043,952	139,103
Capital outlay	27,000	27,000	0	27,000
	<u>6,776,895</u>	<u>6,883,602</u>	<u>6,421,076</u>	<u>462,526</u>
TOTAL EXPENSES AND ENCUMBRANCES	6,776,895	6,883,602	6,421,076	462,526
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	(805,838)	(912,545)	519,939	1,432,484

OTHER FINANCING SOURCES (USES)

Transfer out to:				
General Fund	<u>(274,648)</u>	<u>(274,648)</u>	<u>(253,562)</u>	<u>21,086</u>
NET CHANGE IN FUND BALANCE	\$ <u>(1,080,486)</u>	<u>(1,187,193)</u>	266,377	<u>1,453,570</u>

ADJUSTMENTS TO GAAP

Encumbrances			10,912	
Changes in compensated absences			100	
Bad debt adjustment			(8,332)	
Depreciation and amortization			(362,076)	
Adjustments to inventory			(2,935)	
Net book value of disposed capital assets			(7,755)	
Capital projects capitalized (budgeted by line item)			751,395	
			<u>381,309</u>	
GAAP BASIS			647,686	

NET POSITION

Beginning of fiscal year			16,004,778	
NET POSITION - END OF FISCAL YEAR	\$		<u>16,652,464</u>	

**INCORPORATED COUNTY OF LOS ALAMOS
WATER SUBFUND**

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

Year ended June 30 2014

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental				
Federal subsidy	\$ 0	0	25,625	25,625
State grants-other	0	0	210,000	210,000
	<u>0</u>	<u>0</u>	<u>235,625</u>	<u>235,625</u>
Charges for services				
Residential	4,468,586	4,468,586	3,112,239	(1,356,347)
Commercial and industrial	0	0	418,078	418,078
Municipal	77,925	77,925	310,255	232,330
Educational	0	0	122,780	122,780
Wholesale	1,054,500	1,054,500	898,229	(156,271)
Miscellaneous services	61,814	61,814	37,048	(24,766)
	<u>5,662,825</u>	<u>5,662,825</u>	<u>4,898,629</u>	<u>(764,196)</u>
Miscellaneous revenues				
Interest income	732,106	732,106	567,720	(164,386)
Interest charges-delinquent accounts	0	0	6,734	6,734
Other	0	0	3,096	3,096
	<u>732,106</u>	<u>732,106</u>	<u>577,550</u>	<u>(154,556)</u>
TOTAL REVENUES	<u>6,394,931</u>	<u>6,394,931</u>	<u>5,711,804</u>	<u>(683,127)</u>
EXPENSES AND ENCUMBRANCES				
Utilities Department				
Water distribution				
Employee salaries and benefits	535,936	535,936	591,021	(55,085)
Outside services	835,000	1,183,076	1,236,535	(53,459)
Materials and supplies	161,500	161,848	243,373	(81,525)
Intrafund/interfund services	801,237	801,237	821,232	(19,995)
Capital outlay	42,500	42,500	0	42,500
	<u>2,376,173</u>	<u>2,724,597</u>	<u>2,892,161</u>	<u>(167,564)</u>
Water production				
Employee salaries and benefits	934,635	938,635	853,551	85,084
Outside services	7,087,907	7,689,632	1,370,316	6,319,316
Materials and supplies	246,800	250,858	125,059	125,799
Intrafund/interfund services	1,510,950	1,510,950	1,444,732	66,218

Capital outlay	115,000	115,000	0	115,000
Debt and fiscal charges	118,865	118,865	166,327	(47,462)
	<u>10,014,157</u>	<u>10,623,940</u>	<u>3,959,985</u>	<u>6,663,955</u>
TOTAL EXPENSES AND ENCUMBRANCES	12,390,330	13,348,537	6,852,146	6,496,391
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	(5,995,399)	(6,953,606)	(1,140,342)	5,813,264
OTHER FINANCING SOURCES (USES)				
Transfer out to:				
Emergency Declarations Fund	0	(253,818)	(253,818)	0
Proceeds from long-term debt:				
Revenue bonds	278,972	278,972	0	(278,972)
Intergovernmental loans	0	0	140,000	140,000
	<u>0</u>	<u>0</u>	<u>140,000</u>	<u>140,000</u>
NET CHANGE IN FUND BALANCE	\$ (5,716,427)	(6,928,452)	(1,254,160)	5,674,292
ADJUSTMENTS TO GAAP				
Encumbrances			369,661	
Changes in compensated absences			(613)	
Bad debt adjustment			4,624	
Depreciation and amortization			(1,868,089)	
Adjustments to inventory			(1,735)	
Net book value of disposed capital assets			(440,743)	
Proceeds from intergovernmental loans			(140,000)	
Contributed capital assets - governmental activities			36,335	
Capital projects capitalized (budgeted by line item)			2,112,613	
Principal on debt service			76,277	
			<u>148,330</u>	
GAAP BASIS			(1,105,830)	
NET POSITION				
Beginning of fiscal year			75,358,672	
Prior period restatement - GASB Statement 65			(6,048)	
NET POSITION - END OF FISCAL YEAR			\$ 74,246,794	

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS
WASTEWATER SUBFUND**

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

Year ended June 30 2014

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental				
Charges for services				
Wastewater collection	\$ 4,524,259	4,524,259	4,008,411	(515,848)
Miscellaneous services	3,184	3,184	3,656	472
	<u>4,527,443</u>	<u>4,527,443</u>	<u>4,012,067</u>	<u>(515,376)</u>
Miscellaneous revenues				
Interest income	40,679	40,679	37,213	(3,466)
Interest charges-delinquent accounts	0	0	7,895	7,895
	<u>40,679</u>	<u>40,679</u>	<u>45,108</u>	<u>4,429</u>
TOTAL REVENUES	<u>4,568,122</u>	<u>4,568,122</u>	<u>4,057,175</u>	<u>(510,947)</u>
EXPENSES AND ENCUMBRANCES				
Utilities Department				
Wastewater				
Employee salaries and benefits	1,277,981	1,282,253	1,165,260	116,993
Outside services	935,821	1,939,351	1,571,445	367,906
Materials and supplies	235,750	243,681	236,993	6,688
Intrafund/interfund services	1,304,072	1,304,072	1,237,545	66,527
Capital outlay	100,000	100,000	103,960	(3,960)
Debt and fiscal charges	1,150,336	1,150,336	964,699	185,637
TOTAL EXPENSES AND ENCUMBRANCES	<u>5,003,960</u>	<u>6,019,693</u>	<u>5,279,902</u>	<u>739,791</u>
NET CHANGE IN FUND BALANCE	<u>\$ (435,838)</u>	<u>(1,451,571)</u>	<u>(1,222,727)</u>	<u>228,844</u>

ADJUSTMENTS TO GAAP

Encumbrances	586,388
Changes in compensated absences	468
Bad debt adjustment	(1,094)
Depreciation and amortization	(764,871)
Adjustments to inventory	(6,711)
Net book value of disposed capital assets	(38,449)
Assets transferred - proprietary funds	(25,834)
Capital outlay capitalized	31,084
Capital projects capitalized (budgeted by line item)	1,014,806
Principal on debt service	587,000

1,382,787
160,060

GAAP BASIS**NET POSITION**

Beginning of fiscal year 22,535,984

NET POSITION - END OF FISCAL YEAR

€ **22,696,044**



Enterprise Funds

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

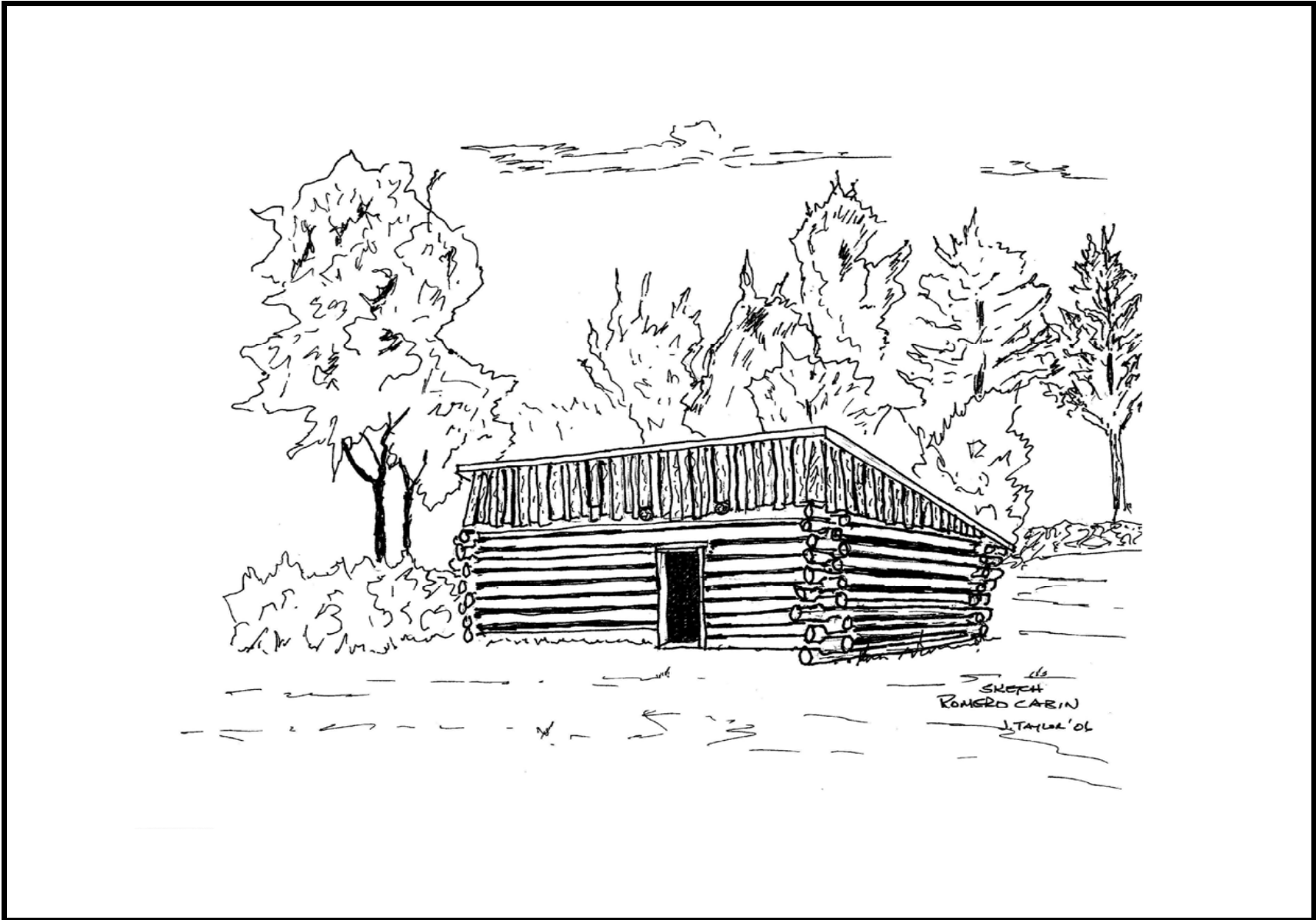
Other Enterprise Funds:

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

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

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

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



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

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

Year ended June 30, 2014

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Taxes				
Selective gross receipt taxes	\$ 805,000	805,000	732,548	(72,452)
Charges for services				
Sales of food or merchandise (trash bags)	8,000	8,000	6,711	(1,289)
Residential	1,555,000	1,555,000	1,544,788	(10,212)
Commercial and industrial	565,000	565,000	483,029	(81,971)
Other charges for service:	700,000	700,000	531,989	(168,011)
	<u>2,828,000</u>	<u>2,828,000</u>	<u>2,566,517</u>	<u>(261,483)</u>
Interfund/interdepartmental charges				
Interdepartmental services	0	0	423,834	423,834
Miscellaneous revenues				
Interest income	46,000	46,000	115,799	69,799
Interest charges-delinquent accounts	0	0	4,537	4,537
Other	100,000	100,000	101,813	1,813
	<u>146,000</u>	<u>146,000</u>	<u>222,149</u>	<u>76,149</u>
TOTAL REVENUES	<u>3,779,000</u>	<u>3,779,000</u>	<u>3,945,048</u>	<u>166,048</u>
EXPENSES AND ENCUMBRANCES				
Public Works				
Environmental Services				
Employee salaries and benefits	1,215,412	1,223,000	1,126,384	96,616
Outside services	1,243,550	1,816,905	1,453,640	363,265
Materials and supplies	103,770	111,010	91,521	19,489
Intrafund/interfund services	1,085,931	1,085,931	1,091,567	(5,636)
Capital outlay	0	521,074	457,431	63,643
Debt and fiscal charges	361,569	361,569	360,614	955
	<u>3,779,000</u>	<u>5,119,489</u>	<u>4,581,157</u>	<u>538,332</u>
TOTAL EXPENSES AND ENCUMBRANCES	<u>4,010,232</u>	<u>5,119,489</u>	<u>4,581,157</u>	<u>538,332</u>
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	(231,232)	(1,340,489)	(636,109)	704,380

OTHER FINANCING SOURCES (USES)**Transfers out to:**

General Fund	0	(8,000)	(8,000)	0
Emergency Declarations Fund	0	(3,621)	(3,621)	0
	<u>0</u>	<u>(3,621)</u>	<u>(3,621)</u>	<u>0</u>

NET CHANGE IN FUND BALANCE

\$	<u>(231,232)</u>	<u>(1,352,110)</u>	<u>(647,730)</u>	<u>704,380</u>
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ADJUSTMENTS TO GAAP

Encumbrances			138,974	
Changes in compensated absences			21,581	
Bad debt adjustment			(1,500)	
Depreciation and amortization			(199,321)	
Special closure costs			87,539	
Capital outlay capitalized			321,073	
Assets transferred - proprietary funds			(321,073)	
Principal on debt service			157,924	
			<u>205,197</u>	

GAAP BASIS**(442,533)****NET POSITION**

Beginning of fiscal year			5,700,460	
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NET POSITION - END OF FISCAL YEAR**\$ 5,257,927**

**INCORPORATED COUNTY OF LOS ALAMOS
TRANSIT FUND**

SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2014

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental				
Federal indirect	\$ 1,432,548	3,330,268	2,219,795	(1,110,473)
State grants-other	0	0	6,370	6,370
Other intergovernmental (NCRTD)	1,563,310	1,563,310	1,344,173	(219,137)
	<u>2,995,858</u>	<u>4,893,578</u>	<u>3,570,338</u>	<u>(1,323,240)</u>
Charges for services				
Transportation	0	0	150,000	150,000
Miscellaneous revenues				
Interest income	23,000	23,000	45,067	22,067
TOTAL REVENUES	<u>3,018,858</u>	<u>4,916,578</u>	<u>3,765,405</u>	<u>(1,151,173)</u>
EXPENSES AND ENCUMBRANCES				
Public Works				
Transit (Atomic City Transit)				
Employee salaries and benefits	2,536,986	2,551,315	2,206,029	345,286
Outside services	118,551	887,003	837,050	49,953
Materials and supplies	132,280	115,308	103,535	11,773
Intrafund/interfund services	1,199,241	1,199,241	1,199,241	0
Capital outlay	470,000	1,576,611	631,902	944,709
TOTAL EXPENSES AND ENCUMBRANCES	<u>4,457,058</u>	<u>6,329,478</u>	<u>4,977,757</u>	<u>1,351,721</u>
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	(1,438,200)	(1,412,900)	(1,212,352)	200,548
OTHER FINANCING SOURCES (USES)				
Transfers in from:				
General Fund	1,300,000	1,300,000	1,300,000	0
Transfers out to:				
General Fund	0	(3,600)	(3,600)	0
NET CHANGE IN FUND BALANCE	<u><u>\$ (138,200)</u></u>	<u><u>(116,500)</u></u>	<u><u>84,048</u></u>	<u><u>200,548</u></u>

ADJUSTMENTS TO GAAP

Encumbrances	261,253
Changes in compensated absences	(12,882)
Bad debt expense	(560)
Depreciation and amortization	(82,988)
Capital outlay capitalized	605,039
Capital projects capitalized (budgeted by line item)	474,444
Assets transferred - proprietary funds	(605,039)

639,267

GAAP BASIS

723,315

NET POSITION

Beginning of fiscal year	1,890,597
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NET POSITION - END OF FISCAL YEAR

\$ 2,613,912

**INCORPORATED COUNTY OF LOS ALAMOS
FIRE FUND**

SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2014

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Taxes				
Fire excise tax	\$ 1,601,000	1,601,000	1,465,025	(135,975)
Intergovernmental revenue				
Federal direct - NNSA cooperative agreement	18,030,600	19,252,077	17,552,526	(1,699,551)
Charges for services				
Ambulance services	402,223	269,335	639,725	370,390
Interfund/interdepartmental charges				
County share of fire services	3,668,219	4,055,000	4,055,000	0
Miscellaneous revenues				
Other	0	0	8,120	8,120
TOTAL REVENUES	<u>23,702,042</u>	<u>25,177,412</u>	<u>23,720,396</u>	<u>(1,457,016)</u>
EXPENSES AND ENCUMBRANCES				
Fire Department				
Operations				
Employee salaries and benefits	14,289,720	13,928,365	13,296,919	631,446
Outside services	141,942	139,544	122,300	17,244
Materials and supplies	605,872	1,143,304	967,143	176,161
Capital outlay	28,000	94,682	53,472	41,210
	<u>15,065,534</u>	<u>15,305,895</u>	<u>14,439,834</u>	<u>866,061</u>
Life Safety				
Employee salaries and benefits	260,730	324,674	309,191	15,483
Outside services	27,600	31,600	24,683	6,917
Materials and supplies	31,565	40,425	30,045	10,380
Capital outlay	0	0	0	0
	<u>319,895</u>	<u>396,699</u>	<u>363,919</u>	<u>32,780</u>
Training				
Employee salaries and benefits	691,600	694,575	479,076	215,499
Outside services	140,184	156,184	113,482	42,702
Materials and supplies	73,400	92,576	44,711	47,865
Capital outlay	0	20,015	20,014	1
	<u>905,184</u>	<u>963,350</u>	<u>657,283</u>	<u>306,067</u>

Emergency Medical Services				
Employee salaries and benefits	375,661	377,820	247,034	130,786
Outside services	197,325	246,929	226,734	20,195
Materials and supplies	121,130	144,775	205,581	(60,806)
Capital outlay	34,047	262,927	191,556	71,371
	<u>728,163</u>	<u>1,032,451</u>	<u>870,905</u>	<u>161,546</u>
Non contract-administration				
Employee salaries and benefits	0	0	85	(85)
Outside services	0	0	300	(300)
Materials and supplies	0	0	925	(925)
	<u>0</u>	<u>0</u>	<u>1,310</u>	<u>(1,310)</u>
Administration				
Employee salaries and benefits	1,010,044	1,012,918	995,087	17,831
Outside services	335,380	308,296	348,376	(40,080)
Materials and supplies	73,886	81,659	53,242	28,417
Intrafund/interfund services	3,658,106	4,691,222	4,683,226	7,996
Capital outlay	4,850	4,850	0	4,850
	<u>5,082,266</u>	<u>6,098,945</u>	<u>6,079,931</u>	<u>19,014</u>
TOTAL EXPENSES AND ENCUMBRANCES	<u>22,101,042</u>	<u>23,797,340</u>	<u>22,413,182</u>	<u>1,384,158</u>
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	1,601,000	1,380,072	1,307,214	(72,858)
OTHER FINANCING SOURCES (USES)				
Transfers out to:				
General Fund	<u>(1,600,000)</u>	<u>(1,638,645)</u>	<u>(1,170,719)</u>	<u>(467,926)</u>
NET CHANGE IN FUND BALANCE	\$ <u>1,000</u>	<u>(258,573)</u>	136,495	<u>(540,784)</u>
ADJUSTMENTS TO GAAP				
Encumbrances			302,761	
Changes in compensated absences			(237,361)	
Bad debt expense			(159,934)	
Depreciation and amortization			(498,681)	
Capital outlay capitalized			265,042	
Assets transferred to proprietary funds			(36,402)	
Contributed capital assets - governmental activities			787,246	
			<u>422,671</u>	
GAAP BASIS			559,166	
NET POSITION				
Beginning of fiscal year			15,206,632	
NET POSITION - END OF FISCAL YEAR			\$ <u>15,765,798</u>	

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS
AIRPORT FUND**

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

Year ended June 30, 2014

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Licenses and permits				
Right of entry permits	\$ 2,500	2,500	200	(2,300)
Intergovernmental				
Federal direct	279,000	548,833	237,464	(311,369)
State grants-other	15,500	45,020	29,988	(15,032)
	<u>294,500</u>	<u>593,853</u>	<u>267,452</u>	<u>(326,401)</u>
Charges for services				
Airport fees	49,000	49,000	67,603	18,603
Miscellaneous revenues				
Interest income	4,000	4,000	14,119	10,119
Tie down rental	35,200	35,200	32,331	(2,869)
Facilities rental	18,800	18,800	300	(18,500)
	<u>58,000</u>	<u>58,000</u>	<u>46,750</u>	<u>(11,250)</u>
TOTAL REVENUES	404,000	703,353	382,005	(321,348)
EXPENSES AND ENCUMBRANCES				
Public Works				
Airport operations				
Employee salaries and benefits	191,080	191,561	154,832	36,729
Outside services	331,200	1,006,160	617,126	389,034
Materials and supplies	12,300	12,503	14,813	(2,310)
Intrafund/interfund services	100,476	100,476	95,819	4,657
Debt and fiscal charges	0	0	500	(500)
	<u>635,056</u>	<u>1,310,700</u>	<u>883,090</u>	<u>427,610</u>
TOTAL EXPENSES AND ENCUMBRANCES	635,056	1,310,700	883,090	427,610
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	(231,056)	(607,347)	(501,085)	106,262

OTHER FINANCING SOURCES (USES)

Transfers in from:				
General Fund	222,000	222,000	222,000	0
Economic Development Fund	0	365,248	365,248	0
Transfers out to:				
General Fund	<u>0</u>	<u>(3,700)</u>	<u>(3,700)</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	\$ <u>(9,056)</u>	<u>(23,799)</u>	82,463	<u>106,262</u>

ADJUSTMENTS TO GAAP

Encumbrances			56,435	
Changes in compensated absences			(1,081)	
Depreciation and amortization			(771,828)	
Capital outlay capitalized			65,732	
			<u>(650,742)</u>	
GAAP BASIS			(568,279)	

NET POSITION

Beginning of fiscal year			16,282,116	
NET POSITION - END OF FISCAL YEAR			\$ <u>15,713,837</u>	



Internal Service Funds

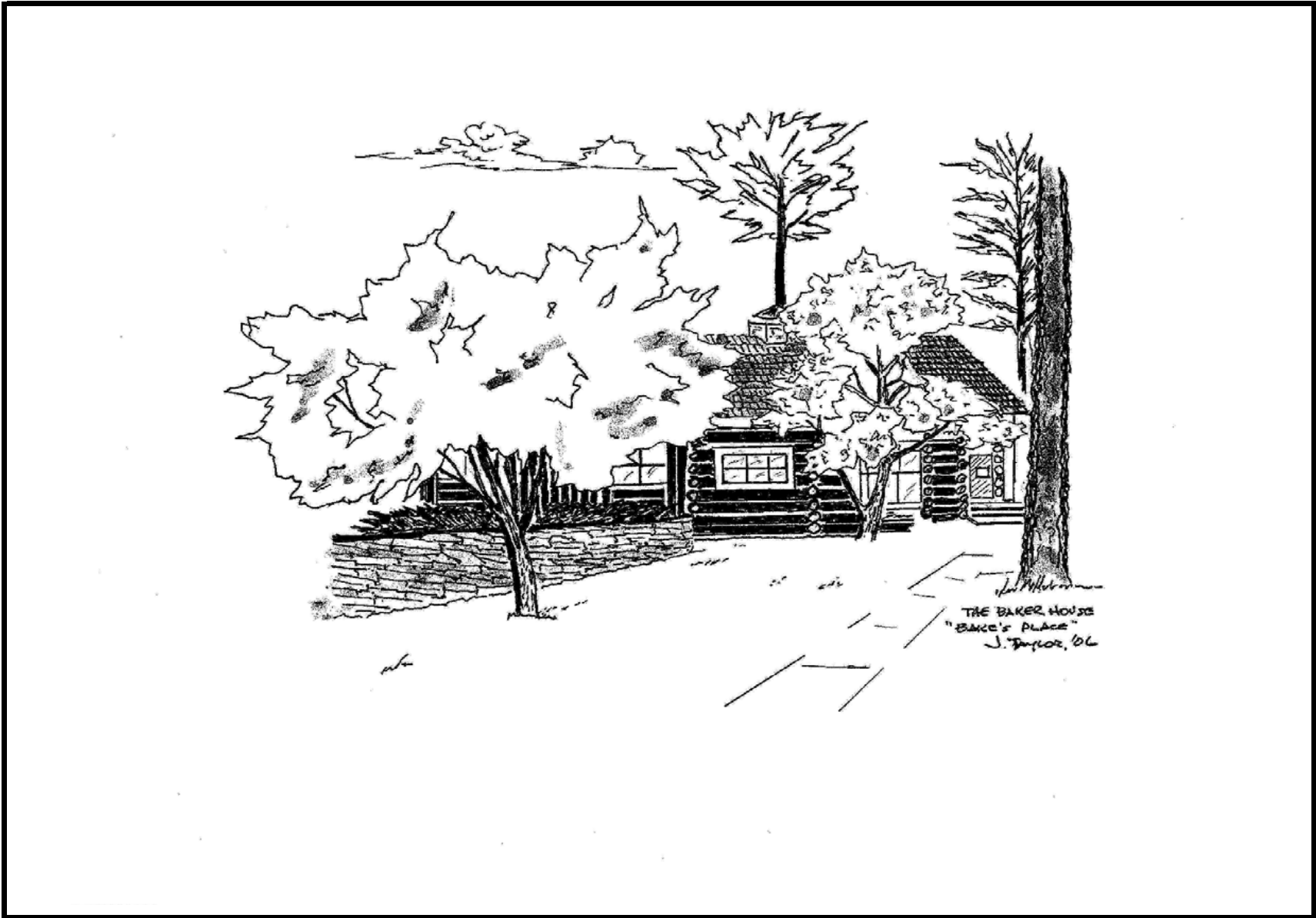
Internal Service Funds account for the financing of goods and services provided by one department or agency to other departments or agencies of a government on a cost-reimbursement basis. The County's internal service funds primarily serve the business-type activities of the County.

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 POSITION

June 30, 2014

	<u>EQUIPMENT</u>	<u>RISK MANAGEMENT</u>	<u>TOTAL</u>
ASSETS			
CURRENT ASSETS			
Equity in pooled cash and investments	\$ 7,148,675	8,893,883	16,042,558
Receivables, net of allowance for uncollectibles			
Accounts	13,392	2,076	15,468
Inventories and prepayments			
Prepayments	0	26,900	26,900
	<u>7,162,067</u>	<u>8,922,859</u>	<u>16,084,926</u>
PROPERTY, PLANT AND EQUIPMENT			
Machinery and equipment	20,618,432	0	20,618,432
Less accumulated depreciation	(11,526,216)	0	(11,526,216)
	<u>9,092,216</u>	<u>0</u>	<u>9,092,216</u>
TOTAL ASSETS	<u>16,254,283</u>	<u>8,922,859</u>	<u>25,177,142</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	122,228	319,786	442,014
Claims and judgments payable	0	2,603,916	2,603,916
Accrued salaries including benefits payable	10,877	8,795	19,672
Accrued compensated absences	61,457	22,043	83,500
	<u>194,562</u>	<u>2,954,540</u>	<u>3,149,102</u>
NONCURRENT LIABILITIES			
Accrued compensated absences	26,042	4,154	30,196
Claims and judgments payable	0	1,009,337	1,009,337
	<u>26,042</u>	<u>1,013,491</u>	<u>1,039,533</u>
TOTAL LIABILITIES	<u>220,604</u>	<u>3,968,031</u>	<u>4,188,635</u>
NET POSITION			
Invested in capital assets, net of related debt	9,092,216	0	9,092,216
Unrestricted	6,941,463	4,954,828	11,896,291
TOTAL NET POSITION	<u>\$ 16,033,679</u>	<u>4,954,828</u>	<u>20,988,507</u>

See accompanying notes to financial statements

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

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Year ended June 30, 2014

	<u>EQUIPMENT</u>	<u>RISK MANAGEMENT</u>	<u>TOTAL</u>
OPERATING REVENUES			
Interfund charges for services	\$ 3,484,275	0	3,484,275
Insurance and pension contributions			
County	0	7,523,883	7,523,883
Employees and retirees	0	1,446,482	1,446,482
Miscellaneous operating revenue	198,458	52,751	251,209
	<u>3,682,733</u>	<u>9,023,116</u>	<u>12,705,849</u>
OPERATING EXPENSES			
Employee salaries and benefits	744,404	262,592	1,006,996
Contractual services	490,141	9,781,264	10,271,405
Materials and supplies	1,578,846	15,808	1,594,654
Depreciation and amortization	1,920,232	0	1,920,232
	<u>4,733,623</u>	<u>10,059,664</u>	<u>14,793,287</u>
OPERATING INCOME (LOSS)	(1,050,890)	(1,036,548)	(2,087,438)
NONOPERATING REVENUES (EXPENSES)			
Gain (loss) on disposition of fixed assets	3,404	0	3,404
Investment income	269,841	317,943	587,784
	<u>273,245</u>	<u>317,943</u>	<u>591,188</u>
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(777,645)	(718,605)	(1,496,250)
TRANSFERS AND CONTRIBUTIONS			
Transfers in	1,059,329	0	1,059,329
Transfers out	(7,000)	(3,700)	(10,700)
Contributed capital assets - governmental activities	199,212	0	199,212
	<u>1,251,541</u>	<u>(3,700)</u>	<u>1,247,841</u>
NET INCOME (LOSS)	473,896	(722,305)	(248,409)
NET POSITION			
Beginning of fiscal year	15,559,783	5,677,133	21,236,916
NET POSITION - END OF FISCAL YEAR	\$ <u>16,033,679</u>	<u>4,954,828</u>	<u>20,988,507</u>

See accompanying notes to financial statements

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

COMBINING STATEMENT OF CASH FLOWS

Year ended June 30, 2014

	<u>EQUIPMENT</u>	<u>RISK MANAGEMENT</u>	<u>TOTAL</u>
CASH FLOWS - OPERATING ACTIVITIES			
Cash received from customers and users	\$ 3,669,341	52,075	3,721,416
Cash received from contributions-employer and employees	0	8,970,365	8,970,365
Cash paid to suppliers for goods and services	(2,018,499)	(8,786,091)	(10,804,590)
Cash paid to employees	(746,603)	(264,987)	(1,011,590)
NET CASH FLOWS - OPERATING ACTIVITIES	904,239	(28,638)	875,601
CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES			
Transfers to other funds	(7,000)	(3,700)	(10,700)
Transfers from other funds	66,000	0	66,000
NET CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES	59,000	(3,700)	55,300
CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash paid for acquisition of capital assets	(903,666)	0	(903,666)
Proceeds from sale of capital assets	51,109	0	51,109
NET CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES	(852,557)	0	(852,557)
CASH FLOWS - INVESTING ACTIVITIES			
Interest received on investments	269,841	317,943	587,784
NET INCREASE (DECREASE) IN CASH	380,523	285,605	666,128
EQUITY IN POOLED CASH AND INVESTMENTS - BEGINNING OF FISCAL YEAR	6,768,152	8,608,278	15,376,430
EQUITY IN POOLED CASH AND INVESTMENTS - END OF FISCAL YEAR	\$ 7,148,675	8,893,883	16,042,558
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS - OPERATING ACTIVITIES			
OPERATING INCOME(LOSS)	\$ (1,050,890)	(1,036,548)	(2,087,438)

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

Depreciation and amortization expense	1,920,232	0	1,920,232
Change in assets and liabilities:			
Accounts and other receivables	(13,392)	(676)	(14,068)
Accounts payable	50,488	67,314	117,802
Salaries and benefits payable	(2,199)	(2,395)	(4,594)
Claims and judgments payable	0	943,667	943,667
Total adjustments	<u>1,955,129</u>	<u>1,007,910</u>	<u>2,963,039</u>
NET CASH FLOWS - OPERATING ACTIVITIES	<u>\$ 904,239</u>	<u>(28,638)</u>	<u>875,601</u>

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

NON CASH TRANSACTIONS

Asset transfers - proprietary funds	\$ 993,329	0	993,329
Contributed capital assets - governmental activities	199,212	0	199,212
TOTAL NON CASH CAPITAL ACQUISITIONS	<u>\$ 1,192,541</u>	<u>0</u>	<u>1,192,541</u>

**INCORPORATED COUNTY OF LOS ALAMOS
EQUIPMENT FUND**

SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGET BASIS)
Year ended June 30, 2014

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Interfund/interdepartmental charges				
Charges for special services	\$ 3,617,635	3,617,635	3,484,275	(133,360)
Miscellaneous revenues				
Investment income	143,000	143,000	269,841	126,841
Other	190,000	190,000	198,458	8,458
	<u>333,000</u>	<u>333,000</u>	<u>468,299</u>	<u>135,299</u>
TOTAL REVENUES	3,950,635	3,950,635	3,952,574	1,939
EXPENSES AND ENCUMBRANCES				
Public Works				
Fleet management-equipment maintenance				
Employee salaries and benefits	690,936	694,723	748,891	(54,168)
Outside services	181,410	190,490	114,313	76,177
Materials and supplies	1,680,047	1,680,047	1,504,598	175,449
Intrafund/interfund services	374,074	374,074	375,829	(1,755)
	<u>2,926,467</u>	<u>2,939,334</u>	<u>2,743,631</u>	<u>195,703</u>
Fleet management-equipment replacement				
Materials and supplies	0	25,431	74,618	(49,187)
Capital outlay	835,600	1,213,593	1,097,651	115,942
	<u>835,600</u>	<u>1,239,024</u>	<u>1,172,269</u>	<u>66,755</u>
TOTAL EXPENSES AND ENCUMBRANCES	3,762,067	4,178,358	3,915,900	262,458
EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	188,568	(227,723)	36,674	264,397

OTHER FINANCING SOURCES (USES)

Transfers in from:				
Capital Improvement Project Fund	0	66,000	66,000	0
Transfers out to:				
General Fund	0	(7,000)	(7,000)	0
Proceeds from sale of capital assets	100,000	100,000	51,110	(48,890)
	<u>100,000</u>	<u>100,000</u>	<u>51,110</u>	<u>(48,890)</u>
NET CHANGE IN NET POSITION	\$ <u>288,568</u>	<u>(68,723)</u>	<u>146,784</u>	<u>215,507</u>

ADJUSTMENTS TO GAAP

Encumbrances			194,355	
Changes in compensated absences			4,487	
Depreciation and amortization			(1,920,232)	
Net book value of disposed capital assets			(47,705)	
Capital outlay capitalized			903,666	
Asset transfers - proprietary funds			993,329	
Contributed capital assets - governmental activities			199,212	
			<u>327,112</u>	
GAAP BASIS			473,896	

NET POSITION

Beginning of fiscal year			15,559,783	
NET POSITION - END OF FISCAL YEAR			\$ <u>16,033,679</u>	

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

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

Year ended June 30, 2014

	<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	293	293
Interfund/interdepartmental charges				
County insurance contributions	7,768,895	8,025,381	7,523,883	(501,498)
Miscellaneous revenues				
Investment income	159,000	159,000	317,943	158,943
Group insurance contributions				
Employees	1,532,634	1,596,756	1,446,482	(150,274)
Retirees and others	0	0	7,989	7,989
Other judgments and settlements	0	0	43,954	43,954
	<u>1,691,634</u>	<u>1,755,756</u>	<u>1,816,368</u>	<u>60,612</u>
TOTAL REVENUES	9,460,529	9,781,137	9,340,544	(440,593)
EXPENSES AND ENCUMBRANCES				
Administrative Services - Human Resources				
Group insurance				
Outside services	684,704	684,704	651,018	33,686
Intrafund/interfund services	(74,704)	(74,704)	(70,298)	(4,406)
	<u>610,000</u>	<u>610,000</u>	<u>580,720</u>	<u>29,280</u>
Medical Insurance				
Outside services	6,025,767	6,346,375	6,136,440	209,935
Unemployment insurance				
Outside services	100,000	100,000	48,138	51,862
Workers' compensation insurance				
Outside services	750,000	750,000	704,252	45,748
Administration and other insurance				
Employee salaries and benefits	256,875	257,753	255,493	2,260
Outside services	1,033,500	1,237,080	1,292,800	(55,720)
Materials and supplies	20,811	20,811	15,808	5,003
Intrafund/interfund services	79,654	79,654	75,248	4,406
	<u>1,390,840</u>	<u>1,595,298</u>	<u>1,639,349</u>	<u>(44,051)</u>
TOTAL EXPENSES AND ENCUMBRANCES	8,876,607	9,401,673	9,108,899	82,839

EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES	583,922	379,464	231,645	(357,754)
OTHER FINANCING SOURCES (USES)				
Transfers out to:				
General Fund	<u>0</u>	<u>(3,700)</u>	<u>(3,700)</u>	<u>0</u>
NET CHANGE IN NET POSITION	\$ <u>583,922</u>	<u>375,764</u>	227,945	<u>(357,754)</u>
ADJUSTMENTS TO GAAP				
Changes in compensated absences			(7,099)	
Bad debt expense			516	
Incurred but not reported claims adjustment			<u>(943,667)</u>	
GAAP BASIS			<u>(950,250)</u>	
			(722,305)	
NET POSITION				
Beginning of fiscal year			<u>5,677,133</u>	
NET POSITION - END OF FISCAL YEAR			\$ <u>4,954,828</u>	

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS
AGENCY FUND**

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

Year ended June 30, 2014

	<u>BALANCE JUNE 30, 2013</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE JUNE 30, 2014</u>
ASSETS				
Equity in pooled cash and investments	\$ 273,059	17,499,454	17,419,074	353,439
Receivables				
Property taxes	312,435	15,574,631	15,617,539	269,527
Other	313	1,205	1,254	264
TOTAL ASSETS	<u>\$ 585,807</u>	<u>33,075,290</u>	<u>33,037,867</u>	<u>623,230</u>
LIABILITIES				
Due to other governments	\$ 566,754	16,055,295	16,013,759	608,290
Donations held in trust	19,053	6,828	10,941	14,940
TOTAL LIABILITIES	<u>\$ 585,807</u>	<u>16,062,123</u>	<u>16,024,700</u>	<u>623,230</u>

See accompanying notes to financial statements.

Statistical Section

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

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

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

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

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

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

**INCORPORATED COUNTY OF LOS ALAMOS
NET POSITION BY COMPONENT (ACCRUAL BASIS OF ACCOUNTING)**

Table 1

LAST TEN FISCAL YEARS

	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>
Governmental activities										
Net investment in capital assets	\$ 164,003,992	170,030,313	179,392,030	169,397,461	183,000,699	178,334,145	192,752,416	208,576,888	237,826,582	239,254,295
Restricted	23,351,168	23,546,640	25,953,706	26,998,503	28,017,885	28,325,491	35,352,438	33,651,944	35,537,750	34,988,485
Unrestricted	<u>70,051,187</u>	<u>68,980,912</u>	<u>83,145,949</u>	<u>92,425,436</u>	<u>89,765,352</u>	<u>103,506,637</u>	<u>105,766,930</u>	<u>88,201,894</u>	<u>64,512,993</u>	<u>65,417,024</u>
Total governmental activities net position [a]	<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>	<u>310,166,273</u>	<u>333,871,784</u>	<u>330,430,726</u>	<u>337,877,325</u>	<u>339,659,804</u>
Business-type activities										
Net investment in capital assets	\$ 94,580,932	99,265,533	104,619,109	115,346,140	142,618,564	158,548,491	161,529,616	167,570,211	167,060,666	181,756,242
Restricted	19,323,330	17,563,718	18,171,112	21,313,740	18,360,797	18,666,972	20,160,305	21,139,074	22,202,599	22,978,409
Unrestricted	<u>37,573,328</u>	<u>37,834,350</u>	<u>39,456,940</u>	<u>38,716,522</u>	<u>40,619,953</u>	<u>34,379,861</u>	<u>39,092,391</u>	<u>37,641,839</u>	<u>35,292,581</u>	<u>32,720,327</u>
Total governmental activities net position [a]	<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>	<u>211,595,324</u>	<u>220,782,312</u>	<u>226,351,124</u>	<u>224,555,846</u>	<u>237,454,978</u>
Primary government										
Net investment in capital assets	\$ 258,584,924	269,295,846	284,011,139	284,743,601	325,619,263	336,882,636	354,282,032	376,147,099	404,887,248	421,010,537
Restricted	42,674,498	41,110,358	44,124,818	48,312,243	46,378,682	46,992,463	55,512,743	54,791,018	57,740,349	57,966,894
Unrestricted	<u>107,624,515</u>	<u>106,815,262</u>	<u>122,602,889</u>	<u>131,141,958</u>	<u>130,385,305</u>	<u>137,886,498</u>	<u>144,859,321</u>	<u>125,843,733</u>	<u>99,805,574</u>	<u>98,137,351</u>
Total primary government net position [a]	<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>	<u>521,761,597</u>	<u>554,654,096</u>	<u>556,781,850</u>	<u>562,433,171</u>	<u>577,114,782</u>

Source: Los Alamos County CAFRs

Notes:

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

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

Table 2

	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
Expenses										
Governmental activities:										
General government	\$ 12,331,714	11,957,875	11,783,696	14,426,791	15,392,748	19,020,307	19,354,103	18,663,752	14,217,521	14,792,046
Public safety	5,725,993	6,797,301	7,393,321	7,029,949	9,657,214	11,307,944	12,360,479	12,763,626	14,126,300	13,888,177
Cerro Grande fire recovery	4,627,860	314,745	814,144	365,197	94,245 [b]	0	0	0	0	0
Physical and economic environment	1,976,859	1,707,996	1,524,858	1,685,895	2,017,455	1,545,719	2,099,635	3,900,321	1,820,183	1,704,968
Transportation	8,215,650	9,710,036	9,637,503	12,409,532	11,250,407	10,050,217	8,666,590	11,979,692	10,597,589	11,592,103
Health and welfare	895,551	690,980	993,076	1,892,186	1,860,474	2,068,607	2,154,670	2,671,201	2,812,257	2,413,003
Culture and recreation	7,451,803	7,666,314	7,586,802	9,120,096	8,682,314	8,865,528	9,053,137	9,327,340	8,630,805	8,539,264
Interest on long-term debt	169,483	146,837	122,631	96,932	2,672,018	3,699,791	3,595,170	3,476,881	3,651,044	3,143,244
Total governmental activities expenses	<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>	<u>56,558,113</u>	<u>57,283,784</u>	<u>62,782,813</u>	<u>55,855,699</u>	<u>56,072,805</u>
Business-type activities:										
Joint Utilities										
Electric	33,845,511	35,973,561	37,942,732	45,217,104	34,387,216	41,164,227	41,736,839	41,719,538	47,133,456	43,960,638
Gas	7,679,064	8,669,395	7,731,388	8,434,435	6,365,053	6,896,901	5,350,868	4,311,995	4,782,055	6,075,188
Water	4,714,635	4,924,965	4,756,917	5,419,693	5,377,817	5,877,689	5,949,329	5,551,378	6,743,730	6,663,350
Wastewater	2,363,921	2,629,412	3,016,061	2,870,251	3,654,838	3,137,595	4,159,837	3,771,483	4,013,751	3,943,016
Environmental Services	3,307,436	3,094,809	2,654,126	3,097,723	3,221,222	4,399,102	4,220,409	4,549,617	3,670,408	4,225,768
Golf	990,120	992,338	1,014,099	1,044,012	1,150,136	1,140,056	1,277,202	1,254,690	1,194,242	0 [c]
Transit (Atomic City Transit)	0	0	0	1,544,871 [a]	2,144,194 [a]	3,165,043	3,416,977	3,567,829	4,200,697	3,993,193
Fire	13,930,128	14,847,675	14,980,238	15,090,781	18,411,656	19,127,418	19,412,022	21,002,769	20,470,142	22,908,775
Airport	297,677	283,148	222,398	446,171	767,161	944,379	999,589	1,108,878	1,737,767	1,537,667
Total business-type activities expenses	<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>	<u>85,852,410</u>	<u>86,523,072</u>	<u>86,838,177</u>	<u>93,946,248</u>	<u>93,307,595</u>
Total primary government expenses	<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>	<u>142,410,523</u>	<u>143,806,856</u>	<u>149,620,990</u>	<u>149,801,947</u>	<u>149,380,400</u>
Program Revenues										
Governmental activities:										
Charges for Services:										
General government	\$ 767,369	1,013,965	1,145,736	879,593	909,928	1,096,043	1,227,575	1,020,736	1,079,196	957,045
Public safety	60,922	37,917	100,100	92,377	70,792	84,106	72,192	39,254	30,892	10,075
Transportation	0	0	0	0	0	0	0	0	58,997	0
Physical and economic environment	399,885	379,018	327,333	296,965	274,041	696,216	281,256	229,336	278,557	297,164
Culture and recreation	470,866	604,924	538,676	574,193	604,296	608,966	558,720	500,258	485,245	1,095,508
Operating grants and contributions	3,760,244	2,830,061	1,964,532	1,901,447	3,368,035	1,896,905	1,710,444	2,188,367	2,944,958	3,193,079
Capital grants and contributions	4,695,476	2,963,466	1,517,988	2,921,918	579,715	2,582,496	5,678,971	462,299	1,254,628	710,953
Total governmental activities program revenues	<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>	<u>6,964,732</u>	<u>9,529,158</u>	<u>4,440,250</u>	<u>6,132,473</u>	<u>6,263,824</u>
Business-type activities:										
Charges for services:										
Joint Utilities										
Electric	34,627,323	35,557,701	36,475,970	42,521,330	40,793,945	40,668,122	42,894,754	44,840,758	49,066,724	46,479,599
Gas	8,653,166	8,923,993	9,163,927	8,836,735	8,261,673	7,954,116	6,239,881	5,453,744	5,496,085	6,714,276
Water	4,831,546	5,103,574	4,190,068	4,781,273	4,618,583	4,816,679	5,403,940	5,667,415	5,768,598	4,913,083
Wastewater	2,016,944	2,373,508	2,464,387	3,334,040	3,316,698	3,542,805	3,696,644	4,147,134	3,998,295	4,019,962
Environmental Services	2,541,365	2,789,885	3,017,966	3,150,748	3,121,708	3,126,334	3,250,412	2,827,628	2,701,807	3,096,701
Golf	680,747	673,410	633,094	661,826	636,358	641,433	584,432	521,004	505,080	0 [c]
Transit (Atomic City Transit)	0	0	0	332 [a]	14,180 [a]	18,548	68,944	39,132	150,092	150,000
Fire	14,008,238	14,675,641	14,879,607	14,781,394	7,232,513	3,813,047	3,980,920	4,111,381	4,485,389	4,702,845
Airport	81,839	107,352	103,325	94,267	84,429	82,883	86,784	88,933	85,324	100,434
Operating grants and contributions	20,283	26,578	170,925	772,110	11,172,077	16,456,680	16,941,411	18,545,761	18,639,957	20,631,902
Capital grants and contributions	60,000	653,120	819,731	283,738	15,468,551	7,230,200	5,764,144	1,734,061	1,863,427	11,953,592

Total business-type activities program revenues	<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>	<u>88,350,847</u>	<u>88,912,266</u>	<u>87,976,951</u>	<u>92,760,778</u>	<u>102,762,394</u>
Total primary government program revenues	\$ <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>	<u>95,315,579</u>	<u>98,441,424</u>	<u>92,417,201</u>	<u>98,893,251</u>	<u>109,026,218</u>
Net (Expenses)/Revenues										
Governmental activities	\$ (31,240,151)	(31,162,733)	(34,261,666)	(40,360,085)	(45,820,068)	(49,593,381)	(47,754,626)	(58,342,563)	(49,723,226)	(49,808,981)
Business-type activities	392,959	(530,541)	(398,959)	(3,947,248)	19,241,422	2,498,437	2,389,194	1,138,774	(1,185,470)	9,454,799
Total primary government net expense	\$ <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>	<u>(47,094,944)</u>	<u>(45,365,432)</u>	<u>(57,203,789)</u>	<u>(50,908,696)</u>	<u>(40,354,182)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Gross receipts taxes	\$ 10,592,546	13,315,414	29,397,771	25,943,927	32,912,239	28,948,180	32,669,923	29,348,286	24,328,784	22,376,156
Property taxes	4,937,898	5,198,224	5,598,052	5,962,093	6,268,614	6,585,887	5,082,288	5,181,012	5,266,033	5,328,528
Franchise taxes	457,501	465,821	473,599	491,631	469,347	451,423	445,786	470,897	464,719	481,665
Grants and contribution not restricted to specific programs	246,304	389,008	837,047	821,381	872,736	797,199	846,484	654,647	523,589	1,451,287
State shared tax revenue not restricted to specific programs	8,987,334	10,797,698	19,465,338	17,172,099	22,164,216	19,284,774	21,792,159	19,562,710	16,273,672	14,979,816
Unrestricted investment earnings	4,087,721	4,258,030	8,328,587	2,377,360	(2,619,223)	6,619,681	9,357,730	310,908	6,423,031	8,321,837
Gain on exchange of capital assets	0	0	0	0	0	0	4,267,857	0	0	0
Special items	0	3,171,874	0	0	0	0	0	0	0	0
Transfers	(17,218,085)	(1,345,890)	(3,904,908)	(12,078,691)	(2,285,325)	(3,711,426)	(3,002,090)	(626,955)	3,889,997	(807,895)
Total governmental activities	<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>	<u>58,975,718</u>	<u>71,460,137</u>	<u>54,901,505</u>	<u>57,169,825</u>	<u>52,131,394</u>
Business-type activities:										
Gross receipts taxes	426,193	513,684	956,397	2,557,319	3,242,150	2,841,265	3,212,873	2,884,446	2,392,659	2,197,573
Grants and contribution not restricted to specific programs	0	0	0	0	0	0	18,000	7,500	0	0
Unrestricted investment earnings	1,815,387	2,388,280	3,121,214	2,440,479	1,454,015	944,882	564,831	911,137	887,530	898,846
Special items	0	1,025,000	0	0	0	0	0	0	0	0
Transfers	17,218,085	1,345,890	3,904,908	12,078,691	2,285,325	3,711,426	3,002,090	626,955	(3,889,997)	807,895
Total business-type activities	<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>	<u>7,497,573</u>	<u>6,797,794</u>	<u>4,430,038</u>	<u>(609,808)</u>	<u>3,904,314</u>
Total primary government	\$ <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>	<u>66,473,291</u>	<u>78,257,931</u>	<u>59,331,543</u>	<u>56,560,017</u>	<u>56,035,708</u>
Change in Net Position										
Governmental activities	\$ (19,148,932)	5,087,446	25,933,820	329,715	11,962,536	9,382,337	23,705,511	(3,441,058)	7,446,599	2,322,413
Business-type activities	19,852,624	4,742,313	7,583,560	13,129,241	26,222,912	9,996,010	9,186,988	5,568,812	(1,795,278)	13,359,113
Total primary government net expense	\$ <u>703,692</u>	<u>9,829,759</u>	<u>33,517,380</u>	<u>13,458,956</u>	<u>38,185,448</u>	<u>19,378,347</u>	<u>32,892,499</u>	<u>2,127,754</u>	<u>5,651,321</u>	<u>15,681,526</u>

Source: Los Alamos County CAFRs

Notes:

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

[b] The Cerro Grande Fire Fund was closed in FY2009 as all amounts were recovered.

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



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

Table 3

	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>
General Fund										
Reserved	\$ 5,894,466	5,133,693	6,163,307	6,357,698	7,322,571	7,454,198	0	0	0	0
Unreserved	10,567,341	15,046,741	20,310,233	28,476,946	34,373,979	31,678,425	0	0	0	0
Nonspendable	0	0	0	0	0	0	1,266,859	1,304,638	2,082,306	2,370,466
Restricted	0	0	0	0	0	0	4,414,738	4,573,909	4,704,218	4,578,105
Committed	0	0	0	0	0	0	12,761,219	4,879,110	10,576,477	11,216,517
Assigned	0	0	0	0	0	0	0	0	0	0
Unassigned	0	0	0	0	0	0	13,570,673	11,947,812	11,020,219	10,946,134
Total General Fund	\$ 16,461,807	20,180,434	26,473,540	34,834,644	41,696,550	39,132,623	32,013,489	22,705,469	28,383,220	29,111,222
All Other Governmental Funds										
Reserved	\$ 29,032,956	31,529,075	36,097,731	53,828,212	100,153,224	38,926,491	0	0	0	0
Unreserved, reported in:										
Special revenue funds	42,658,411	30,552,033	13,161,264	8,747,551	6,026,702	8,400,370	0	0	0	0
Debt service funds	0	0	0	0	6,424,030 [b]	6,424,030	0	0	0	0
Capital projects funds	5,836,478	9,983,649	32,198,705	23,643,713	1,235,010	38,276,395	0	0	0	0
Permanent funds [a]	1,224,389	1,052,257	2,401,352	0	0	1,498,489	0	0	0	0
Nonspendable	0	0	0	0	0	0	24,492,490	24,982,806	25,214,071	25,177,558
Restricted	0	0	0	0	0	0	7,512,658	4,808,769	6,169,905	5,377,454
Committed	0	0	0	0	0	0	80,339,764	72,140,568	43,106,108	43,694,827
Assigned	0	0	0	0	0	0	0	0	0	0
Unassigned	0	0	0	0	0	0	0	0	(605,171) [c]	(2,733,870) [d]
Total All Other Governmental Funds	\$ 78,752,234	73,117,014	83,859,052	86,219,476	113,838,966	93,525,775	112,344,912	101,932,143	73,884,913	71,515,969

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.

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

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

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

Table 4

	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>
Revenues:										
Taxes and special assessments	\$ 16,071,052	19,097,149	35,666,249 [c]	32,587,924	39,867,881	36,289,316	38,466,493	35,288,631	30,353,771	28,507,405
Licenses and permits	292,515	265,649	243,071	223,071	216,234	409,123	240,507	182,160	232,506	274,320
Intergovernmental	17,975,784	15,529,217	23,017,584 [a]	21,408,769	25,780,683	22,143,759	26,095,049	21,714,390	19,420,500	17,067,419
Fines forfeitures and penalties	243,866	278,157	302,516	255,665	203,514	194,532	174,671	160,777	171,567	167,241
Charges for services	973,796	1,191,624	1,259,022	1,053,068	1,045,629	1,201,023	1,115,663	939,550	1,014,457	1,230,420
Interfund/Interdepartmental charges	3,511,448	3,809,053	3,746,485	3,988,710	4,835,634	4,526,696	4,069,297	4,172,734	6,436,301	7,493,187
Investment Income	4,087,721	4,258,030	8,328,587 [b]	2,377,360 [c]	(2,619,223) [c]	6,619,681	9,357,730	310,908	6,423,031	8,321,837
Other revenues	315,274	380,948	711,931	493,595	872,244	1,161,464	1,092,145	820,470	706,646	1,286,404
Total revenues	43,471,456	44,809,827	73,275,445	62,388,162	70,202,596	72,545,594	80,611,555	63,589,620	64,758,779	64,348,233
Expenditures										
General government	13,569,671	13,478,990	16,088,626	16,743,522	18,480,346	18,344,495	19,843,062	19,187,027	18,639,060	18,478,112
Public safety	5,754,403	6,849,654	7,499,938	7,043,313	9,689,061	11,526,276	11,651,434	12,157,139	13,510,694	13,365,914
Cerro Grande fire recovery [a]	17,877,540	6,455,294	4,723,030	4,284,892	165,171	0	0	0	0	0
Physical and economic environment	1,943,028	1,677,129	1,521,304	1,650,347	2,594,303	1,421,757	2,089,260	3,895,739	1,723,777	1,714,917
Transportation	4,862,784	4,012,760	3,530,925	3,531,475	4,056,407	4,478,447	3,068,034	4,889,279	4,511,094	4,613,400
Health and welfare	895,551	690,980	993,076	1,892,186 [d]	1,860,474	2,068,607	2,154,210	2,671,161	2,811,364	2,414,606
Culture and recreation	6,816,082	6,960,304	6,850,489	7,758,322	8,181,407	8,216,827	8,278,223	8,508,258	7,840,837	7,788,712
Capital Projects/Outlay	2,604,819	6,382,973	11,879,387	10,268,206	59,440,424	42,337,887	11,341,861	24,432,329	24,017,766	11,688,570
Debt service										
Principal	520,269	542,887	566,926	592,494	3,605,686	3,090,000	3,215,000	3,345,000	9,794,887 [f]	3,615,000
Interest	172,965	150,480	126,447	100,933	2,459,841	3,821,638	3,698,038	3,569,438	3,442,225	2,542,740
Bond issuance costs	0	0	0	0	0	0	0	0	375,113 [f]	0
Total expenditures	55,017,112	47,201,451	53,780,148	53,865,690	110,533,120	95,305,934	65,339,122	82,655,370	86,666,817	66,221,971
Excess of revenues over (under) expenditures	(11,545,656)	(2,391,624)	19,495,297	8,522,472	(40,330,524)	(22,760,340)	15,272,433	(19,065,750)	(21,908,038)	(1,873,738)
Other Financial Sources (Uses)										
Transfers in	6,146,098	18,971,878	27,571,970	27,763,838	26,836,139	28,158,656	35,599,850	27,418,134	15,264,237	21,359,159
Transfers out	(5,318,083)	(18,348,661)	(30,032,123)	(25,564,782)	(27,700,509)	(28,275,434)	(38,574,878)	(28,073,173)	(15,725,678)	(21,126,363)
Issuance of long-term debt	0	0	0	0	75,676,290 [e]	0	0	0	43,413,930 [g]	0
Payment to escrow - refunding debt	0	0	0	0	0	0	0	0	(43,413,930)	0
Loss on disposal of asset held for resale	0	0	0	0	0	0	(597,402)	0	0	0
Total other financial sources (uses)	828,015	623,217	(2,460,153)	2,199,056	74,811,920	(116,778)	(3,572,430)	(655,039)	(461,441)	232,796
Net change in fund balance	\$ (10,717,641)	(1,768,407)	17,035,144	10,721,528	34,481,396	(22,877,118)	11,700,003	(19,720,789)	(22,369,479)	(1,640,942)
Debt service as a percentage of non-capital expenditures										
	1.32%	1.70%	1.65%	1.59%	11.87%	13.05%	12.80%	11.88%	21.13%	11.29%

Source: Los Alamos County CAFRs

Notes:

[a] 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.

[b] The increase in investment income reflects higher cash and investment balances resulting from increased gross receipts taxes.

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

[d] The amount of State supported medicaid payments effectively doubled as the calculation is based on prior year GRT receipts.

[e] Proceeds from issuance of 2008 GRT Revenue Bonds are shown here net of premiums, discounts, and issuance costs.

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

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

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

Table 5

Fiscal Year	Number of customer accounts			
	Electric	Gas	Water	Wastewater
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
2010	8,733	7,573	7,074	6,716
2011	8,610	7,439	6,949	6,646
2012	8,964	7,756	7,229	7,094
2013	8,714	7,537	7,044	6,768
2014	8,900	7,544	7,064	6,765

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]		
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
2010	40,668,122	541,039,995	7,954,116	9,578,556	4,816,679	1,350,961	3,542,805	56,981,722
2011	42,894,754	559,500,638	6,239,881	8,528,456	5,403,940	1,225,571	3,696,644	58,235,219
2012	44,954,861	592,737,868	5,482,076	8,284,857	5,672,022	1,288,143	4,147,134	60,256,093
2013	49,206,543	570,882,779	5,507,228	8,385,907	5,780,760	1,254,647	4,006,563	64,501,094
2014	46,574,314	531,795,566	6,714,276	9,030,531	4,938,708	1,029,057	4,019,962	62,247,260

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

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

Notes:

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

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

Table 7

	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>
Type of Customer:										
Electric Utility										
Residential	\$ 4,918,309	4,941,511	5,069,467	5,346,566	5,230,565	5,730,319	5,594,525	5,878,664	5,744,107	5,801,691
Commercial and industrial	3,355,875	3,325,037	3,229,023	3,506,293	3,523,646	3,606,847	3,557,480	3,858,918	3,822,367	3,888,005
Public street and highway lighting	61,151	55,457	60,342	58,060	61,221	65,567	56,135	69,953	63,467	66,035
Municipal	957,388	1,133,598	976,043	1,273,241	1,381,168	1,313,543	1,728,801	1,554,427	1,683,615	1,444,776
Educational	366,612	315,804	313,724	341,237	349,934	357,528	359,585	425,151	447,456	473,886
Wholesale	24,776,754	25,612,623	26,627,645	31,496,210	29,954,906	29,325,387	31,406,424	32,888,233	36,932,693	34,425,200
Miscellaneous	191,234	173,671	199,726	499,723	292,505	268,931	191,804	279,515	512,838	474,721
Total electric utility	<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>	<u>40,668,122</u>	<u>42,894,754</u>	<u>44,954,861</u>	<u>49,206,543</u>	<u>46,574,314</u>
Gas Utility										
Residential	6,095,896	6,284,862	6,452,335	6,634,477	6,207,224	5,986,586	4,728,730	4,230,259	4,288,747	5,068,656
Commercial and industrial	1,794,266	1,863,946	1,951,352	1,412,365	1,284,447	1,245,762	926,796	783,425	782,496	879,141
Municipal	361,697	380,777	370,165	378,729	426,102	400,936	326,138	215,625	216,626	322,610
Educational	330,276	327,746	339,136	305,086	297,291	265,683	203,497	193,036	189,857	227,578
Miscellaneous	71,031	66,662	50,939	106,078	46,609	55,149	54,720	59,731	29,502	216,291
Total gas utility	<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>	<u>7,954,116</u>	<u>6,239,881</u>	<u>5,482,076</u>	<u>5,507,228</u>	<u>6,714,276</u>
Water Utility										
Residential	2,752,681	3,021,546	2,418,937	2,948,789	2,706,312	2,893,771	3,327,626	3,512,646	3,559,699	3,112,239
Commercial and industrial	773,239	818,856	692,244	453,342	436,167	375,903	475,727	515,633	479,456	418,078
Municipal	235,691	264,234	166,737	371,081 [a]	327,690	355,465	384,581	413,283	379,986	310,255
Educational	119,937	111,849	70,453	135,963	112,101	96,981	119,391	157,613	139,435	122,780
Wholesale	854,417	816,880	780,414	806,247	983,763	1,025,587	1,048,609	1,017,619	1,163,816	898,229
Miscellaneous	95,581	70,209	61,283	65,851	52,550	68,972	48,006	55,228	58,368	77,127
Total water utility	<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>	<u>4,816,679</u>	<u>5,403,940</u>	<u>5,672,022</u>	<u>5,780,760</u>	<u>4,938,708</u>
Wastewater Utility										
Wastewater collection	1,954,040	2,299,109	2,411,602	3,311,657	3,304,507	3,529,619	3,685,168	4,136,291	3,997,167	4,008,411
Municipal (non-potable water)	51,196	65,172	45,073	0 [a]	0	0	0	0	0	0
Miscellaneous	11,708	9,227	7,712	22,383	12,191	13,186	11,476	10,843	9,396	11,551
Total wastewater utility	<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>	<u>3,542,805</u>	<u>3,696,644</u>	<u>4,147,134</u>	<u>4,006,563</u>	<u>4,019,962</u>
Total operating revenues- Joint Utility System	<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>	<u>56,981,722</u>	<u>58,235,219</u>	<u>60,256,093</u>	<u>64,501,094</u>	<u>62,247,260</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>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>
Electric Utility										
Residential										
Rate per kilowatt hour	\$0.0815	\$0.0815	\$0.0815	\$0.0815	\$0.0907	\$0.0907	\$0.0952	\$0.0952	\$0.0952	\$0.1028
Monthly flat service fee	\$5.67	\$5.67	\$5.67	\$5.67	\$5.67	\$5.67	\$5.95	\$5.95	\$5.95	\$6.43
Commercial										
Rate per kilowatt hour	\$.0553 - .0772	\$.0553 - .0772	\$.0553 - .0772	\$.0553 - .0772	.058 - .0859	.058 - .0859	.0613 - .902	.0613 - .902	.0613 - .902	.0662 - .9074
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	\$15.96 -16.80	\$15.96 -16.80	\$15.96 -16.80	\$17.24 -18.14
Demand Rate	\$7.60 - 8.00	\$7.60 - 8.00	\$7.60 - 8.00	\$7.60 - 8.00	8.50 - 8.91	8.50 - 8.91	8.93 - 9.35	8.93 - 9.35	8.93 - 9.35	9.644 - 10.10
Gas Utility										
Residential										
Rate per therm	\$0.85	\$1.05	\$0.92	\$0.92	\$0.92	\$0.70	\$0.55	\$0.55	\$0.55	\$0.28 - \$0.77
Monthly flat service fee	\$6.43	\$6.43	\$6.43	\$6.43	\$6.43	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50
Commercial										
Rate per therm	\$0.85	\$1.00 - 1.05	0.92	0.92	0.92	0.7	0.55	0.55	0.55	\$0.28 - \$0.77
Monthly flat service fee	\$6.43 - 19.46	\$6.43 - 19.46	\$6.43 - 19.46	\$6.43 - 19.46	\$6.43 - 19.46	\$9.50 - 28.50	\$9.50 - 28.50	\$9.50 - 28.50	\$9.50 - 28.50	\$9.50 - 28.50
Water Utility										
Residential										
Rate per 1000 Gallons	\$3.72	\$3.72	\$3.72	\$3.72	\$3.72	\$3.95	\$3.95	\$4.19	\$4.19	\$4.19
Monthly flat service fee	\$7.02	\$7.02	\$7.02	\$7.02	\$7.02	\$7.50	\$7.50	\$7.55	\$7.55	\$7.55 - \$8.80
Commercial										
Rate per 1000 Gallons	\$3.72	\$3.72	\$3.72	\$3.72	\$3.72	\$3.95	\$3.95	\$4.19	\$4.19	\$4.19
Monthly flat service fee	\$7.02 - \$41.81	\$7.02 - \$41.81	\$7.02 - \$41.81	\$7.02 - \$41.81	\$7.02 - \$41.81	\$7.50 - \$150.00	\$7.50 - \$150.00	\$7.55 - \$275	\$7.55 - \$275	\$7.55 - \$275
Wastewater Utility										
Residential										
Rate per 1000 Gallons	\$3.70	\$4.60	\$4.60	\$4.85	\$4.85	\$5.35	\$5.35	\$5.89	\$0.00	\$0.00
Monthly flat service fees	\$7.50	\$7.50	\$7.50	\$12.00	\$12.00	\$13.20	\$13.20	\$14.52	\$30.33 - \$34.89	\$30.33 - \$34.89
Commercial										
Rate per 1000 Gallons	\$3.70	\$4.60	\$4.60	\$4.85	\$4.85	\$5.35	\$5.35	\$5.89	\$11.91	\$12.86
Monthly flat service fee	\$7.50	\$7.50	\$7.50	\$12.00	\$12.00	\$13.20	\$13.20	\$14.52	\$7.00	\$7.56

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>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>
Services [a]	\$ 311,521	338,489	1,255,824 [b]	1,190,803	1,526,945	1,283,609	1,531,617	1,350,135	1,047,653	962,997
Construction	210,750	223,999	165,717	97,351	81,169	97,497	58,993	67,311	80,273	61,625
Retail & Food Service	79,509	68,867	59,019	57,987	68,459	64,603	62,959	59,933	64,501	58,195
Telecommunications	8,793	9,995	10,693	10,865	11,260	21,388	22,778	28,445	26,983	27,875
Manufacturing	2,800	2,636	2,696	3,939	6,770	2,883	4,727	3,706	5,471	6,042
Wholesale	25,682	18,535	14,736	7,165	9,387	6,418	4,397	6,195	2,944	1,555
Financial Services	8,268	10,247	10,360	8,808	9,253	10,036	10,088	11,456	8,962	9,594
Agriculture	1,568	35	9	29	38	0	0	0	0	9
Mining	0	0	0	105	0	0	0	0	4	0
Public Administration	1,343	0	(5) [c]	0	1,046	0	0	0	0	0
Other	29,490	31,657	25,280	20,477	15,218	17,533	15,175	14,991	14,805	17,822
Totals	\$ <u>679,724</u>	<u>704,460</u>	<u>1,544,329</u>	<u>1,397,529</u>	<u>1,729,543</u>	<u>1,503,967</u>	<u>1,710,734</u>	<u>1,542,172</u>	<u>1,251,596</u>	<u>1,145,714</u>

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.

FY 2014 General Note: Lower receipts overall in FY 2014 are due to the Federal Government shutdown in October 2013. Los Alamos County's taxable receipts are highly dependent on the Federal Government and its contractors.

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

[b] 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.

[c] 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**

Table 10

LAST TEN FISCAL YEARS

	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>
<u>GRT Revenues</u>										
General Fund - Local - Municipal	\$ 8,628,880	10,405,815	19,499,692	17,197,172	24,010,373	21,079,046	23,835,717	21,399,137	17,750,645	16,303,296
General Fund - Local - County	852,386	1,027,875	1,927,670	1,697,918	6,472,762 [g]	5,682,530	6,425,679	5,768,820	4,785,252	4,395,075
General Fund - State Shared	8,402,324	10,765,141	19,458,921	17,172,099	21,806,633	19,149,417	21,653,702	19,440,165	16,125,672	14,810,815
General Fund - subtotal	<u>17,883,590</u>	<u>22,198,831</u>	<u>40,886,283</u>	<u>36,067,189</u>	<u>52,289,768</u>	<u>45,910,993</u>	<u>51,915,098</u>	<u>46,608,122</u>	<u>38,661,569</u>	<u>35,509,186</u>
Fire Protection Excise Tax	0	0	0	1,703,782 [e]	2,157,587	1,894,177	2,141,893	1,922,940	1,595,084	1,465,025
Indigent Health Care (IHC) Fund	852,386	1,027,875	1,927,670	1,697,918	2,157,587	1,894,177	2,141,893	1,922,940	1,595,084	1,465,025
Capital Improvement Projects (CIP) Fund	0	572,786	5,787,044	5,093,755	0	0	0	0	0	0
Refuse Fund	426,193	513,684	956,397	853,537	1,084,563	947,088	1,070,980	961,506	797,575	732,548
Total GRT Revenues	\$ <u>19,162,169</u>	<u>24,313,176</u>	<u>49,557,394</u>	<u>45,416,181</u>	<u>57,689,505</u>	<u>50,646,435</u>	<u>57,269,864</u>	<u>51,415,508</u>	<u>42,649,312</u>	<u>39,171,784</u>
Total GRT Revenues - Own source (excludes State Shared)	\$ <u>10,759,845</u>	<u>13,548,035</u>	<u>30,098,473</u>	<u>28,244,082</u>	<u>35,882,872</u>	<u>31,497,018</u>	<u>35,616,162</u>	<u>31,975,343</u>	<u>26,523,640</u>	<u>24,360,969</u>
<u>GRT Rates by Imposing Authority</u>										
State Imposed Rate	5.0000%	5.0000%	5.0000%	5.0000%	5.0000%	5.0000%	5.1250% [a]	5.1250%	5.1250%	5.1250%
Locally Imposed Options:										
Municipal:										
Municipal - General	1.2500%	1.2500%	1.2500%	1.2500%	1.2500%	1.2500%	1.2500%	1.2500%	1.2500%	1.2500%
Municipal - Environmental - Refuse	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%
Municipal - MIGRT - CIP	0.0000%	0.0625% [b]	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%
Municipal - MIGRT - CIP	0.0000%	0.0625% [b]	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%
County:										
County - General - 1st 1/8th	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%
County - IHC - 2nd 1/8th	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%
County - General - 3rd 1/8th - CIP			0.1250% [c]	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%
County - Correctional - CIP			0.0625% [d]	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%
County - Correctional - CIP			0.0625% [d]	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%
County - Fire Protection Excise Tax				0.1250% [e]	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%
North-Central Regional Transit District (NCRTD):										
Regional Transit 1/8th					0.1250% [f]	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%
Subtotal - Local options:	<u>1.5625%</u>	<u>1.6875%</u>	<u>1.9375%</u>	<u>2.0625%</u>	<u>2.0625%</u>	<u>2.0625%</u>	<u>2.0625%</u>	<u>2.0625%</u>	<u>2.0625%</u>	<u>2.0625%</u>
Total GRT Rates	<u>6.5625%</u>	<u>6.6875%</u>	<u>6.9375%</u>	<u>7.0625%</u>	<u>7.1875%</u>	<u>7.1875%</u>	<u>7.3125%</u>	<u>7.3125%</u>	<u>7.3125%</u>	<u>7.3125%</u>
<u>GRT Rates by Recipient</u>										
State Revenue	3.7750%	3.7750%	3.7750%	3.7750%	3.7750%	3.7750%	3.9000%	3.9000%	3.9000%	3.9000%
NCRTD					0.1250%	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%
County Revenue - State Shared	1.2250%	1.2250%	1.2250%	1.2250%	1.2250%	1.2250%	1.2250%	1.2250%	1.2250%	1.2250%
County Revenue - Own Source, locally imposed	1.5625%	1.6875%	1.9375%	2.0625%	2.0625%	2.0625%	2.0625%	2.0625%	2.0625%	2.0625%
Total County Revenue	<u>2.7875%</u>	<u>2.9125%</u>	<u>3.1625%</u>	<u>3.2875%</u>	<u>3.2875%</u>	<u>3.2875%</u>	<u>3.2875%</u>	<u>3.2875%</u>	<u>3.2875%</u>	<u>3.2875%</u>
Total GRT Rates	<u>6.5625%</u>	<u>6.6875%</u>	<u>6.9375%</u>	<u>7.0625%</u>	<u>7.1875%</u>	<u>7.1875%</u>	<u>7.3125%</u>	<u>7.3125%</u>	<u>7.3125%</u>	<u>7.3125%</u>

Sources: Los Alamos County CAFRs and Adopted Budgets

Notes:

[a] State Rate Changed July 1, 2010

[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]	ORIGINAL LEVY	ADJUSTMENTS	ADJUSTED LEVY	COLLECTED IN FIRST PERIOD		COLLECTIONS IN SUBSEQUENT PERIODS	TOTAL COLLECTIONS	
					AMOUNT	PERCENTAGE OF ORIGINAL LEVY		AMOUNT	PERCENTAGE OF ADJUSTED LEVY
2004	\$	10,554,529	\$ (4,312)	\$ 10,550,217	\$ 10,225,444	\$ 96.88%	\$ 324,012	\$ 10,549,456	99.99%
2005		11,300,097	6,849	11,306,946	10,994,524	97.30%	310,626	11,305,150	99.98%
2006		12,096,750	(14,203)	12,082,547	11,805,510	97.59%	275,355	12,080,865	99.99%
2007		12,446,784	(14,663)	12,432,121	12,116,160	97.34%	314,126	12,430,286	99.99%
2008		12,934,268	(41,558)	12,892,710	12,384,692	95.75%	506,902	12,891,594	99.99%
2009		16,841,850	17,213	16,859,063	16,365,480	97.17%	488,010	16,853,490	99.97%
2010		15,347,068	(1,459)	15,345,609	14,954,165	97.44%	372,791	15,326,956	99.88%
2011		15,508,620	189,520	15,698,140	15,015,951	96.82%	646,549	15,662,500	99.77%
2012		15,602,806	198,642	15,801,448	15,272,274	97.88%	103,930	15,376,204	97.31%
2013		15,574,631	195,718	15,770,349	15,187,714	97.52%	188,490	15,376,204	97.50%

Sources: Tax rolls, collection reports

Notes:

[a] Tax Year 20XX corresponds to the fiscal year ended on June 30, 20XX+1. For example, taxes levied for Tax Year 2013 were collected during the fiscal year ended June 30, 2014.

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]				TOTAL ASSESSED VALUE	ESTIMATED ACTUAL VALUE	TOTAL DIRECT MILL RATE [e]
	REAL PROPERTY	PERSONAL PROPERTY [c]	CENTRALLY ASSESSED PROPERTY [d]	EXEMPTIONS			
2004	\$ 600,656,370	\$ 10,672,460	\$ 7,367,200	\$ (7,068,500)	\$ 611,627,530	\$ 1,856,088,090	1.726%
2005	643,892,960	10,670,160	7,359,620	(7,584,420)	654,338,320	1,985,768,220	1.727%
2006	681,136,700	11,046,990	7,688,420	(7,980,370)	691,891,740	2,099,616,330	1.748%
2007	715,440,480	12,183,030	7,556,300	(8,151,920)	727,027,890	2,205,539,430	1.712%
2008	724,658,990	11,300,110	8,046,650	(8,147,160)	735,858,590	2,232,017,250	1.758%
2009	700,878,040	10,531,960	5,973,100	(8,291,310)	709,091,790	2,152,149,300	2.375%
2010	682,140,660	10,955,750	7,027,020	(8,405,180)	691,718,250	2,100,370,290	2.219%
2011	692,219,200	11,563,780	7,300,910	(8,732,840)	702,351,050	2,133,251,670	2.208%
2012	693,444,690	9,321,500	6,051,950	(9,111,190)	699,706,950	2,126,454,420	2.230%
2013	661,214,660	9,354,290	5,601,990	(8,872,910)	667,298,030	2,028,512,820	2.334%

Source: Tax rolls

Notes:

[a] Assessed valuation is one third of estimated actual value for all ten years.

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

[c] Personal property Includes mobile homes and livestock.

[d] Assessed value of communications, pipeline and gas, public utility, airline, mineral, and certain construction property within the County is determined by the New Mexico State Property Tax Division. A breakdown of real and personal property is not available.

[e] Weighted average rate applied to assessed value

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

Table 13

LAST TEN TAX YEARS

<u>TAX YEAR</u>		<u>STATE OF NEW MEXICO</u>	<u>CITY AND COUNTY OF LOS ALAMOS</u>	<u>LOS ALAMOS SCHOOL DISTRICT</u>	<u>UNIVERSITY OF NEW MEXICO LOS ALAMOS</u>	<u>TOTAL</u>
Tax Rates per \$1000 of Assessed Valuation						
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
2009	Residential	1.150	8.741	12.253	0.892	23.036
	Non-Residential	1.150	13.788	12.467	1.000	28.405
2010	Residential	1.530	6.915	12.267	0.924	21.636
	Non-Residential	1.530	10.598	12.471	1.000	25.599
2011	Residential	1.362	6.975	12.272	0.935	21.544
	Non-Residential	1.362	10.598	12.473	1.000	25.433
2012	Residential	1.360	7.166	12.316	0.969	21.811
	Non-Residential	1.360	10.598	12.506	1.000	25.464
2013	Residential	1.360	7.690	12.534	1.000	22.584
	Non-Residential	1.360	10.598	12.694	1.000	25.652

Source: Adopted rates

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

Table 14

June 30, 2014

TAXPAYER	TYPE OF BUSINESS	FY 2014			FY 2005		
		TAX YEAR 2013 ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION	TAX YEAR 2004 ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION
PHC-Los Alamos Inc. (LAMC)	Medical Services	\$ 8,478,300	1	1.27%	\$ 8,222,330	1	1.43%
Los Alamos National Bank	Real Estate	4,879,870	2	0.73%	4,842,340	3	0.84%
Central Park Square LLC	Real Estate	4,763,120	3	0.71%	-	-	-
Los Alamos Commerce and Development	Real Estate	3,756,880	4	0.56%	3,853,300	4	0.67%
Canyon Village Housing Solutions	Real Estate	3,256,160	5	0.49%	-	-	-
Oppenheimer Place Condo Assoc Inc	Real Estate	3,114,180	6	0.47%	3,205,650	6	0.56%
Smith's Food & Drug Centers, Inc.	Food & Drug	2,195,340	7	0.33%	-	-	-
NMC Holdings LLC	Real Estate	2,177,450	8	0.33%	-	-	-
CC&F Los Alamos Invest Co.	Real Estate	2,011,760	9	0.30%	1,847,460	9	0.32%
Los Alamos Lodging LLC	Real Estate	1,727,730	10	0.26%	-	-	-
Netuschil Development Corp	Real Estate	-	-	-	2,377,550	7	0.41%
Housing Solutions LLC	Real Estate	-	-	-	3,418,890	5	0.60%
Shannon Corporation	Real Estate	-	-	-	2,162,820	8	0.38%
Qwest Corp.	Telephone Utility	-	-	-	6,208,970	2	1.08%
Developers Diversified Realty	Real Estate	-	-	-	1,719,160	10	0.30%
Los Alamos Business Center	Real Estate	-	-	-	-	-	-
Museum Park Inc.	Real Estate	-	-	-	-	-	-
Total assessed valuation of ten principal taxpayers		36,360,790		5.45%	20,123,620		3.51%
Total assessed valuation of other taxpayers		630,937,240		94.55%	553,645,440		96.49%
Total assessed valuation		\$ 667,298,030		100.00%	\$ 573,769,060		100.00%

Source: 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			
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 [a]	66,332,144	7%	3,524
2007	0	0	2,353,180	65,019,205 [b]	15,657,064 [c]	83,029,449	8%	4,386
2008	0	0	1,760,686	59,514,641	18,086,801 [c]	79,362,128	7%	4,172
2009	0	73,734,775 [d]	0 [e]	53,605,077	18,486,512	145,826,364	14%	8,043
2010	0	70,533,228	0	47,405,513	19,955,942	137,894,683	13%	7,598
2011	0	67,226,077	0	54,145,925 [f]	19,695,479	141,067,481	13%	7,859
2012	0	63,799,121	0	47,310,039	19,182,482	130,291,642	12%	7,150
2013	0	53,956,841 [g]	0	39,879,153	18,784,979	112,620,973	10%	6,202
2014	0	59,912,216 [h]	0	32,822,680 [h]	18,113,022	110,847,918	10%	6,041

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

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

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

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

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

[f] 2010 Series revenue bonds issued for approximately \$13.2 million.

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

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

INCORPORATED COUNTY OF LOS ALAMOS

Table 16

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

LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>POPULATION [a]</u>	<u>ASSESSED VALUE [b]</u>	<u>GROSS BONDED DEBT</u>	<u>NET DEBT SERVICE FUNDS</u>	<u>NET BONDED DEBT</u>	<u>RATIO OF NET BONDED DEBT TO ASSESSED VALUE</u>	<u>NET BONDED DEBT PER CAPITA</u>
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	727,027,898	0	0	0	0.00%	0
2009	18,130	735,858,590	0	0	0	0.00%	0
2010	18,150	735,858,590	0	0	0	0.00%	0
2011	17,950	691,383,880	0	0	0	0.00%	0
2012	18,222	702,351,050	0	0	0	0.00%	0
2013	18,159	699,706,950	0	0	0	0.00%	0
2014	18,348	667,298,030	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 2012 tax year corresponds to FY2013)

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

Table 17

June 30, 2014

<u>NAME OF GOVERNMENTAL UNIT</u>	<u>2013 CALENDAR YEAR ASSESSED VALUATION</u>	<u>DEBT OUTSTANDING</u>	<u>PERCENT APPLICABLE TO GOVERNMENT</u>	<u>COUNTY OF LOS ALAMOS SHARE OF DEBT</u>
Direct County of Los Alamos Debt				
General Obligation Bonds	\$ 667,298,030	\$ 0	100.00%	\$ 0
GRT Revenue Bonds	667,298,030	59,912,216	100.00%	59,912,216
Overlapping Debt [a]				
State of New Mexico	54,490,961,619	296,890,000	1.22%	\$ 3,635,724
Los Alamos School District	667,298,030	36,400,000	100.00%	36,400,000
University of New Mexico - Los Alamos	667,298,030	0	100.00%	0
Total overlapping debt				40,035,724
Total direct and overlapping debt				\$ 99,947,940

Ratio of estimated direct and overlapping debt to 2013 assessed valuation: 14.98

Ratio of direct general obligation debt to 2013 assessed valuation: .00%

Per capita direct and overlapping debt: \$5,504

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

County population - 2013 estimate: 18,348

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

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

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

Table 18

June 30, 2014

Assessed valuation, tax year 2013 (One third of full valuation)	<u>\$ 667,298,030</u>
Legal debt margin:	
Debt limitation - 4 percent of assessed valuation	26,691,921
Less: Debt applicable to limitation (general obligation debt)	<u>0</u>
Legal debt margin	<u><u>\$ 26,691,921</u></u>

Note:

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

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

Table 19

FISCAL YEAR	GROSS REVENUES[a]	EXPENSES[b]	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS [c]			DEBT SERVICE COVERAGE RATIO
				PRINCIPAL	INTEREST	TOTAL	
ELECTRIC UTILITY							
2005	\$ 35,652,533	\$ 26,474,671	\$ 9,177,862	\$ 5,310,000	\$ 3,299,251	\$ 8,609,251	1.07
2006	36,921,888	27,730,207	9,191,681	5,415,000	3,205,750	8,620,750	1.07
2007	38,074,522	28,553,817	9,520,705	5,865,000	3,124,113	8,989,113	1.06
2008	43,875,165	31,806,080	12,069,085	6,270,000	3,070,628	9,340,628	1.29
2009	42,308,373	31,665,784	10,642,589	6,560,000	2,759,288	9,319,288	1.14
2010	40,861,275	32,563,238	8,298,037	6,865,000	2,443,770	9,308,770	0.89
2011	42,549,827	32,531,701	10,018,126	7,180,000	2,592,193	9,772,193	1.03
2012	45,657,933	32,835,190	12,822,743	7,544,581	2,355,424	9,900,005	1.30
2013	49,096,622	38,067,208	11,029,414	6,944,924	2,342,866	9,287,790	1.19
2014	46,466,503	34,898,486	11,568,017	7,317,756	1,896,007	9,213,763	1.26
WATER UTILITY							
2005-2010	0	0	0	0	0	0	0
2011	8,629,047	3,722,191	4,906,856	0 [d]	28,192	28,192	174.05
2012	5,791,200	3,726,613	2,064,587	1,253	35,118	36,371	56.76
2013	6,324,036	4,504,479	1,819,557	68,001	41,413	109,414	16.63
2014	5,506,428	4,457,978	1,048,450	76,278	90,049	166,327	6.30

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.

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

[d] 2010 Utility Bond Series had no principal debt service in FY2011.

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

Table 20

Fiscal Year	Population	Personal Income (In thousands)	Per Capita Personal Income	School Enrollment	Unemployment Rate
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%
2010	18,150	1,070,656	58,698	3,362	3.50%
2011	17,950	1,083,283	59,936	3,410	4.00%
2012	18,222	1,109,606	61,539	3,375	2.90%
2013	18,159	1,106,416	60,719	3,528	3.70%
2014	18,348	1,158,288	63,786	3,524	3.40%

Sources: School Enrollment provided by NM Public Education Department website. Population estimate provided by U.S. Census Bureau. All other data provided by the University of NewMexico Bureau of Business and Economic Research website.

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

Table 21

June 30, 2014

EMPLOYER	TYPE OF BUSINESS	FY2014			FY2005		
		NUMBER OF EMPLOYEES [a]	RANK	% of Total County Employment	NUMBER OF EMPLOYEES	RANK	% of Total County Employment
Los Alamos National Laboratory	Research and Development	10,199	1	67.39%	8633	1	49.19%
Los Alamos County	Government	672	2	4.44%	606	4	3.45%
Los Alamos Public Schools	Education	551	3	3.64%	700	3	3.99%
SOC (Guard Force)	Security	365	4	2.41%	-	-	-
Los Alamos Medical Center	Medical Services	320	5	2.11%	305	8	1.74%
Los Alamos National Bank	Banking	225	6	1.49%	290	9	1.65%
KSL Services, Inc.	Maintenance and Operations Services	-	-	-	1203	2	6.85%
Protection Technology Los Alamos	Security	-	-	-	594	5	3.38%
Weirich Technical Services	Engineering & Analysis Studies	-	-	-	452	6	2.58%
Comforce Technical	Engineering & Analysis Studies	-	-	-	435	7	2.48%
Other employers		2,803		18.52% [c]	4,334		24.69%
Total workforce [b]		15,135		100.00%	17,552		100.00%

Sources: Individual Employers, New Mexico Department of Labor

Notes:

[a] As of June 30, 2014

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

[c] Top six employers shown, which collectively represent greater than 81% 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		2010	
	NUMBER	PERCENT	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%	1,021	5.6%	960	5.3%
5-19 years	4,226	32.4%	5414	35.6%	4,874	27.7%	4,032	22.3%	4,050	22.1%	3,648	20.3%
20-24 years	375	2.9%	567	3.7%	805	4.6%	565	3.1%	463	2.5%	498	2.8%
25-34 years	2,260	17.3%	2061	13.6%	2,608	14.8%	3,126	17.3%	1,864	10.2%	1,713	9.5%
35-44 years	2,653	20.3%	2432	16.0%	3,155	17.9%	3,718	20.5%	3,217	17.5%	2,327	13.0%
45-54 years	1,107	8.5%	2269	14.9%	2,491	14.2%	3,171	17.5%	3,226	17.6%	3,347	18.6%
55-64 years	373	2.9%	839	5.5%	1,829	10.4%	1,909	10.5%	2,282	12.4%	2,771	15.4%
65 and over	142	1.1%	314	2.1%	722	4.1%	504	2.8%	2,220	12.1%	2,686	15.0%
Totals	13,037	100.0%	15,198	100.0%	17,599	100.0%	18,115	100.0%	18,343	100.0%	17,950	100.0%

Source: U.S. Census Bureau

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

Table 23

LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>
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	4.56	4.56	4.80	4.80	4.80	4.80	4.80	4.80	4.80	4.75
County Administrator	11.56	13.00	13.50	13.50	12.00	13.23	11.00	11.50	22.00	20.00
County Assessor	6.59	6.59	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
County Attorney	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
County Clerk	7.33	6.97	6.75	6.72	6.70	6.70	6.70	6.70	6.69	6.69
County Sheriff	2.03	2.03	1.97	2.02	1.90	1.90	1.90	2.04	2.04	1.94
Administrative Services	52.11	50.50	53.86	54.75	55.25	58.25	60.22	59.76	50.00	50.00
Public Works	43.81	44.63	46.15	47.17	12.14	12.00	12.00	12.00	10.00	11.46
Capital Projects & Facilities (new FY2009)	0.00	0.00	0.00	0.00	38.50	37.00	37.00	37.00	39.00	37.00
Public Safety										
Police	60.13	60.13	75.55	75.57	77.53	76.54	77.54	77.98	77.99	78.02
Cerro Grande fire recovery	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Physical and economic environment	14.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	14.00	12.00
Transportation	27.40	25.52	25.53	27.53	27.41	27.37	26.87	26.62	26.60	26.23
Health and welfare	0	0	0	0	0	0	1.25	1.25	2.00	2.00
Culture and recreation	88.06	86.44	85.43	86.31	86.67	88.36	86.88	86.26	85.58	86.33
Business-type activities										
Joint Utilities										
Electric	44.00	44.00	45.00	45.00	54.00	54.00	54.00	52.00	54.44	54.02
Gas	27.13	27.22	25.74	25.37	25.83	24.39	23.40	25.17	24.04	24.18
Water	12.00	12.00	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25
Wastewater	10.00	10.00	10.13	10.13	9.13	9.13	9.13	9.00	9.00	9.00
Environmental Services	20.04	19.26	19.26	19.26	18.75	18.75	19.00	18.50	18.00	18.17
Golf	12.96	12.82	12.73	12.79	13.60	13.02	12.48	12.20	12.09	11.59
Fire	135.00	135.00	141.00	141.00	148.00	150.00	150.00	150.00	150.00	150.00
Airport	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	2.08
Transit (new FY2008)	0.00	0.00	0.00	22.00	24.00	31.50	31.75	32.00	40.00	39.37
Equipment-internal service	10.00	10.00	10.00	10.00	11.00	11.00	11.00	11.00	11.00	11.00
Risk-internal service	3.00	2.50	2.50	2.50	2.50	2.50	2.50	2.00	2.00	2.00
Totals	<u>606.21</u>	<u>599.67</u>	<u>623.65</u>	<u>650.17</u>	<u>673.46</u>	<u>684.19</u>	<u>683.17</u>	<u>681.53</u>	<u>692.02</u>	<u>687.08</u>

Source: Administrative Services Department

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

Table 24

LAST TEN FISCAL YEARS

	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
General Government										
Assessor-number of parcels by tax year	8,908	8,972	8,972	8,988	8,799	9,139	9,078	9,079	9,047	9,194
Clerk-number of elections managed	3	3	4	1	3	2	2	2	3	2
Sheriff-number of processes administered	271	290	245	276	256	284	322	169	138	151
IT-Number of networked devices supported	not available	not available	1,452	1,535	1,537	1,567	1,569	1,585	1,592	1,453
Public Safety										
Police-Part 1 UCR Offenses [a]	378	350	431	386	297	349	364	258	358	204
Police-number of service call responses	16,751	14,535	13,773	13,883	14,264	17,172	16,882	17,513	17,647	16,700
Police-number of reported traffic accidents	300	293	471	260	216	242	225	366	310	305
Police-number animal control cases	297	358	354	355	293	350	305	265	385	182
Physical & Economic Development										
Number of construction permits issued*	235	180	191	113	92	94	108	96	578 [b]	681
Transportation										
Traffic-miles of lane lines striped	66	50	46	58	52	88	56	84	84	84
Culture and Recreation										
Library-Number of circulations	320,596	328,098	339,895	358,216	374,358	394,736	411,356	413,291	389,719	396,768
Number of park acres maintained	587	590	599	599	599	609	616	936	944	944
Number of cemetery internments	not available	not available	41	32	39	34	36	59	55	55
Number of aquatic center visits	89,021	89,748	87,457	86,843	90,275	99,759	85,658	91,972	134,143	135,916
Number of rink visits	12,051	10,294	20,130	23,451	20,731	27,443	28,663	22,817	28,286	30,150
Sr. Center-number of seniors served	not available	not available	2,263	2,348	2,410	3,800	4,040	3,790	2,787	3,732
Joint Utility System										
EP-Number of megawatt hrs supplied	512,387	562,015	590,117	550,623	567,821	559,542	563,109	589,362	570,883	531,796
ED-Number of electric utility customers	8,908	8,767	8,892	8,877	8,764	8,733	8,610	8,660	8,741	8,900
Gas-Number of therms delivered	9,435,586	8,198,081	9,374,019	9,389,368	8,396,000	9,761,560	8,754,903	8,475,984	8,711,200	9,389,410
WP-M gallons water produced	1,317,241	1,468,907	1,245,586	1,458,459	1,420,686	1,308,069	1,422,096	1,382,268	1,376,746	1,166,692
WD-M gallons of water sold	876,445	999,920	720,433	800,273	781,692	741,277	800,842	876,360	842,344	683,637
WW-K gallons sewage conveyed	not available	530,375	363,182	441,351	451,640	447,516	445,685	479,870	429,117	421,319
Golf Course										
Number of golf rounds provided	not available	not available	31,374	29,221	29,553	27,844	25,841	24,249	22,186	27,284
Transit (first year of complete data was FY2009)										
Number of one way passenger rides	not available	not available	not available	not available	391,338	433,512	449,987	491,315	573,967	517,638
Number of miles of service provided	not available	not available	not available	not available	430,180	516,013	627,309	675,157	785,697	714,815
Fire Protection Services										
Number of responses	1,606	1,965	1,873	2,022	1,956	2,001	2,110	1,951	1,841	1,838
Airport										
Number of takeoffs & landings	not available	not available	11,199	13,255	13,244	13,376	14,010	13,500	13,500	13,500

Sources: County departments.

[a] Only calendar year data available

[b] High number of permits due to major hail storm damage (mainly roofs).

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

Table 25

LAST TEN FISCAL YEARS

	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
Public Safety										
Police stations (includes WR substation)	2	2	2	2	2	2	2	2	2	2
Police vehicles	39	41	46	48	50	50	50	47	47	47
County owned fire stations	3	4	4	5	5	5	5	5	5	5
Dept. of Energy owned fire stations	3	2	2	2	2	2	2	2	2	2
Transportation										
Streets, miles	105.0	105.7	106.0	106.0	106.0	106.6	106.6	106.5	106.5	106.5
Sidewalk, square yards	223,207	227,407	229,048	231,099	235,356	241,612	241,612	245,440	245,440	245,440
Street lights, county owned	1,150	1,153	1,156	1,167	1,204	1,292	1,292	1292	1292	1292
Traffic signals	11	11	11	11	11	11	11	11	11	11
School and station flashers	9	9	9	10	10	10	10	10	10	10
Public Parking Lots	28	28	30	31	27	34	35	37	38	38
Culture and Recreation										
Senior centers	2	2	2	2	2	2	2	2	2	2
Public libraries	2	2	2	2	2	2	2	2	2	2
Aquatic centers	1	1	1	1	1	1	1	1	1	1
Rinks	1	1	1	1	1	1	1	1	1	1
Parks and play lots	33	33	33	34	35	35	35	35	35	35
Baseball/softball diamonds	14	14	14	14	14	14	14	14	14	14
Soccer fields	7	7	7	7	7	7	7	7	7	7
Tennis courts	9	9	9	9	9	9	9	9	9	9
Joint Utility System										
Electric generating capacity, owned resources MW	60	60	60	60	60	60	61	61	61	62
Electric distribution line miles	142.0	142.0	142.0	142.0	142.0	143.0	143.0	143.0	143.0	144.0
Water production wells	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12	12	12
Water distribution line miles	147.0	147.0	147.0	147.0	147.0	148.5	148.5	148.5	149.5	149.5
Gas distribution line miles	120.0	120.0	120.0	120.0	120.0	122.0	122.0	122.0	125.0	125.5
Wastewater collection line miles	117.0	117.0	117.0	117.0	117.0	118.0	118.0	118.0	118.0	118.9
Environmental Services										
Collection trucks	8	8	9	10	10	10	10	10	10	10
Golf Course										
Holes	18	18	18	18	18	18	18	18	18	18
Airport										
Tie down spaces	83	83	83	98	98	98	98	98	98	98

Sources: County departments

INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM PROFIT TRANSFER AND IN LIEU PAYMENTS
TO THE GENERAL FUND
LAST TEN FISCAL YEARS

Table 26

Fiscal Year	FRANCHISE FEES [a]		IN LIEU TAX [b]			PROFIT TRANSFER [c]		TOTAL JOINT UTILITY SYSTEM
	ELECTRIC DISTRIBUTION	GAS	ELECTRIC PRODUCTION	ELECTRIC DISTRIBUTION	GAS	ELECTRIC	GAS	
2005	\$ 193,187	\$ 171,643	\$ 1,865	\$ 33,874	\$ 17,064	\$ 423,540	\$ 385,304	\$ 1,226,477
2006	195,428	177,147	1,403	37,917	28,711	413,709	394,508	1,248,822
2007	192,972	182,260	826	111,761	31,668	413,327	407,440	1,340,255
2008	210,508	174,613	237	114,181	31,363	414,925	420,184	1,366,011
2009	210,931	164,301	219	141,275	31,142	442,643	402,342	1,392,853
2010	221,476	157,979	902	200,748	54,811	437,711	374,584	1,448,210
2011	225,931	123,703	747	174,095	47,631	466,858	361,617	1,400,583
2012	235,444	108,900	2,474	181,565	49,922	457,600	282,776	1,318,682
2013	233,512	109,421	4,533	175,552	61,835	486,879	250,684	1,322,417
2014	231,282	128,916	13,924	189,561	68,787	478,324	253,562	1,364,356

Sources: County financial records

Notes:

[a] Franchise Fees are 2% of all Electric Distribution and Gas revenue from all rate classes.

[b] In Lieu of Property Tax is the net book value of Electric and Gas fixed assets divided by three, times the Los Alamos County property tax rate.

In Lieu excludes San Juan, El Vado and Abiquiu assets located outside Los Alamos County.

[c] Profit Transfer is 5% of Electric Distribution and Gas retail revenues excluding sales to schools and the County.



Other Supplementary Information

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

Year ended June 30, 2014

PROPERTY TAX RECEIVABLE, JUNE 30, 2013	\$ 493,023
Net taxes charged to treasurer	15,574,631
Collections	(15,655,203)
Adjustments	5,276
PROPERTY TAX RECEIVABLE, JUNE 30, 2014	<u><u>\$ 417,727</u></u>

PROPERTY TAXES RECEIVABLE AS OF JUNE 30, 2014, 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>
2004	\$ 602	280	36	41	245
2005	1,657	838	109	105	605
2006	1,539	732	112	106	589
2007	1,697	856	116	77	648
2008	978	466	72	48	392
2009	1,893	726	94	73	1,000
2010	9,024	3,151	640	373	4,860
2011	14,140	4,967	867	596	7,710
2012	49,863	18,215	2,972	2,104	26,572
2013	336,334	117,969	20,347	14,843	183,175
	<u><u>\$ 417,727</u></u>	<u><u>148,200</u></u>	<u><u>25,365</u></u>	<u><u>18,366</u></u>	<u><u>225,796</u></u>

DISTRIBUTION OF COLLECTED PROPERTY TAXES:

Incorporated County of Los Alamos	\$ (5,427,832)
State of New Mexico	(947,344)
University of New Mexico	(695,717)
Los Alamos Schools	(8,584,309)
	<u><u>\$ (15,655,203)</u></u>

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

Year ended June 30, 2014

<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>Undistributed at Year End</u>	<u>Receivable at Year End</u>
Incorporated County of							
Los Alamos:							
2004	\$ 4,903,882	149	4,903,602	149	4,903,602	0	280
2005	5,277,029	64	5,276,191	64	5,276,191	0	838
2006	5,659,664	65	5,658,932	65	5,658,932	0	732
2007	6,034,002	65	6,033,146	65	6,033,146	0	856
2008	6,372,166	65	6,371,700	65	6,371,700	0	466
2009	6,682,978	1,479	6,682,252	1,479	6,682,252	0	726
2010	5,137,532	4,766	5,134,381	4,766	5,134,381	0	3,151
2011	5,312,373	8,500	5,307,406	8,500	5,307,406	0	4,967
2012	5,400,728	138,519	5,382,513	138,519	5,382,513	0	18,215
2013	5,458,603	5,274,161	5,340,634	5,274,161	5,340,634	0	117,969
	56,238,957	5,427,833	56,090,757	5,427,833	56,090,757	0	148,200
State of New Mexico:							
2004	628,426	25	628,390	25	628,390	0	36
2005	808,399	10	808,290	10	808,290	0	109
2006	893,350	11	893,238	11	893,238	0	112
2007	887,994	10	887,878	10	887,878	0	116
2008	917,244	10	917,172	10	917,172	0	72
2009	816,703	176	816,609	176	816,609	0	94
2010	1,059,017	869	1,058,377	869	1,058,332	45	640
2011	969,204	1,464	968,337	1,464	968,150	187	867
2012	964,669	22,159	961,697	22,159	961,601	96	2,972
2013	955,254	922,610	934,907	922,610	932,107	2,800	20,347
	8,900,260	947,344	8,874,895	947,344	8,871,767	3,128	25,365

University of New Mexico:

2004	716,700	23	716,659	23	716,659	0	41
2005	773,952	10	773,847	10	773,847	0	105
2006	842,877	10	842,771	10	842,771	0	106
2007	581,102	7	581,025	7	581,025	0	77
2008	613,917	7	613,869	7	613,869	0	48
2009	643,301	140	643,228	140	643,228	0	73
2010	646,531	539	646,158	539	646,121	37	373
2011	671,315	1,013	670,719	1,013	670,595	124	596
2012	689,831	15,937	687,727	15,937	687,666	61	2,104
2013	701,918	678,031	687,075	678,031	685,024	2,051	14,843
	6,881,444	695,717	6,863,078	695,717	6,860,805	2,273	18,366

Los Alamos Public Schools:

2004	4,301,209	138	4,300,964	138	4,300,964	0	245
2005	4,447,568	57	4,446,963	57	4,446,963	0	605
2006	4,686,656	57	4,686,067	57	4,686,067	0	589
2007	4,929,023	57	4,928,375	57	4,928,375	0	648
2008	4,989,382	55	4,988,990	55	4,988,990	0	392
2009	8,716,082	1,886	8,715,082	1,886	8,715,082	0	1,000
2010	8,506,033	6,959	8,501,173	6,959	8,500,678	495	4,860
2011	8,747,830	13,105	8,740,120	13,105	8,738,500	1,620	7,710
2012	8,748,693	201,240	8,722,121	201,240	8,721,346	775	26,572
2013	8,655,216	8,360,755	8,472,041	8,360,755	8,446,706	25,335	183,175
	66,727,692	8,584,309	66,501,896	8,584,309	66,473,671	28,225	225,796

Grand Total	\$ 138,748,353	15,655,203	138,330,626	15,655,203	138,296,999	33,627	417,727
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**INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF PLEDGED COLLATERAL**

June 30, 2014

	<u>LOS ALAMOS NATIONAL BANK</u>	<u>COMMUNITY BANK</u>	<u>FIRST NATIONAL BANK OF SANTA FE</u>	<u>WELLS FARGO BANK MINNESOTA</u>	<u>TOTAL</u>
TOTAL AMOUNT OF DEPOSITS (bank balances)	\$ 22,217,148	3,030,763	6,244,102	0	31,492,013
TOTAL AMOUNT OF REPURCHASE AGREEMENTS	0	0	0	8,916,807	8,916,807
Less: FDIC coverage	250,000	250,000	250,000	250,000	1,000,000
TOTAL UNINSURED PUBLIC FUNDS	<u>21,967,148</u>	<u>2,780,763</u>	<u>5,994,102</u>	<u>8,666,807</u>	<u>39,408,820</u>
COLLATERAL REQUIRED					
Deposits	10,983,574 [a]	1,390,382 [a]	2,997,051 [a]	0	15,371,006
Repurchase agreement	0	0	0	9,362,647 [b]	9,362,647
COLLATERAL					
Letters of Credit, Agencies, Municipal Bonds	23,996,856 [c]	3,001,850 [c]	6,562,918 [c]	0	33,561,624
Pledged securities-repurchase agreement	0	0		8,586,875 [d]	8,586,875
OVER(UNDER) SECURED	<u>\$ 13,013,282</u>	<u>1,611,468</u>	<u>3,565,867</u>	<u>(775,772)</u>	<u>17,414,845</u>

Notes:

[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, 2014

	<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	04/18/14	04/20/15	Letter of credit		20,000,000	20,000,000
Agency Notes/Bonds	04/24/14	10/15/15	3133ECL93	FFCB	2,500,000	2,500,084
	04/30/14	10/17/16	313380XB8	FHLB	1,500,000	1,496,772
					<u>24,000,000</u>	<u>23,996,856</u>
COMMUNITY BANK						
Letter of Credit: Federal Home Loan Bank of Dallas						
Beneficiary: County of Los Alamos	06/26/14	07/25/14	Letter of credit		2,000,000	2,000,000
Agency Notes/Bonds	08/28/12	10/30/14	3135GODW0		<u>1,000,000</u>	<u>1,001,850</u>
					3,000,000	3,001,850
FIRST NATIONAL BANK OF SANTA FE						
Agency Notes/Bonds	06/30/12	03/01/27	3128PYKP8	FHLMC	2,436,800	2,576,250
	03/31/13	08/01/27	31306XEA7	FHLMC	1,529,696	1,596,043
	04/30/14	07/31/19	912828TH3	US Treas	<u>2,500,000</u>	<u>2,390,625</u>
					6,466,496	6,562,918
WELLS FARGO BANK MINNESOTA						
Custodians: AIG Inc., New York, NY						
Agency Notes/Bonds	Various	07/18/16	3137EAAG4	FHLMC	1,550,000	1,746,590
	Various	06/03/24	3134A1H60	FHLMC	1,100,000	801,427
	Various	09/15/29	3134A3U46	FHLMC	600,000	866,091
	Various	06/01/17	31359MEL3	FNMA	1,300,000	1,259,765
	Various	05/15/16	912833KH2	US Treas	100,000	99,215
	Various	02/15/31	912833XZ8	US Treas	1,500,000	869,595
	Various	02/15/32	9128334T4	US Treas	4,800,000	2,672,688
	Various	02/01/27	83162CQV8	SBA	<u>239,847</u>	<u>271,504</u>
					11,189,847	8,586,875
TOTAL PLEDGED COLLATERAL					\$ <u>44,656,343</u>	<u>42,148,499</u>

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

June 30, 2014

<u>NAME OF DEPOSITORY</u>	<u>ACCOUNT NAME</u>	<u>TYPE OF ACCOUNT</u>	<u>TOTAL DEPOSITORY BALANCES</u>
American Industries Trust Co.	L.A.C. Employee Pension Plan	Participant Investment	\$ 40,550,566
Bank of Albuquerque	Los Alamos County	FHLB	10,058,200
Bank of Albuquerque	Los Alamos County	FHLMC	15,361,800
Bank of Albuquerque	Los Alamos County	FNMA	5,049,050
Bank of Albuquerque	Los Alamos County	FFCB	18,955,910
Bank of Albuquerque	Los Alamos County	T-Note	5,022,850
First National Bank of Santa Fe	Los Alamos County	C.D.	2,097,759
First National Bank of Santa Fe	Los Alamos County	Savings	4,146,343
Community Bank	Los Alamos County	Savings	3,030,763
Los Alamos National Bank	Library Gift Fund	C.D.	12,300
Los Alamos National Bank	Employee Fund	Checking	5,313
Los Alamos National Bank	Employee Fund	C.D.	9,627
Los Alamos National Bank	Flexible Spending Account	Checking	14,170
Los Alamos National Bank	General County	Checking	13,513,680
Los Alamos National Bank	GRT Bonds Debt Service	Checking	29,238
Los Alamos National Bank	Landfill Closure	Checking	445,171
Los Alamos National Bank	Municipal Court Bond	Checking	2,751
Los Alamos National Bank	Police Operations	Checking	638
Los Alamos National Bank	Small Purchase	Checking	26,986
Los Alamos National Bank	Manual Checks	Checking	20,001
Los Alamos National Bank	Utility Resource Pool	Checking	8,137,272
NMFA / Bank of Albuquerque	Trustee Loan Account	Cash Equivalent	466,065
Bank of Albuquerque	Trustee Loan Account - Utilities	Cash Equivalent	405,716
State Investment Council	Permanent Fund	Pool	27,690,684
State Investment Council	General Fund	Pool	17,267,296
State Investment Council	Cemetery Perpetual Care	Pool	881,231
State Treasurer's Pool	General County	Pool	6,318
Wells Fargo Bank Minnesota	Utility Bond Accounts	Cash Equivalent	3,272,029
Wells Fargo Bank Minnesota	Utility Bonds	FHLB	10,229,562
Wells Fargo Bank Minnesota	Utility Bond 2004	Repurchase	8,916,807
Total Depository Balances			195,626,098
Reconciling items to Bank Reconciliation			129,308
Petty Cash and Change Funds			5,810
Total Deposits and Investments reported in financial statements			\$ 195,761,216

INCORPORATED COUNTY OF LOS ALAMOS
SUPPLEMENTAL SCHEDULE OF JOINT POWERS AGREEMENTS AND MEMORANDUMS OF UNDERSTANDING
June 30, 2014

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, 2014, the County had approximately \$45.8 million invested with the SIC. The County paid approximately \$113,000 in fees, which are netted in the investment gain. The County is responsible for all audits of its financial records. The Pooled Investment Funds are included in the SIC's annual fiscal year-end audit.

Incorporated County of Los Alamos (the County) and the New Mexico 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 maybe terminated at any time by the participants.

Incorporated County of Los Alamos (the County) and the New Mexico Energy, Minerals and Natural Resources Department (NMEMNRD)

The parties entered into this agreement to document NMEMNRD and the County's agreement and commitment to mutual wildland fire suppression and management assistance and cooperation. NMEMNRD is the designated state agency responsible for coordinating wildland fire suppression services among county and municipal fire departments, cooperating state agencies, and cooperating federal agencies. The County is responsible for wildland fire suppression on lands within the boundaries of its designated fire protection districts. The agreement addresses the County's role in the statewide Resource Mobilization Plan (RMP) and also defines non reimbursable and reimbursable assistance for initial or extended attack expenses. As such, the agreement establishes the County reimbursement rates and billing procedures for personnel and equipment.

This agreement does not obligate NMEMNRD or the County to expend money in excess of appropriations authorized by state or local laws. The terms of this agreement are contingent upon sufficient appropriation and authorization being granted by the New Mexico State Legislature and the County; otherwise, either party may terminate or suspend this agreement upon 90 days written notice. The agreement was entered into by the County on February 23, 2010 and supersedes JPA Agreement # 97-521-2300-0073 (Wildfire Suppression).

Incorporated County of Los Alamos (the County) and the Federal Aviation Administration (FAA)

The party entered into this MOU with respect to the Automated Weather Observing System (AWOS) installed at the County's airport facility and formally acknowledges the County's acceptance of the FAA's Operation and Maintenance Manual (OMM), which is attached therein to the MOU. Consequently, the County agrees to operate and maintain the airport facility in accordance with FAA requirements and standards, including those requirements contained in the OMM. Non compliance with these requirements will be grounds for reporting the airport facility out of service and/or cancellation of FAA approved instrument flight rule procedures.

The MOU was entered into and made effective on October 7, 2003 and remains in force and effect indefinitely.

Incorporated County of Los Alamos (the County) and the National Park Service (NPS); Bandelier National Monument

The parties entered into this MOU with respect to law enforcement procedures on lands within the National Park System, which includes Bandelier National Monument and designated exterior geographical boundaries. The agreement outlines law enforcement procedures that are authorized by NPS commissioned personnel, upon request by the County, such as responding to life or death incidents, responding to motor vehicle accidents, traffic control, crime scenes, and emergency response assistance. Accordingly, upon request by NPS, the County's Police Department is authorized to provide similar emergency law enforcement assistance to the NPS. The MOU does not obligate either party to the expenditure of funds, reimbursement of funds, or the future payment of money in excess of authorized appropriations.

The MOU was entered into and made effective on September 7, 2006 and remained in force and effect for five (5) years and has continued thereafter in good faith until renewed by either party. Any modifications to this agreement must be in written form and executed by both parties. Either party may terminate this agreement by providing the other party with sixty (60) days advance written notice.

Incorporated County of Los Alamos (the County) Police Department (LAPD), the New Mexico Department of Public Safety (NMDPS), and the Department of Energy; National Nuclear Security Administration; Los Alamos Site Office (LASO)

The parties entered into this MOU as a requirement by the Department of Energy, primarily to set forth understandings with regard to dealing with threats and criminal acts associated with theft, sabotage or hostage attempts against the NNSA, and/or Los Alamos National Laboratory (LANL). The MOU provides a basis for contingency response planning, coordination, and cooperation between the NMDPS, LAPD, and LASO to deal with off-site pursuit and/or recovery operations, to facilitate effective communication and exchange of information and assure timely, reliable, effective decision making and response actions. The MOU establishes guidelines for the use of force, public and officer safety, hostages, methods of pursuit, communications and coordination, and command and control. Although the MOU does not obligate funds, or is a basis for the transfer of funds, it is strictly for internal management purposes only and is subject to changes and modifications required by the Homeland Security's Final National Response Plan.

This MOU was entered into and made effective on January 17, 2013 and remains in force and effect for a period of 5 years thereafter. The MOU is subject to changes and modifications required by the Homeland Security's Final National Response Plan and may be terminated or amended with 60 days written notice to the other parties.

Incorporated County of Los Alamos (the County) Police Department (LAPD), the Federal Bureau of Investigation (FBI), and the Department of Energy; National Nuclear Security Administration; Los Alamos Site Office (LASO)

The parties entered into this MOU as a requirement by the Department of Energy, primarily to set forth understandings with regard to dealing with threats and criminal acts associated with theft, sabotage or hostage attempts against the LASO, and/or Los Alamos National Laboratory (LANL). The MOU

provides a basis for contingency response planning, coordination, and cooperation between the LAPD, the FBI, and the NNSA to deal with incidence response and resolution, to facilitate effective communication and exchange of information and assure timely, reliable, effective decision making and response actions. The MOU establishes guidelines for LANL security incident response, including command and control, and LAPD response and pursuit operations. Although the MOU does not obligate funds, or is a basis for the transfer of funds, it is strictly for internal management purposes only and is subject to changes and modifications required by the Homeland Security's Final National Response Plan.

This MOU was entered into and made effective on May 16, 2013 and remains in force and effect for a period of 5 years thereafter. The MOU is subject to changes and modifications required by the Homeland Security's Final National Response Plan and may be terminated or amended with 60 days written notice to the other parties.

Incorporated County of Los Alamos (the County) and the District Attorney for the First Judicial District (District Attorney)

The parties entered into this MOU to memorialize the understanding of the District Attorney and the County regarding the use of facilities and clerical support offered by the County to the District Attorney to support investigations and prosecutions of criminal cases within the County. As such, the County agrees to provide a furnished office at the County Attorney's office, which includes a separate phone line, computer connection to the Internet and office supplies. In addition, County employees will be available to support the District Attorney for a maximum of 10 hours per week with routine clerical matters. In return, the District Attorney will handle all felony criminal matters arising in the County and will be available for advice to Police Department personnel on other criminal matters.

This MOU was entered into and made effective on May 8, 2008 and remains in force and effect until terminated upon a 90-day written notice by either party.

Incorporated County of Los Alamos (the County) and the Santa Fe County Sheriff's Office (Sheriff)

The parties entered into this MOU to permit the commissioning, by Sheriff, of Los Alamos County Police Department (LAPD) law enforcement officers as deputy sheriffs of and for the County of Santa Fe for limited enforcement of New Mexico laws relating to motor vehicles within a designated corridor in Santa Fe County. This is primarily due to LAPD's physical proximity to portions of Santa Fe County, and their ability to respond to traffic incidents in a timelier manner. There is no cost to Sheriff, and each party shall bear its own cost and liabilities.

This MOU was entered into and made effective on October 1, 2008 and remains in force and effect indefinitely or until terminated upon a 90-day written notice by either party.

Incorporated County of Los Alamos (the County) and the Board of Education of the Los Alamos Public Schools (LAPS)

The parties entered into this MOU with respect to warehouse operation services provided to LAPS by the County's Material Management Division (Division), such as inventory, project material planning, shipping, and other services specified in the agreement. The MOU describes the County Division's responsibility to provide staging and storage operations for LAPS's project designated materials. Under this agreement, the County is obligated to hire two (2) LAPS warehouse staff, wherein staff roles and responsibilities are defined. Accordingly, LAPS is obligated to transfer ownership of its inventory, at cost, all items pursuant to Exhibit A of the MOU. In addition, LAPS agrees to provide access to County Division personnel to areas and software systems necessary to accomplish the duties and obligations required in the MOU. By subsequent County action, LAPS is not obligated to reimburse the County for general administrative expenses and overhead costs associated with this MOU.

The MOU was entered into and made effective on November 16, 2009 and remains in force and effect until terminated by mutual written agreement of the parties. In the event the parties cannot mutually agree to terminate this MOU, either party may give notice of termination on or prior to March 31st to be effective at the start of the next fiscal year.

Incorporated County of Los Alamos (the County) and the New Energy and Industrial Technology Development Organization Japan (NEDO)

The parties entered into this MOU to advance the New Mexico Green Grid Initiative, which was executed between NEDO and the New Mexico Economic Development Department. The primary objective of the Los Alamos Agreement is to undertake a collaborative effort to demonstrate a highly reliable power distribution system and an energy management system with real time pricing by introduction of PV, battery, smart distribution equipment, information communication equipment, and smart meters into a "live" residential grid and to construct and operate a "Smart House" with advanced home energy management equipment and systems. In addition, the project performs data analysis and research and development on cyber security, information and communications technology, and model simulation. The project work sharing responsibilities are identified in this agreement along with each party's responsibility to procure or provide certain equipment. While the power output will be used to serve the County's utility load, no payment or charge for this power will be required from the County.

The MOU was entered into and made effective on June 17, 2010 with an initial project completion date of March 31, 2014. The agreement remains in force and effect via amendment, however, until March 31, 2015. Title to the NEDO provided equipment was transferred to Los Alamos County on March 31, 2014. Los Alamos County is obligated under the agreement to provide data from continued operation of the equipment for three additional years, but is under no obligation to continue such operation if it is not economically or practically feasible to do so. The MOU may be terminated by the mutual written understanding of the parties or by either party upon thirty (30) days prior written notice to the other party.

Incorporated County of Los Alamos (the County) and the City of Santa Fe, Santa Fe County, City of Espanola, Rio Arriba County, the Town of Taos, Taos County, New Mexico, and Ohkay Owingeh together known as "coalition members"

Members of the coalition entered into this joint powers agreement to memorialize a shared interest in assuring that LANL missions remain sustainable and diversified, while assuring protection of the environment, affecting federal and state government policy decisions that affect LANL, and promoting economic development throughout the region. This agreement establishes the Regional Coalition, a separate entity from coalition members, which will develop and implement plans and approaches for carrying out the purposes of the coalition. Governance of the Regional Coalition is stated in the agreement; the County of Los Alamos is the acting fiscal agent for implementation and administration of the agreement.

This agreement was entered into by Los Alamos County on May 18, 2011 and approved by the New Mexico Department of Finance and Administration and made effective on October 13, 2011. Ohkay Owingeh joined the coalition on October 9, 2012. The term of this agreement is perpetual unless terminated by mutual consent of the coalition members.

Incorporated County of Los Alamos (the County) and the New Mexico MainStreet Program (NMMS) of the New Mexico Economic Development Department (NMEDD)

Under the New Mexico MainStreet Program (NMMS), this MOU establishes a partnership with NMEDD to advance economic development and revitalization initiatives within the downtown business district of Los Alamos. A locally qualified MainStreet Project affiliate, the Los Alamos Commerce and Development Corporation, is qualified to receive from NMEDD any available resources, training, and technical services. The MOU is based on standards defined in an accompanying document which sets forth specific criteria for participation by the County in partnership with the NMMS affiliate.

The MOU covers a period of two years beginning July 1, 2013 through July 31, 2015. The MOU was fully executed on October 7, 2013.

Incorporated County of Los Alamos (the County) and the New Mexico Motor Vehicle Division (MVD) of the Taxation and Revenue Department (TRD)

The parties entered into this MOU for the purpose of providing Los Alamos County access to the motor vehicle database and access to add and delete property tax liens on manufactured homes in the County. The MOU identifies points of contact for both parties and establishes requirements and restrictions for use of information, audit requirements, and record keeping. There are no charges levied upon MVD or the County for the use of the database. The MOU is ongoing and may be terminated upon 10 days written notice to MVD.

Incorporated County of Los Alamos (the County) and the North Central Regional Transit District (NCRTD)

The parties entered into this MOU to fund certain expenses and projects that aim to promote an efficient, sustainable, and multi-modal transportation system in the region. NCRTD is a political subdivision of the State of New Mexico, of which the County is a member of along with eleven (12) other political subdivisions. Through this regional partnership effort, the County agrees to fund \$450,000 for member local government matches of federal grants, additional reserve funds, and such other purposes as NCRTD deems appropriate. In return, NCRTD agrees to maintain midday service routes to Los Alamos County.

The MOU covers period October 25, 2013 through September 30, 2014, and may be terminated by either party upon thirty (30) days written notice. The MOU is typically renewed each year for an additional one (1) year period and may be subject to new funding amounts by the County.

Incorporated County of Los Alamos (the County) and the North Central New Mexico Economic Development District (NCNMEDD), Santa Fe County, the City of Espanola, Rio Arriba County, Ohkay Owingeh, the Pueblo of Santa Clara, the Pueblo of Pojoaque, and the Pueblo of Tesuque.

This Joint Powers Agreement (JPA) is entered into by all parties for the management of the Redi Middle-Mile Broadband Network (REDI Net), a high-speed, open access broadband network deployed within the jurisdictional boundaries of all parties involved. NCNMEDD was awarded federal funding from the Broadband Technology Opportunities Program (BTOP), National Technology and Information Administration (NTIA), United States Department of Commerce, to implement the REDI Net project. The project has an estimated total cost of \$13.4 million of which \$10.6 million will be paid with federal funds, and the remaining \$2.8 million is contributed by the various jurisdictional parties in the form of cash and in-kind contributions. REDI Net consists of approximately 150 miles of fiber optic cable and associated equipment and will be installed primarily on existing electric utility poles of all jurisdictional parties, subject to securing necessary easements and rights of way, for construction, permitting, and other construction-related activity. REDI Net will offer high-speed wholesale bandwidth to qualified service providers and anchor institutions that operate within the range of its network.

This agreement establishes a governance structure that includes a representative from each jurisdictional party on the Board of Directors and establishes powers and duties to oversee construction, implementation, and long-term management of the REDI Net project. This agreement obligates the County to contribute \$400,000 in cash into NCNMEDD's interest-bearing project account. This agreement was entered into by the County on November 9, 2011 and is effective for a period of 20 years thereafter. Amendments to this agreement shall be in writing and subject to approval by the New Mexico Department of Finance and Administration.

Incorporated County of Los Alamos (the County) and the Los Alamos Ski Club, Inc. (LASC).

The parties entered into this MOU to jointly explore water sources and economic development opportunities within Los Alamos County in the Jemez Mountains, including land on and adjacent to Pajarito Mountain, a ski area which is owned and managed by LASC. By means of this MOU, the County intends to procure services of a professional planner to create a long-term development plan for the purposes of fire protection, property development, economic growth, and snowmaking.

This MOU is non-binding and does not obligate the County to implement the recommendations of the development plan. No funds are committed and no legal obligations are created. The MOU was made effective on November 26, 2013 and is in effect for a five (5) year term thereafter, unless modified or terminated by either party upon thirty (30) days written notice to the other party.

Incorporated County of Los Alamos (the County) and the New Mexico Department of Transportation (NMDOT).

The parties entered into this MOU to plan, schedule, and finance a highway construction project, funded by the Federal Highway Administration through NMDOT, within the boundaries of the County, identified as the NM502 Knecht Road to Tewa Loop Reconstruction Project. The MOU defines the commitment of each party to coordinate Project financing, development and execution, including right of way, utilities, design, scheduling, construction, and maintenance.

This MOU obligates approximately \$3.5 million in funding by the NMDOT and approximately \$1.5 million in funding by the County. This MOU was made effective on April 28, 2014 and remains in effect for the life of the Project.



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

EXHIBIT 6

Year ended June 30, 2014

<u>STATE GRANTOR /PROGRAM TITLE</u>	<u>ACCRUED REIMBURSEMENT (RESERVED BALANCE) JUNE 30, 2013</u>	<u>CASH RECEIVED</u>	<u>OTHER (SEE NOTES)</u>	<u>STATE PARTICIPATING EXPENDITURES</u>	<u>ACCRUED REIMBURSEMENT (RESERVED BALANCE) JUNE 30, 2014</u>
STATE OF NEW MEXICO:					
Administrative Office of the Courts					
Municipal Court Automation Project, Fund #126	\$ 2,190	6,898	0	4,708	0
Fire Marshal's Office:					
Fire Protection Fund Distribution (FY 2013)	(320,012)	418,948	20,869 [1]	488,589	(271,240)
Fire Protection Grant (FY 2013)	0	100,000		100,000	0
Total Fire Marshal's Office	<u>(320,012)</u>	<u>518,948</u>	<u>20,869</u>	<u>588,589</u>	<u>(271,240)</u>
Children, Youth and Families Department					
Juvenile Justice Continuum (11-690-12408)	23,114	23,114	0	0	0
Juvenile Justice Continuum (14-690-16405)	0	120,636	0	139,974	19,338
Total Children, Youth and Families Department	<u>23,114</u>	<u>143,750</u>	<u>0</u>	<u>139,974</u>	<u>19,338</u>
Department of Finance and Administration:					
LDWI-Local Distribution (FY2014)	0	63,144	(29,735) [2]	33,409	0
DWI-Grant (FY2014)	0	0	0	16,032	16,032
Enhanced E911 (11-E-12)	2,786	2,786	132,926 [3]	138,166	5,240
County Detention Distribution	0	10,011	0	10,011	0
Law Enforcement Protection Fund Distribution	(3,665)	42,200	0	45,865	0
Total Department of Finance and Administration	<u>(879)</u>	<u>118,141</u>	<u>103,191</u>	<u>243,483</u>	<u>21,272</u>
Department of Health - Public Health Office					
Primary Care and EMS Distribution - Fire	(1,542)	12,086	0	12,928	(700)
Los Alamos Community Health Council Pass Through	0	1,000	0	5,000	4,000
Total Department of Health	<u>(1,542)</u>	<u>13,086</u>	<u>0</u>	<u>17,928</u>	<u>3,300</u>
Transportation Department					
Cooperative Agreement SP-5-13 (181)	0	62,285	0	62,285	0
Cooperative Agreement, SB-7803 (100)13	0	91,368	0	91,368	0
Cooperative Agreement, CAP-5-13 (467)	0	22,118	0	22,118	0
Airport Master Plan-LAM-12-01	430	430	0	0	0
Airport Snow Plow Grant	119,416	119,416	0	0	0
Airport Service Assistance Program (LAM-14-01)	0	10,218	0	22,095	11,877
Airport Service Assistance Program (LAM-14-03)	0	0	0	5,172	5,172
Airport Rehabilitate Taxiway "C" and "F" (LAM-14-02)	0	2,721	0	2,721	0

Operation Buckledown (FY14)	0	0	0	1,679	1,679
Operation Buckledown (FY13)	503	2,734	0	2,231	0
CTAA Scholarship Reimbursement	<u>0</u>	<u>6,370</u>	<u>0</u>	<u>6,370</u>	<u>0</u>
Total Transportation Department	<u>120,349</u>	<u>317,660</u>	<u>0</u>	<u>216,039</u>	<u>18,728</u>
Homeland Security and Emergency Management Department					
Disaster Assistance - FEMA 4047	72,410	0	0	0	72,410
Disaster Assistance - FEMA 4079	117,633	0	0	0	117,633
Disaster Assistance - FEMA 4152	<u>0</u>	<u>0</u>	<u>0</u>	<u>222,206</u>	<u>222,206</u>
Total Homeland Security Department	<u>190,043</u>	<u>0</u>	<u>0</u>	<u>222,206</u>	<u>412,249</u>
New Mexico Finance Authority					
Water Trust Board (Project #221)	0	210,000	0	210,000	0
Aging and Long-Term Services Department					
General Obligation Bond Capital Appropriation Project	24,839	89,000	0	64,161	0
Office of Cultural Affairs:					
New Mexico State Library 2010 General Obligation Bond	0	18,873	0	18,873	0
New Mexico State Library Grant - Operations	<u>0</u>	<u>10,279</u>	<u>0</u>	<u>10,279</u>	<u>0</u>
Total Office of Cultural Affairs	<u>0</u>	<u>29,152</u>	<u>0</u>	<u>29,152</u>	<u>0</u>
TOTAL STATE OF NEW MEXICO FINANCIAL ASSISTANCE	\$ <u>38,102</u>	<u>1,446,635</u>	<u>124,060</u>	<u>1,736,240</u>	<u>203,647</u>
RELATIONSHIP TO BASIC FINANCIAL STATEMENTS:					
State-shared Revenues				15,560,434	
Change in reserved balances				(74,149)	
Change in Deferred Revenue				<u>(196,864)</u>	
TOTAL INTERGOVERNMENTAL REVENUES - STATE				\$ <u>17,025,661</u>	

NOTES:

- [1] Interest earned on reserved fund balance
- [2] Unspent Balance Reverted back to State
- [3] Grant expenditures made by State on County's behalf

INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

EXHIBIT 7

Year ended June 30, 2014

FEDERAL GRANTOR /PROGRAM TITLE	FEDERAL CFDA NUMBER	ACCRUED REIMBURSEMENT (RESERVED BALANCE) JUNE 30, 2013	CASH RECEIVED	OTHER	FEDERAL PARTICIPATING EXPENDITURES	ACCRUED REIMBURSEMENT (RESERVED BALANCE) JUNE 30, 2014
MAJOR FEDERAL FINANCIAL ASSISTANCE						
United States Department of Energy:						
National Nuclear Security Administration						
Fire protection, emergency medical and rescue services	81.502, 81.140					
Cooperative Agreement ended September 30, 2013	DE-FC52-08NA28090	\$ 2,922,774	6,542,653	809,949	[1] 5,688,102	1,258,274
Cooperative Agreement begin October 1, 2013	DE-NA0002067/000	0	9,285,328	1,885,419	[1] 14,559,792	3,389,045
		<u>2,922,774</u>	<u>15,827,981</u>	<u>2,695,368</u>	<u>20,247,894</u>	<u>4,647,319</u>
TOTAL MAJOR FEDERAL FINANCIAL ASSISTANCE						
NONMAJOR FEDERAL FINANCIAL ASSISTANCE						
United States Department of Agriculture:						
10-665						
United States National Forest Reserve	Public Law 106-393	0	4,380	0	4,380	0
United States Department of Homeland Security						
Flow through the New Mexico Department of Homeland Security and Emergency Management						
FEMA 4047, Flood Disaster Declaration, Public Assistance Program	97.036	434,461	0	0	0	434,461
FEMA 4079, Flood Disaster Declaration, Public Assistance Program	97.036	686,215	0	0	0	686,215
FEMA 4152, Flood Disaster Declaration, Public Assistance Program	97.036	0	11,648		1,333,238	1,321,590
Emergency Management Performance Grant (FY 13)	97.042	16,783	0	16,783	[2] 0	0
Emergency Management Performance Grant (FY 14)	97.042	0	33,470	0	59,057	25,587
Enhanced School Security	97.067	0	58,502	0	58,502	0
Training Travel and Per Diem	97.067	0	0	0	7,022	7,022
Bomb Equipment Enhancement	97.067	69,353	69,353	0	0	0
Investment Planning and Public Safety Radio	97.067	4,596	4,596	0	0	0
United States Department of Interior, Bureau of Land Management:						
15.226						
Section 1 payment for Federal owned entitlement land	Public Law 100-343	0	85,962	0	85,962	0
United States Department of Justice:						
Drug Enforcement Administration-Asset Forfeiture						
	16.xxx	(217)	0	8	[3] 0	(225)
United States Department of Transportation-Federal Aviation Administration						
Flow through the New Mexico Department of Transportation						
Airport Master Planning Grant	20.106	20,388	20,388	0	0	0
Airport Snow Plow Grant	20.106	119,202	119,202	0	0	0
Airport Small Community Air Service Development Program	20.930	83,516	272,000	0	188,484	0
Airport Rehabilitate Taxiway "C" and "F" (Design)	20.106	0	48,980	0	48,980	0
United States Department of Transportation-Federal Highway Administration						
Flow through the New Mexico Department of Transportation						
Operation DWI (13-AL-64-055)	20.608	12,509	16,492	0	3,983	0
100 Days and Nights of Summer (14-PT-DS-055)	20.600	0	0	0	1,287	1,287

United States Department of Transportation-Federal Transit Administration							
Flow through the New Mexico Department of Transportation							
[4]	Nonurbanized Area Formula Grant Program Section 5310						
	FY13 Contract M01188	20.513	0	105,141	0	105,141	0
[4]	Job Access & Reverse Commute Section 5316						
	FY12/13 Contract M01186	20.516	50,526	71,580	0	21,054	0
[4]	New Freedom Program Sections 5317						
	FY13 Contract M01184	20.516	38,799	213,836	0	283,837	108,800
	Nonurbanized Area Formula Grant Program Section 5304						
	FY14 Contract M01229	20.515	0	0	0	36,456	36,456
	Nonurbanized Area Formula Grant Program Section 5311						
	FY13 Contract MO1185	20.509	87,272	114,603	0	250,620	223,289
	FY14 Contract MO1286	20.509	0	853,389	0	1,160,125	306,736
	Nonurbanized Area Formula Grant Program Section 5309						
	FY12 Contract M01064/1,2,3	20.500	679,934	1,042,496	0	362,562	0
TOTAL NONMAJOR FEDERAL FINANCIAL ASSISTANCE			<u>2,303,337</u>	<u>3,146,018</u>	<u>16,791</u>	<u>4,010,690</u>	<u>3,151,218</u>
TOTAL MAJOR AND NONMAJOR FEDERAL FINANCIAL ASSISTANCE			<u>\$ 5,226,111</u>	<u>18,973,999</u>	<u>2,712,159</u>	<u>24,258,584</u>	<u>7,798,537</u>

RELATIONSHIP TO BASIC FINANCIAL STATEMENTS:

Change in deferred revenue - FEMA 4152	(1,321,591)
Change in dererred revenue - Other	56,275
Federal Subsidy Build America Bonds	120,341
Ambulance billing and other receipts DOE Cooperative Agreement for fire services	(480,226)
County Share of DOE Cooperative Agreement for fire services - DE-NA0002067/000	(1,584,713)
County Share of DOE Cooperative Agreement for fire services - DE-FC52-08NA28090	(630,429)
North Central Regional Transit District revenues	<u>1,344,173</u>

INTERGOVERNMENTAL REVENUES - FEDERAL

21,762,414

INTERGOVERNMENTAL REVENUES - STATE

17,025,661

TOTAL INTERGOVERNMENTAL REVENUES

\$ 38,788,075

INTERGOVERNMENTAL REVENUES REPORTED IN BASIC FINANCIAL STATEMENTS:

Governmental funds	\$ 17,067,419
Proprietary funds	
Operating revenues - intergovernmental revenue	20,631,902
Other sources and uses - intergovernmental capital revenue	<u>1,088,754</u>

TOTAL INTERGOVERNMENTAL REVENUES

\$ 38,788,075

Notes to Supplemental Schedule of Expenditures of Federal Awards

General

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

Basis of Accounting

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

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

There were no sub recipients of these grant awards.

Other Notes

- [1] County's share of NNSA Cooperative agreement expenditures, ambulance billing and other receipts
- [2] Determined Uncollectible in subsequent period
- [3] Interest earned on reserved fund balance
- [4] Part of U.S. Department of Transportation, Transit Services Program Cluster (programs with similar compliance requirements)

**INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM SUBFUNDS
SUPPLEMENTAL COMBINING BALANCE SHEET - INDUSTRY FORMAT**

Exhibit 8

June 30, 2014

	<u>ELECTRIC</u>	<u>GAS</u>	<u>WATER</u>	<u>WASTEWATER</u>	<u>TOTAL</u>
ASSETS AND OTHER DEBITS					
UTILITY PLANT					
Utility plant in service	\$ 164,872,792	13,643,922	82,248,896	43,255,999	304,021,609
Construction work in progress	3,832,644	642,621	1,317,275	291,501	6,084,041
Less accumulated depreciation	<u>(91,267,574)</u>	<u>(3,870,213)</u>	<u>(21,704,135)</u>	<u>(9,364,680)</u>	<u>(126,206,602)</u>
NET PLANT IN SERVICE	77,437,862	10,416,330	61,862,036	34,182,820	183,899,048
OTHER PROPERTY AND INVESTMENTS					
Investments and special funds	26,365,923	0	191,537	1,082,544	27,640,004
Nonutility property held for resale	<u>948,236</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>948,236</u>
	27,314,159	0	191,537	1,082,544	28,588,240
CURRENT AND ACCRUED ASSETS					
Cash and short-term investments	(8,663,910)	6,256,573	13,994,694	152,528	11,739,885
Customer accounts receivable	3,294,609	311,197	326,957	244,601	4,177,364
Less provision for uncollectible accounts	(14,472)	(8,914)	(5,823)	(5,503)	(34,712)
Due from associated subfunds (not included in total column)	0	0	69,784	0	0
Fuel stock	453,877	0	0	0	453,877
Materials and supplies	1,045,626	46,932	233,779	18,555	1,344,892
Prepayments	392,038	0	152,419	0	544,457
Accrued utility revenues	<u>568,541</u>	<u>139,335</u>	<u>280,193</u>	<u>192,543</u>	<u>1,180,612</u>
	(2,923,691)	6,745,123	15,052,003	602,724	19,406,375
OTHER NONCURRENT ASSETS					
Advances to associated subfunds (not included in total column)	0	0	730,216	0	0
Unamortized deferral on refunding of debt	<u>729,413</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>729,413</u>
	729,413	0	730,216	0	729,413
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 102,557,743</u>	<u>17,161,453</u>	<u>77,835,792</u>	<u>35,868,088</u>	<u>232,623,076</u>

LIABILITIES AND OTHER CREDITS

EQUITY						
Retained earnings	\$	62,607,849	16,652,464	74,246,794	22,696,044	176,203,151
 LONG-TERM DEBT						
Bonds		22,216,451	0	1,603,549	0	23,820,000
Plus unamortized premium on long-term debt		469,556	0	23,124	0	492,680
Contracts and intergovernmental debt payable		500,000	0	1,016,797	11,558,233	13,075,030
		<u>23,186,007</u>	<u>0</u>	<u>2,643,470</u>	<u>11,558,233</u>	<u>37,387,710</u>
 OTHER NONCURRENT LIABILITIES						
Accumulated provision for benefits		148,786	70,755	49,522	22,933	291,996
Advances from associated subfunds (not included in total column)		0	0	0	730,216	0
Asset retirement obligations		4,466,937	0	0	0	4,466,937
		<u>4,615,723</u>	<u>70,755</u>	<u>49,522</u>	<u>753,149</u>	<u>4,758,933</u>
 CURRENT AND ACCRUED LIABILITIES						
Accounts payable		2,531,715	266,330	668,291	13,246	3,479,582
Customer deposits		64,558	44,586	47,549	0	156,693
Tax collections payable		53,245	16,793	23,432	16,281	109,751
Current portion of revenue bonds payable		8,500,270	0	9,730	0	8,510,000
Current portion of contracts and other debt		0	0	60,602	604,522	665,124
Interest accrued		535,314	0	9,212	83,687	628,213
Due to associated subfunds (not included in total column)		0	0	0	69,784	0
Miscellaneous current and accrued liabilities		463,062	110,525	77,190	73,142	723,919
		<u>12,148,164</u>	<u>438,234</u>	<u>896,006</u>	<u>860,662</u>	<u>14,273,282</u>
 TOTAL LIABILITIES AND OTHER CREDITS	 \$	 <u><u>102,557,743</u></u>	 <u><u>17,161,453</u></u>	 <u><u>77,835,792</u></u>	 <u><u>35,868,088</u></u>	 <u><u>232,623,076</u></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, 2014

	ELECTRIC	GAS	WATER	WASTEWATER	TOTAL
UTILITY OPERATING REVENUES					
Sales for resale	\$ 34,425,200	0	0	0	34,425,200
Residential	5,801,691	5,068,656	3,112,239	4,008,411	17,990,997
Commercial and industrial	3,888,005	879,141	418,078	0	5,185,224
Sale to public authorities	1,918,662	550,188	1,331,264	0	3,800,114
Street lighting	66,035	0	0	0	66,035
Other operating revenues	474,721	216,291	77,127	11,551	779,690
TOTAL OPERATING REVENUES	46,574,314	6,714,276	4,938,708	4,019,962	62,247,260
OPERATING EXPENSES					
Purchased power or natural gas	14,051,145	3,961,807	0	0	18,012,952
Distribution	301,967	390,845	925,358	1,379,877	2,998,047
Administrative and general	2,725,668	980,713	1,407,603	853,508	5,967,492
Customer accounts	9,485	8,332	0	1,094	18,911
Steam power generation	8,227,217	0	0	0	8,227,217
Transmission	3,368,404	0	0	0	3,368,404
Other production expenses	1,331,552	0	0	0	1,331,552
Hydraulic power generation	398,850	0	0	0	398,850
	30,414,288	5,341,697	2,332,961	2,234,479	40,323,425
MAINTENANCE EXPENSES					
Distribution	1,369,691	127,601	1,840,748	449,072	3,787,112
Steam power generation	1,072,443	0	0	0	1,072,443
Hydraulic power generation	307,268	0	0	0	307,268
Transmission	37,878	0	0	0	37,878
	2,787,280	127,601	1,840,748	449,072	5,204,701
DEPRECIATION EXPENSE	7,618,717	362,076	1,868,089	764,871	10,613,753
TAXES	761,640	197,703	30,451	0	989,794
TOTAL UTILITY OPERATING EXPENSES	41,581,925	6,029,077	6,072,249	3,448,422	57,131,673

UTILITY OPERATING INCOME	<u>4,992,389</u>	<u>685,199</u>	<u>(1,133,541)</u>	<u>571,540</u>	<u>5,115,587</u>
Other income	27,442	226,739	777,720	68,296	1,100,197
Other deductions	<u>(1,004,277)</u>	<u>(264,252)</u>	<u>(696,295)</u>	<u>(102,077)</u>	<u>(2,066,901)</u>
UTILITY INCOME	<u>4,015,554</u>	<u>647,686</u>	<u>(1,052,116)</u>	<u>537,759</u>	<u>4,148,883</u>
Interest on long-term debt	<u>(1,896,007)</u>	<u>0</u>	<u>(90,049)</u>	<u>(377,699)</u>	<u>(2,363,755)</u>
INCOME BEFORE EXTRAORDINARY ITEMS	<u>2,119,547</u>	<u>647,686</u>	<u>(1,142,165)</u>	<u>160,060</u>	<u>1,785,128</u>
Proprietary capital, beginning of year	50,059,499	16,004,778	75,358,672	22,535,984	163,958,933
Prior year restatement - GASB Statement 65	(453,933)	0	(6,048)	0	(459,981)
Contributed capital - outside sources	10,864,838	0	0	0	10,864,838
Contributed capital - governmental entities	<u>17,898</u>	<u>0</u>	<u>36,335</u>	<u>0</u>	<u>54,233</u>
PROPRIETARY CAPITAL, END OF FISCAL YEAR	<u>\$ 62,607,849</u>	<u>16,652,464</u>	<u>74,246,794</u>	<u>22,696,044</u>	<u>176,203,151</u>



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**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
GOVERNMENT AUDITING STANDARDS**

Geoff Rodgers, Chair, County Council
Members of the Council, and Harry Burgess, County Administrator
Los Alamos, New Mexico 87544 and
Hector H. Balderas, State Auditor

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue fund, of the County as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and the combining and individual funds and related budgetary comparisons of the County, presented as supplementary information and have issued our report thereon dated November 25, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Geoff Rodgers, Chair, County Council
Members of the Council, and Harry Burgess, County Administrator
Los Alamos, New Mexico 87544 and
Hector H. Balderas, State Auditor

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

Albuquerque, New Mexico
November 25, 2014



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Geoff Rodgers, Chair, County Council
Members of the Council, and Harry Burgess, County Administrator
Los Alamos, New Mexico 87544 and
Hector H. Balderas, State Auditor

Report on Compliance for Each Major Federal Program

We have audited the Incorporated County of Los Alamos's (County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2014. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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.

Geoff Rodgers, Chair, County Council
Members of the Council, and Harry Burgess, County Administrator
Los Alamos, New Mexico 87544 and
Hector H. Balderas, State Auditor

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Geoff Rodgers, Chair, County Council
Members of the Council, and Harry Burgess, County Administrator
Los Alamos, New Mexico 87544 and
Hector H. Balderas, State Auditor

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

Albuquerque, New Mexico
November 25, 2014

**INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

Section I—Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiencies identified that are not considered to be material weakness(es)? yes none reported

Type of auditors' report issued on compliance for major program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? yes no

INCORPORATED COUNTY OF LOS ALAMOS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
81.XXX	Fire protection, emergency medical and rescue services - Cooperative agreement

Dollar threshold used to distinguish
between type A and type B programs \$727,758

Auditee qualified as low-risk auditee? yes no

Section II—Findings Related to Financial Statements

Finding 2012-01 Cash Receipts (Compliance) - Cleared

Criteria: Per section 6-10-3 NMSA 1978, cash or checks should be deposited before the close of the next succeeding business day after the initial receipt.

During our compliance test work CLA discussed this PY finding with Los Alamos County. Based on our research, we agree that the County, as a Local Public Body, is not explicitly included in this statutory requirements. In our experience, there are multiple statutes that pertain to State Agencies, but not Local Public Bodies. In the current year, we will consider this finding resolved from FY13.

Section III – Federal Award Findings and Questioned Costs

There were no findings for the year ended June 30, 2014.

**INCORPORATED COUNTY OF LOS ALAMOS
EXIT CONFERENCE
June 30, 2014**

An exit conference was held on November 21, 2014. The conference was held at the offices of the County in Los Alamos, New Mexico. The conference was held in a closed meeting to preserve the confidentiality of the audit information prior to the official release of the financial statements by the State Auditor. In attendance were:

INCORPORATED COUNTY OF LOS ALAMOS

Audit Committee:

Geoff Rodgers, County Councilor Chair
Fran Berting, County Councilor
David Izraelevitz, County Councilor
David Powell, Utility Board
Harry Burgess, County Administrator
Steven Lynne, Deputy County Administrator/Chief Financial Officer
Robert Westervelt, Deputy Utilities Manager - Finance & Administration

County Staff:

Joseph D'Anna, Deputy Chief Financial Officer
Helen Perraglio, Accounting Operations Manager

CLIFTONLARSONALLEN LLP

Janet Pacheco-Morton, Partner