

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



# LOS ALAMOS

**Comprehensive Annual Financial Report**

**Fiscal Year Ended**

**June 30, 2016**

*Prepared by the Finance Division of the Administrative Services Department*

**TABLE OF CONTENTS**  
**June 30, 2016**

	<b>Page</b>
<b>INTRODUCTORY SECTION:</b>	
Letter of Transmittal	i-vi
Certificate of Achievement for Excellence in Financial Reporting, presented by the Government Finance Officers Association	vii
Organizational Chart	viii
Elected and Appointed Officials	ix
<b>FINANCIAL SECTION:</b>	
Independent Auditors' Report	1-3
Management's Discussion and Analysis	5-25
<b>Basic Financial Statements:</b>	
Government-wide Financial Statements:	
Statement of Net Position	28-29
Statement of Activities	30
Governmental Fund Financial Statements:	
Balance Sheet	32-33
Reconciliation of Balance Sheet to the Statement of Net Position	35
Statement of Revenues, Expenditures, and Changes in Fund Balance	36-39
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	41
Statement of Revenues, Expenditures, Encumbrances, and Changes in Fund Balance - Budget and Actual (Budget Basis)	
General Fund	42-52
Economic Development Fund	54-55
Emergency Declarations Fund	56
Proprietary Fund Financial Statements:	
Statement of Net Position	58-59
Statement of Revenues, Expenses, and Changes in Net Position	60
Reconciliation of Revenues, Expenses and Changes in Net Position to the Statement of Activities	61
Statement of Cash Flows	62-63
Fiduciary Fund Financial Statements:	
Statement of Net Position	65
Statement of Changes in Net Position - Pension Trust Fund	66
Notes to the Financial Statements	67-116
Required Supplementary Information - NM PERA Pension Liability	118-124

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

Other (nonmajor) Governmental Funds:	
Combining Balance Sheet	125
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	126-127
Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balance - Budget and Actual (Budget Basis)	
State Shared Revenues Fund	128
Lodgers' Tax Fund	129
State Grants/Other Fund	130
Health Care Assistance Fund	131
Other Special Revenues Fund	132-133
Gross Receipts Tax Revenue Bonds Fund	134
Capital Projects Permanent Fund (Major Governmental Fund)	135
Project-length Schedule of Construction Projects - Capital Improvement Projects Fund	136
Joint Utility System Enterprise Subfunds:	
Combining Schedule of Net Position	138-139
Combining Schedule of Revenues, Expenses, and Changes in Net Position	141
Combining Schedule of Cash Flows	142-143
Schedules of Revenues, Expenses, Encumbrances, and Changes in Net Position - Budget and Actual (Budget Basis):	
Joint Utility System Fund	144-145
Electric Subfund	146-147
Gas Subfund	148-149
Water Subfund	150-151
Wastewater Subfund	152-153
Other Enterprise Funds:	
Schedules of Revenues, Expenses, Encumbrances, and Changes in Net Position - Budget and Actual (Budget Basis):	
Environmental Services	156-157
Transit Fund	158-159
Fire Fund	160-161
Airport Fund	162-163
Internal Service Funds:	
Combining Statement of Net Position	166
Combining Statement of Revenues, Expenses, and Changes in Net Position	167
Combining Statement of Cash Flows	168-169
Schedules of Revenues, Expenses, Encumbrances, and Changes in Net Position - Budget and Actual (Budget Basis):	
Equipment Fund	170-171
Risk Management Fund	172-173
Agency Fund:	
Statement of Changes in Assets and Liabilities	174

**TABLE OF CONTENTS****June 30, 2016**

<b>STATISTICAL SECTION:</b>	<b>Page</b>
Net Position by Component	175
Changes in Net Position	176-177
Fund Balance, Governmental Funds	179
Changes in Fund Balance, Governmental Funds	180-181
Joint Utility System Customer Base	182
Joint Utility System Operating Revenue and Sales	183
Joint Utility System Operating Revenue by Type of Customer	184
Joint Utility System Rate Structure	185
Taxable Gross Receipts by Business Sector (in \$1,000s)	187
Gross Receipts Tax (GRT) Revenues and Rates	188-189
Property Tax Levies and Collections	190
Assessed and Estimated Actual Value of Taxable Property	191
Property Tax Rates and Levies - All Direct and Overlapping Governments	192
Ten Principal Property Taxpayers	193
Ratios of Outstanding Debt by Type	194
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	195
Computation of Direct and Overlapping Debt	196
Computation of Legal Debt Margin	197
Joint Utility System Revenue Bond Coverage	198
Demographic and Economic Statistics	199
Largest Employers	200
Census Population by Age Bracket, Counts, and Percentages	201
Full-time Equivalent Employees by Function/Program	202
Operating Indicators by Function/Program	203
Capital Asset Statistics by Functions/Program	204
Joint Utility System Profit Transfer and In Lieu Payments	205
<b>OTHER SUPPLEMENTARY INFORMATION:</b>	
Exhibit 1 - Schedule of Reconciliation of Tax Receipts and Disbursements	207
Exhibit 2 - County Treasurer's Property Tax Schedule	208-209
Exhibit 3 - Schedule of Pledged Collateral	210
Exhibit 3a - Detail of Pledged Collateral by Financial Institution	211
Exhibit 4 - Schedule of Depository Accounts	213
Exhibit 5 - Supplemental Schedule of Joint Powers Agreements and Memorandums of Understanding	214-220
Exhibit 6 - Schedule of Vendor Information for Purchases Exceeding \$60,0000	222-229
Exhibit 7 - Schedule of Expenditures of State Awards	230-231
Exhibit 8 - Schedule of Expenditures of Federal Awards	233-235
Exhibit 9 - Utility Subfunds Combining Balance Sheet - Industry Format	236-237
Exhibit 10 - Utility Subfunds Combining Schedule of Revenues, Expenses, and Changes in Proprietary Capital - Industry Format	238-239
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	240-241
Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance	242-244
Schedule of Findings and Questioned Costs	246-247
Exit Conference	248

November 30, 2016

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 2016. 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, 2016, 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.

**COUNTY COUNCIL**

Rick Reiss  
Council Chair

Susan O'Leary  
Council Vice-Chair

**COUNCILORS**

James A. Chrobocinski  
Steven Girrens  
Kristin Henderson  
David Izraelevitz  
Pete Sheehey

**COUNTY MANAGER**

Harry Burgess

## **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, 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 Manager, the chief executive officer of the County, who is responsible for all County affairs placed in his or her charge by New Mexico State statutes, the County Charter, County ordinances, 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 this 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 2017 budget anticipates revenues of \$5.5 million (3%) less than the fiscal year 2016 adopted budget, and expenditures are budgeted at \$5.4 million (3%) less than the prior fiscal year. The budget decrease in revenues and other financing sources is a result of wholesale utility revenues that are projected to decrease by \$9.5 million or 22% in fiscal year 2017 which is primarily driven by projected changes in LANL demand. This decrease is offset by other smaller projected changes, including GRT which has declined in the past but is projected to increase 7% in fiscal year 2017. 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. For the year ended June 30, 2016, 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 related to LANL contractor turnover, 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 2017 Budget projects a combined ending fund balance / working capital of \$93.7 million, \$6.0 million lower than the projected fiscal year 2016 ending fund balance / working capital of \$99.7 million. 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 \$4.7 million, primarily for economic development projects.

## **MAJOR ACCOMPLISHMENTS AND FUTURE INITIATIVES**

In 2016, 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 2016 include the following:

- Economic Vitality – the Manhattan Project National Historical Park was established and the County is actively working with the National Park Service to leverage this new tourist opportunity; Implementation of the White Rock master plan / economic development strategy continued and the County was actively negotiating a purchase and development agreement with prospective developers for the A-19 parcel; The County made significant progress on the Comprehensive Plan update; and new retail redevelopment continues on the Trinity site.

- Quality of Life – the County completed construction of the Teen Center, White Rock Library, and White Rock Youth Activity Center projects and made substantial progress on the White Rock Senior Center project; and initiated a broad Capital Improvement Program (CIP) focusing on Recreational and Economic development projects; and
- Quality Governance – construction of the new replacement for the Golf Course Community Building was completed; 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:

- Continue identifying and developing leveraged opportunities associated with establishment of the Manhattan Project National Historical Park including establishing Los Alamos as the gateway to three national parks;
- Continued pursuit of middle-mile fiber and ski hill water system improvements;
- Completion of the White Rock Senior Center;
- Completion of the current CIP process and initiation of approved projects;
- 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, 2015. 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-five consecutive years (fiscal years 1991 through 2015). 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 2016. This was the twenty-fourth 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 Division. 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 'HB' with a stylized flourish.

Harry Burgess  
County Manager

A handwritten signature in black ink, appearing to be 'Joseph A. D'Anna' with a long horizontal line extending to the right.

Joseph A. D'Anna  
Chief Financial Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

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

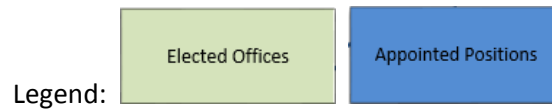
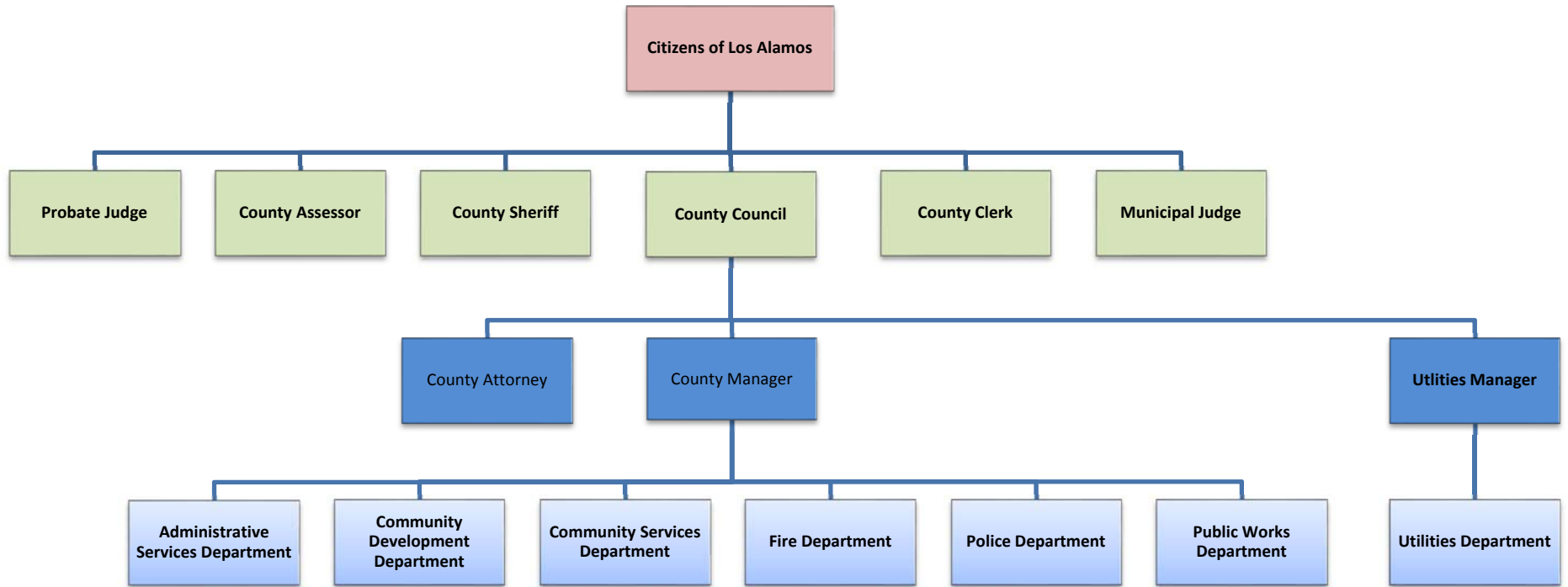
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO

# INCORPORATED COUNTY OF LOS ALAMOS ORGANIZATIONAL CHART

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# INCORPORATED COUNTY OF LOS ALAMOS ELECTED AND APPOINTED OFFICIALS

As of June 30, 2016

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## **Elected:**

Council

Rick Reiss, Chair  
Susan O'Leary, Vice Chair  
James A Chrobocinski  
Steven Girrens  
David Izraelevitz  
Kristin Henderson  
Pete Sheehey

Clerk

Sharon Stover

Assessor

Ken Milder

Sheriff

Marco Lucero

Probate Judge

Anne Nobile

Municipal Judge

Alan Kirk

## **Appointed:**

County Manager

Harry Burgess

Deputy County Manager

Brian Bosshardt

Deputy County Manager

Steven Lynne

County Attorney

Rebecca Ehler

Utilities Manager

Timothy Glasco

Community Development Director

Paul Andrus

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

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



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## INDEPENDENT AUDITORS' REPORT

Mr. Rick Reiss, Chair, County Council  
Members of the Council, and Harry Burgess, County Manager  
Los Alamos, New Mexico 87544 and  
Timothy Keller, 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, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the Incorporated County of Los Alamos, New Mexico, (County), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County'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, 2016, 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 statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's

Mr. Rick Reiss, Chair, County Council  
Members of the Council, and Harry Burgess, County Manager  
Los Alamos, New Mexico 87544 and  
Timothy Keller, State Auditor

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, 2016, 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 funds 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, internal service fund, and fiduciary fund of the County as of June 30, 2016, 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 25 and the schedule of the County's proportionate share of the net pension liability and the schedule of the the County's contributions on pages 118-124 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.

#### ***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



Mr. Rick Reiss, Chair, County Council  
Members of the Council, and Harry Burgess, County Manager  
Los Alamos, New Mexico 87544 and  
Timothy Keller, State Auditor

awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award*, 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.

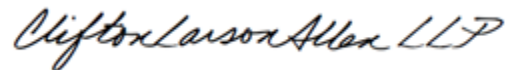
The schedule of expenditures of federal awards and other schedules, noted at Exhibits 1-5, as listed in the table of contents, required by 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic 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 section, Exhibit 6 Schedule of Vendor Information required by 2.2.2.10(A)(2)(g) NMAC, and statistical section 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 30, 2016 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 30, 2016



LOS ALAMOS



**Management's Discussion and Analysis**

# INCORPORATED COUNTY OF LOS ALAMOS MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

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Management of the Incorporated County of Los Alamos (County) offers this discussion and analysis about the County government's financial position and financial activities for the fiscal year that ended June 30, 2016. This analysis is intended to serve as an introduction to the County's basic financial statements and to provide an analytical overview of the County's operations. Please read it along with the County's *Basic Financial Statements* starting on page 28, the *Notes to the Financial Statements* starting on page 67, and the *Letter of Transmittal* on page i. Additional data about the County is provided in the Statistical Section, beginning on page 175.

## FINANCIAL HIGHLIGHTS

### New Accounting Standards

In fiscal year 2016, the County adopted the following new accounting standards issued by the Governmental Accounting Standards Board (GASB) that relates to investments:

- GASB Statement No. 72 (GASB 72), "*Fair Value Measurement and Application*"
- GASB Statement No. 76 (GASB 76), "*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*"

GASB 72 clarifies the definition of fair value for reporting purposes and helps to define the market-based definition of fair value, what an investment is, the valuation of most investments at fair value, definition of acquisition value, and valuation of donated capital assets and other assets acquired via service level agreements (which was not applicable for the County during FY2016).

The significant impact to the County of implementing GASB 72 is the reporting of the County's investments subject to fair value measurement according to the established hierarchy of inputs to valuation techniques consisting of three levels:

Level 1 – quoted prices in active markets for identical assets and liabilities

Level 2 – inputs, other than Level 1 quoted prices, that are either directly or indirectly observable for the asset or liability, and

Level 3 – unobservable inputs

The impact to the County on reporting can be found under Footnote 3) Pooled Cash and Investments, beginning on page 80.

GASB 76 identifies the hierarchy of generally accepted accounting principles (GAAP), and reduces the hierarchy to two categories of authoritative GAAP, 1) Officially established accounting principles – GASB Statements, and 2) GASB technical bulletins; GASB implementation guides; and literature of the American Institute of Certified Public Accountants (AICPA) cleared by the GASB. GASB 76 had minimal impact on the County during FY2016.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68*, establishes requirements for pensions that are not within the scope of GASB 68 and was effective for the County fiscal year 2016, but did not have an impact on these financial statements.

### **Government-wide Financial Highlights**

- The County's total net position, the amount of assets and deferred outflows after subtracting related liabilities and deferred inflows, was approximately \$496.8 million at fiscal year-ended June 30, 2016. This represents an increase of only \$2.9 million in net position, or approximately 0.5%, as compared to the prior fiscal year-end. The single largest changes effecting net position were both related to the County's share of the Public Employees Retirement Association of New Mexico's (PERA) defined benefit pension plan obligations, where the net pension liability increased \$16.7 million offset by a decrease of \$14.2 in deferred inflows. Overall, the County continues to have a strong financial position, operating reserves, and assets available to provide services to citizens.
- Governmental activities increased the County's net position by \$.2 million to \$309.4 million for the fiscal year-ended June 30, 2016. Expenses exceeded revenues by \$1.9 million as investment earnings were lower than expected. Gross receipts taxes and state shared revenues increased \$5.3 million after several years of significant declines. Property taxes increased \$1.6 million as the County reinstated a one mil levy which had been reduced several years ago. Expenses increased \$3.8 million primarily in the physical and economic environment, public safety and transportation functions when compared to the prior year.
- Business-type activities increased the County's net position by \$2.7 million to \$187.4 million for the fiscal year-ended June 30, 2016. This compares to an \$8.3 million decrease during the previous fiscal year. Total revenue from business-type activities was \$95 million for fiscal year 2016, approximately \$6.8 million higher than the previous year. The largest contributing factor to this increase was \$4.9 million in charges for services, and a realized gain on the restructuring of the County's participation in the San Juan Plant agreement of \$1.9 million. Expenses in fiscal year 2016 decreased by \$6 million primarily as a result of a \$7 million decrease recorded in the Joint Utility System activities primarily from decreased closure costs, depreciation and contractual services, offset by small variances in other business-type activities, and a \$1.6 million increase recorded in the Fire Fund.
- For the fiscal year-ended June 30, 2016, the County's Governmental Funds reported combined ending fund balance of approximately \$84.8 million. This is a \$2.5 million decrease from the end of fiscal year 2015. In large part, the decrease in net position is attributable to the spending down of resources set aside in prior years for capital expenditures. The net position in the Capital Improvements Projects Fund increased by \$4.7 million with transfers in of \$14.9 million to fund new and existing projects.

### **USING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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

- 1) Introductory section, that includes the Transmittal Letter and general information;
- 2) Financial section that includes:
  - a. Independent Auditors' Report,
  - b. Management's Discussion and Analysis (this part),

- c. The Basic Financial Statements, that include the Government-wide and the Fund financial statements, along with the Notes to these financial statements,
  - d. Other financial statements and required supplementary information;
- 3) Statistical Section; and
  - 4) Other Information

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

### **The Basic Financial Statements**

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

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

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

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

The Statement of Activities presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

**Governmental Activities** - All of the County's basic services are considered to be governmental functions, including County Council, Municipal Court, County Manager, County Attorney, County Clerk, County Assessor, Administrative Services, Community Development, Community

Services, Police, Public Works, and Cemetery. These services are supported by general County revenues such as taxes, and by specific program revenues such as fees.

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

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

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

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

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

**Proprietary funds** include two fund types. *Enterprise funds* are used to report the same functions presented as business-type activities in the Government-wide financial statements. The County uses enterprise funds to account for the Joint Utility System comprised of the Electric, Gas, Water, and Wastewater subfunds. Other enterprise funds are the Environmental Services, Transit, Fire, and Airport funds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for the maintenance and replacement of the County's central equipment pool and for the County's insurance for health, workers compensation, unemployment, retiree health care, and property and general liability. The proprietary funds financial statements can be found on pages 58-63 of this report.

**Fiduciary funds** are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the Government-wide financial statements because the resources of those funds are not available to support the County's own programs. This includes the Los Alamos County Employees Pension Fund and the 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. It 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 65-66 of this report.

**Table 1: Major Features of the Basic Financial Statements**

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

**Notes to Financial Statements** are provided on pages 67-116 and contain additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.



## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Net Position

The County's net position, the amount of assets and deferred outflows after subtracting related liabilities and deferred inflows, was \$496.8 million at fiscal year-ended June 30, 2016. This is an increase of \$2.9 million in net position, or .59%, 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 2016 compared to fiscal year 2015.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2015</u>
<b>Assets:</b>						
Current and other assets	\$ 89.5	92.3	71.4	71.8	160.9	164.1
Capital assets	<u>297.0</u>	<u>297.9</u>	<u>231.1</u>	<u>229.1</u>	<u>528.1</u>	<u>527.0</u>
Total assets	<u>386.5</u>	<u>390.2</u>	<u>302.5</u>	<u>300.9</u>	<u>689.0</u>	<u>691.1</u>
<b>Deferred outflows of resources</b>	<u>10.0</u>	<u>10.3</u>	<u>6.1</u>	<u>4.6</u>	<u>16.1</u>	<u>14.9</u>
<b>Liabilities:</b>						
Current and other liabilities	5.6	5.1	6.7	5.8	12.3	10.9
Long-term liabilities	<u>80.5</u>	<u>78.4</u>	<u>114.1</u>	<u>107.2</u>	<u>194.6</u>	<u>185.6</u>
Total liabilities	<u>86.1</u>	<u>83.5</u>	<u>120.8</u>	<u>113.0</u>	<u>206.9</u>	<u>196.5</u>
<b>Deferred inflows of resources</b>	<u>1.0</u>	<u>7.8</u>	<u>0.4</u>	<u>7.8</u>	<u>1.4</u>	<u>15.6</u>
<b>Net position:</b>						
Net investment in capital assets	252.5	250.1	184.4	179.4	436.9	429.5
Restricted	33.5	34.3	14.1	18.3	47.6	52.6
Unrestricted	<u>23.4</u>	<u>24.8</u>	<u>(11.1)</u>	<u>(13.0)</u>	<u>12.3</u>	<u>11.8</u>
Total net position	<u>\$ 309.4</u>	<u>309.2</u>	<u>187.4</u>	<u>184.7</u>	<u>496.8</u>	<u>493.9</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, 2016 this amount was \$436.9 million (87.9% of total net position). This compares to \$429.5 million (87.0% of total) invested in capital assets net of related debt for the previous fiscal year-end, a net increase of \$7.4 million or 1.72%. This increase is primarily the net result of three factors: paying down capital related debt, using accumulated unrestricted net assets to fund capital projects, and an increase in depreciation due to the capitalization of large assets in prior years, including the \$10.9 million solar array in Utilities. 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 \$47.6 million (9.6% of total) at fiscal year-end 2016, a decrease of \$5 million or 9.5% compared to the prior year. Restricted net position in the general government activities had mostly insignificant variances between fiscal years. The only significant change was in the Capital Projects Permanent Fund where the restricted balance for revenue stabilization decreased \$1.4 million due to lower than expected investment returns. Restricted net position balances in the business-type activities decreased \$4.2 million as cash and investments previously set aside for revenue bond repayment, were used for debt service.

The remaining \$12.3 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 increased in fiscal year 2016 by \$.5 million, which differs significantly from the prior year \$86.3 million decrease resulting from the implementation of GASB Statement 68. This required the County to record its proportionate share of the Public Employees Retirement Association of NM unfunded pension liability, deferred inflows, and deferred outflows, which decreased beginning net position for the prior fiscal year by \$70.6 million. The overall increase is from a combination of insignificant variances between fiscal years.

### 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.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2015</u>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 2.6	2.4	68.0	63.1	70.6	65.5
Operating grants and contributions	2.2	1.7	20.8	20.2	23.0	21.9
Capital grants and contributions	<u>0.7</u>	<u>0.9</u>	<u>1.6</u>	<u>2.5</u>	<u>2.3</u>	<u>3.4</u>
Total program revenues	<u>5.5</u>	<u>5.0</u>	<u>90.4</u>	<u>85.8</u>	<u>95.9</u>	<u>90.8</u>
General revenues:						
Gross receipts taxes	25.5	22.3	2.5	2.2	28.0	24.5
Property taxes	7.0	5.3	0.0	0.0	7.0	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	0.8	0.0	0.0	1.4	0.8
State shared revenue	17.0	14.9	0.0	0.0	17.0	14.9
Unrestricted interest and investment earnings (loss)	0.1	1.4	0.1	0.2	0.2	1.6
Gain on San Juan restructuring agreement	0.0	0.0	2.0	0.0	2.0	<u>0.0</u>
Gain on exchange of capital assets	<u>0.0</u>	<u>0.3</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.3</u>
Total general revenues	<u>51.5</u>	<u>45.5</u>	<u>4.6</u>	<u>2.4</u>	<u>56.1</u>	<u>47.9</u>
Total Revenues	<u>57.0</u>	<u>50.5</u>	<u>95.0</u>	<u>88.2</u>	<u>152.0</u>	<u>138.7</u>
<b>Program expenses:</b>						
General government	15.3	15.8	0.0	0.0	15.3	15.8
Public safety	13.4	12.1	0.0	0.0	13.4	12.1
Physical and economic environment	3.0	1.6	0.0	0.0	3.0	1.6
Transportation	11.9	10.6	0.0	0.0	11.9	10.6
Health and welfare	3.4	3.4	0.0	0.0	3.4	3.4
Culture and recreation	9.0	8.5	0.0	0.0	9.0	8.5
Interest on long-term debt	2.9	3.1	0.0	0.0	2.9	3.1
Electric	0.0	0.0	40.5	47.5	40.5	47.5
Gas	0.0	0.0	3.9	4.4	3.9	4.4
Water	0.0	0.0	7.5	7.0	7.5	7.0
Wastewater	0.0	0.0	4.0	4.3	4.0	4.3
Environmental services	0.0	0.0	3.7	4.1	3.7	4.1
Transit (Atomic City Transit)	0.0	0.0	3.7	4.1	3.7	4.1
Fire	0.0	0.0	25.1	23.5	25.1	23.5
Airport	<u>0.0</u>	<u>0.0</u>	<u>1.8</u>	<u>1.3</u>	<u>1.8</u>	<u>1.3</u>
Total expenses	<u>58.9</u>	<u>55.1</u>	<u>90.2</u>	<u>96.2</u>	<u>149.1</u>	<u>151.3</u>

<b>Change in net position before transfers</b>	<b>(1.9)</b>	<b>(4.6)</b>	<b>4.8</b>	<b>(8.0)</b>	<b>2.9</b>	<b>(12.6)</b>
Transfers	<u>2.1</u>	<u>0.3</u>	<u>(2.1)</u>	<u>(0.3)</u>	<u>0.0</u>	<u>0.0</u>
<b>Total Change in net position</b>	<b>0.2</b>	<b>(4.3)</b>	<b>2.7</b>	<b>(8.3)</b>	<b>2.9</b>	<b>(12.6)</b>
Beginning net position	309.2	339.7	184.7	237.5	493.9	577.2
Prior period adjustment	<u>0.0</u>	<u>(26.2)</u>	<u>0.0</u>	<u>(44.5)</u>	<u>0.0</u>	<u>(70.7)</u>
Ending net position	\$ <u>309.4</u>	<u>309.2</u>	<u>187.4</u>	<u>184.7</u>	<u>496.8</u>	<u>493.9</u>

### Governmental Activities

Governmental activities during the year increased the County's net position slightly by \$.2 million for fiscal year 2016 as compared to the prior year. This section compares results of governmental activities for fiscal year 2016 to fiscal year 2015 as summarized in Table 3.

Total revenues were \$57.0 million in fiscal year 2016, approximately \$6.5 million more than the previous year. Key variances include:

- An increase of \$5.3 million in gross receipts taxes inclusive of \$2.1 million of state shared revenue, which was encouraging (but may not be indicative of future trends) after the County had experienced steady decreases in prior years as cut backs in spending and staff reductions at LANL, the largest single employer in the County affected the taxable revenue base;
- An increase of \$1.6 million in property taxes resulting from an overall increase in the net taxable value for both residential (1.7%) and commercial (4.8%) real estate. There was also an increase in the municipal operating mill levy of 2.25, a .2 increase in the county mill levy, offset by a decrease of .406 for School debt service, which resulted in a net increase in the operating mill levy of 1.846 for residential real estate. The non-residential operating levy increased by the same 2.25 municipal mill levy and decreased by the .406 school debt service, resulting in a 1.844 increased mill levy.
- Increases of \$1.1 million in various operating grants and grants and contributions not restricted, were offset by a decrease of \$.2 million in capital grants; the largest increase was related to the Emergency Declarations fund for FEMA grant funding related to events from the Las Conchas Fire and subsequent flood;
- Interest and investment earnings, decreased by \$1.3 million compared to the prior fiscal year which was reflected primarily in balances invested in market based funds with the New Mexico State Investment Council; and

Total expenses for governmental activities were \$58.9 million in fiscal year 2016, or approximately \$3.8 million more than the previous year. Key variances include:

- An increase of \$0.7 million in Economic Development expenses due to various projects including the County's branding project for a new brand and marketing strategy;
- An increase in Public Safety expenses comprised of a \$.3 million increase in expenses for the County's share of Fire Department costs, and a \$1.5 million increase in combined Police and Emergency Management operations including capital outlay expenses; and
- An increase of \$1.3 million in Public Works, primarily in traffic and streets for a higher level of road maintenance;

Figure 1 compares program revenues to expenses for governmental activities at the fiscal year-end 2016. 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 \$53.4 million in general revenues and accumulated net position from governmental activities. Approximately 9.3% of governmental program expenses were covered by program revenues during fiscal year 2016, which is relatively consistent compared to last year, at 9.1%.

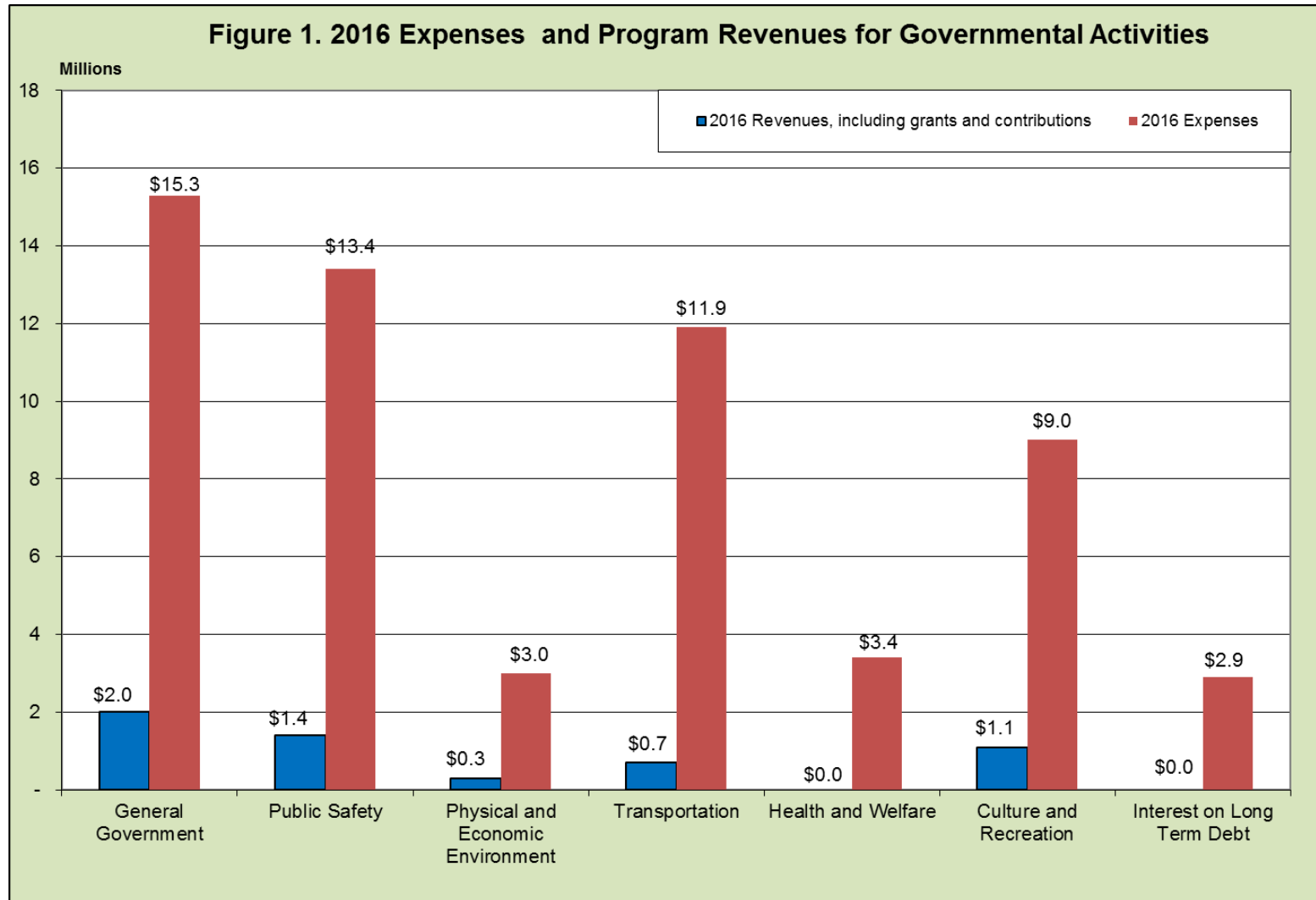
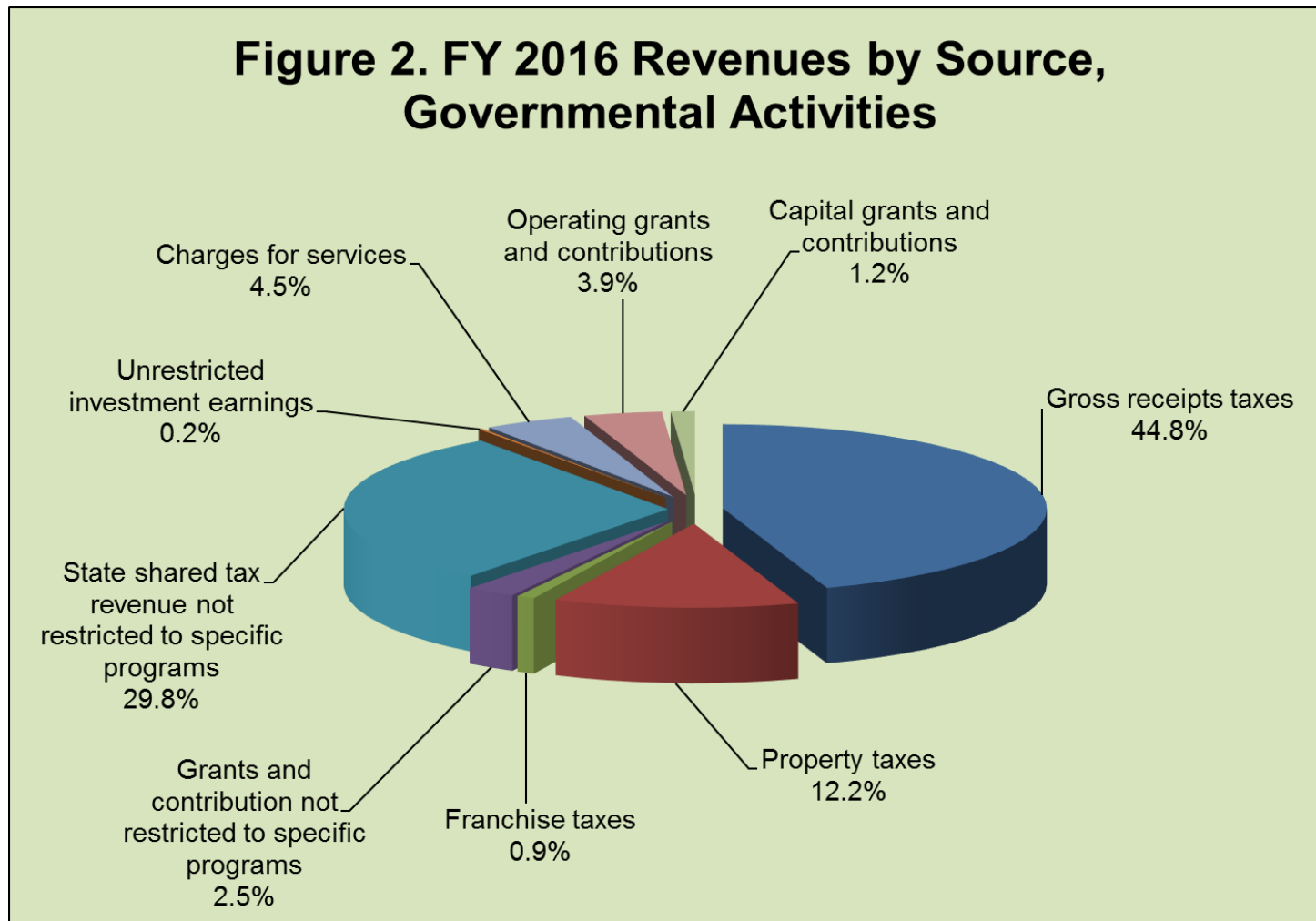


Figure 2 shows the mix of revenues by source for Governmental Activities. This chart demonstrates the relative importance of different types of taxes to the mix of general revenue in 2016. It should be noted that the *State shared tax revenue not restricted to specific programs* is almost entirely State Shared GRT revenue, so combined with locally imposed GRT tax increments, total GRT revenues made up approximately 74.6% of Governmental Activities revenues. In fiscal year 2015, GRT combined with State Shared GRT revenue comprised almost 73.7% of governmental revenues which is relatively consistent with this year.



## Business-type Activities

Business-type activities increased the County's net position by \$2.7 million for the fiscal year-ended June 30, 2016. This compares to an \$8.3 million decrease during the previous fiscal year. This section compares results of business-type activities for fiscal year 2016 to fiscal year 2015 as summarized in Table 3.

Total revenues and contributions were \$95.0 million in fiscal year 2016; approximately \$6.8 million higher than the previous year. This includes an increase of \$4.9 million in charges for services primarily as the result of higher utility consumption, but also is a result of rate increases in Environmental Services, Electric and Wastewater. There was also a \$1.9 million gain on the restructuring agreement with the Public Service of New Mexico (PNM) for the County's share in the San Juan Plant participation, which is a non-recurring revenue.

Total expenses were \$90.2 million in fiscal year 2016, a \$6.0 million decrease over the previous year. Total Joint Utility System experienced significant decreases in closure costs of \$3.1 million compared to the previous year in which an increase to closure costs occurred. The Joint Utility System also had a \$2.4 million decrease in depreciation expense due to asset retirements and primarily due to the impact of a depreciation rate setting adjustment that was established to smooth costs of depreciation related to revenue bonds issued for capital purposes over the life of the debt service schedule. During FY2016, this adjustment began to decrease depreciation and will continue to do so until fully amortized in FY2026. Various decreases in contractual services and other expenses for business-type activities amounted to an overall decrease of \$2.1 million, primarily realized in the Joint Utility Fund and Risk Management Fund. Fire expenses increased \$1.6 million or .08% primarily as the result of payroll and benefit increases.

Figure 3 compares program revenues to expenses for business-type activities for fiscal year 2016. This chart demonstrates to what degree revenues covered expenses for each program by type of activity. Overall, total business-type program revenues exceeded total program expenses by approximately \$.2 million in fiscal year 2016 as compared to fiscal year 2015 where program expenses exceeded program revenues by \$10.4 million primarily due to additional closure costs and normal fluctuations in commodity consumption and operational spending. Notably, environmental services and fire functions look like they have program losses, but receive gross-receipts tax general revenues to balance their net activity.

**Figure 3. 2016 Expenses and Program Revenues for Business Type Activities**

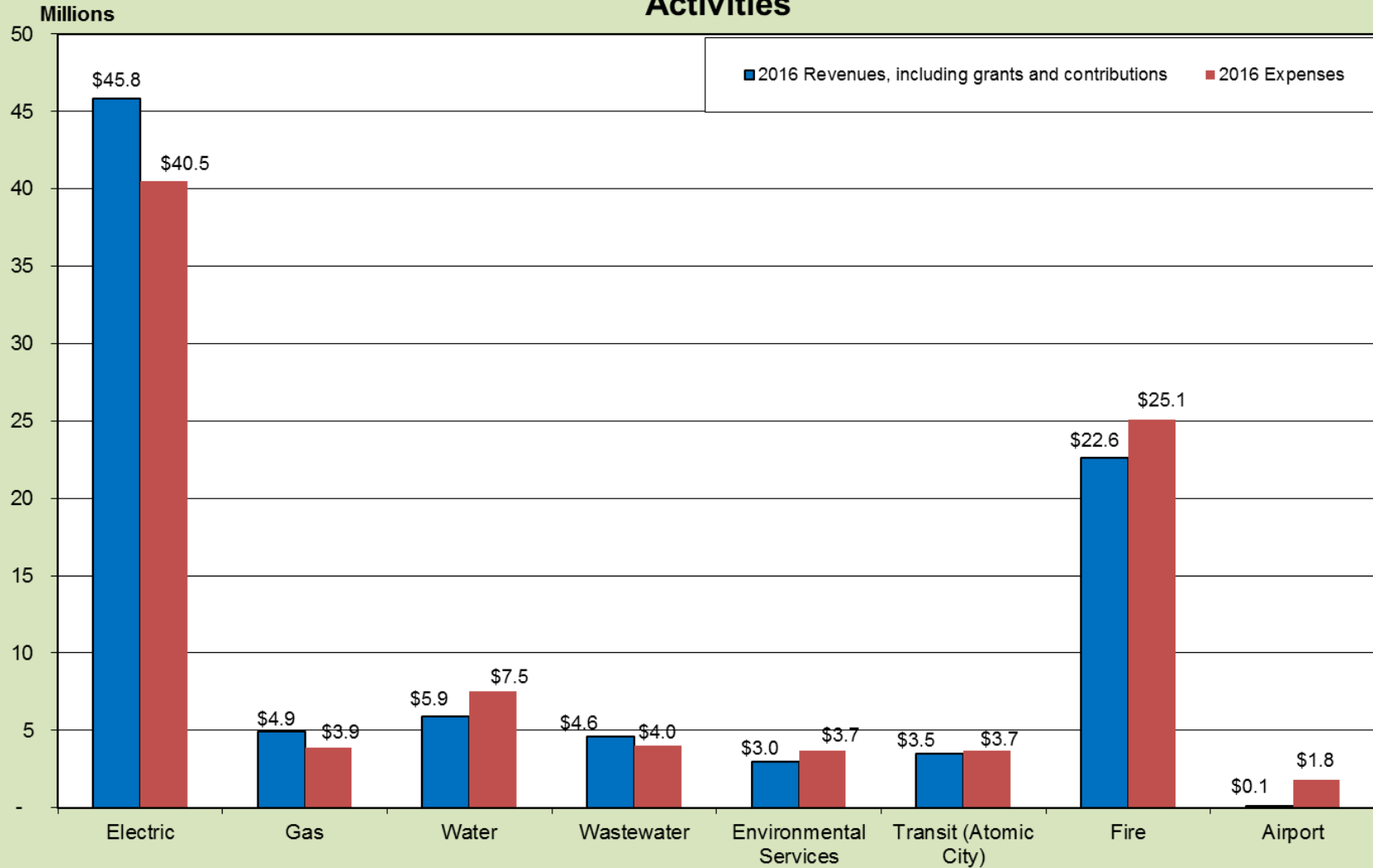
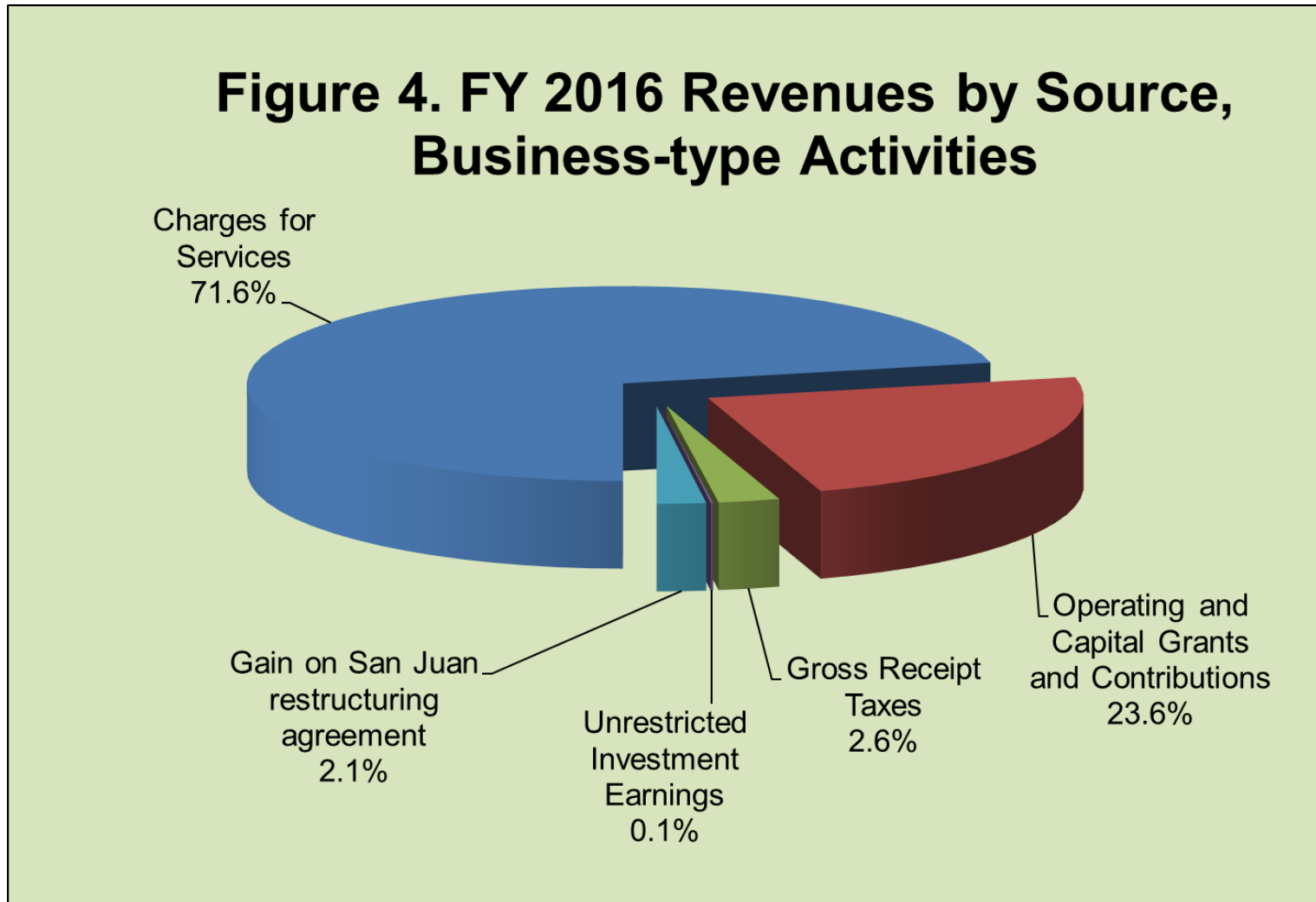




Figure 4 demonstrates that approximately 71.6% of business-type activities revenues were generated from user charges for services in fiscal year 2016, which remained respectively unchanged when compared to fiscal year 2015. In fiscal year 2016, operating and capital grants made up 23.6% of revenues, down approximately 2.2% from fiscal year 2015 from decreased capital grants in the Transit and Airport funds. The most noticeable difference in revenues resulted in a 2.1% increase related to the gain on the San Juan restructuring agreement, which is a non-recurring revenue.



## 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, 2016, the County's governmental funds reported combined ending fund balance of approximately \$84.8 million. Overall, this was a \$2.5 million decrease from the prior year. It should be noted that the overall change in fund balance of a \$2.5 million deficit, significantly differed from the prior year deficit of \$13.9 million. This is a decrease of approximately \$10 million. Activities that impacted fund balance compared to the prior year were due to not realizing investment income in the Capital Projects Permanent Fund which experienced a \$1.5 million fund balance deficit inclusive of a \$0.3 million loss. Although revenues increased by \$4.8 million and expenses decreased by \$5.1 million when compared to the prior year, the County spent down more resources set aside in prior years for capital expenditures and economic development. The largest areas identified were in transfers to the Capital Project and Economic Development Funds which increased by \$6.9 million and \$.75 million. Fund balances are comprised of four categories:

- \$24.6 million was nonspendable at fiscal year-end 2016, a \$1.4 million decrease 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 (only in the general fund). The largest single nonspendable balance is \$24.6 million in the Capital Projects Permanent Fund, which represents the nonspendable principal balance. The nonspendable fund balance in the Capital Projects Permanent Fund, decreased \$0.1 million per the annual inflationary calculation required to maintain the real value of the principal. The nonspendable fund balance related to inventories decreased by \$0.1 million as the County warehouse worked to reduce outdated inventory and eliminate slow moving items. The non-spendable balances in advances to other funds decreased by \$.5 million with the forgiveness of an interfund loan to the Joint Utility Fund. The asset held for sale in the Economic Development Fund was reclassified to assigned fund balance and thus decreased nonspendable fund balance by \$.6 million. Cumulatively, other nonspendable fund balances increased by \$0.1 million.
- \$8.2 million of fund balance in governmental funds was restricted at fiscal year-end 2016, a \$1.5 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 certain balances where the imposition of the revenue by Federal or State law restricts the expenditure to a specific purpose. The restricted fund balance in the Capital Projects Permanent Fund decreased \$1.5 million in the amount restricted by County code for income stabilization. This decrease resulted from a combination of \$.3 million in market losses on long-term securities (\$.1 million nonspendable) and transfers out of \$1.2 million to fund capital projects. The restricted fund balance in the Capital Improvement Projects Fund decreased by \$.8 million as the balance restricted for art in public places was reclassified to committed fund balance, committed by County code. Cumulatively, other restricted fund balances increased approximately \$0.8 million mainly due to restrictions from granting entities.
- \$.5 million of governmental funds' fund balance was committed at fiscal year-end 2016. This includes certain balances where the imposition of the revenue is by County code. The balance in this category is made up of fund balance committed to art in public places and decreased by \$.3 million from the prior year.
- \$39 million of governmental funds' fund balance was assigned at fiscal year-end 2016 which was \$4.9 million increase from the prior year. These fund balances have constraints imposed by County Council policies and direction prior to fiscal year-end, but are not reflected in County ordinances. The fund balance *assigned to capital projects* (committed in prior years) in FY2016 increased \$5.1 million as transfers-

in exceeded capital expenditures to fund new and existing projects. The balance assigned for *continuing appropriations* (committed in prior years) decreased \$.4 million as more funds were spent down during the fiscal year. The balance assigned for *fire services* increased by \$.2 million as a result of assigning 1% to total program incurred costs, which increased over the prior year by \$20.7 million.

- The remaining \$11.0 million of fund balance was *unassigned* in the General Fund. This is a \$5.0 million decrease from the prior year. Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This balance would include the residual fund balance of the General Fund and all other governmental funds. A significant portion of this change resulted from the General Fund transferring resources to fund capital projects.

**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, 2016 was approximately \$19.8 million as compared to \$25.5 million at the prior year-end, amounting to a \$5.7 million decrease and notable decrease of \$9.3 million over the past two years. GRT revenue stabilized in the prior year, after several years of decreases, and increased in FY2016 by \$5.3 million. However, expenditures exceeded revenues by \$5.7 million, resulting from the General Fund transferring resources to support projects and other funds' operations. See page 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 40.9% of expenditures and the spendable/unrestricted component was 22.7% of expenditures. Both liquidity measures decreased as compared to the prior year as a result of the larger fund balance decrease in fiscal year 2016. Significant account balances and transactions in the General Fund included:

- \$20.3 million transferred out to other funds. \$11.6 million of this was transferred to the Capital Improvement Projects Fund (for capital projects). Other notable transfers out were \$6.3 million to the Gross Receipts Tax Revenue Bond Debt Service Fund (for debt service), \$1.2 million to the Transit Fund (to support operations), \$0.3 million to the Indigent Health Care Fund (to support community programs), and \$0.4 million to the Airport Fund (to support operations). The General Fund also forgave an interfund loan of \$.5 million for the transfer of the Smart House Asset between the Joint Utility Fund, which was recorded as a transfer for GAAP purposes.
- \$5.5 million due from other governments, due primarily from the State of New Mexico for their portion of gross receipts taxes that is shared locally with the County and the GRT that the State collects on behalf of the County for locally imposed GRT increments. This balance is \$3.3 million lower than the prior year as a result of higher GRT revenue accrual reversals recorded in fiscal year 2016.
- \$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.
- Unassigned fund balance of the General Fund decreased by \$5.0 million, as a result of funding capital projects and other operations.
- General Fund expenditures increased approximately \$2.6 million, or 6% to \$48.4 million. Most departments had expenditures that were comparable to the previous year, with the largest increases incurred in Police, Fire, and Public Works Departments.
- General Fund revenues increased by \$8.0 million from the prior year. The largest variances in revenues were associated with GRT revenues, inclusive of state shared, making up \$5.3 million, and the increase in property taxes of \$1.7 million. There was a notable increase in Payment In Lieu of Taxes (PILT) which increased \$1.1 million as a result of catching up amounts due from prior years. Investment income decreased approximately \$.3 million and resulted in an overall gain, but was reflective of the lower interest rate market.

**Economic Development Fund** - The Economic Development Fund (special revenue fund) accounts for receipt, management, investment, and expenditure of the buyout payment received from the Department of Energy under the Atomic Energy Communities Act. The assignment of \$8.5 million of fund balance recognizes that this is a one-time resource for the County to use to help develop the local economy so that it is less dependent upon the Los Alamos National Laboratory (LANL). The \$8.5 million total fund balance at the end of fiscal year 2016 was \$0.6 million

lower than in the prior fiscal year. Expenditures exceeded revenues by \$1.4 million with the rest of the decrease resulting from transfers in of \$1.2 million offset by transfers out of the fund of \$0.4 million (to subsidize air service in the Airport Fund). During the year, the final collectible economic development loan was paid in full, leaving only two loans receivable that have been fully allowed for bringing loans receivable to a zero balance.

**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 fund balance of \$0.3 million, a decrease of \$0.1 million from the prior year. Grant reimbursements were received and recognized as revenue in fiscal year 2016 to reimburse expenditures made under state and federal grant awards in the prior year.

**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 \$27.9 million, which represented the unspent portion of previously approved and funded capital projects. The fund balance increased by \$4.7 million from the prior fiscal year as the result of continued transfers in on approved projects in excess of expenditures on new and existing projects. Significant capital expenditures in fiscal year 2016 include the following: \$1.4 million on the White Rock Civic Center, \$1.2 million on the Western Area road reconstruction project, \$1.2 million on the Teen Center, \$1.1 million on the Sherwood Boulevard road reconstruction project, \$1.0 million on VDI technology, and \$0.9 million on the 20th Street road reconstruction project.

**Capital Projects Permanent Fund** – The Capital Projects Permanent Fund accounts for amounts received as a settlement of prior years' gross receipts taxes 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 \$24.5 million, as of June 30, 2016, 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 2016, \$1.2 million was transferred out to the CIP fund as regularly scheduled. The balance in this fund is primarily invested in long-term pooled funds with the New Mexico State Investment Council. Total ending fund balance at June 30, 2016 was \$25.7 million, a decrease of \$1.5 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:

- \$184.6 million in capital assets (net of accumulated depreciation of \$143 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 \$3.6 million in fiscal year 2016 as investment in utility plant in service and construction in progress had significant increases of \$10.8 million over a decrease of \$1 million in machinery and equipment, net of \$7.0 million in accumulated depreciation;
- \$42.7 million in debt related to the Utility plant in service, which is \$2.9 million lower than the prior year with the prior refunding and issue of new debt nearly offsetting regularly scheduled debt service payments;
- \$8.2 million restricted for future liabilities special closure costs related to the San Juan Plant decommissioning and Laramie River decommissioning. This increased \$0.2 million from the prior year as more restricted funds were set aside for the County's share.
- \$7.2 million in pension liability increased by \$1.6 million, \$0.5 million in deferred pension outflows remained unchange, and \$0.3 million in deferred pension inflows decreased by \$1.9 million from the prior year, all related to the implementation of GASB 68 in the prior year;

- Operating revenues were \$60.0 million in fiscal year 2016, an increase of \$4.1 million compared to the prior year. The increase is the net of \$3.9 million increased revenues in electric (due mostly to an increase in wholesale sales to LANL based on its demand), \$0.4 million lower revenues in gas (due to lower demand and rates), \$0.2 million higher in water service, and \$0.4 higher revenues in wastewater service compared to the prior year; and
- Operating expenses were \$7.4 million lower at \$53.5 million in fiscal year 2016, compared to \$60.9 million in fiscal year 2015. The decrease is the net result of: a decrease of \$7.1 million in Electric subfund closure cost and contractual service savings, a \$0.5 million decrease in cost of gas purchased, a \$0.3 million increase costs for water production and a \$ 0.1 million decrease in wastewater disposal costs.

**Environmental Services Fund** – The Environmental Services Fund has a long-term liability balance of \$5.6 million. Of this, \$0.3 million was for landfill closure and monitoring and \$4.4 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). The remainder relates to net pension liability and compensated absences of \$0.9 million. Operating and nonoperating revenues of \$3.8 million exceeded total expenses of \$3.7 million by only \$0.1 million in fiscal year 2016, compared to a \$0.4 million loss in the prior year. Most of this difference is an increase rates assessed to help offset future closure costs.

**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 (\$2.1 million), payments from the North Central Regional Transit District (\$1.4 million), and transfers in from the general fund (\$1.2 million). Other notable balances related to net pension liability of \$1.7 million up \$0.4 million from the prior year.

**Fire Fund** – On October 1, 2013 the County entered into a ten year cooperative agreement with the National Nuclear Security Administration (NNSA) to provide enhanced fire protection services to LANL (replacing a similar 5 year cooperative agreement). Under the agreement, the County pays a share of costs for operating the fire department. The County's share for fiscal year 2016 was \$4.3 million. The intergovernmental revenue of \$17.8 million in the Fire Fund includes all operating grant revenue under the cooperative agreement. Additional pension expenses were recorded in the Fire Fund for the County's share of the New Mexico Public Employees Retirement Fund (PERA) activities in accordance with GASB 68. The Fire Fund had an ending negative fund balance of \$21.7 million due mostly to the net pension obligation, deferred inflows, and deferred outflows related to PERA.

**Airport Fund** – Net position decreased \$0.9 million as expenditures of \$1.7 million exceeded revenues of \$0.1 million and transfers in of \$0.8 million. Depreciation on capital assets represents nearly half of the operating expenses of the airport, which no longer has commercial air service. This year also saw a \$0.4 loss on disposal as a concrete hangar pad (without a hangar) cracked to the point of being unusable for its intended purpose. It was demolished and a new hangar pad is being constructed.

## GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund revenues available for spending on budgeted needs were \$0.7 million more than the final revised budget of \$60.2 million. The variance between actual revenue and the revised budget was largely due to the GRT revenue relative to projections. GRT revenue (including the state shared revenue portion) was \$1.3 million more than projected. The County had projected a modest increase in GRT related to spending at Los Alamos National Laboratory, and exceeded that projection by 3%.

Actual General Fund expenditures were approximately \$3.5 million less than the final revised fiscal year 2016 budget. This variance was achieved through careful cost management measures across all departments. Most variances were less than 5% of budget, as the County has been managing to tighter budgets and cutting back for several years. The County Manager's Office was \$0.7 million under budget, the Community Services Development Department was \$0.4 million under, and the Public Works Department was \$1.3 million under in its expenditure budget for facilities maintenance projects, with all other departments and divisions coming in under budget by \$1.1 million. Facilities maintenance project spending varies greatly from year to year depending on projects undertaken, and the unspent balance is normally reappropriated by Council in the following fiscal year.

The revised budget for revenues of \$59.6 million was \$1.5 million higher than the adopted budget primarily as a result of grant revenue carryovers from the prior year. The revised budget for expenditures of \$53.8 million was \$6.4 million higher than the adopted budget. The increase is comprised of the following: approximately \$2.1 million in encumbrance carryovers, \$2.4 million in project and grant carryovers, \$0.7 in current grant revisions, and many smaller revisions totaling \$1.2 million.

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

## ADMINISTRATION OF CAPITAL ASSETS AND DEBT

**Capital Assets** - The County's total investment in capital assets for its governmental and business type activities as of June 30, 2016 was \$528.2 million, net of \$308.1 million in accumulated depreciation. This investment in capital assets includes land, utility plant, facilities and buildings, machinery and equipment, parks and recreation facilities and improvements and infrastructure such as highways, roads, sidewalks, storm drains, storm inlets, bridges, traffic lights, flasher beacons and streetlights.

Total capital assets for the County increased by approximately \$1.2 million from 2015 to 2016 or 0.2%. Capital assets associated with business-type activities increased by \$2.1 million. Purchased additions to capital and donated assets exceeded depreciation and retirements by 0.9%. Capital assets associated with governmental activities increased by \$0.9 million. Additions to infrastructure assets exceeded retirements by \$3.2 million. Construction work in progress decreased \$7.1 million as several large projects were completed and placed in service. Building assets increased by \$10.3 million during the fiscal year as the White Rock Branch Library and Teen Center opened for business. Additionally, the governmental activities received the Smart House (valued at \$.9 million) from the Joint Utility System Fund, where it had been recorded as an asset held for resale. Accumulated depreciation increased \$9.0 million as depreciation of \$10.1 million exceeded retirements of \$1.1 million. Additional information about the County's capital assets can be found on pages 89-92.

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, 2016 and 2015**  
**(in millions of \$)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2015</u>
Land	\$ 53.2	52.9	8.5	8.5	61.7	61.4
Right of Way	18.0	18.0	0.0	0.0	18.0	18.0
Utility Plant in Service	0.0	0.0	311.8	302.9	311.8	302.9
Buildings	139.5	129.2	24.0	23.9	163.5	153.1
Improvements other than buildings	19.2	18.9	17.6	18.1	36.8	37.0
Machinery and Equipment, Art and Historic Treasures	19.6	18.5	30.8	29.6	50.4	48.1
Infrastructure	182.4	179.2	0.0	0.0	182.4	179.2
Less Accumulated Depreciation	(138.1)	(129.1)	(170.0)	(160.5)	(308.1)	(289.6)
Construction in Progress	3.2	10.3	8.5	6.6	11.7	16.9
<b>Total</b>	<b>\$ 297.0</b>	<b>297.9</b>	<b>231.2</b>	<b>229.1</b>	<b>528.2</b>	<b>527.0</b>

**Administration of Debt** - From fiscal year 2015 to 2016, the County's total debt payable for governmental and business-type activities combined decreased by \$7.2 million as regularly scheduled debt service payments of \$7.7 million were offset by new intergovernmental loans of \$0.5 million issued in the Joint Utility System Fund. The County has no General Obligation debt outstanding. See additional information in Note 9 in the Notes to Financial Statements, starting on page 102.

## **ECONOMIC FACTORS AND THE FISCAL YEAR 2016 ADOPTED BUDGET**

The County budgets on a modified accrual basis. The fiscal year 2017 budget anticipates revenues of \$5.5 million less than the fiscal year 2016 adopted budget, and thus expenditures are budgeted at \$5.4 million less than the prior fiscal year. The budget decrease in revenues and other financing sources is a result of two primary factors: an increase in anticipated GRT revenue offset by a \$9.5 million anticipated decrease in Joint Utility System Revenue as a result of lower expected commodity costs. Other variances are very modest in comparison. GRT which had declined for four years in a row prior to fiscal year 2016, is projected to increase modestly as LANL has increased its staffing by approximately 400 personnel. 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 2017 Budget projects a combined ending fund balance / working capital of \$93.7 million, \$0.8 million higher than the projected fiscal year 2016 ending fund balance / working capital of \$92.9 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, Chief Financial Officer, Finance Division, 1000 Central Avenue, Suite 300, Los Alamos, New Mexico 87544.



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**Government-wide Financial Statements**



LOS ALAMOS

where discoveries are made

# INCORPORATED COUNTY OF LOS ALAMOS

## Government-wide

### Statement of Net Position

June 30, 2016

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Equity in pooled cash and investments	\$ 61,352,116	36,112,178	97,464,294
Investments	19,878,080	0	19,878,080
Receivables, net of allowance for uncollectibles			
Accounts	71,611	4,543,314	4,614,925
Interest	251,532	0	251,532
Pension forfeitures	6,441	0	6,441
Property taxes	162,218	0	162,218
Unbilled	0	1,409,152	1,409,152
Due from other governments	6,012,328	4,065,615	10,077,943
Internal balances	486,537	(486,537)	0
Inventories and prepayments			
Inventories	646,064	1,003,756	1,649,820
Power plant inventories	0	893,343	893,343
Prepayments	28,167	879,157	907,324
Restricted assets			
Cash and cash equivalents			
Debt reserves and debt service	31,555	4,695,685	4,727,240
Operations and maintenance	0	9,346,224	9,346,224
Investments			
Debt reserves and debt service	0	8,901,616	8,901,616
Asset held for resale	597,402	0	597,402
Capital assets			
Land	53,238,544	8,524,970	61,763,514
Right of way	18,001,114	0	18,001,114
Utility plant in service	0	311,670,160	311,670,160
Buildings	139,507,703	23,999,622	163,507,325
Improvements other than buildings	19,176,867	17,555,084	36,731,951
Machinery, equipment, art and historic treasures	19,646,639	30,806,821	50,453,460
Infrastructure	182,351,652	0	182,351,652
Less accumulated depreciation	(138,107,823)	(169,981,709)	(308,089,532)
Construction in progress	3,165,475	8,549,104	11,714,579
<b>TOTAL ASSETS</b>	<b><u>386,504,222</u></b>	<b><u>302,487,555</u></b>	<b><u>688,991,777</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred amounts (debits) from refunding of debt	7,585,143	609,746	8,194,889
Deferred pension	2,463,936	5,499,188	7,963,124
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b><u>10,049,079</u></b>	<b><u>6,108,934</u></b>	<b><u>16,158,013</u></b>

**LIABILITIES**

Accounts payable	2,794,629	5,665,975	8,460,604
Accrued salaries and benefits payable	1,138,370	709,005	1,847,375
Customer deposits payable	99,923	212,710	312,633
Due to other governments	9,182	130,671	139,853
Donations held in trust	46,503	27,989	74,492
Unearned revenue	1,506,604	0	1,506,604
Noncurrent liabilities			
Due within one year			
Accrued compensated absences	1,903,188	2,309,293	4,212,481
Claims and judgments payable	0	2,004,769	2,004,769
Revenue bonds payable	4,175,000	2,730,000	6,905,000
Contracts and intergovernmental debt payable	0	906,752	906,752
Special closure costs	0	163,677	163,677
Interest payable on non-current liabilities	174,137	207,096	381,233
Due in more than one year			
Accrued compensated absences	991,207	875,772	1,866,979
Claims and judgments payable	0	1,160,948	1,160,948
Revenue bonds payable	47,859,028	27,609,868	75,468,896
Contracts and intergovernmental debt payable	0	16,060,980	16,060,980
Special closure costs	0	8,489,529	8,489,529
Pension liability	25,433,581	51,580,276	77,013,857
<b>TOTAL LIABILITIES</b>	<b>86,131,352</b>	<b>120,845,310</b>	<b>206,976,662</b>

**DEFERRED INFLOWS OF RESOURCES:**

Deferred pension	979,557	397,740	1,377,297
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>979,557</b>	<b>397,740</b>	<b>1,377,297</b>

**NET POSITION**

Net investment in capital assets	252,531,286	184,426,198	436,957,484
Restricted for (Restricted by):			
Capital projects - nonexpendable (County code)	24,580,311	0	24,580,311
Debt service (Bond and loan agreements)	31,555	14,083,223	14,114,778
Perpetual care (County code)	737,504	0	737,504
Lodgers' tax (State law)	209,392	0	209,392
Clerk records and files (State law)	50,762	0	50,762
Indigent health care (State law)	703,084	0	703,084
Property tax valuation (State law)	573,581	0	573,581
Grants (Granting entities)	643,113	0	643,113
Cash requirements (State law)	4,484,213	0	4,484,213
Recreation (County code and contributors)	187,695	0	187,695
Library operations (Contributors)	104,934	0	104,934
Major street maintenance (State law)	92,666	0	92,666
Income stabilization (County code)	1,071,827	0	1,071,827
Unrestricted	23,440,469	(11,155,982)	12,284,487
<b>TOTAL NET POSITION</b>	<b>\$ 309,442,392</b>	<b>187,353,439</b>	<b>496,795,831</b>

See accompanying notes to financial statements

# INCORPORATED COUNTY OF LOS ALAMOS

## Government-wide

Statement of Activities

Year ended June 30, 2016

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>FUNCTIONS / PROGRAMS</b>							
<b>Governmental activities</b>							
General government	\$ 15,346,876	1,271,004	266,588	422,297	(13,386,987)	0	(13,386,987)
Public safety	13,360,596	21,186	1,269,487	105,831	(11,964,092)	0	(11,964,092)
Physical and economic environment	2,958,513	267,346	0	0	(2,691,167)	0	(2,691,167)
Transportation	11,818,676	0	587,113	174,783	(11,056,780)	0	(11,056,780)
Health and welfare	3,365,393	0	13,750	0	(3,351,643)	0	(3,351,643)
Culture and recreation	9,048,935	1,049,593	78,810	0	(7,920,532)	0	(7,920,532)
Interest on long-term debt	2,918,556	0	0	0	(2,918,556)	0	(2,918,556)
Total governmental activities	<b>58,817,545</b>	<b>2,609,129</b>	<b>2,215,748</b>	<b>702,911</b>	<b>(53,289,757)</b>	<b>0</b>	<b>(53,289,757)</b>
<b>Business-type activities</b>							
Joint Utilities							
Electric	40,530,631	45,701,692	0	94,980	0	5,266,041	5,266,041
Gas	3,917,505	4,910,279	0	0	0	992,774	992,774
Water	7,476,966	4,901,704	0	949,939	0	(1,625,323)	(1,625,323)
Wastewater	4,013,980	4,643,528	0	0	0	629,548	629,548
Environmental Services	3,669,075	2,951,773	0	0	0	(717,302)	(717,302)
Transit (Atomic City Transit)	3,665,719	0	2,960,546	514,233	0	(190,940)	(190,940)
Fire	25,081,899	4,829,236	17,786,582	0	0	(2,466,081)	(2,466,081)
Airport	1,777,165	87,389	0	18,647	0	(1,671,129)	(1,671,129)
Total business-type activities	<b>90,132,940</b>	<b>68,025,601</b>	<b>20,747,128</b>	<b>1,577,799</b>	<b>0</b>	<b>217,588</b>	<b>217,588</b>
<b>Total government</b>	<b>\$ 148,950,485</b>	<b>70,634,730</b>	<b>22,962,876</b>	<b>2,280,710</b>	<b>(53,289,757)</b>	<b>217,588</b>	<b>(53,072,169)</b>
<b>General revenues:</b>							
					25,455,540	2,498,560	27,954,100
					6,974,747	0	6,974,747
					512,974	0	512,974
					1,392,069	0	1,392,069
					17,009,401	0	17,009,401
					55,063	127,936	182,999
					0	1,953,600	1,953,600
					2,146,495	(2,146,495)	0
					<b>53,546,289</b>	<b>2,433,601</b>	<b>55,979,890</b>
					256,532	2,651,189	2,907,721
					309,185,860	184,702,250	493,888,110
					<b>\$ 309,442,392</b>	<b>187,353,439</b>	<b>496,795,831</b>

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 190** - 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

where discoveries are made



**INCORPORATED COUNTY OF LOS ALAMOS**  
**Governmental Funds**  
Balance Sheet  
June 30, 2016

	<u>GENERAL</u>	<u>ECONOMIC DEVELOPMENT SPECIAL REVENUE</u>	<u>EMERGENCY DECLARATIONS SPECIAL REVENUE</u>	<u>CAPITAL IMPROVEMENT PROJECTS</u>	<u>CAPITAL PROJECTS PERMANENT</u>	<u>OTHER GOVERNMENTAL</u>	<u>TOTAL</u>
<b>ASSETS</b>							
Equity in pooled cash and investments	\$ 13,766,297	7,977,879	1,728,453	29,135,107	6,478,386	2,265,994	61,352,116
Investments	692,028	0	0	0	19,173,752	12,300	19,878,080
Receivables, net of allowance for uncollectibles							
Accounts	44,968	0	0	0	0	26,643	71,611
Interest	251,515	0	0	0	0	17	251,532
Property taxes	162,218	0	0	0	0	0	162,218
Due from other governments	5,555,511	0	4,510	112,775	0	339,532	6,012,328
Due from other funds	1,514,585	0	0	0	0	0	1,514,585
Inventories and prepayments							
Inventories	646,064	0	0	0	0	0	646,064
Prepayments	12,717	0	0	0	0	15,450	28,167
Advances to other funds	146,799	0	0	0	0	0	146,799
Restricted assets							
Cash and cash equivalents							
Debt reserves and debt service	0	0	0	0	0	31,555	31,555
Asset held for resale (LA Apartments Land)	0	597,402	0	0	0	0	597,402
<b>TOTAL ASSETS</b>	<b>\$ 22,792,702</b>	<b>8,575,281</b>	<b>1,732,963</b>	<b>29,247,882</b>	<b>25,652,138</b>	<b>2,691,491</b>	<b>90,692,457</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 1,360,843	67,335	34,100	1,262,430	0	69,921	2,794,629
Accrued salaries and benefits payable	1,061,745	64	0	986	0	8,728	1,071,523
Customer deposits payable	99,923	0	0	0	0	0	99,923
Due to other governments	0	0	0	0	0	9,182	9,182
Due to other funds	66,847	0	0	0	0	2,946	69,793
Donations held in trust	46,503	0	0	0	0	0	46,503
Unearned revenue	89,824	0	1,416,780	0	0	0	1,506,604
<b>TOTAL LIABILITIES</b>	<b>2,725,685</b>	<b>67,399</b>	<b>1,450,880</b>	<b>1,263,416</b>	<b>0</b>	<b>90,777</b>	<b>5,598,157</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>							
Federal and state grants (unavailable)	256,805	0	4,510	0	0	0	261,315
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>256,805</b>	<b>0</b>	<b>4,510</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>261,315</b>
<b>FUND BALANCE</b>							
Nonspendable							
Principal - Capital projects	0	0	0	0	24,580,311	0	24,580,311
Principal - Perpetual care	737,504	0	0	0	0	0	737,504
Advances	146,799	0	0	0	0	0	146,799
Inventories	646,064	0	0	0	0	0	646,064
Prepaid items	12,717	0	0	0	0	0	12,717
Restricted for							
Clerk records and files (State law)	0	0	0	0	0	50,762	50,762
Debt service (Bond and loan agreements)	0	0	0	0	0	31,555	31,555
Grants (Granting entities)	0	0	0	0	0	643,113	643,113

Library operations (County code and contributors)	89,984	0	0	0	0	14,950	104,934
Lodgers' tax (State law)	0	0	0	0	0	209,392	209,392
Indigent health care claims (State law)	0	0	0	0	0	703,084	703,084
Property tax valuation (State law)	0	0	0	0	0	573,581	573,581
Recreation (County code and contributors)	151,653	0	0	0	0	36,042	187,695
Income stabilization (County code)	0	0	0	0	1,071,827	0	1,071,827
Major street maintenance (State law)	0	0	0	0	0	92,666	92,666
Cash requirements (State law)	4,484,213	0	0	0	0	0	4,484,213
Committed to							
Art in Public Places (County code)	0	0	0	522,781	0	0	522,781
Assigned for							
Debt service	0	0	0	0	0	245,569	245,569
Capital projects	0	0	0	27,461,685	0	0	27,461,685
Fire services	552,715	0	0	0	0	0	552,715
Continuing appropriations	2,000,209	0	0	0	0	0	2,000,209
Economic development	0	8,507,882	0	0	0	0	8,507,882
Emergency response and recovery	0	0	277,573	0	0	0	277,573
Unassigned	10,988,354	0	0	0	0	0	10,988,354
<b>TOTAL FUND BALANCE (deficit)</b>	<u>19,810,212</u>	<u>8,507,882</u>	<u>277,573</u>	<u>27,984,466</u>	<u>25,652,138</u>	<u>2,600,714</u>	<u>84,832,985</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<u>\$ 22,792,702</u>	<u>8,575,281</u>	<u>1,732,963</u>	<u>29,247,882</u>	<u>25,652,138</u>	<u>2,691,491</u>	<u>90,692,457</u>



LOS ALAMOS

**INCORPORATED COUNTY OF LOS ALAMOS**  
**Governmental Funds**

**Reconciliation of Balance Sheet to the Statement of Net Position**  
**June 30, 2016**

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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:	\$ 84,832,985
Capital assets (\$435,087,994), net of accumulated depreciation (\$138,107,823), used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	296,980,171
Long-term liabilities, including bonds payable (\$46,805,000), bond premium/discount (\$5,229,028), net pension liability (\$25,433,581), and compensated absences (\$2,894,395) are not due and payable in the current period and, therefore are not reported in the governmental funds.	(80,362,004)
Deferred outflow of resources related to advance refunding of long-term debt is not recorded in the governmental funds, but is included in the government-wide statement of net position.	7,585,143
Deferred outflow of resources related to the County's share of New Mexico Public Employee Retirement Association benefits is not recorded in the governmental funds, but is included in the government-wide statement of net position.	2,463,936
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.	(174,137)
Deferred inflow of resources related to the County's share of New Mexico Public Employee Retirement Association benefits is not recorded in the governmental funds, but is included in the government-wide statement of net position.	(979,557)
Other long-term receivables are not available to pay for current period expenditures and, therefore are recorded as deferred inflows in the governmental funds.	261,315
Internal service funds are used by the County to charge the costs of equipment and risk management functions to individual funds. An internal balance is shown on the government-wide statement of Net Position to reflect the allocation of the internal service fund loss to the governmental funds from the business-type funds, where the internal service funds balances are combined.	(1,165,460)
Net position of governmental activities	\$ <u><u>309,442,392</u></u>

**INCORPORATED COUNTY OF LOS ALAMOS**  
**Governmental Funds**  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Year ended June 30, 2016

	<u>GENERAL</u>	<u>ECONOMIC DEVELOPMENT SPECIAL REVENUE</u>	<u>EMERGENCY DECLARATIONS SPECIAL REVENUE</u>	<u>CAPITAL IMPROVEMENT PROJECTS</u>	<u>CAPITAL PROJECTS PERMANENT</u>	<u>OTHER GOVERNMENTAL</u>	<u>TOTAL</u>
<b>REVENUES</b>							
Taxes							
Property taxes-current	\$ 6,974,747	0	0	0	0	0	6,974,747
Local units in-lieu taxes	413,539	0	0	0	0	0	413,539
Gross receipts taxes	23,533,345	0	0	0	0	1,665,683	25,199,028
Lodgers' tax	0	0	0	0	0	256,512	256,512
Franchise tax-privately owned	135,834	0	0	0	0	0	135,834
Franchise tax-County owned	377,140	0	0	0	0	0	377,140
Penalties and interest-taxes	49,893	0	0	0	0	0	49,893
	<u>31,484,498</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,922,195</u>	<u>33,406,693</u>
Licenses and permits							
Business	43,397	0	0	0	0	0	43,397
Nonbusiness	197,853	0	0	0	0	0	197,853
	<u>241,250</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>241,250</u>
Intergovernmental							
Federal direct	9,957	0	0	0	0	0	9,957
Federal indirect	443,924	0	417,098	113,879	0	0	974,901
Federal shared revenues	4,527	0	0	0	0	0	4,527
Federal in-lieu taxes	1,198,285	0	0	0	0	0	1,198,285
State grants-fire	0	0	0	0	0	547,739	547,739
State grants-library	27,510	0	0	0	0	0	27,510
State grants-major street maintenance	0	0	0	174,783	0	0	174,783
State grants-police	190,062	0	0	0	0	144,248	334,310
State grants-other	249,388	0	69,516	30,950	0	0	349,854
State shared revenues	17,009,401	0	0	0	0	587,113	17,596,514
	<u>19,133,054</u>	<u>0</u>	<u>486,614</u>	<u>319,612</u>	<u>0</u>	<u>1,279,100</u>	<u>21,218,380</u>
Fines and forfeitures							
Fines	64,336	0	0	0	0	0	64,336
Correction fees	44,470	0	0	0	0	0	44,470
Special fees	24,931	0	0	0	0	0	24,931
Court ordered reimbursements	49,321	0	0	0	0	1,800	51,121
Noncourt fines and forfeitures	800	0	0	0	0	0	800
	<u>183,858</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,800</u>	<u>185,658</u>
Charges for services							
Court fees	768	0	0	0	0	0	768
Clerk fees	50,508	0	0	0	0	20,202	70,710
Planning fees	26,096	0	0	0	0	0	26,096
Finance/treasurer fees	0	0	0	0	0	169,406	169,406
Administrative charges for services	43,406	0	0	0	0	0	43,406
Sales of food or merchandise	91,543	0	0	0	0	0	91,543
Other charges for services	16,738	0	0	0	0	0	16,738
Sheriff fees	4,600	0	0	0	0	0	4,600
Police charges for services	17,276	0	0	0	0	0	17,276
Miscellaneous services	935	0	0	0	0	0	935

Cemetery services	30,481	0	0	0	0	0	0	30,481
Perpetual care services	49,900	0	0	0	0	0	0	49,900
Animal shelter fees	3,910	0	0	0	0	0	0	3,910
Daily fees/passes	209,182	0	0	0	0	0	0	209,182
Annual passes	166,299	0	0	0	0	0	0	166,299
Three-month passes	38,664	0	0	0	0	0	0	38,664
Monthly passes	23,012	0	0	0	0	0	0	23,012
Punch passes	81,453	0	0	0	0	0	0	81,453
Recreation fees	148,507	0	0	0	0	0	0	148,507
Other fees	24,155	0	0	0	0	0	0	24,155
	<b>1,027,433</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>189,608</b>	<b>1,217,041</b>
Interfund/interdepartmental charges								
Interdepartmental services	6,301,361	0	0	0	0	0	0	6,301,361
Miscellaneous revenue								
Investment income (loss)	318,487	26,583	0	0	(297,116)	7,109	55,063	
Interest charges-delinquent accounts	717	0	0	0	0	0	717	
Building rental	103,679	7,976	0	0	0	11,586	123,241	
Land rental	453,824	0	0	0	0	33,180	487,004	
Concessions	2,988	0	0	0	0	0	2,988	
Miscellaneous rentals	150,387	0	0	0	0	0	150,387	
Pension forfeitures	589,795	0	0	0	0	0	589,795	
Economic development loan interest	0	7,186	0	0	0	0	7,186	
Donations	49,750	0	0	0	0	1,550	51,300	
Other	189,957	10,886	0	0	0	0	200,843	
	<b>1,859,584</b>	<b>52,631</b>	<b>0</b>	<b>0</b>	<b>(297,116)</b>	<b>53,425</b>	<b>1,668,524</b>	
<b>TOTAL REVENUES</b>	<b>60,231,038</b>	<b>52,631</b>	<b>486,614</b>	<b>319,612</b>	<b>(297,116)</b>	<b>3,446,128</b>	<b>64,238,907</b>	

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, 2016

	<u>GENERAL</u>	<u>ECONOMIC DEVELOPMENT SPECIAL REVENUE</u>	<u>EMERGENCY DECLARATIONS SPECIAL REVENUE</u>	<u>CAPITAL IMPROVEMENT PROJECTS</u>	<u>CAPITAL PROJECTS PERMANENT</u>	<u>OTHER GOVERNMENTAL</u>	<u>TOTAL</u>
<b>EXPENDITURES</b>							
<b>Current expenditures:</b>							
General government							
County Council	324,979	0	0	0	0	0	324,979
Municipal Court	441,769	0	0	0	0	18,716	460,485
County Manager	1,865,064	0	0	0	0	0	1,865,064
County Manager-Comm. and Public Relations	348,200	0	0	0	0	0	348,200
County Manager-Human Resources	1,297,664	0	0	0	0	0	1,297,664
County Assessor	385,723	0	0	0	0	123,392	509,115
County Attorney	657,052	0	0	0	0	0	657,052
County Clerk	439,701	0	0	0	0	18,698	458,399
County Probate Clerk	4,985	0	0	0	0	0	4,985
County Sheriff	62,619	0	0	0	0	0	62,619
Administrative Services-Information Technologies	4,751,506	0	0	0	0	0	4,751,506
Administrative Services-Finance Office	1,273,349	0	0	0	0	0	1,273,349
Administrative Services-Procurement	1,018,966	0	0	0	0	0	1,018,966
Public Works	6,649,527	0	0	0	0	0	6,649,527
Community Services-Cemetery	34,745	0	0	0	0	0	34,745
	<b>19,555,849</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>160,806</b>	<b>19,716,655</b>
Public safety							
Fire Department-County share	4,263,915	0	0	0	0	0	4,263,915
Emergency response and recovery	0	0	71,540	0	0	0	71,540
Fire Marshal	0	0	0	0	0	81,805	81,805
Fire Mitigation	3,672	0	0	0	0	0	3,672
Fire-E.M.S. grant	0	0	0	0	0	9,462	9,462
Police	8,504,330	0	0	0	0	148,456	8,652,786
	<b>12,771,917</b>	<b>0</b>	<b>71,540</b>	<b>0</b>	<b>0</b>	<b>239,723</b>	<b>13,083,180</b>
Physical and economic environment							
County Manager	108,068	1,173,136	0	0	0	197,768	1,478,972
Community Development	1,527,083	0	0	0	0	0	1,527,083
Transportation							
Public Works	<b>4,296,240</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,296,240</b>
Health and welfare							
Community Services-Social Services	<b>1,521,415</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,850,041</b>	<b>3,371,456</b>
Culture and recreation							
Community Services-Administration	803,380	0	0	0	0	0	803,380
Community Services-Library	2,327,168	0	0	0	0	1,350	2,328,518
Community Services-Parks	1,905,017	0	0	0	0	0	1,905,017
Community Services-Recreation	2,906,960	0	0	0	0	3,528	2,910,488
	<b>7,942,525</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,878</b>	<b>7,947,403</b>

<b>Capital outlay:</b>							
General government							
Administrative Services	192,091	0	0	1,092,411	0	0	1,284,502
Public Works	82,748	0	0	1,440,575	0	0	1,523,323
County Manager	0	289,657	0	0	0	0	289,657
Community Services	0	0	0	252,855	0	0	252,855
Public safety							
Fire	0	0	0	0	0	52,658	52,658
Police	19,861	0	0	0	0	16,335	36,196
Emergency response and recovery	0	0	489,745	0	0	0	489,745
Transportation							
Public Works	347,036	0	0	4,362,936	0	0	4,709,972
Culture and recreation							
Community Services	67,614	0	0	1,802,218	0	0	1,869,832
	<u>709,350</u>	<u>289,657</u>	<u>489,745</u>	<u>8,950,995</u>	<u>0</u>	<u>68,993</u>	<u>10,508,740</u>
<b>Debt service:</b>							
Principal	0	0	0	0	0	3,970,000	3,970,000
Interest	0	0	0	0	0	2,299,109	2,299,109
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,269,109</u>	<u>6,269,109</u>
<b>TOTAL EXPENDITURES</b>	<u><b>48,432,447</b></u>	<u><b>1,462,793</b></u>	<u><b>561,285</b></u>	<u><b>8,950,995</b></u>	<u><b>0</b></u>	<u><b>8,791,318</b></u>	<u><b>68,198,838</b></u>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<b>11,798,591</b>	<b>(1,410,162)</b>	<b>(74,671)</b>	<b>(8,631,383)</b>	<b>(297,116)</b>	<b>(5,345,190)</b>	<b>(3,959,931)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	2,749,363	1,200,000	0	14,984,977	0	6,584,109	25,518,449
Transfers out	(20,253,155)	(400,000)	0	(1,564,542)	(1,233,495)	(580,000)	(24,031,192)
	<u>(17,503,792)</u>	<u>800,000</u>	<u>0</u>	<u>13,420,435</u>	<u>(1,233,495)</u>	<u>6,004,109</u>	<u>1,487,257</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(5,705,201)</b>	<b>(610,162)</b>	<b>(74,671)</b>	<b>4,789,052</b>	<b>(1,530,611)</b>	<b>658,919</b>	<b>(2,472,674)</b>
<b>FUND BALANCE</b>							
Beginning of fiscal year	25,515,413	9,118,044	352,244	23,195,414	27,182,749	1,941,795	87,305,659
<b>FUND BALANCE - END OF FISCAL YEAR</b>	<u><b>\$ 19,810,212</b></u>	<u><b>8,507,882</b></u>	<u><b>277,573</b></u>	<u><b>27,984,466</b></u>	<u><b>25,652,138</b></u>	<u><b>2,600,714</b></u>	<u><b>84,832,985</b></u>

See accompanying notes to financial statements



LOS ALAMOS

The logo for Los Alamos National Laboratory, featuring a blue circle with white atomic orbits.The logo for Los Alamos National Laboratory, featuring a red circle with white stylized leaves or branches.

where discoveries are made

# INCORPORATED COUNTY OF LOS ALAMOS

## Governmental Funds

### Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities Year ended June 30, 2016

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:	\$ (2,472,674)
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 depreciation (\$11,055,238) exceed capital outlays (\$10,508,740) in the current period.	(546,498)
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.	(1,022,807)
Transfers of capital assets to/from governmental capital assets from/to proprietary funds are not recorded in governmental funds.	659,238
The repayment of debt is reflected as a use of current financial resources in the governmental funds, but has no effect on net position.	3,970,000
The amortization of debt premiums and discounts does not use current financial resources, and therefore is not reported in the governmental funds.	52,655
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.	17,456
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.	(52,178)
The pension expense related to the County's share of New Mexico Public Employee Retirement Association benefits is not recorded in the governmental funds, but is included in the government-wide statement of net position.	1,104,198
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	(1,009,964)
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.	246,664
Change in net position of governmental activities	<u>\$ 256,532</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, 2016

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
<b>Taxes</b>				
Property taxes-current	\$ 6,919,566	6,919,566	6,974,747	55,181
Local units in-lieu taxes	392,899	392,899	413,539	20,640
General gross receipts taxes	22,774,000	22,774,000	23,533,345	759,345
Franchise tax-privately owned	121,000	121,000	135,834	14,834
Franchise tax-County owned	384,000	384,000	377,140	(6,860)
Penalties and interest-taxes	0	0	49,893	49,893
	<b>30,591,465</b>	<b>30,591,465</b>	<b>31,484,498</b>	<b>893,033</b>
<b>Licenses and permits</b>				
Business	39,000	39,000	43,397	4,397
Nonbusiness	220,951	220,951	197,853	(23,098)
	<b>259,951</b>	<b>259,951</b>	<b>241,250</b>	<b>(18,701)</b>
<b>Intergovernmental</b>				
Federal direct	0	321,357	9,957	(311,400)
Federal indirect	150,000	683,997	443,924	(240,073)
Federal shared revenues	5,000	5,000	4,527	(473)
Federal in-lieu taxes	253,700	253,700	1,198,285	944,585
State grants-library	10,000	54,966	27,510	(27,456)
State grants-police	100,000	223,263	190,062	(33,201)
State grants-other	150,000	433,331	249,388	(183,943)
State shared revenues	16,487,000	16,487,000	17,009,401	522,401
	<b>17,155,700</b>	<b>18,462,614</b>	<b>19,133,054</b>	<b>670,440</b>
<b>Fines and forfeitures</b>				
Fines	80,000	80,000	64,336	(15,664)
Correction fees	45,000	45,000	44,470	(530)
Special fees	17,350	17,350	24,931	7,581
Court ordered reimbursements	38,000	38,000	49,321	11,321
Noncourt fines and forfeitures	500	500	800	300
	<b>180,850</b>	<b>180,850</b>	<b>183,858</b>	<b>3,008</b>

**Charges for services**

Court fees	906	906	768	(138)
Clerk fees	41,680	41,680	50,508	8,828
Planning fees	41,933	41,933	26,096	(15,837)
Administrative charges for services	31,326	31,326	43,406	12,080
Sales of food or merchandise	110,000	110,000	91,543	(18,457)
Other charges for services	40,000	40,000	16,738	(23,262)
Sheriff fees	5,000	5,000	4,600	(400)
Police charges for services	23,000	23,000	17,276	(5,724)
Miscellaneous services	0	0	935	935
Cemetery services	15,000	15,000	30,481	15,481
Perpetual care services	40,000	40,000	49,900	9,900
Animal shelter fees	3,000	3,000	3,910	910
Daily fees/passes	198,000	198,000	209,182	11,182
Annual passes	145,000	145,000	166,299	21,299
Three-month passes	44,000	44,000	38,664	(5,336)
Monthly passes	7,000	7,000	23,012	16,012
Punch passes	98,000	98,000	81,453	(16,547)
Recreation fees	219,000	219,000	148,507	(70,493)
Other fees	13,000	22,000	24,155	2,155
	<b>1,075,845</b>	<b>1,084,845</b>	<b>1,027,433</b>	<b>(57,412)</b>

**Interfund/interdepartmental charges**

Interdepartmental services	3,011,757	3,011,757	3,089,354	77,597
Indirect overhead-fire services	2,494,669	2,494,669	2,682,004	187,335
Indirect overhead - dispatch services	530,653	530,653	530,003	(650)
	<b>6,037,079</b>	<b>6,037,079</b>	<b>6,301,361</b>	<b>264,282</b>

**Miscellaneous revenue**

Interest income	1,925,000	1,925,000	318,487	(1,606,513)
Interest charges-delinquent accounts	0	0	717	717
Buildings rental	111,937	111,937	103,679	(8,258)
Land rental	381,008	381,008	453,824	72,816
Concessions rental	2,000	2,000	2,988	988
Other rental	142,000	142,000	150,387	8,387
Pension forfeitures	110,000	110,000	589,795	479,795
Donations	61,000	103,000	49,750	(53,250)
Other	104,000	180,504	188,525	8,021
	<b>2,836,945</b>	<b>2,955,449</b>	<b>1,858,152</b>	<b>(1,097,297)</b>

**TOTAL REVENUES**

<b>58,137,835</b>	<b>59,572,253</b>	<b>60,229,606</b>	<b>657,353</b>
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## INCORPORATED COUNTY OF LOS ALAMOS GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)  
Year ended June 30, 2016

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>EXPENDITURES AND ENCUMBRANCES</b>				
<b>County Council</b>				
Employee salaries and benefits	90,877	90,877	92,362	(1,485)
Outside services	268,150	269,820	215,774	54,046
Materials and supplies	14,000	14,000	15,442	(1,442)
Intrafund/interfund services	1,401	1,401	1,401	0
	<b>374,428</b>	<b>376,098</b>	<b>324,979</b>	<b>51,119</b>
<b>County Courts (Municipal judge)</b>				
Employee salaries and benefits	326,653	326,653	322,833	3,820
Outside services	99,084	127,184	82,022	45,162
Materials and supplies	9,177	37,444	30,229	7,215
Intrafund/interfund services	5,356	5,356	5,356	0
Debt and fiscal charges	1,000	1,000	1,329	(329)
	<b>441,270</b>	<b>497,637</b>	<b>441,769</b>	<b>55,868</b>
<b>County Manager</b>				
<b>Operations</b>				
Employee salaries and benefits	1,149,612	1,149,612	1,161,793	(12,181)
Outside services	720,600	801,437	672,070	129,367
Materials and supplies	7,500	7,500	23,703	(16,203)
Intrafund/interfund services	8,637	8,637	8,637	0
Capital outlay	30,000	30,000	0	30,000
	<b>1,916,349</b>	<b>1,997,186</b>	<b>1,866,203</b>	<b>130,983</b>
<b>Communications and Public Relations</b>				
Employee salaries and benefits	272,565	272,565	250,774	21,791
Outside services	100,335	116,335	79,287	37,048
Materials and supplies	14,180	17,180	18,139	(959)
	<b>387,080</b>	<b>406,080</b>	<b>348,200</b>	<b>57,880</b>
<b>Human Resources</b>				
Employee salaries and benefits	969,348	969,348	1,007,688	(38,340)
Outside services	248,150	626,684	254,541	372,143
Materials and supplies	33,295	33,295	27,177	6,118
Intrafund/interfund services	8,258	8,258	8,258	0
	<b>1,259,051</b>	<b>1,637,585</b>	<b>1,297,664</b>	<b>339,921</b>

Economic Development Admin				
Employee salaries and benefits	0	241,402	105,473	135,929
Outside services	0	0	2,595	(2,595)
	<u>0</u>	<u>241,402</u>	<u>108,068</u>	<u>133,334</u>
<b>Total County Manager</b>	<b>3,562,480</b>	<b>4,282,253</b>	<b>3,620,135</b>	<b>662,118</b>
<b>County Assessor</b>				
Employee salaries and benefits	373,723	373,723	371,846	1,877
Outside services	10,500	10,500	10,814	(314)
Materials and supplies	1,500	1,500	1,465	35
Intrafund/interfund services	0	0	1,598	(1,598)
	<u>385,723</u>	<u>385,723</u>	<u>385,723</u>	<u>0</u>
<b>County Attorney</b>				
Employee salaries and benefits	615,223	615,223	589,132	26,091
Outside services	84,623	124,623	53,638	70,985
Materials and supplies	18,544	18,544	10,590	7,954
Intrafund/interfund services	3,692	3,692	3,692	0
	<u>722,082</u>	<u>762,082</u>	<u>657,052</u>	<u>105,030</u>
<b>County Clerk</b>				
Employee salaries and benefits	378,305	378,305	349,341	28,964
Outside services	32,050	34,642	49,805	(15,163)
Materials and supplies	23,500	29,010	36,064	(7,054)
Intrafund/interfund services	3,890	3,890	3,890	0
Capital outlay	9,000	9,000	0	9,000
Debt and fiscal charges	235	235	601	(366)
	<u>446,980</u>	<u>455,082</u>	<u>439,701</u>	<u>15,381</u>
<b>County Probate Judge</b>				
Employee salaries and benefits	4,851	4,851	4,716	135
Outside services	900	900	186	714
Materials and supplies	144	144	83	61
	<u>5,895</u>	<u>5,895</u>	<u>4,985</u>	<u>910</u>
<b>County Sheriff</b>				
Employee salaries and benefits	69,688	48,188	46,894	1,294
Outside services	8,620	8,620	8,616	4
Materials and supplies	6,650	5,368	6,656	(1,288)
Intrafund/interfund services	453	453	453	0
	<u>85,411</u>	<u>62,629</u>	<u>62,619</u>	<u>10</u>

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS  
GENERAL FUND**

STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)  
Year ended June 30, 2016

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>Administrative Services</b>				
Information Management				
Employee salaries and benefits	2,474,647	2,386,693	2,418,647	(31,954)
Outside services	1,852,726	2,070,410	1,970,076	100,334
Materials and supplies	233,008	480,917	491,722	(10,805)
Intrafund/interfund services	0	0	78	(78)
Capital outlay	41,184	41,184	41,184	0
Debt and fiscal charges	0	2,590	0	2,590
	<u>4,601,565</u>	<u>4,981,794</u>	<u>4,921,707</u>	<u>60,087</u>
Finance				
Employee salaries and benefits	1,155,142	1,155,142	1,100,023	55,119
Outside services	97,590	97,590	121,241	(23,651)
Materials and supplies	14,000	14,000	14,324	(324)
Intrafund/interfund services	33,811	33,811	33,811	0
Debt and fiscal charges	0	0	6,420	(6,420)
	<u>1,300,543</u>	<u>1,300,543</u>	<u>1,275,819</u>	<u>24,724</u>
Procurement				
Employee salaries and benefits	896,941	896,941	884,678	12,263
Outside services	36,500	111,172	24,701	86,471
Materials and supplies	93,000	94,239	71,780	22,459
Intrafund/interfund services	30,004	30,004	31,455	(1,451)
Capital outlay	0	0	65,782	(65,782)
	<u>1,056,445</u>	<u>1,132,356</u>	<u>1,078,396</u>	<u>53,960</u>
<b>Total Administrative Services</b>	<b>6,958,553</b>	<b>7,414,693</b>	<b>7,275,922</b>	<b>138,771</b>
<b>Fire</b>				
Fire Mitigation				
Outside services	0	134,896	8,082	126,814
Capital outlay	0	280,953	280,223	730
	<u>0</u>	<u>415,849</u>	<u>288,305</u>	<u>127,544</u>
Fire - County Shared Costs				
Intrafund/interfund services	4,263,915	4,263,915	4,263,915	0
<b>Total Fire</b>	<b>4,263,915</b>	<b>4,679,764</b>	<b>4,552,220</b>	<b>127,544</b>

**Community Services-Administration**

Employee salaries and benefits	369,828	369,828	366,772	3,056
Outside services	435,297	485,457	464,426	21,031
Materials and supplies	1,000	1,000	8,139	(7,139)
Intrafund/interfund services	4,477	4,477	4,477	0
<b>Total Community Services-Admin.</b>	<b>810,602</b>	<b>860,762</b>	<b>843,814</b>	<b>16,948</b>

**Community Services-Library**

Library operations				
Employee salaries and benefits	1,804,441	1,804,441	1,825,319	(20,878)
Outside services	116,898	116,898	96,221	20,677
Materials and supplies	26,435	37,553	58,468	(20,915)
Intrafund/interfund services	27,528	27,528	27,528	0
	1,975,302	1,986,420	2,007,536	(21,116)
Collection development				
Materials and supplies	220,335	241,248	241,248	0
Outside funding sources				
Outside services	0	0	838	(838)
Materials and supplies	0	201,270	110,449	90,821
	0	201,270	111,287	89,983
<b>Total Community Services-Library</b>	<b>2,195,637</b>	<b>2,428,938</b>	<b>2,360,071</b>	<b>68,867</b>

**Community Services-Parks**

Parks Maintenance				
Employee salaries and benefits	1,315,352	1,315,352	1,171,671	143,681
Outside services	47,570	64,749	58,333	6,416
Materials and supplies	172,567	182,163	202,461	(20,298)
Intrafund/interfund services	449,676	449,676	408,584	41,092
Capital outlay	0	37,509	37,509	0
Debt and fiscal charges	0	0	927	(927)
	1,985,165	2,049,449	1,879,485	169,964
Parks Maintenance Projects				
Outside services	37,269	37,269	29,575	7,694
Materials and supplies	0	1,492	40,248	(38,756)
	37,269	38,761	69,823	(31,062)
Cemetery				
Employee salaries and benefits	0	0	16,954	(16,954)
Materials and supplies	0	20	167	(147)
Intrafund/interfund services	35,000	35,000	16,781	18,219
Debt and fiscal charges	0	0	843	(843)
	35,000	35,020	34,745	275
<b>Total Community Svcs.-Parks</b>	<b>2,057,434</b>	<b>2,123,230</b>	<b>1,984,053</b>	<b>139,177</b>

See accompanying notes to financial statements



**INCORPORATED COUNTY OF LOS ALAMOS  
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)  
Year ended June 30, 2016**

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
Recreation				
Employee salaries and benefits	651,708	651,708	718,588	(66,880)
Outside services	87,392	95,847	53,493	42,354
Materials and supplies	40,062	51,936	58,388	(6,452)
Intrafund/interfund services	15,587	15,587	15,738	(151)
	<u>794,749</u>	<u>815,078</u>	<u>846,207</u>	<u>(31,129)</u>
Recreation - Aquatic Center				
Employee salaries and benefits	740,848	740,848	669,154	71,694
Outside services	75,775	84,807	78,860	5,947
Materials and supplies	68,657	77,784	93,805	(16,021)
Intrafund/interfund services	258,526	258,526	214,958	43,568
Debt and fiscal charges	2,428	2,428	5,863	(3,435)
	<u>1,146,234</u>	<u>1,164,393</u>	<u>1,062,640</u>	<u>101,753</u>
Recreation - Ice Rink				
Employee salaries and benefits	144,041	144,041	106,517	37,524
Outside services	9,475	15,475	13,647	1,828
Materials and supplies	17,416	17,558	11,003	6,555
Intrafund/interfund services	12,102	12,102	12,289	(187)
Debt and fiscal charges	800	800	728	72
	<u>183,834</u>	<u>189,976</u>	<u>144,184</u>	<u>45,792</u>
Recreation - Golf Course				
Employee salaries and benefits	598,545	598,545	536,508	62,037
Outside services	48,285	48,285	49,166	(881)
Materials and supplies	142,096	147,726	154,472	(6,746)
Intrafund/interfund services	175,263	175,263	177,772	(2,509)
Debt and fiscal charges	6,750	6,750	6,837	(87)
	<u>970,939</u>	<u>976,569</u>	<u>924,755</u>	<u>51,814</u>
<b>Total Community Svcs.-Recreation</b>	<b>3,095,756</b>	<b>3,146,016</b>	<b>2,977,786</b>	<b>168,230</b>

<b>Community Services-Social Services</b>				
Employee salaries and benefits	128,989	128,989	124,160	4,829
Outside services	1,262,244	1,391,930	1,357,815	34,115
Materials and supplies	900	900	728	172
Intrafund/interfund services	38,424	38,424	38,712	(288)
<b>Total Community Svcs.-Social Services</b>	<b>1,430,557</b>	<b>1,560,243</b>	<b>1,521,415</b>	<b>38,828</b>
<b>Total Community Svcs. Department</b>	<b>9,589,986</b>	<b>10,119,189</b>	<b>9,687,139</b>	<b>432,050</b>
<b>Police</b>				
Operations				
Employee salaries and benefits	6,275,079	6,278,579	6,249,718	28,861
Outside services	337,713	331,692	370,481	(38,789)
Materials and supplies	230,500	317,460	374,494	(57,034)
Intrafund/interfund services	480,373	480,373	480,373	0
Capital outlay	80,000	80,000	19,861	60,139
Debt and fiscal charges	200	200	519	(319)
	7,403,865	7,488,304	7,495,446	(7,142)
Emergency Management				
Employee salaries and benefits	193,934	193,934	182,663	11,271
Outside services	12,700	151,079	118,159	32,920
Materials and supplies	9,200	582,195	193,419	388,776
Intrafund/interfund services	10,866	10,866	10,866	0
Capital outlay	0	179,238	512,242	(333,004)
	226,700	1,117,312	1,017,349	99,963
Police Grants				
Employee salaries and benefits	0	19,908	11,385	8,523
Outside services	0	218,864	185,631	33,233
Materials and supplies	0	14,369	7,520	6,849
	0	253,141	204,536	48,605
<b>Total Police</b>	<b>7,630,565</b>	<b>8,858,757</b>	<b>8,717,331</b>	<b>141,426</b>

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS  
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**  
Year ended June 30, 2016

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>Public Works</b>				
Administration				
Employee salaries and benefits	242,836	362,836	274,385	88,451
Outside services	7,240	7,240	8,037	(797)
Materials and supplies	2,597	8,597	4,340	4,257
Intrafund/interfund services	5,637	5,637	5,637	0
	<u>258,310</u>	<u>384,310</u>	<u>292,399</u>	<u>91,911</u>
Engineering services				
Employee salaries and benefits	927,404	927,404	840,345	87,059
Outside services	28,274	28,274	17,244	11,030
Materials and supplies	7,050	7,050	5,252	1,798
Intrafund/interfund services	17,259	17,259	17,259	0
Capital outlay	0	6,508	6,508	0
	<u>979,987</u>	<u>986,495</u>	<u>886,608</u>	<u>99,887</u>
Traffic and Streets				
Employee salaries and benefits	1,974,995	1,974,995	1,923,300	51,695
Outside services	877,244	1,604,930	1,705,961	(101,031)
Materials and supplies	532,553	535,833	468,346	67,487
Intrafund/interfund services	609,712	609,712	665,377	(55,665)
Capital outlay	15,800	15,800	29,767	(13,967)
	<u>4,010,304</u>	<u>4,741,270</u>	<u>4,792,751</u>	<u>(51,481)</u>
Custodial				
Employee salaries and benefits	894,602	894,602	915,569	(20,967)
Outside services	109,175	118,818	102,770	16,048
Materials and supplies	80,391	89,434	88,250	1,184
Intrafund/interfund services	36,241	36,241	36,241	0
	<u>1,120,409</u>	<u>1,139,095</u>	<u>1,142,830</u>	<u>(3,735)</u>
Facilities maintenance				
Employee salaries and benefits	1,154,936	1,154,936	1,108,189	46,747
Outside services	298,501	329,386	315,164	14,222
Materials and supplies	180,443	182,621	250,770	(68,149)
Intrafund/interfund services	1,041,329	1,041,329	937,873	103,456
Debt and fiscal charges	0		583	(583)
	<u>2,675,209</u>	<u>2,708,272</u>	<u>2,612,579</u>	<u>95,693</u>

Facilities maintenance projects				
Employee salaries and benefits	0	0	11,927	(11,927)
Outside services	1,602,802	3,721,337	2,350,751	1,370,586
Materials and supplies	0	0	15,500	(15,500)
Intrafund/interfund services	0	0	690	(690)
	<u>1,602,802</u>	<u>3,721,337</u>	<u>2,378,868</u>	<u>1,342,469</u>
Project management				
Employee salaries and benefits	359,136	359,136	386,888	(27,752)
Outside services	5,959	7,275	2,960	4,315
Materials and supplies	1,450	1,450	2,467	(1,017)
Intrafund/interfund services	22,687	22,687	22,687	0
	<u>389,232</u>	<u>390,548</u>	<u>415,002</u>	<u>(24,454)</u>
<b>Total Public Works</b>	<b>11,036,253</b>	<b>14,071,327</b>	<b>12,521,037</b>	<b>1,550,290</b>
<b>Community Development (CDD)</b>				
CDD - Administration				
Employee salaries and benefits	513,535	513,535	435,796	77,739
Outside services	25,365	25,365	11,893	13,472
Materials and supplies	15,000	15,000	5,064	9,936
Intrafund/interfund services	15,018	15,018	15,019	(1)
	<u>568,918</u>	<u>568,918</u>	<u>467,772</u>	<u>101,146</u>
CDD - Community Development				
Employee salaries and benefits	1,197,302	955,900	870,036	85,864
Outside services	83,775	298,775	239,466	59,309
Materials and supplies	7,100	7,100	4,010	3,090
Intrafund/interfund services	8,732	8,732	8,732	0
	<u>1,296,909</u>	<u>1,270,507</u>	<u>1,122,244</u>	<u>148,263</u>
<b>Total Community Development</b>	<b>1,865,827</b>	<b>1,839,425</b>	<b>1,590,016</b>	<b>249,409</b>
<b>TOTAL EXPENDITURES AND ENCUMBRANCES</b>	<b>47,369,368</b>	<b>53,810,554</b>	<b>50,280,628</b>	<b>3,529,926</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES</b>	<b>10,768,467</b>	<b>5,761,699</b>	<b>9,948,978</b>	<b>4,187,279</b>

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS  
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**  
Year ended June 30, 2016

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Transfers in from:</b>				
Capital Improvement Project Fund	0	364,542	364,542	0
Joint Utility System Fund-Electric	624,019	624,019	524,540	(99,479)
Joint Utility System Fund-Gas	323,642	323,642	246,867	(76,775)
Fire Fund	1,700,000	1,700,000	1,613,414	(86,586)
	<u>2,647,661</u>	<u>3,012,203</u>	<u>2,749,363</u>	<u>(262,840)</u>
<b>Transfers out to:</b>				
Indigent Health Care Fund	(300,000)	(300,000)	(300,000)	0
Other Special Revenues Fund	(15,000)	(15,000)	(15,000)	0
Gross Receipts Tax Revenue Bonds Fund	(6,269,109)	(6,269,109)	(6,269,109)	0
Capital Improvement Projects Fund	(11,348,960)	(11,571,482)	(11,571,482)	0
Transit Fund	(1,188,000)	(1,188,000)	(1,188,000)	0
Airport Fund	(406,750)	(406,750)	(406,750)	0
Equipment Fund	0	(2,814)	(2,814)	0
	<u>(19,527,819)</u>	<u>(19,753,155)</u>	<u>(19,753,155)</u>	<u>0</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b><u>(16,880,158)</u></b>	<b><u>(16,740,952)</u></b>	<b><u>(17,003,792)</u></b>	<b><u>(262,840)</u></b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ <u>(6,111,691)</u></b>	<b><u>(10,979,253)</u></b>	<b><u>(7,054,814)</u></b>	<b><u>3,924,439</u></b>
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			1,854,533	
Bad debt expense			1,432	
Adjustments to inventory			(6,352)	
Interfund loan forgiveness			(500,000)	
			<u>1,349,613</u>	
<b>GAAP BASIS</b>			<b><u>(5,705,201)</u></b>	
<b>FUND BALANCE</b>				
Beginning of fiscal year			25,515,413	
<b>FUND BALANCE - END OF FISCAL YEAR</b>			<b>\$ <u>19,810,212</u></b>	

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

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

Year ended June 30, 2016

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
<b>Miscellaneous revenues</b>				
Investment income	\$ 240,000	240,000	26,584	(213,416)
Buildings rental	0	0	7,976	7,976
Economic development loan repayment (principal)	35,376	35,376	159,790	124,414
Economic development loan repayment (interest)	0	0	7,186	7,186
	<u>275,376</u>	<u>275,376</u>	<u>201,536</u>	<u>(73,840)</u>
<b>TOTAL REVENUES</b>	<b>275,376</b>	<b>275,376</b>	<b>201,536</b>	<b>(73,840)</b>
<b>EXPENDITURES AND ENCUMBRANCES</b>				
<b>Community and Economic Development</b>				
Employee salaries and benefits	0	0	2,371	(2,371)
Outside services	5,431,000	7,116,315	1,529,353	5,586,962
Materials and supplies	5,000	6,231	12,406	(6,175)
Economic development loans	0	400,000	289,657	110,343
	<u>5,436,000</u>	<u>7,522,546</u>	<u>1,833,787</u>	<u>5,688,759</u>
<b>TOTAL EXPENDITURES AND ENCUMBRANCES</b>	<b>5,436,000</b>	<b>7,522,546</b>	<b>1,833,787</b>	<b>5,688,759</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES</b>	<b>(5,160,624)</b>	<b>(7,247,170)</b>	<b>(1,632,251)</b>	<b>5,614,919</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Transfer in from:</b>				
Capital Improvement Project Fund	0	1,200,000	1,200,000	0
<b>Transfers out to:</b>				
Airport Fund	(400,000)	(400,000)	(400,000)	0
	<u>(400,000)</u>	<u>(400,000)</u>	<u>(400,000)</u>	<u>0</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (5,560,624)</b>	<b>(6,447,170)</b>	<b>(832,251)</b>	<b>5,614,919</b>

**ADJUSTMENTS TO GAAP**

Encumbrances	370,993
Principal on economic development loan repayments	(159,790)
Bad debt expense (reserve for loan losses)	10,886

**222,089**

**GAAP BASIS**

**(610,162)**

**FUND BALANCE**

Beginning of fiscal year	9,118,044
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**FUND BALANCE - END OF FISCAL YEAR**

**\$ 8,507,882**



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

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

Year ended June 30, 2016

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
Intergovernmental				
Federal indirect	\$ 0	2,725,569	417,098	(2,308,471)
State grants-other	0	454,967	69,516	(385,451)
	<u>0</u>	<u>3,180,536</u>	<u>486,614</u>	<u>(2,693,922)</u>
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Administrative Services - Finance Office				
Outside services	0	3,514,853	2,157,890	1,356,963
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES</b>	<u>0</u>	<u>(334,317)</u>	<u>(1,671,276)</u>	<u>(1,336,959)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 0</u>	<u>(334,317)</u>	<u>(1,671,276)</u>	<u>(1,336,959)</u>
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			1,596,605	
<b>GAAP BASIS</b>			<u>(74,671)</u>	
<b>FUND BALANCE</b>				
Beginning of fiscal year			352,244	
<b>FUND BALANCE - END OF FISCAL YEAR</b>			<u>\$ 277,573</u>	



## Major Proprietary Funds

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

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

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

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

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

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where discoveries are made

**INCORPORATED COUNTY OF LOS ALAMOS**  
**Proprietary Funds**  
Statement of Net Position  
June 30, 2016

	ENTERPRISE FUNDS						TYPE ACTIVITIES - INTERNAL SERVICE FUNDS
	JOINT UTILITY SYSTEM	ENVIRONMENTAL SERVICES	TRANSIT	FIRE	AIRPORT	TOTAL	
<b>ASSETS</b>							
<b>Current Assets:</b>							
Equity in pooled cash and investments	\$ 16,504,945	1,693,431	1,417,720	0	925,669	20,541,765	15,570,413
Receivables, net of allowance for uncollectibles							
Accounts	3,967,242	212,360	0	283,517	0	4,463,119	80,195
Unbilled	1,301,702	107,450	0	0	0	1,409,152	0
Due from other governments	60,184	108,559	390,110	3,506,296	466	4,065,615	0
Inventories and prepayments							
Inventories	1,003,756	0	0	0	0	1,003,756	0
Power plant inventories	893,343	0	0	0	0	893,343	0
Prepayments	852,257	0	0	0	0	852,257	26,900
<b>Total Current Assets</b>	<b>24,583,429</b>	<b>2,121,800</b>	<b>1,807,830</b>	<b>3,789,813</b>	<b>926,135</b>	<b>33,229,007</b>	<b>15,677,508</b>
<b>Non-current assets:</b>							
Restricted assets							
Cash and cash equivalents							
Debt reserves and debt service	4,264,448	431,237	0	0	0	4,695,685	0
Operations and maintenance	8,855,900	490,324	0	0	0	9,346,224	0
Investments							
Debt reserves and debt service	8,901,616	0	0	0	0	8,901,616	0
Capital assets							
Land	2,959,328	0	0	1,178,602	4,387,040	8,524,970	0
Utility plant in service	311,670,160	0	0	0	0	311,670,160	0
Buildings	0	6,112,038	63,147	16,724,437	1,100,000	23,999,622	0
Improvements other than buildings	0	1,683,448	929,533	143,285	14,798,818	17,555,084	0
Machinery and equipment	4,459,553	74,322	601,870	1,152,205	57,604	6,345,554	24,461,267
Less accumulated depreciation	(142,997,437)	(1,500,350)	(533,913)	(4,687,294)	(6,141,628)	(155,860,622)	(14,121,087)
Construction in progress	8,549,104	0	0	0	0	8,549,104	0
<b>Total Non-current Assets</b>	<b>206,662,672</b>	<b>7,291,019</b>	<b>1,060,637</b>	<b>14,511,235</b>	<b>14,201,834</b>	<b>243,727,397</b>	<b>10,340,180</b>
<b>TOTAL ASSETS</b>	<b>231,246,101</b>	<b>9,412,819</b>	<b>2,868,467</b>	<b>18,301,048</b>	<b>15,127,969</b>	<b>276,956,404</b>	<b>26,017,688</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>							
Deferred amounts (debits) from refunding of debt	609,746	0	0	0	0	609,746	0
Deferred pensions	562,723	64,780	131,452	4,661,979	11,608	5,432,542	66,646
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>1,172,469</b>	<b>64,780</b>	<b>131,452</b>	<b>4,661,979</b>	<b>11,608</b>	<b>6,042,288</b>	<b>66,646</b>
<b>LIABILITIES</b>							
<b>Current Liabilities:</b>							
Accounts payable	5,244,501	70,037	9,808	50,115	10,270	5,384,731	281,244
Accrued salaries and benefits payable	223,138	26,597	55,140	348,546	3,112	656,533	52,472
Customer deposits payable	179,686	33,024	0	0	0	212,710	0
Due to other governments	121,147	9,524	0	0	0	130,671	0
Donations held in trust	27,989	0	0	0	0	27,989	0

Current portion of long-term liabilities								
Accrued compensated absences	610,385	80,478	120,457	1,394,320	5,772	2,211,412	97,881	
Claims and judgments payable	0	0	0	0	0	0	2,004,769	
Revenue bonds payable	2,730,000	0	0	0	0	2,730,000	0	
Contracts and intergovernmental debt payable	730,237	176,515	0	0	0	906,752	0	
Due to other funds (current portion of advances)	0	0	0	1,505,198	0	1,505,198	0	
Special closure costs	0	163,677	0	0	0	163,677	0	
Interest payable on revenue bonds and other debt	176,666	30,430	0	0	0	207,096	0	
<b>Total Current Liabilities</b>	<b>10,043,749</b>	<b>590,282</b>	<b>185,405</b>	<b>3,298,179</b>	<b>19,154</b>	<b>14,136,769</b>	<b>2,436,366</b>	
<b>Noncurrent Liabilities:</b>								
Due in more than one year								
Accrued compensated absences	311,857	41,997	68,805	410,334	611	833,604	42,168	
Claims and judgments payable	0	0	0	0	0	0	1,160,948	
Revenue bonds payable	27,609,868	0	0	0	0	27,609,868	0	
Contracts and intergovernmental debt payable	11,698,478	4,362,502	0	0	0	16,060,980	0	
Advances from other funds	0	0	0	0	146,799	146,799	0	
Special closure costs	8,162,882	326,647	0	0	0	8,489,529	0	
Net pension liability	7,180,605	823,754	1,670,361	40,909,403	143,275	50,727,398	852,878	
<b>Total Noncurrent Liabilities</b>	<b>54,963,690</b>	<b>5,554,900</b>	<b>1,739,166</b>	<b>41,319,737</b>	<b>290,685</b>	<b>103,868,178</b>	<b>2,055,994</b>	
<b>TOTAL LIABILITIES</b>	<b>65,007,439</b>	<b>6,145,182</b>	<b>1,924,571</b>	<b>44,617,916</b>	<b>309,839</b>	<b>118,004,947</b>	<b>4,492,360</b>	
<b>DEFERRED INFLOWS OF RESOURCES:</b>								
Deferred pensions	254,458	33,749	70,393	0	12,811	371,411	26,329	
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>254,458</b>	<b>33,749</b>	<b>70,393</b>	<b>0</b>	<b>12,811</b>	<b>371,411</b>	<b>26,329</b>	
<b>NET POSITION</b>								
Net investment in capital assets	142,481,871	1,830,441	1,060,637	14,511,235	14,201,834	174,086,018	10,340,180	
Restricted, net of related liabilities, for:								
Debt service	13,682,416	400,807	0	0	0	14,083,223	0	
Unrestricted	10,992,386	1,067,420	(55,682)	(36,166,124)	615,093	(23,546,907)	11,225,465	
<b>TOTAL NET POSITION</b>	<b>\$ 167,156,673</b>	<b>3,298,668</b>	<b>1,004,955</b>	<b>(21,654,889)</b>	<b>14,816,927</b>	<b>164,622,334</b>	<b>21,565,645</b>	
Net position of business-type internal service funds						21,565,645		
Net activity of internal service funds						1,165,460		
<b>TOTAL NET POSITION AS SHOWN ON GOVERNMENT WIDE STATEMENT OF NET POSITION</b>						<b>\$ 187,353,439</b>		

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, 2016

	ENTERPRISE FUNDS					TOTAL	BUSINESS- TYPE ACTIVITIES - INTERNAL SERVICE FUNDS
	JOINT UTILITY SYSTEM	ENVIRONMENTAL SERVICES	TRANSIT	FIRE	AIRPORT		
<b>OPERATING REVENUES</b>							
Utility sales and other services	\$ 60,058,778	2,754,166	0	561,116	41,825	63,415,885	0
Sales of food or merchandise	0	5,111	0	0	0	5,111	0
Interfund charges for services	0	85,219	0	4,263,916	0	4,349,135	4,091,502
Insurance and pension contributions							
County	0	0	0	0	0	0	7,942,365
Employees and retirees	0	0	0	0	0	0	1,588,747
Rentals	22,262	0	0	0	45,564	67,826	0
Intergovernmental - charges for services	0	0	0	17,786,582	0	17,786,582	0
Miscellaneous operating revenue	76,163	107,277	0	4,204	0	187,644	110,234
	<u>60,157,203</u>	<u>2,951,773</u>	<u>0</u>	<u>22,615,818</u>	<u>87,389</u>	<u>85,812,183</u>	<u>13,732,848</u>
<b>OPERATING EXPENSES</b>							
Employee salaries and benefits	7,937,350	1,083,115	2,227,829	18,830,544	130,507	30,209,345	1,089,211
Contractual services	36,585,110	2,121,359	1,342,786	4,790,522	466,378	45,306,155	8,858,591
Materials and supplies	646,169	138,250	60,064	886,892	12,701	1,744,076	1,239,707
Depreciation and amortization	8,082,179	198,697	142,373	491,407	741,372	9,656,028	2,145,185
Special closure costs	271,193	0	0	0	0	271,193	0
Other	18,762	2,511	0	155,605	1,277	178,155	3,048
	<u>53,540,763</u>	<u>3,543,932</u>	<u>3,773,052</u>	<u>25,154,970</u>	<u>1,352,235</u>	<u>87,364,952</u>	<u>13,335,742</u>
<b>OPERATING INCOME (LOSS)</b>	<b>6,616,440</b>	<b>(592,159)</b>	<b>(3,773,052)</b>	<b>(2,539,152)</b>	<b>(1,264,846)</b>	<b>(1,552,769)</b>	<b>397,106</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Gross receipts taxes for solid waste recycling	0	832,877	0	0	0	832,877	0
Fire excise tax	0	0	0	1,665,683	0	1,665,683	0
Gain (loss) on disposition of capital assets	(1,031,477)	0	0	0	(429,202)	(1,460,679)	223,607
Investment income	107,330	11,555	5,105	0	3,946	127,936	53,501
Interest on long-term debt	(1,548,282)	(190,527)	0	0	0	(1,738,809)	0
Inventory adjustment	3,950	0	0	0	0	3,950	0
Intergovernmental - non-capital grants	0	0	2,960,546	0	0	2,960,546	0
Gain (loss) on San Juan restructuring agreement	1,953,600	0	0	0	0	1,953,600	0
	<u>(514,879)</u>	<u>653,905</u>	<u>2,965,651</u>	<u>1,665,683</u>	<u>(425,256)</u>	<u>4,345,104</u>	<u>277,108</u>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS</b>	<b>6,101,561</b>	<b>61,746</b>	<b>(807,401)</b>	<b>(873,469)</b>	<b>(1,690,102)</b>	<b>2,792,335</b>	<b>674,214</b>
<b>TRANSFERS AND CONTRIBUTIONS</b>							
Transfers in	500,000	0	1,188,000	0	806,750	2,494,750	655,498
Transfers out	(1,777,051)	(300,000)	(947,040)	(1,613,414)	0	(4,637,505)	0
Intergovernmental - capital grants	1,044,919	0	514,233	0	18,647	1,577,799	0
Contributed capital assets - governmental activities	(711,168)	0	0	0	0	(711,168)	51,930
	<u>(943,300)</u>	<u>(300,000)</u>	<u>755,193</u>	<u>(1,613,414)</u>	<u>825,397</u>	<u>(1,276,124)</u>	<u>707,428</u>
<b>CHANGE IN NET POSITION</b>	<b>5,158,261</b>	<b>(238,254)</b>	<b>(52,208)</b>	<b>(2,486,883)</b>	<b>(864,705)</b>	<b>1,516,211</b>	<b>1,381,642</b>
<b>NET POSITION</b>							
Beginning of fiscal year	161,998,412	3,536,922	1,057,163	(19,168,006)	15,681,632	163,106,123	20,184,003
<b>NET POSITION - END OF FISCAL YEAR</b>	<b>\$ 167,156,673</b>	<b>3,298,668</b>	<b>1,004,955</b>	<b>(21,654,889)</b>	<b>14,816,927</b>	<b>164,622,334</b>	<b>21,565,645</b>

See accompanying notes to financial statements

# INCORPORATED COUNTY OF LOS ALAMOS

## Proprietary Funds

### Reconciliation of Statement of Revenues, Expenses and Changes in Net Position to the Statement of Activities Year ended June 30, 2016

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

Total change in net position for enterprise funds as reported in the proprietary funds statement of revenues, expenses, and changes in net position:	\$	1,516,211
Total change in net position for business-type internal service funds as reported in the proprietary funds statement of revenues, expenses, and changes in net position.		1,381,642
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.		(246,664)
Change in net position of business-type activities	\$	<u><u>2,651,189</u></u>

**INCORPORATED COUNTY OF LOS ALAMOS**  
**PROPRIETARY FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**Year ended June 30, 2016**

	<b>JOINT UTILITY SYSTEM</b>	<b>ENVIRONMENTAL SERVICES</b>	<b>TRANSIT</b>	<b>FIRE</b>	<b>AIRPORT</b>	<b>TOTAL</b>	<b>BUSINESS-TYPE ACTIVITIES INTERNAL SERVICE FUNDS</b>
<b>CASH FLOWS - OPERATING ACTIVITIES</b>							
Cash received from customers and users	\$ 60,422,172	2,914,270	0	4,624,833	87,389	68,048,664	4,147,632
Cash received from contributions-employer and employees	0	0	0	0	0	0	9,531,112
Cash paid to suppliers for goods and services	(36,150,411)	(2,415,717)	(1,415,877)	(5,763,761)	(472,845)	(46,218,611)	(10,983,855)
Cash paid to employees	(8,230,430)	(1,107,405)	(2,272,621)	(16,555,587)	(134,083)	(28,300,126)	(1,106,499)
Taxes received from customers and users	1,628,453	113,464	0	0	0	1,741,917	0
Taxes remitted to State (from customers and users)	(1,625,549)	(112,606)	0	0	0	(1,738,155)	0
<b>NET CASH FLOWS - OPERATING ACTIVITIES</b>	<b>16,044,235</b>	<b>(607,994)</b>	<b>(3,688,498)</b>	<b>(17,694,515)</b>	<b>(519,539)</b>	<b>(6,466,311)</b>	<b>1,588,390</b>
<b>CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES</b>							
Cash received from grants	0	0	3,565,690	16,337,556	(466)	19,902,780	0
Transfers to other funds	(1,771,407)	(300,000)	(300,000)	(1,613,414)	0	(3,984,821)	0
Transfers from other funds	0	0	1,188,000	0	806,750	1,994,750	2,814
Gross receipts taxes received	0	866,312	0	1,732,555	0	2,598,867	0
Cash paid on short-term interfund loans	0	0	0	1,237,818	0	1,237,818	0
<b>NET CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES</b>	<b>(1,771,407)</b>	<b>566,312</b>	<b>4,453,690</b>	<b>17,694,515</b>	<b>806,284</b>	<b>21,749,394</b>	<b>2,814</b>
<b>CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Cash received from capital grants	984,735	0	1,033,359	0	439,750	2,457,844	0
Proceeds received from loans	537,268	0	0	0	0	537,268	0
Principal repaid	(3,363,582)	(170,021)	0	0	0	(3,533,603)	0
Interest and other debt service paid	(1,604,061)	(191,592)	0	0	0	(1,795,653)	0
Cash paid for acquisition of capital assets	(12,545,237)	0	(732,448)	0	0	(13,277,685)	(1,705,129)
Proceeds from sale of capital assets	0	0	0	0	0	0	223,607
Cash received from San Juan restructuring agreement	1,953,600	0	0	0	0	1,953,600	0
<b>NET CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(14,037,277)</b>	<b>(361,613)</b>	<b>300,911</b>	<b>0</b>	<b>439,750</b>	<b>(13,658,229)</b>	<b>(1,481,522)</b>
<b>CASH FLOWS - INVESTING ACTIVITIES</b>							
Proceeds from sale of investment securities	8,020,489	0	0	0	0	8,020,489	0
Interest received on investments	107,330	11,555	5,105	0	3,946	127,936	53,501
Purchase of investment securities	(60,452)	0	0	0	0	(60,452)	0
<b>NET CASH FLOWS - INVESTING ACTIVITIES</b>	<b>8,067,367</b>	<b>11,555</b>	<b>5,105</b>	<b>0</b>	<b>3,946</b>	<b>8,087,973</b>	<b>53,501</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>8,302,918</b>	<b>(391,740)</b>	<b>1,071,208</b>	<b>0</b>	<b>730,441</b>	<b>9,712,827</b>	<b>163,183</b>
<b>EQUITY IN POOLED CASH AND INVESTMENTS - BEGINNING OF FISCAL YEAR</b>	<b>21,322,374</b>	<b>3,006,732</b>	<b>346,512</b>	<b>0</b>	<b>195,228</b>	<b>24,870,846</b>	<b>15,407,230</b>
<b>EQUITY IN POOLED CASH AND INVESTMENTS - END OF FISCAL YEAR</b>	<b>\$ 29,625,292</b>	<b>2,614,992</b>	<b>1,417,720</b>	<b>0</b>	<b>925,669</b>	<b>34,583,673</b>	<b>15,570,413</b>

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



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

<b>OPERATING INCOME(LOSS)</b>	\$ 6,616,440	(592,159)	(3,773,052)	(2,539,152)	(1,264,846)	(1,552,769)	397,106
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FLOWS - OPERATING ACTIVITIES</b>							
Depreciation and amortization expense	8,082,179	198,697	142,373	491,407	741,372	9,656,028	2,145,185
Operating grants included in operating revenues	0	0	0	(17,786,582)	0	(17,786,582)	0
Amortization of special closure costs	271,193	0	0	0	0	271,193	0
Provision for uncollectible accounts receivable	16,699	2,511	0	155,605	0	174,815	0
Change in assets and liabilities:							
Accounts and other receivables	256,988	(35,403)	0	(204,403)	0	17,182	(51,056)
Inventories	83,101	0	0	0	0	83,101	0
Prepayments and other	(34,110)	0	0	0	0	(34,110)	0
Accounts and retentions payable	1,033,940	(156,108)	(13,027)	(86,347)	7,511	785,969	(76,948)
Salaries and benefits payable	(293,080)	(24,290)	(44,792)	2,274,957	(3,576)	1,909,219	(17,288)
Other current liabilities	7,981	(2,100)	0	0	0	5,881	0
Claims and judgements payable	0	0	0	0	0	0	(808,609)
Due to other governments	2,904	858	0	0	0	3,762	0
<b>Total adjustments</b>	<u>9,427,795</u>	<u>(15,835)</u>	<u>84,554</u>	<u>(15,155,363)</u>	<u>745,307</u>	<u>(4,913,542)</u>	<u>1,191,284</u>
<b>NET CASH FLOWS - OPERATING ACTIVITIES</b>	\$ <u>16,044,235</u>	<u>(607,994)</u>	<u>(3,688,498)</u>	<u>(17,694,515)</u>	<u>(519,539)</u>	<u>(6,466,311)</u>	<u>1,588,390</u>

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

**NON CASH TRANSACTIONS:**

Asset transfers - proprietary funds	\$ (5,644)	0	(647,040)	0	0	(652,684)	652,684
Change in due from other governments (capital grant receivable)	0	0	519,126	0	(484,081)	35,045	0
Contributed capital assets - governmental activities	237,068	0	0	0	0	237,068	51,930
Transfer of asset held for resale to governmental activities	(948,236)	0	0	0	0	(948,236)	0
Interfund loan forgiveness	500,000	0	0	0	0	500,000	0
<b>TOTAL NON CASH TRANSACTIONS</b>	\$ <u>(216,812)</u>	<u>0</u>	<u>(127,914)</u>	<u>0</u>	<u>(484,081)</u>	<u>(828,807)</u>	<u>704,614</u>



LOS ALAMOS



## 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, 2016**

	<u>PENSION TRUST</u>	<u>AGENCY</u>
<b>ASSETS</b>		
Equity in pooled cash and investments	\$ 0	463,450
Investments (participant directed mutual funds), at fair value	38,997,026	0
Receivables, net of allowance for uncollectibles		
Property taxes	0	231,625
Employee loans	1,674,064	0
Other	0	2,768
Due from other funds	66,847	0
<b>TOTAL ASSETS</b>	<b><u>40,737,937</u></b>	<b><u>697,843</u></b>
<b>LIABILITIES</b>		
<b>LIABILITIES</b>		
Accounts payable	98,165	0
Due to other governments		
Taxes and fees payable to state	0	15,495
Property taxes payable	0	376,508
Other	0	289,842
Due to other funds	6,441	0
Donations held for others	0	15,998
<b>TOTAL LIABILITIES</b>	<b><u>104,606</u></b>	<b><u>697,843</u></b>
<b>NET POSITION</b>		
Held in trust for pension benefits and other purposes	40,633,331	
<b>TOTAL NET POSITION</b>	<b><u>\$ 40,633,331</u></b>	

See accompanying notes to financial statements

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

STATEMENT OF CHANGES IN NET POSITION  
Year ended June 30, 2016

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**ADDITIONS TO NET POSITION**

Investment income (loss), net of investment expense	\$	(1,657,139)
Contributions		
Employer, net of forfeitures		2,716,019
Employee (plan member)		367,667
		<u>1,426,547</u>

**DEDUCTIONS FROM NET POSITION**

Benefits and refunds paid to plan members and beneficiaries		<u>2,813,807</u>
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**NET INCREASE (DECREASE) IN NET POSITION** (1,387,260)

**NET POSITION**

Beginning of fiscal year		<u>42,020,591</u>
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**NET POSITION - END OF YEAR** \$ 40,633,331

## Index to Notes to Financial Statements

	<b>Page Number</b>
(1) Summary of Significant Accounting Policies	67-78
(2) Stewardship, Compliance and Accountability	78-79
(3) Pooled Cash and Investments	80-84
(4) Accounts Receivable and Operating Leases	85
(5) Loans Receivable	86-87
(6) Interfund Transfers, Assets, and Liabilities	87-89
(7) Capital Assets	89-92
(8) Retirement and Deferred Compensation Plans	92-101
(9) Long-term Obligations	102-108
(10) Power Supply	109
(11) Resource Pool	109
(12) Special Closure Costs	110-111
(13) Risk Management	112-114
(14) Financial Assistance	114
(15) Commitments and Contingencies	114-116
(16) Economic Dependency	116

**INCORPORATED COUNTY OF LOS ALAMOS**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2016

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**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. General Statement**

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

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

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

**B. Financial Reporting Entity**

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

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

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

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

### **C. Implementation of New Accounting Standards**

#### **New Accounting Standards**

In fiscal year 2016, the County adopted the following new accounting standards issued by the Governmental Accounting Standards Board (GASB):

- GASB Statement No. 72 (GASB 72), *“Fair Value Measurement and Application”*
- GASB Statement No. 76 (GASB 76), *“The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments”*

GASB 72 clarifies the definition of fair value for reporting purposes and helps to define the market-based definition of fair value, what an investment is, the valuation of most investments at fair value, definition of acquisition value, and valuation of donated capital assets and other assets acquired via service level agreements (which was not applicable for the County during FY2016).

The significant impact to the County of implementing GASB 72 is the reporting of the County’s investments subject to fair value measurement according to the established hierarchy of inputs to valuation techniques consisting of three levels:

Level 1 – quoted prices in active markets for identical assets and liabilities

Level 2 – inputs, other than Level 1 quoted prices, that are either directly or indirectly observable for the asset or liability, and

Level 3 – unobservable inputs

The impact to the County on reporting can be found under Footnote 3) Pooled Cash and Investments.

GASB 76 identifies the hierarchy of generally accepted accounting principles (GAAP), and reduces the hierarchy to two categories of authoritative GAAP, 1) Officially established accounting principles – GASB Statements, and 2) GASB technical bulletins; GASB implementation guides; and literature of the American Institute of Certified Public Accountants (AICPA) cleared by the GASB. GASB 76 had minimal impact on the County during FY2016.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68*, establishes requirements for pensions that are not within the scope of GASB 68 and was effective for the County fiscal year 2016, but did not have an impact on 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. These statements report information on all of the non-fiduciary activities of the County. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. All internal balances in the statement of net position have been eliminated, with the exception of those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total government column.



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

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

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

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

##### **Measurement Focus and Basis of Accounting**

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

**It is important to note that the Internal Service Funds of the County are unusual in nature, since they predominantly serve enterprise funds (63% of interfund revenues). As such, the net position of these funds is reflected in the government-wide financial statements in the business-type activities.**

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

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

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

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

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

### **Presentation of Funds**

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

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

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

- **General Fund** – The General Fund is the principal operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. For the County, the General Fund includes most basic services, such as police, parks, recreation facilities and programs, library, and general administration.
- **Economic Development Fund** – The Economic Development Fund (special revenue fund) accounts for receipt, management, investment, and expenditure of the buyout payment received from the Department of Energy under the Atomic Energy Communities Act.
- **Emergency Declarations Fund** – The Emergency Declarations Fund (special revenue fund) accounts for revenues and expenditures associated with response to and recovery from the Las Conchas Fire which began June 26, 2011 and 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, Health Care Assistance, Other Special Revenues, and Gross Receipts Tax Revenue Bond Fund.

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

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

The County has the following additional fund types:

- **Internal Service Funds** – The Internal Service Funds are used to account for vehicle maintenance and replacement, and risk management operations that provide services to other funds and departments of the County. As previously mentioned, the Internal Service Funds of the County are unusual in nature, since they predominantly serve enterprise funds.
- **Fiduciary Funds** – The Fiduciary Funds of the County consist of a Pension Trust Fund and 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 “Assigned for Continuing Appropriations” prior to the end of the fiscal year.

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

The budget process for the County is an on-going, year-round process. It formally begins in October or November when the Department Directors, the County Manager, and the County Council hold strategy meetings. Following these preliminary meetings, departments begin to prepare plans for maintaining, reducing, or deleting current services, and planning for new or enhanced services. The Office of the County Manager provides detailed budget guidelines to the departments in December 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 cash is deposited in the pooled cash account has equity therein, and interest earned on the investment of this cash is allocated to substantially all of the County’s funds based upon relative equity at month-end. An individual fund’s equity in pooled cash and investments is available upon demand and is considered to be “cash equivalents” when preparing these financial statements. In addition, any marketable securities that are owned by a specific fund and that are purchased with an average maturity of ninety days or less also are considered to

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

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

All of the County’s investments are stated at fair value, in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. In the proprietary funds, there were not investments that required a fair value adjustment at June 30, 2016. The County does not have investments that are reported at amortized cost.

**I. Accounts and Loans Receivable – Allowance for Doubtful Accounts**

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

**J. Property Taxes Receivable**

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

**K. Prepaid Items**

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

**L. Interfund Receivables and Payables**

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

**M. Inventories**

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

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

**N. Restricted Assets**

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

**O. Capital Assets**

Capital assets, which include property, plant, equipment (includes externally developed software), and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are recorded in the applicable governmental or business-type activities columns in the government-wide financial statements. County policy requires capitalization of assets with an initial, individual cost of \$5,000 or more. All capital assets are recorded at cost or, if contributed property, at their estimated 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 a decrease in depreciation expense of \$1,326,000 in the year ended June 30, 2016, and a cumulative increase in accumulated depreciation of \$11,144,000 as of June 30, 2016.

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 \$286 per year of service for active Fire Department employees at June 30, 2016, and approximately \$313 for other active County employees.

**R. Pension – Participation in PERA**

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

**S. 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.



## **T. 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.

## **U. Fund Balance**

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

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

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

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

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

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

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

## **V. Stabilization Arrangement**

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

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

#### **W. 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.

#### **X. Use of Estimates**

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

### **(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

#### **Budgetary Information**

The adopted budget for FY2016 is the second year of the FY2015/2016 Biennial Budget. New Mexico State Statute and County Charter requires an annual budget. The budget process for the County of Los Alamos is an ongoing, year-round process. The formal budget process begins in October with meetings held by the County Council, the County Manager, and department directors. Following these preliminary meetings, departments begin to prepare plans for maintaining current services, reducing or deleting other services, and planning for new services. Detailed budget guidelines are distributed to the departments in December. Departmental meetings are held to discuss the guidelines and the County Manager's goals for the upcoming year. From these guidelines, the departments develop their preliminary budgets. The County also develops a Long Range Financial Projection, a comprehensive Capital Improvement Program and communicates the Strategic Goals and Objectives section as part of the budget development communication to the public and County Council. The Council conducts public hearings to discuss and approve the County's annual budget.

#### **Budgets**

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

**Budget Revisions**

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

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

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

During fiscal year 2016, the County Council and the New Mexico Department of Finance and Administration approved a total of approximately \$60.9 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 \$60.9 million of budget revisions include the following re-appropriations and carryovers: \$25.0 million for CIP project carryovers, \$2.3 million for road reconstruction projects, \$16.3 million in encumbrance carryovers, \$6 million in other project and grant re-appropriations. Other major revisions include: \$3.5 million for Utilities capital projects carried over from FY2015, \$1.6 million for the County's ERP project, \$1.7 million for the White Rock Senior Center project, \$1.8 million for Council directed CIP projects and approximately \$2.7 million for other items and projects. For the fiscal year ended June 30, 2016 expenditures did not exceed appropriations at the legal level of budgetary control for any County department, project, or fund.

**Individual Deficit Net Position**

At fiscal year end June 30, 2016, the Fire Fund, a major proprietary fund, reported a deficit net position of \$21,654,889. The deficit arose from recording the pension liability, deferred pension inflows, and deferred pension outflows in accordance with GASB Statement No. 68.

### (3) POOLED CASH AND INVESTMENTS

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

#### A. Cash

##### **Policies**

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

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

Petty cash and change funds	\$	4,360
Carrying amount of deposits		29,161,056
Cash equivalents		14,064,882
Book value of investments		<u>136,547,632</u>
Total reported in notes to financial statements	\$	<u><u>179,777,930</u></u>
Government-wide Statement of Net Position:		
Equity in pooled cash and investments	\$	97,464,294
Investments		19,878,080
Restricted assets-Cash & Cash Equivalents		14,073,464
Restricted assets-Investments		8,901,616
Fiduciary Funds:		
Equity in pooled cash and investments		463,450
Investments (mutual funds), at fair value		<u>38,997,026</u>
Total reported in financial statements	\$	<u><u>179,777,930</u></u>

**Custodial Credit Risk – Deposits**

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

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

Under New Mexico law, financial institutions holding public deposits must pledge collateral in an amount not less than 50% of the uninsured balance. At June 30, 2016 the County had deposits with bank balances of \$30,029,045 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, 2016 are presented below using the Standard and Poor’s rating scale:

<u>Investment Type</u>	Fair Value	Quality Ratings		
		AAA	AA+	A
U.S. Government Agencies	\$ 26,586,915	0	26,586,915	0
U.S Treasuries	38,514,022	0	38,514,022	0
<u>Unrated investments:</u>				
New Mexico State Investment Council	32,449,669			
Exempt from credit risk disclosure:				
LAC Pension	<u>38,997,026</u>			
Total Investments	\$ <u>136,547,632</u>			

**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 the investment.

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

Investment Type	Fair Value	Investment Maturities (in years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
<u>Debt Securities</u>					
U.S. Agencies	\$ 26,586,915	5,019,550	21,567,365	0	0
U.S Treasuries	38,514,022	22,522,700	15,991,322		
	<u>65,100,937</u>	<u>27,542,250</u>	<u>37,558,687</u>	<u>0</u>	<u>0</u>
<u>Other Investments</u>					
New Mexico State Investment Council	32,449,669				
LAC Pension Plan	38,997,026				
	<u>71,446,695</u>				
Total Investments	\$ <u>136,547,632</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, 2016 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, 2016 (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	\$ 2,518,625	2.6%
	FHLMC	Federal agency securities	5,023,900	5.2%
	FFCB	Federal agency securities	9,993,700	10.2%
	FHLB	Federal agency securities	9,050,690	9.3%
	T-NOTE	U.S Treasuries securities	38,514,022	39.5%

Investments in the securities of any individual issuers that represent 5% or more of the total investments by individual funds at June 30, 2016 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	\$ 2,518,625
General (pooled)	FHLMC	Federal agency securities	5,023,900
General (pooled)	FFCB	Federal agency securities	9,993,700
General (pooled)	FHLB	Federal agency securities	9,050,690
General (pooled)	T-NOTE	U.S Treasuries securities	38,514,022

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

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

**Fair Value Measurement - Investments**

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

*Level 1:* Quoted prices for identical investments in active markets;

*Level 2:* Observable inputs other than quoted market prices; and,

*Level 3:* Unobservable inputs

Investments by fair value level at June 30, 2016 are as follows:

	Fair Value Measurements			
	6/30/2016	Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Debt Securities				
U.S. Treasuries Securities	\$ 38,514,022	38,514,022	0	0
U.S. Agencies Securities	26,586,915	26,586,915	0	0
New Mexico State Investment Council	32,449,669	18,915,628	13,534,041	0
Alliance Benefit Group - LAC Pension Plan	38,997,026	33,277,849	5,719,177	0
Total investments by fair value level	\$ 136,547,632	117,294,414	19,253,218	0
Total investments measured at fair value	\$ 136,547,632			



**(4) ACCOUNTS RECEIVABLE AND OPERATING LEASES**

Accounts receivable balances at June 30, 2016, net of applicable allowances for uncollectible accounts, are as follows:

	Accounts Receivable	Allowance for Doubtful Accounts	Net
Governmental activities:			
General	\$ 53,949	(8,981)	44,968
Capital Improvement Projects	147,329	(147,329)	0
Other Governmental	26,643	0	26,643
Total governmental activities	<u>227,921</u>	<u>(156,310)</u>	<u>71,611</u>
Business-type activities:			
Joint Utility System	4,007,390	(40,148)	3,967,242
Environmental Services	223,510	(11,150)	212,360
Fire	2,313,735	(2,030,218)	283,517
Internal Service	88,444	(8,249)	80,195
Total business-type activities	<u>6,633,079</u>	<u>(2,089,765)</u>	<u>4,543,314</u>
Totals	<u>\$ 6,861,000</u>	<u>(2,246,075)</u>	<u>4,614,925</u>

On the Government-wide Statement of Net Position an additional \$6,441 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 Los Alamos Trinity LP(Smith's). The following is a schedule of future minimum rentals under these leases at June 30, 2016:

Fiscal Year Ending June 30,	Amount
2017	\$ 251,718
2018	241,498
2019	232,549
2020	222,634
2021	209,292
Thereafter	<u>13,838,372</u>
	<u>\$ 14,996,063</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, 2016 the County had two outstanding loans receivable recorded in the Economic Development Special Revenue Fund.

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

During FY2016, Caldera Pharmaceuticals Inc. was sold to XRpro Corp., DBA Icagen, and the operations in Los Alamos ceased. As such, the balance of the loan was required to be repaid in full. On June 30, 2016, XRpro Corp, made the final payment of \$124,414 to repay the outstanding principal on the loan. There was no outstanding loan balance at June 30, 2016.

As of June 30, 2016 the total reserve for loan losses balance was \$279,114. The reserve was established since these loans are in default and may not prove to be fully, or even partially, collectible.

The detail of the loan receivable balances at June 30, 2016, is as follows:

Principal, economic development loans:		
Elemetric Instruments Inc (formerly Advanced Realtime Technologies, LLC)	\$	51,170
Avanza Technologies, Inc.		227,944
Subtotal economic development loans		<u>279,114</u>
Less: Reserve for loan losses		<u>(279,114)</u>
Total loans receivable, net of reserve for loan losses (as reflected in Economic Development Fund)	\$	<u><u>0</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, 2016 are presented on the following page.

Transfers in (from other funds)	Transfers out (to other funds)									
	General	Economic Development	Capital Improvement Projects	Capital Projects Permanent	Joint Utility System	Environmental Services	Transit	Fire	Other Governmental	Total
General	\$ 0	0	364,542	0	1,719,643	0	0	1,613,414	0	3,697,599
Economic Development	0	0	1,200,000	0	0	0	0	0	0	1,200,000
Capital Improvement Projects	11,571,482	0	0	1,233,495	1,000,000	300,000	300,000	0	580,000	14,984,977
Joint Utility System	500,000	0	0	0	0	0	0	0	0	500,000
Transit	1,188,000	0	0	0	0	0	0	0	0	1,188,000
Airport	406,750	400,000	0	0	0	0	0	0	0	806,750
Internal Service	2,814	0	0	0	5,644	0	647,040	0	0	655,498
Other Governmental	6,584,109	0	0	0	0	0	0	0	0	6,584,109
	<u>\$ 20,253,155</u>	<u>400,000</u>	<u>1,564,542</u>	<u>1,233,495</u>	<u>2,725,287</u>	<u>300,000</u>	<u>947,040</u>	<u>1,613,414</u>	<u>580,000</u>	<u>29,616,933</u>

Capital assets were transferred into (out of) the following funds from (to) governmental activities:

Joint Utility System	\$ (711,167)
Internal Service	51,930
Total	<u>\$ (659,237)</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. The advance was forgiven during FY2016 when the Joint Utility transferred the Smart House asset to the General Fund (recorded in governmental activities).

Advance from/to balances at June 30, 2016 are presented below:

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

All other interfund balances were expected to be repaid within a year and are classified as due to/due from balances. These balances represent pension contributions payable, pension forfeitures receivable, and the reclassification of negative pooled cash in the Fire and Other Governmental Funds. Due to/due from balances at June 30, 2016 are presented below:

Due to other funds	Due from other funds		
	General	Pension Trust	Total
General	\$ 0	66,847	66,847
Fire	1,505,198	0	1,505,198
Other Governmental	2,946	0	2,946
Pension Trust	6,441	0	6,441
	<u>\$ 1,514,585</u>	<u>66,847</u>	<u>1,581,432</u>

## **(7) CAPITAL ASSETS**

The County capitalized approximately \$26 million in capital assets including amounts capitalized from construction work in progress (CWIP). Of those capital assets, \$16.4 were additions to governmental activities and \$10.2 million were additions to business-type activities. In addition, during FY 2016, the County added approximately \$21.6 million in new construction in progress, \$9.5 million in governmental activities and \$12.1 million in business-type activities.

Machinery and equipment in the amount of \$51,930 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 \$237,068 was transferred from governmental activities to the business-type activities (Joint Utility System Fund) for utility assets being constructed as part of the White Rock Civic Center project.

Additionally, in an effort to support economic development the Joint Utility System Fund transferred a \$948,236 asset held for sale (Smart House) to the General Fund (general government assets), in exchange for the forgiveness of the \$500,000 advance to assist in its construction.

Capital asset activity for the year ended June 30, 2016 was as follows:

	June 30, 2015 Balance	Additions	Disposals	Donations, Transfers and Adjustments	June 30, 2016 Balance
<b>Governmental activities capital assets:</b>					
Capital assets, not being depreciated:					
Land	\$ 52,948,887	289,657	0	0	53,238,544
Right of way land	18,001,114	0	0	0	18,001,114
Art and historic treasures	1,094,077	362,524	0	0	1,456,601
Construction in progress	10,338,393	9,526,804	(16,462,654)	(237,068)	3,165,475
Total capital assets, not being depreciated	<u>82,382,471</u>	<u>10,178,985</u>	<u>(16,462,654)</u>	<u>(237,068)</u>	<u>75,861,734</u>
Capital assets, being depreciated					
Buildings	129,180,055	9,403,839	(24,427)	948,236	139,507,703
Improvements other than buildings	18,939,265	237,602	0	0	19,176,867
Machinery and equipment	17,356,403	2,016,843	(1,131,278)	(51,930)	18,190,038
Infrastructure	179,193,869	4,482,369	(1,324,586)	0	182,351,652
Capital assets, being depreciated	<u>344,669,592</u>	<u>16,140,653</u>	<u>(2,480,291)</u>	<u>896,306</u>	<u>359,226,260</u>
Less accumulated depreciation for:					
Buildings	(20,686,246)	(2,734,873)	19,821	0	(23,401,298)
Improvements other than buildings	(7,196,161)	(591,355)	0	0	(7,787,516)
Machinery and equipment	(10,372,972)	(819,420)	1,131,278	0	(10,061,114)
Infrastructure	(90,906,446)	(6,909,590)	958,141	0	(96,857,895)
Total accumulated depreciation	<u>(129,161,825)</u>	<u>(11,055,238)</u>	<u>2,109,240</u>	<u>0</u>	<u>(138,107,823)</u>
Total capital assets, being depreciated, net	<u>215,507,767</u>	<u>5,085,415</u>	<u>(371,051)</u>	<u>896,306</u>	<u>221,118,437</u>
<b>Total governmental activities capital assets</b>	<b>\$ <u>297,890,238</u></b>	<b><u>15,264,400</u></b>	<b><u>(16,833,705)</u></b>	<b><u>659,238</u></b>	<b><u>296,980,171</u></b>

**Business-type activities capital assets:**

## Capital assets, not being depreciated:

Land	\$ 8,524,970	0	0	0	8,524,970
Construction in progress	6,555,305	12,123,433	(10,129,634)	0	8,549,104
Total capital assets, not being depreciated	<u>15,080,275</u>	<u>12,123,433</u>	<u>(10,129,634)</u>	<u>0</u>	<u>17,074,074</u>

## Capital assets, being depreciated

Buildings	23,936,475	63,147	0	0	23,999,622
Improvements other than buildings	18,101,169	7,725	(553,810)	0	17,555,084
Utility plant in service	302,847,457	9,516,830	(931,195)	237,068	311,670,160
Machinery and equipment	29,643,081	2,802,425	(1,690,615)	51,930	30,806,821
Capital assets, being depreciated	<u>374,528,182</u>	<u>12,390,127</u>	<u>(3,175,620)</u>	<u>288,998</u>	<u>384,031,687</u>

## Less accumulated depreciation for:

Buildings	(4,883,266)	(585,198)	0	0	(5,468,464)
Improvements other than buildings	(5,788,428)	(815,134)	124,608	0	(6,478,954)
Utility plant in service	(135,969,029)	(7,780,493)	752,085	0	(142,997,437)
Machinery and equipment	(13,853,961)	(2,318,702)	1,135,809	0	(15,036,854)
Total accumulated depreciation	<u>(160,494,684)</u>	<u>(11,499,527)</u>	<u>2,012,502</u>	<u>0</u>	<u>(169,981,709)</u>

## Total capital assets, being depreciated, net

	<u>214,033,498</u>	<u>890,600</u>	<u>(1,163,118)</u>	<u>288,998</u>	<u>214,049,978</u>
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**Total business-type activities capital assets** \$ 229,113,773 13,014,033 (11,292,752) 288,998 231,124,052

Depreciation expense for the year ended June 30, 2016 was as follows:

Depreciation expense was charged to governmental activities as follows:	
General government	\$ 2,369,867
Public safety	607,091
Physical and economic environment	1,305
Transportation	6,948,238
Culture and recreation	1,128,737
Total depreciation expense - governmental activities	<u>\$ 11,055,238</u>
Depreciation expense was charged to business-type activities as follows:	
Joint Utility Fund	
Electric	\$ 4,519,193
Gas	377,654
Water	2,045,827
Wastewater	837,819
Environmental Services	198,697
Transit	142,373
Fire	491,407
Airport	741,372
Equipment - Internal Service	2,145,185
Total depreciation expense - business-type activities	<u>\$ 11,499,527</u>

## **(8) RETIREMENT AND DEFERRED COMPENSATION PLANS**

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

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



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

For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2015 available at <http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/CAFR-2015.pdf>

*Contributions:* The contribution requirements of defined benefit plan members and the County are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY15 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 41 through 44 of the PERA FY15 annual audit report at <http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/CAFR-2015.pdf>. The PERA coverage options that apply to the County are: the Municipal Plan 3, Municipal Police Plan 5, Municipal Detention Officer Plan 1, and the Municipal Fire Plan 5.

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

Coverage Plan	Employee Contribution Percentage		Employer Contribution Percentage
	Annual salary \$20,000 or less	Annual salary greater than \$20,000	
Municipal Plan 3	13.15%	14.65%	9.55%
Municipal Police Plan 5	16.30%	17.80%	18.90%
Municipal Detention Officer Plan 1	16.65%	18.15%	17.05%
Municipal Fire Plan 5	16.20%	17.70%	21.65%

Statutorily required contributions to the pension plan from the County were \$4,840,066 and employer paid member benefits that were “picked up” by the County were \$16,988 for the year ended June 30, 2016. The County’s total contributions to PERA for the years ended June 30, 2016, 2015, 2014, and 2013 were \$4,857,054, \$4,830,706, \$4,612,333, and \$4,587,284, respectively, which were equal to the required contributions for each year.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:* The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2014. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2015, using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date June 30, 2015.

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members (includes detention), municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred Inflows and Outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. The County’s proportion of the net pension liability for

Notes to Financial Statements

each membership group that the County participates in is based on the County's percentage of that membership group's total employer contributions for the fiscal year ended June 30, 2015. Only employer contributions for the pay period end dates that fell within the period of July 1, 2014 to June 30, 2015 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2015 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

For the PERA Municipal General Division, at June 30, 2016, the County reported a liability of \$31,604,127 for its proportionate share of the net pension liability. At June 30, 2015, the County's proportion was 3.0997 percent, which was unchanged from its proportion measured as of June 30, 2014, due to the insignificance of the difference.

For the year ended June 30, 2016, the County recognized PERA Municipal General Division net pension expense of (\$1,496,376). At June 30, 2016, the County reported PERA Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

<u>PERA Municipal General Plan</u>	<u>Deferred Outflow s of Resources</u>	<u>Deferred Inflow s of Resources</u>
Differences between expected and actual experience	\$ 0	\$ (700,046)
Changes of assumptions	0	(12,312)
Net difference between projected and actual earnings on pension plan investments	0	(99,975)
Changes in proportion and differences between County contributions and proportionate share of contributions	0	(150,708)
County contributions subsequent to measurement date	2,579,007	0
Totals	<u>\$ 2,579,007</u>	<u>\$ (963,041)</u>

\$2,579,007 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30</u>	
2017	\$ (883,727)
2018	(883,727)
2019	(883,727)
2020	1,688,140
Thereafter	\$ 0

For PERA Municipal Police Division, at June 30, 2016, the County reported a liability of \$4,926,451 for its proportionate share of the net pension liability. At June 30, 2015, the County's proportion was 1.0245 percent, which was an increase of zero from its proportion measured as of June 30, 2014, due to the insignificance of the difference.

For the year ended June 30, 2016, the County recognized PERA Municipal Police Division net pension expense of (\$141,817). At June 30, 2016, the County reported PERA Municipal Police Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

<u>PERA Municipal Police Plan</u>	<u>Deferred Outflow s of Resources</u>	<u>Deferred Inflow s of Resources</u>
Differences between expected and actual experience	\$ 0	\$ (203,814)
Changes of assumptions	344,234	0
Net difference between projected and actual earnings on pension plan investments	0	(13,664)
Changes in proportion and differences between County contributions and proportionate share of contributions	0	(71,690)
County contributions subsequent to measurement date	404,404	0
Totals	\$ <u>748,638</u>	\$ <u>(289,168)</u>

\$404,404 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30	
2017	\$ (64,142)
2018	(64,142)
2019	(64,142)
2020	247,492
Thereafter	\$ 0

For PERA Municipal Fire Division, at June 30, 2016, the County reported a liability of \$40,483,279 for its proportionate share of the net pension liability. At June 30, 2015, the County's proportion was 7.8438 percent, which was an increase of zero from its proportion measured as of June 30, 2014, due to the insignificance of the difference.

For the year ended June 30, 2016, the County recognized PERA Municipal Fire Division net pension expense of \$2,095,142. At June 30, 2016, the County reported PERA Municipal Fire Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

PERA Municipal Fire Plan	Deferred Outflow s of Resources	Deferred Inflow s of Resources
Differences between expected and actual experience	\$ 1,594,316	\$ 0
Changes of assumptions	853,832	0
Net difference between projected and actual earnings on pension plan investments	0	(48,697)
Changes in proportion and differences between County contributions and proportionate share of contributions	178,485	0
County contributions subsequent to measurement date	1,932,454	0
Totals	\$ 4,559,087	\$ (48,697)

\$1,932,454 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30</u>	
2017	\$ 535,988
2018	535,988
2019	535,988
2020	969,972
Thereafter	\$ 0

*Actuarial assumptions:* As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2014 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2015. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2015 actuarial valuation.

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair value
Actuarial assumptions:	
Investment rate of return	7.75% annual rate, net of investment expense
Payroll growth	3.5% annual rate
Projected salary increases	3.5% to 14.25% annual rate
Includes inflation at	3.0% annual rate

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

<u>All funds - Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
U.S. equity	21.1%	5.00%
International equity	24.8%	5.20%
Private equity	7.0%	8.20%
Core and global fixed income	26.1%	1.85%
Fixed income plus sectors	5.0%	4.80%
Real estate	5.0%	5.30%
Real assets	7.0%	5.70%
Absolute return	4.0%	4.15%
Total	<u>100.0%</u>	

*Discount rate:* The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASBS 67. Therefore, the 7.75% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate. The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the table below presents the County's net pension liability in each PERA Fund Division that the County participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
<b>PERA Municipal General Division:</b>			
County's proportionate share of the net pension liability	\$ 53,809,288	\$ 31,604,127	\$ 13,142,045
<b>PERA Municipal Police Division:</b>			
County's proportionate share of the net pension liability	8,135,604	4,926,451	2,293,712
<b>PERA Municipal Fire Division:</b>			
County's proportionate share of the net pension liability	54,905,353	40,483,279	28,597,536

*Pension plan fiduciary net position:* Detailed information about the pension plan's fiduciary net position is available in the separately issued FY15 Restated PERA financial report. The report is available at <http://www.pera.state.nm.us/publications.html>.

## **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, 2016 were \$3,083,686 (\$367,667 participant; and \$2,716,019 County, net of forfeitures of \$592,981). All required contributions were actually made to the Plan. In accordance with the Plan Agreement, forfeitures of unvested participant balances are used to reduce the County's contributions.

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

Financial statements for the Plan are prepared using the accrual basis of accounting. Employer and participant contributions are recognized in the period that the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the Plan. Administrative expenses of the plan for the year ended June 30, 2016 were \$60,073, which included allocated audit fees of \$5,857, trustee fees of \$47,645, and legal fees of \$6,571.

Plan investments at June 30, 2016, stated at fair value, based on the funds' share price are shown in the table on the following page.

Mutual funds at fair value:	
Alliance Bernstein Growth and Income Fund	\$ 7,464,789
American Balanced Fund	2,875,061
Gabelli Small Cap Growth Fund	4,458,752
Invesco International Growth Fund	2,021,784
Loomis Sayles Strategic Income Fund	1,755,863
Mutual Global Discovery Fund	4,709,998
Putnam Equity Spectrum Fund	3,306,965
T. Rowe Price Blue Chip Growth Fund	8,440,499
Templeton Global Bond Fund	1,427,436
Pimco Stable Income Fund	2,535,879
	<hr/>
Total investments	<u><u>\$ 38,997,026</u></u>

### **C. Deferred Compensation Plans**

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

The County makes contributions to the deferred compensation plans for certain employees in accordance with their employment contracts. The cost to the County for these contributions was 27,487.58 for the fiscal year ended June 30, 2016.

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

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

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which 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](http://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, 2016, 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, 2016, 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, 2016, 2015, and 2014 were \$775,021, \$781,031, and \$769,204, 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, 2016, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental activities:					
Accrued compensated absences	\$ 2,842,217	1,739,186	1,687,008	2,894,395	1,903,188
Revenue bonds payable	56,056,683	0	4,022,655	52,034,028	4,175,000
Total governmental activities	<u>\$ 58,898,900</u>	<u>1,739,186</u>	<u>5,709,662</u>	<u>54,928,423</u>	<u>6,078,188</u>
Business-type activities:					
Accrued compensated absences	\$ 3,010,703	1,984,080	1,809,718	3,185,065	2,309,293
Claims and judgments	3,974,326	3,165,717	3,974,326	3,165,717	2,004,769
Revenue bonds payable	33,137,373	0	2,797,505	30,339,868	2,730,000
Contracts and intergovernmental debt	17,284,068	562,400	878,736	16,967,732	906,752
Special closure costs	8,548,337	402,192	297,323	8,653,206	163,677
	<u>\$ 65,954,807</u>	<u>6,114,389</u>	<u>9,757,608</u>	<u>62,311,588</u>	<u>8,114,491</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 \$140,049 and claims and judgments in the amount of \$3,165,717 from internal service funds are included as part of the business-type activities. The County implemented GASB Statement No. 68 which resulted in the restatement of beginning balances of Net Position for the net pension liability for both governmental and business-type activities.

### B. Gross Receipts Tax Improvement Revenue Bonds

#### GRT Revenue Bonds – 2008/2013 Series

On October 21, 2008, the County closed on the sale of The Incorporated County of Los Alamos, New Mexico Gross Receipts Tax (GRT) Improvement Revenue Bonds, Series 2008. The original bonds were issued in the amount of \$75,000,000 with a final maturity date of June 1, 2028. On June 26, 2013, the County issued \$38,235,000 Gross Receipts Tax Refunding Revenue Bonds, Series 2013 which advance refunded a portion of the 2008 Series. The

net proceeds of \$49,926,817 (including \$5,178,930 in premiums net of discount [\$115,496], \$6,700,000 additional funding from the County less \$187,113 in underwriting, insurance and issuance costs) were deposited into escrow and used to pay a portion of the interest on the 2008 Series when due beginning December 1, 2013 through June 1, 2028 and redeem the outstanding 2008 Series maturing on June 1, 2029 and after, when callable on June 1, 2018. The un-refunded Series 2008 Revenue Bonds have principal outstanding of \$12,540,000 at June 30, 2015, 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
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	0	0	3,090,000	1,460,759
2021	0	0	3,215,000	1,337,159
2022-2026	0	0	18,650,000	4,107,044
2027-2028	0	0	8,660,000	436,536
	<u>\$ 8,570,000</u>	<u>672,126</u>	<u>38,235,000</u>	<u>12,278,175</u>
2008 Series Principal	\$ 8,570,000			
2013 Series Principal			38,235,000	
Unamortized balances:				
Discounts and premiums		<u>5,229,027</u>		
	\$	<u>52,034,027</u>		

### **C. Utility System Revenue Bonds**

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

#### **Utility Revenue Bonds – 2014 A and B Series**

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

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

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

**The scheduled annual maturity requirements of the 2014 Series A and B Utility Revenue Bonds as of June 30, 2016 are as presented below.**

Year ending June 30	2014A Series		2014B Series	
	Principal	Interest	Principal	Interest
2017	\$ 565,000	402,600	1,530,000	180,587
2018	585,000	373,785	1,550,000	159,091
2019	620,000	343,950	1,575,000	128,540
2020	635,000	330,930	1,615,000	91,669
2021	670,000	298,545	1,655,000	91,669
2022-2026	2,380,000	1,086,330	0	48,194
2027-2031	2,555,000	628,815	0	0
2032-2034	1,765,000	137,638	0	0
	<u>\$ 9,775,000</u>	<u>3,602,593</u>	<u>7,925,000</u>	<u>699,750</u>
2014A Series Principal	\$ 9,775,000			
2014B Series Principal	7,925,000			
Unamortized balances:				
Discounts and premiums	871,502			
Total payable	<u>\$ 18,571,502</u>			

### Utility Revenue Bonds – 2010 Series

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



## **D. Intergovernmental Notes Payable**

### **Business-type Activities**

Beginning in December 2005 through January 2013, the County entered into various agreements to borrow \$22,095,998 from several State of New Mexico Agencies, to partially fund various projects. The purpose of each loan, the source of debt service payments, and other details are described below:

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

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.

WTB 318: To finance the total costs incurred for the Group 12 water tank rehabilitation project located on Arizona Avenue. The loan is to be repaid from existing Utility water system revenues. The agreement included a grant in the amount of \$843,600.

Loan terms and repayment schedules are shown on the following page.

	New Mexico Environment Department	New Mexico Water Trust Board and Finance Authority	New Mexico Finance Authority	New Mexico Water Trust Board and Finance Authority	New Mexico Environment Department Construction Programs Bureau	New Mexico Water Trust Board and Finance Authority	New Mexico Water Trust Board and Finance Authority	New Mexico Water Trust Board and Finance Authority	New Mexico Water Trust Board and Finance Authority	New Mexico Water Trust Board and Finance Authority	Totals
Loan Number	CWSRF 1438143	WTB 63	PP 1898	WTB 89	ARRA CWSRF 09	WTB 156	WTB 157	WTB 220	WTB 221	WTB 318	
Date of agreement	Dec 2005	Apr 2007	May 2007	Nov 2008	Dec 2009	Jul 2010 (a)	Jul 2010 (b)	Nov 2011	Jan 2013	Jun-15	
Beginning principal	14,355,105	65,080	5,861,189	79,912	234,812	147,500	50,000	600,000	140,000	562,400	
Term of agreement, in years	20	20	27	20	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%	0.25%	
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	27,646	906,752
Interest and/or admin fee	326,983	90	185,114	124	5,653	260	88	1,165	281	1,343	521,102
Total	964,888	3,341	361,629	4,190	15,784	7,570	2,566	31,711	7,185	28,989	1,427,853
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	27,716	933,226
Interest and/or admin fee	307,846	82	178,300	113	5,349	241	82	1,089	264	1,274	494,640
Total	964,888	3,341	361,646	4,189	15,783	7,569	2,566	31,709	7,185	28,990	1,427,866
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	27,785	960,641
Interest and/or admin fee	288,135	74	171,132	103	5,036	223	76	1,012	247	1,205	467,243
Total	964,888	3,341	361,665	4,190	15,783	7,570	2,566	31,706	7,185	28,990	1,427,884
Payable in year ending 6/30/2020:											
Principal	697,056	3,276	198,078	4,097	11,070	7,365	2,497	30,769	6,956	27,854	989,018
Interest and/or admin fee	267,832	66	163,606	93	4,713	205	70	936	230	1,135	438,886
Total	964,888	3,342	361,684	4,190	15,783	7,570	2,567	31,705	7,186	28,989	1,427,903
Payable in year ending 6/30/2021:											
Principal	717,967	3,284	205,981	4,107	11,402	7,383	2,503	30,843	6,973	27,924	1,018,367
Interest and/or admin fee	246,921	58	155,722	83	4,381	187	63	859	212	1,066	409,552
Total	964,888	3,342	361,703	4,190	15,783	7,570	2,566	31,702	7,185	28,990	1,427,919
Payable in five years ending 6/30/2026:											
Principal	3,926,140	16,543	1,161,914	20,690	62,350	37,195	12,608	155,344	35,129	140,671	5,568,584
Interest and/or admin fee	898,302	166	646,930	261	16,565	657	222	3,133	798	4,278	1,571,312
Total	4,824,442	16,709	1,808,844	20,951	78,915	37,852	12,830	158,477	35,927	144,949	7,139,896
Payable in five years ending 6/30/2031:											
Principal	3,586,586	3,333	1,420,926	8,350	72,283	30,093	10,201	157,239	35,569	142,436	5,467,016
Interest and/or admin fee	272,970	8	388,568	31	6,633	188	64	1,181	357	2,511	672,511
Total	3,859,556	3,341	1,809,494	8,381	78,916	30,281	10,265	158,420	35,926	144,947	6,139,527
Payable in five years ending 6/30/2035:											
Principal	-	-	1,001,725	-	-	-	-	-	7,167	115,236	1,124,128
Interest and/or admin fee	-	-	84,343	-	-	-	-	-	18	721	85,082
Total	-	-	1,086,068	-	-	-	-	-	7,185	115,957	1,209,210
<b>Total payable</b>											
Principal	<b>10,899,449</b>	<b>36,213</b>	<b>4,539,018</b>	<b>49,473</b>	<b>188,417</b>	<b>104,021</b>	<b>35,261</b>	<b>466,055</b>	<b>112,557</b>	<b>537,268</b>	<b>16,967,732</b>
Interest and/or admin fee	<b>2,608,989</b>	<b>544</b>	<b>1,973,715</b>	<b>808</b>	<b>48,330</b>	<b>1,961</b>	<b>665</b>	<b>9,374</b>	<b>2,407</b>	<b>13,532</b>	<b>4,660,327</b>
<b>Total</b>	<b>13,508,438</b>	<b>36,757</b>	<b>6,512,733</b>	<b>50,281</b>	<b>236,747</b>	<b>105,982</b>	<b>35,926</b>	<b>475,430</b>	<b>114,964</b>	<b>550,801</b>	<b>21,628,059</b>



## **(10) POWER SUPPLY**

The Public Service Company of New Mexico (PNM) adjusts its transmission rate annually using the Form 1 worksheet from the Federal Energy Regulatory Commission (FERC). This worksheet reflects PNM's actual financials for the previous year. For the year ended June 30, 2016, the Formula Rate adjustment resulted in a 9.15 percent increase.

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, 2016, the County paid \$3,894,957 under this agreement, which is included in purchased power expense. The original debt service for LRS has been paid off which saves the County approximately \$1,320,000 annually. Arrears payments will be made for 18 months that are expected to be paid in full by December of 2017. In addition to the arrears payments, the County expects LRS to begin compliance with their State Implementation Plan (SIP) associated with the Best Available Retrofit Technology (BART) settlement of the Environmental Protection Agency (EPA), under which the County's estimated share of costs is approximately \$2.5 million dollars to be expensed over a 2-year period. The energy from LRS is delivered to New Mexico over the Western Area Power Administration (WAPA) transmission path described below.

The County also has a firm transmission services agreement with the WAPA that requires monthly payments at a rate of approximately \$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 payment to Jemez for FY 2016 was \$4,966.

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 FERC for headwater benefits associated with the San Juan-Chama Diversion Project. FERC also collects approximately \$94,000 annually in administrative and falling water fees.

## **(11) RESOURCE POOL**

In 1985 the County and the U.S. Department of Energy (DOE) entered into an Electric Coordination Agreement (ECA) to create a Resource Pool (Pool) to which each party contributes the capacity and energy of their individual electric supply and transmission resources to meet their combined requirements. The County's major contributions to the Pool consist of energy from its San Juan Unit 4 Interest, the El Vado Hydroelectric Project, the Abiquiu Hydroelectric Project, the Laramie River Station, the WAPA entitlement, the PNM Network Integration Transmission Service Agreement (NITSA), and various transmission service agreements. The County received \$29,354,498 for fiscal year 2016 from DOE, which is included in utility sales and services, as a result of this contract.

The ECA was renewed in fiscal year 2014 with a five-year base term and five one-year options. In FY 2015 the agreement was amended with a fixed expiration date of June 30, 2025.

## **(12) SPECIAL CLOSURE COSTS**

### **A. Landfill (Environmental Services Fund)**

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

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

The total cost estimate for landfill closure increased in fiscal year 2012 because the original closure plan had to be enhanced to accommodate the solar panels. In fiscal year 2015 and 2016, the liability was increased to take care of drainage and methane accumulation issues. The new total cost estimate is \$4,768,168, and expenditures to date are \$4,277,844.

As of June 30, 2016, the landfill closure liability is estimated to be \$490,324 (\$163,677 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. San Juan Generating Station (Electric Utility Fund)**

The County owns a 7.2 percent undivided interest in Unit 4 of the San Juan Electric Generating Station, which is operated by the Public Service Company of New Mexico (PNM). The station consists of four pulverized coal-fired generating units. 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. Units 2 and 3 are scheduled for closure by December 31, 2017, under the State Implementation Plan (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 June 2003, an updated demolition study was conducted on the generating station, which materially agreed to the previous estimate. In January 2012 another updated study was performed which estimated the County's portion of decommissioning costs to be \$3,388,233 with deductions for potential sales of scrap materials, or \$5,478,503 without deductions. After the 1992 study the County began accumulating a decommissioning reserve fund to accumulate sufficient funds for the anticipated decommissioning and demolition costs, using an assumed 4 percent inflation factor. During fiscal year 2005, in conjunction with the refinancing of the 1994 bond issue, \$403,507 of the decommissioning reserves was applied to reduce the face amount of the 2004A refunding bonds. In fiscal year 2016, \$211,766 was set aside for this San Juan decommissioning. As of June 30, 2016, \$4,494,214 was invested for this purpose.

Using the 2012 updated study and the inflation factor of 4 percent, the County would incur an actual decommissioning cost of \$5.2 million in 2022 or \$7.1 million in 2030 (with scrap deductions), and should have accumulated \$4 million as of June 30, 2015. Actual inflation has not been over 4 percent since 1991, and has averaged approximately 2.5 percent in that time, so the County believes the accumulated reserve is adequate as of June 30, 2016, but will periodically review the assumptions to determine whether more or less should be set aside each year.

#### Benefits received from the San Juan Restructuring

To meet the EPA Best Available Retrofit Technology (BART) ruling on regional haze, the participants negotiated an equitable settlement allowing four of the owners to exit the plant early with the shutdown of units 2 and 3 and the installation of Selective Non-Catalytic Reduction (SNCR) on units 1 and 4. A demand charge was established for the departing owners to reimburse the remaining owners for continued use of the plant through December 31, 2017. The amount due to Los Alamos County is \$1,376,400. On March 1, 2016, Los Alamos County received \$622,657.17 which represents payments from July 2014 through January 2016; and will receive \$32,771.43 per month through December 2017. There was also a restructuring fee paid by the departing owners to the remaining owners as consideration for allowing the early exit. The intent was to cover the costs of negotiating and executing the restructuring for the remaining parties. The total amount received by Los Alamos County was \$1,953,600.00, which was received on March 1, 2016.

It is the County's position that this fee is strictly related to ownership of the plant, which resides with Los Alamos County and therefore will be excluded from the power pool.

#### **C. Coal mine Reclamation (Electric Utility Fund)**

The County is required under the San Juan Generation Project Participation Agreement (PPA) to fund its share of reclamation costs for the San Juan surface coal mine. The total final cost will be dependent on the eventual closure date of the San Juan Generating Station, because coal ash from continued operations of the station provides material for the fill. The surface mine itself has been out of service for several years. While there is no current consensus on potential operations of the plant, for estimating purposes a closure date in 2038 was initially assumed. Under the terms of the mine reclamation agreement, the closure date and cost estimates are periodically reviewed and adjusted. As of June 30, 2016, a closure date of June 30, 2022, is assumed, coinciding with the expiration of the current plant participation agreement, and resulting in revised reclamation cost estimates of \$174,491,866, with Los Alamos' share being \$3,465,816. In fiscal year 2013, the County began funding a trust account as required for its share of the cost. As of June 30, 2016, the balance in this trust is \$1,137,558 with another \$1,864,192 in a pooled reserve account with the County. The trust is funded based on the original cost estimate, but future contributions will be adjusted as cost estimates are updated. The owners are currently evaluating projected closure dates and funding requirements. The County will adjust funding to the trust as estimates are updated.

A new Mine Reclamation Cost Study was completed and the revised cost estimates were adopted by the Mine Reclamation Oversight Committee on September 30, 2016. The total reclamation cost estimate increased to \$237,324,793, with Los Alamos' share increasing to \$5,070,185. The majority of the increase is related to additional excavator, trucking, and earthworks costs, additional reclamation bond costs, and additional taxes and royalties.

#### **D. Laramie River (Electric Utility Fund)**

The County is required under the Laramie River Station Participation Power Sales Agreement (LRS-PPA) to fund its proportionate share of future costs for the Laramie River decommissioning. The Laramie River Station is estimated for closure between 2040 and 2042. Under the terms of the agreement, the current estimate of costs is \$90 million of which \$550,000 is Los Alamos County's share. In fiscal year 2015, the County began funding a trust account as required for its share of the cost. As of June 30, 2016, the balance in this trust is \$666,928. The trust is funded based on the original cost estimate, but future contributions will be adjusted as cost estimates are updated.

### **(13) RISK MANAGEMENT**

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

The claims liability of \$3,165,717 reported in the Risk Management Fund at June 30, 2016 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 2016 Insurance coverage summary:

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

Changes in the Risk Management Fund's claims liability amount in fiscal year 2015 and 2016 are summarized below.

	Group Insurance (Dental)	Medical Insurance	Unemployment Compensation	Workers Compensation	General Liability	Total
Claims liability, June 30, 2014	\$ 14,269	687,973	0	2,139,240	771,771	3,613,253
Current year claims, insurance, and changes in estimates	583,411	5,735,378	8,104	1,829,058	785,525	8,941,476
Claims and insurance payments	<u>(583,690)</u>	<u>(5,820,577)</u>	<u>(8,104)</u>	<u>(714,618)</u>	<u>(1,453,414)</u>	<u>(8,580,403)</u>
Claims liability, June 30, 2015	\$ 13,990	602,774	0	3,253,680	103,882	3,974,326
Current year claims, insurance, and changes in estimates	635,704	5,932,847	51,299	(52,430)	988,097	7,555,517
Claims and insurance payments	<u>(632,798)</u>	<u>(5,944,699)</u>	<u>(51,299)</u>	<u>(745,617)</u>	<u>(989,713)</u>	<u>(8,364,126)</u>
Claims liability, June 30, 2016	<u>\$ 16,896</u>	<u>590,922</u>	<u>0</u>	<u>2,455,633</u>	<u>102,266</u>	<u>3,165,717</u>

### Employee Group Insurance

The County offers all regular and limited-term employees, the choice of two medical insurance options, which are HMO and Preferred Provider, 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 are updated periodically. Since January 1, 2013, the County has accounted for contributions as revenue and paid BCBS for actual claims and claims processing. The County has reinsurance should claims for an individual participant exceed \$100,000 in a claim year. As of June 30, 2016 the estimated claims liability was \$590,922. 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, 2016. 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 2016, the County recognized intergovernmental revenue of approximately \$17.8 million under the terms of this cooperative agreement.

Intergovernmental revenues of approximately \$3.5 million were recorded in the Transit Fund for Federal Transit Administration and state grant funds. 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 7 and 8 in the Other Information section of this report.

**(15) COMMITMENTS AND CONTINGENCIES****A. Joint Utility System – Natural Gas Purchase Agreement**

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

Under the agreement with RBC, changes in bank regulatory requirements can result in restructuring of the agreement. In October 2013, RBC notified NMMEAA that certain regulatory requirements becoming effective in calendar 2014 could make the agreement uneconomical. A restructuring agreement was entered into in fiscal year 2014. This new agreement provides for a fixed discount for the life of the agreement, 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 a cooperative agreement with the NNSA.

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

**C. Encumbrances**

The County uses an encumbrance system as an extension of normal budgetary accounting for all funds as the County's budgetary basis includes encumbrances. Under this system, purchase orders, contracts and commitments for expenditures are recorded to reserve that portion of applicable appropriations. In governmental funds, encumbrances outstanding at fiscal year-end are recorded as restricted, committed, or assigned fund balance depending on the classification of the resources to be used to liquidate the encumbrance, since they do not constitute expenditures or liabilities. Outstanding encumbrances at fiscal year-end are re-appropriated for the following year. Encumbrances outstanding by fund at June 30, 2016 are as follows:

Major Governmental Funds:	
General Fund	\$ 1,854,533
Economic Development	370,993
Emergency Declarations	1,596,605
Capital Improvement Projects	10,668,590
Other Governmental	352,508
Total Governmental Funds	<u>14,843,229</u>
Major Proprietary Funds:	
Joint Utility System	6,032,959
Environmental Services	793
Transit	145,064
Fire	103,562
Total Proprietary Funds	<u>6,282,378</u>
Internal Service Funds:	
Equipment	<u>210,295</u>
Outstanding Encumbrances at June 30, 2016	<u>\$ 21,335,902</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, 2016 was \$895,793.

The future minimum lease payments under operating leases as of June 30, 2016, are approximately as follows:

<u>Year ending June 30*</u>	<u>Amount</u>
2017	749,659
2018	714,289
2019	454,112
2020	444,662
2021	444,102
2022-2024	410,377
	<u>\$ 3,217,201</u>

**(16) ECONOMIC DEPENDENCY**

The County has significant economic dependence upon LANL. It is the County's largest employer, and it is estimated that LANL's expenditures provide, either directly or indirectly, over 90% of the County's economic activity. For the year ended June 30, 2016, an estimated 75-80% of GRT revenues relate directly to LANL operations.





**Required Supplementary Information**

L  S A L A M O  S

**INCORPORATED COUNTY OF LOS ALAMOS  
NEW MEXICO PERA MUNICIPAL GENERAL DIVISION**

**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
LAST TEN FISCAL YEARS [a]**

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	<u>FY2016</u>
County proportion of the net pension liability	3.0997%
County proportionate share of the net pension liability	\$ 31,604,127
County covered-employee payroll	25,894,321
County proportionate share of the net pension liability as a percentage of its covered-employee payroll	122.1%
Plan fiduciary net position as a percentage of the total pension liability	81.5%

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

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

**INCORPORATED COUNTY OF LOS ALAMOS  
NEW MEXICO PERA MUNICIPAL GENERAL DIVISION**

**SCHEDULE OF THE COUNTY'S CONTRIBUTIONS  
LAST TEN FISCAL YEARS [a]**

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	<u>FY2016</u>
Actuarial determined contribution	\$ 2,579,007
Contributions in relation to contractually required contributions	2,579,007
Contribution deficiency	<u>\$ 0</u>
County covered-employee payroll	\$ 27,005,309
Contributions as a percentage of covered-employee payroll	9.55%

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

**INCORPORATED COUNTY OF LOS ALAMOS  
NEW MEXICO PERA MUNICIPAL POLICE DIVISION**

**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
LAST TEN FISCAL YEARS [a]**

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	<u>FY2016</u>
County proportion of the net pension liability	1.0245%
County proportionate share of the net pension liability	\$ 4,926,451
County covered-employee payroll	2,007,757
County proportionate share of the net pension liability as a percentage of its covered-employee payroll	245.4%
Plan fiduciary net position as a percentage of the total pension liability	78.3%

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

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

**INCORPORATED COUNTY OF LOS ALAMOS  
NEW MEXICO PERA MUNICIPAL POLICE DIVISION**

**SCHEDULE OF THE COUNTY'S CONTRIBUTIONS  
LAST TEN FISCAL YEARS [a]**

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	<u>FY2016</u>
Actuarial determined contribution	\$ 404,404
Contributions in relation to contractually required contributions	404,404
Contribution deficiency	<u>\$ 0</u>
County covered-employee payroll	\$ 2,139,704
Contributions as a percentage of covered-employee payroll	18.9%

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

**INCORPORATED COUNTY OF LOS ALAMOS  
NEW MEXICO PERA MUNICIPAL FIRE DIVISION**

**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
LAST TEN FISCAL YEARS [a]**

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	<u>FY2016</u>
County proportion of the net pension liability	7.8438%
County proportionate share of the net pension liability	\$ 40,483,279
County covered-employee payroll	8,935,025
County proportionate share of the net pension liability as a percentage of its covered-employee payroll	453.1%
Plan fiduciary net position as a percentage of the total pension liability	81.5%

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

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

**INCORPORATED COUNTY OF LOS ALAMOS  
NEW MEXICO PERA MUNICIPAL FIRE DIVISION**

**SCHEDULE OF THE COUNTY'S CONTRIBUTIONS  
LAST TEN FISCAL YEARS [a]**

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	<u>FY2016</u>
Actuarial determined contribution	\$ 1,932,454
Contributions in relation to contractually required contributions	1,932,454
Contribution deficiency	<u>\$ 0</u>
County covered-employee payroll	\$ 8,925,885
Contributions as a percentage of covered-employee payroll	21.65%

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



**INCORPORATED COUNTY OF LOS ALAMOS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES**Year ended June 30, 2016

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**Changes of benefit terms**

The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY15 audit available at <http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/CAFR-2015.pdf>.

**Changes of assumptions**

The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2015 report is available at <http://www.nmpera.org/assets/uploads/downloads/retirement-fund-valuation-reports/6-30-2015-PERA-Valuation-Report-FINAL.pdf>. The summary of Key Findings for the PERA Fund (on page 2 of the report) states “the total actuarial loss due to the investment experience of the total PERA Fund is \$14.9 million. The loss on non-investment related items totaled \$286.5 million. The net loss due to the plan’s experience was \$301.4 million. For details about changes in the actuarial assumptions, see Appendix B on page 60 of the report.

## 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; and Bench Warrant funds. This special revenue fund was established by County Council.

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

**INCORPORATED COUNTY OF LOS ALAMOS**  
**Other Governmental Funds**

Combining Balance Sheet  
 June 30, 2016

	SPECIAL REVENUE FUNDS					DEBT SERVICE FUND	TOTAL
	STATE SHARED REVENUES	LODGERS' TAX	STATE GRANTS / OTHER	HEALTH CARE ASSISTANCE	OTHER SPECIAL REVENUES	GROSS RECEIPTS TAX REVENUE BOND	
<b>ASSETS</b>							
Equity in pooled cash and investments	\$ 0	217,987	663,531	472,848	666,059	245,569	2,265,994
Investments	0	0	0	0	12,300	0	12,300
Receivables, net of allowance for uncollectibles							
Accounts	0	26,643	0	0	0	0	26,643
Interest	0	0	0	0	17	0	17
Due from other governments	95,612	0	26,815	217,105	0	0	339,532
Prepayments	0	0	0	15,450	0	0	15,450
Restricted assets							
Cash and cash equivalents							
Debt reserves and debt service	0	0	0	0	0	31,555	31,555
<b>TOTAL ASSETS</b>	<b>\$ 95,612</b>	<b>244,630</b>	<b>690,346</b>	<b>705,403</b>	<b>678,376</b>	<b>277,124</b>	<b>2,691,491</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 0	35,238	33,858	83	742	0	69,921
Accrued salaries and benefits payable	0	0	4,193	2,236	2,299	0	8,728
Due to other governments	0	0	9,182	0	0	0	9,182
Due to other funds	2,946	0	0	0	0	0	2,946
<b>TOTAL LIABILITIES</b>	<b>2,946</b>	<b>35,238</b>	<b>47,233</b>	<b>2,319</b>	<b>3,041</b>	<b>0</b>	<b>90,777</b>
<b>FUND BALANCE</b>							
Restricted for							
Clerk records and files (State law)	0	0	0	0	50,762	0	50,762
Debt service (Bond and loan agreements)	0	0	0	0	0	31,555	31,555
Grants (Granting entities)	0	0	643,113	0	0	0	643,113
Library operations (contributors)	0	0	0	0	14,950	0	14,950
Lodgers' tax (State law)	0	209,392	0	0	0	0	209,392
Indigent health care claims (State law)	0	0	0	703,084	0	0	703,084
Property tax valuation (State law)	0	0	0	0	573,581	0	573,581
Recreation (County code and contributors)	0	0	0	0	36,042	0	36,042
Major street maintenance (State law)	92,666	0	0	0	0	0	92,666
Assigned for							
Debt service	0	0	0	0	0	245,569	245,569
<b>TOTAL FUND BALANCE</b>	<b>92,666</b>	<b>209,392</b>	<b>643,113</b>	<b>703,084</b>	<b>675,335</b>	<b>277,124</b>	<b>2,600,714</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 95,612</b>	<b>244,630</b>	<b>690,346</b>	<b>705,403</b>	<b>678,376</b>	<b>277,124</b>	<b>2,691,491</b>

See accompanying notes to financial statements

# INCORPORATED COUNTY OF LOS ALAMOS

## Other Governmental Funds

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

Year ended June 30, 2016

	SPECIAL REVENUE FUNDS					DEBT SERVICE FUND	TOTAL
	STATE SHARED REVENUES	LODGERS' TAX	STATE GRANTS / OTHER	HEALTH CARE ASSISTANCE	OTHER SPECIAL REVENUES	GROSS RECEIPTS TAX REVENUE BOND	
<b>REVENUES</b>							
Taxes							
Gross receipts taxes	\$ 0	0	0	1,665,683	0	0	1,665,683
Lodgers' tax	0	256,512	0	0	0	0	256,512
	<u>0</u>	<u>256,512</u>	<u>0</u>	<u>1,665,683</u>	<u>0</u>	<u>0</u>	<u>1,922,195</u>
Intergovernmental							
State grants-fire	0	0	547,739	0	0	0	547,739
State grants-police	0	0	144,248	0	0	0	144,248
State shared revenues	587,113	0	0	0	0	0	587,113
	<u>587,113</u>	<u>0</u>	<u>691,987</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,279,100</u>
Fines and forfeits							
Court ordered reimbursements	0	0	0	0	1,800	0	1,800
Charges for services							
Clerk fee	0	0	0	0	20,202	0	20,202
Finance/treasurer fees	0	0	0	0	169,406	0	169,406
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>189,608</u>	<u>0</u>	<u>189,608</u>
Miscellaneous revenue							
Investment income	0	670	2,192	2,030	184	2,033	7,109
Buildings rental	0	0	0	11,586	0	0	11,586
Land rental	0	0	0	33,180	0	0	33,180
Donations	0	0	0	0	1,550	0	1,550
	<u>0</u>	<u>670</u>	<u>2,192</u>	<u>46,796</u>	<u>1,734</u>	<u>2,033</u>	<u>53,425</u>
<b>TOTAL REVENUES</b>	<b>587,113</b>	<b>257,182</b>	<b>694,179</b>	<b>1,712,479</b>	<b>193,142</b>	<b>2,033</b>	<b>3,446,128</b>
<b>EXPENDITURES</b>							
General government							
Municipal Court	0	0	0	0	18,716	0	18,716
County Assessor	0	0	0	0	123,392	0	123,392
County Clerk	0	0	0	0	18,698	0	18,698
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>160,806</u>	<u>0</u>	<u>160,806</u>
Public safety							
Fire marshal	0	0	81,805	0	0	0	81,805
Fire-E.M.S. grant	0	0	9,462	0	0	0	9,462
Police	0	0	148,456	0	0	0	148,456
	<u>0</u>	<u>0</u>	<u>239,723</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>239,723</u>
Physical and economic environment							
County Manager	0	197,768	0	0	0	0	197,768

Health and welfare							
Community Services-Social Services	0	0	0	1,850,041	0	0	1,850,041
Culture and recreation							
Community Services-Library	0	0	0	0	1,350	0	1,350
Community Services-Recreation	0	0	0	0	3,528	0	3,528
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,878</u>	<u>0</u>	<u>4,878</u>
<b>Capital outlay:</b>							
Public Safety							
Fire	0	0	52,658	0	0	0	52,658
Police	0	0	16,335	0	0	0	16,335
<b>Debt service:</b>							
Principal	0	0	0	0	0	3,970,000	3,970,000
Interest	0	0	0	0	0	2,299,109	2,299,109
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,269,109</u>	<u>6,269,109</u>
<b>TOTAL EXPENDITURES</b>	<u>0</u>	<u>197,768</u>	<u>308,716</u>	<u>1,850,041</u>	<u>165,684</u>	<u>6,269,109</u>	<u>8,791,318</u>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<b>587,113</b>	<b>59,414</b>	<b>385,463</b>	<b>(137,562)</b>	<b>27,458</b>	<b>(6,267,076)</b>	<b>(5,345,190)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	0	0	0	300,000	15,000	6,269,109	6,584,109
Transfers out	(580,000)	0	0	0	0	0	(580,000)
	<u>(580,000)</u>	<u>0</u>	<u>0</u>	<u>300,000</u>	<u>15,000</u>	<u>6,269,109</u>	<u>6,004,109</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>7,113</b>	<b>59,414</b>	<b>385,463</b>	<b>162,438</b>	<b>42,458</b>	<b>2,033</b>	<b>658,919</b>
<b>FUND BALANCE</b>							
Beginning of fiscal year	85,553	149,978	257,650	540,646	632,877	275,091	1,941,795
<b>FUND BALANCE - END OF FISCAL YEAR</b>	<u>\$ <u>92,666</u></u>	<u><u>209,392</u></u>	<u><u>643,113</u></u>	<u><u>703,084</u></u>	<u><u>675,335</u></u>	<u><u>277,124</u></u>	<u><u>2,600,714</u></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, 2016

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
Intergovernmental				
State shared revenues	\$ 570,000	570,000	587,113	17,113
<b>EXPENDITURES AND ENCUMBRANCES</b>				
TOTAL EXPENDITURES AND ENCUMBRANCES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES</i>	<b>570,000</b>	<b>570,000</b>	<b>587,113</b>	<b>17,113</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out to:				
Capital Improvement Project Fund	<u>(580,000)</u>	<u>(580,000)</u>	<u>(580,000)</u>	<u>0</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ <u>(10,000)</u></b>	<b><u>(10,000)</u></b>	<b>7,113</b>	<b><u>17,113</u></b>
<b>FUND BALANCE</b>				
Beginning of fiscal year			<u>85,553</u>	
<b>FUND BALANCE - END OF FISCAL YEAR</b>			<b>\$ <u>92,666</u></b>	

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

**SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**  
 Year ended June 30, 2016

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
<b>Taxes</b>				
Selective gross receipt taxes	\$ 220,000	220,000	256,512	36,512
<b>Miscellaneous revenues</b>				
Investment income	2,000	2,000	670	(1,330)
<b>TOTAL REVENUES</b>	<u>222,000</u>	<u>222,000</u>	<u>257,182</u>	<u>35,182</u>
<b>EXPENDITURES AND ENCUMBRANCES</b>				
<b>Community and Economic Development</b>				
Outside services	215,000	215,000	194,561	20,439
Intrafund/interfund services	3,207	3,207	3,207	0
<b>TOTAL EXPENDITURES AND ENCUMBRANCES</b>	<u>218,207</u>	<u>218,207</u>	<u>197,768</u>	<u>20,439</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 3,793</u>	<u>3,793</u>	<u>59,414</u>	<u>55,621</u>
<b>FUND BALANCE</b>				
Beginning of fiscal year			149,978	
<b>FUND BALANCE - END OF FISCAL YEAR</b>			<u>\$ 209,392</u>	

**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, 2016

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
<b>Intergovernmental</b>				
State grants-fire	\$ 511,200	547,739	547,739	0
State grants-police	105,700	151,867	144,248	(7,619)
<b>Miscellaneous revenues</b>				
Investment income	0	0	2,192	2,192
<b>TOTAL REVENUES</b>	<b>616,900</b>	<b>699,606</b>	<b>694,179</b>	<b>(5,427)</b>
<b>EXPENDITURES AND ENCUMBRANCES</b>				
<b>Community Services-Social services</b>				
Police - DWI local grant	66,500	112,667	105,048	7,619
<b>Fire</b>				
<b>Grants and contracts</b>				
Fire - Fire marshal grant	500,000	674,151	486,971	187,180
Fire - Emergency medical services grant	11,200	10,449	9,462	987
	511,200	684,600	496,433	188,167
<b>Police</b>				
<b>Grants and contracts</b>				
Police - Law enforcement protection grant	39,201	59,764	59,743	21
Police - Seizure/Forfeiture	0	227	0	227
	39,201	59,991	59,743	248
<b>TOTAL EXPENDITURES AND ENCUMBRANCES</b>	<b>616,901</b>	<b>857,258</b>	<b>661,224</b>	<b>196,034</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (1)</b>	<b>(157,652)</b>	<b>32,955</b>	<b>190,607</b>
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			352,508	
<b>GAAP BASIS</b>			<b>385,463</b>	
<b>FUND BALANCE</b>				
Beginning of fiscal year			257,650	
<b>FUND BALANCE - END OF FISCAL YEAR</b>			<b>\$ 643,113</b>	

See accompanying notes to financial statements



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

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)  
Year ended June 30, 2016

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
<b>Taxes</b>				
General gross receipts taxes	\$ 1,612,000	1,612,000	1,665,683	53,683
<b>Miscellaneous revenues</b>				
Investment income	8,000	8,000	2,030	(5,970)
Buildings rental	39,000	39,000	11,586	(27,414)
Land rental	0	0	33,180	33,180
<b>TOTAL REVENUES</b>	<u>1,659,000</u>	<u>1,659,000</u>	<u>1,712,479</u>	<u>53,479</u>
<b>EXPENDITURES AND ENCUMBRANCES</b>				
<b>Community Services-Social Services</b>				
Employee salaries and benefits	62,904	62,904	56,019	6,885
Outside services	2,002,400	2,002,400	1,794,022	208,378
Materials and supplies	1,000	1,000	0	1,000
<b>TOTAL EXPENDITURES AND ENCUMBRANCES</b>	<u>2,066,304</u>	<u>2,066,304</u>	<u>1,850,041</u>	<u>216,263</u>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES</b>	<b>(407,304)</b>	<b>(407,304)</b>	<b>(137,562)</b>	<b>269,742</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Transfers in from:</b>				
General Fund	300,000	300,000	300,000	0
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (107,304)</u>	<u>(107,304)</u>	<u>162,438</u>	<u>269,742</u>
<b>FUND BALANCE</b>				
Beginning of fiscal year			540,646	
<b>FUND BALANCE - END OF FISCAL YEAR</b>			<u>\$ 703,084</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, 2016

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
<b>Fines and Forfeits</b>				
Court ordered reimbursements	\$ 3,000	3,000	1,800	(1,200)
<b>Charges for Services</b>				
Clerk fee	20,000	20,000	20,202	202
Finance/treasurer fees	170,000	170,000	169,406	(594)
	<u>190,000</u>	<u>190,000</u>	<u>189,608</u>	<u>(392)</u>
<b>Miscellaneous revenues</b>				
Investment income	0	0	184	184
Donations	3,000	3,000	1,550	(1,450)
	<u>3,000</u>	<u>3,000</u>	<u>1,734</u>	<u>(1,266)</u>
<b>TOTAL REVENUES</b>	<b>196,000</b>	<b>196,000</b>	<b>193,142</b>	<b>(2,858)</b>
<b>EXPENDITURES AND ENCUMBRANCES</b>				
<b>Municipal Court</b>				
Bench warrant	18,777	18,777	18,716	61
<b>County Assessor</b>				
Property tax valuation	145,061	145,061	123,392	21,669
<b>County Clerk</b>				
Recording and equipment	28,569	28,569	18,698	9,871
<b>Community Services</b>				
Aquatic center gift	3,000	3,000	3,528	(528)
Library gift	3,200	3,200	1,350	1,850
<b>TOTAL EXPENDITURES AND ENCUMBRANCES</b>	<b>198,607</b>	<b>198,607</b>	<b>165,684</b>	<b>32,923</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES</b>	<b>(2,607)</b>	<b>(2,607)</b>	<b>27,458</b>	<b>30,065</b>

**OTHER FINANCING SOURCES (USES)**

Transfers in from:

General Fund

15,000

15,000

15,000

0

**NET CHANGE IN FUND BALANCE**

\$ 12,393

12,393

42,458

30,065

**FUND BALANCE**

Beginning of fiscal year

632,877

**FUND BALANCE - END OF FISCAL YEAR**

\$ 675,335

**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, 2016

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
Miscellaneous revenues				
Investment income	\$ 8,000	8,000	2,033	(5,967)
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Administrative Services - Finance Office				
Principal payment on debt	3,970,000	3,970,000	3,970,000	0
Interest payment on debt	2,299,109	2,299,109	2,299,109	0
	<u>6,269,109</u>	<u>6,269,109</u>	<u>6,269,109</u>	<u>0</u>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES</b>	<b>(6,261,109)</b>	<b>(6,261,109)</b>	<b>(6,267,076)</b>	<b>(5,967)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in from:				
General Fund	6,269,109	6,269,109	6,269,109	0
	<u>6,269,109</u>	<u>6,269,109</u>	<u>6,269,109</u>	<u>0</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ <u>8,000</u></b>	<b><u>8,000</u></b>	<b>2,033</b>	<b><u>(5,967)</u></b>
<b>FUND BALANCE</b>				
Beginning of fiscal year			275,091	
<b>FUND BALANCE - END OF FISCAL YEAR</b>			<u>\$ <u>277,124</u></u>	

See accompanying notes to financial statements

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

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

Year ended June 30, 2016

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
Miscellaneous revenues				
Investment income	\$ 2,140,000	2,140,000	(297,116)	(2,437,116)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out to:				
Capital Improvement Projects Fund	(1,255,000)	(1,255,000)	(1,233,495)	21,505
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 885,000</b>	<b>885,000</b>	<b>(1,530,611)</b>	<b>(2,415,611)</b>
<b>FUND BALANCE</b>				
Beginning of fiscal year			27,182,749	
<b>FUND BALANCE - END OF FISCAL YEAR</b>			<b>\$ 25,652,138</b>	

**INCORPORATED COUNTY OF LOS ALAMOS**  
**PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS**  
Year ended June, 2016

<b>PROJECT</b>	<b>PROJECT-LENGTH BUDGET APPROPRIATIONS</b>	<b>EXPENDED IN PRIOR YEARS</b>	<b>EXPENDED IN CURRENT YEAR</b>	<b>EXPENDED THROUGH JUNE 30, 2016</b>	<b>UNEXPENDED AS OF JUNE 30, 2016</b>	<b>ENCUMBRANCES AS OF JUNE 30, 2016</b>	<b>REMAINING BALANCE AS OF JUNE 30, 2016</b>
<b>CAPITAL IMPROVEMENT PROJECTS</b>							
Information Technology (Continuing)	\$ 603,849	0	0	0	603,849	339,109	264,740
Virtual Desktop Infrastructure (Residual)	21,817	0	0	0	21,817	0	21,817
Finance Enterprise Resource Planning (Residual)	4,411,444	0	0	0	4,411,444	2,376,402	2,035,042
Municipal Building Replacement (Residual)	261,336	0	0	0	261,336	32,872	228,464
Golf Course Clubhouse (Residual)	162	0	0	0	162	162	0
White Rock Civic Center (Residual)	4,731,194	0	958,149	958,149	3,773,045	2,691,241	1,081,804
2017 Bond Issue Conceptual Design	1,000,000	0	0	0	1,000,000	486,427	513,573
Street CIP	504,642	0	0	0	504,642	0	504,642
Canyon Rim Trail	2,427,585	143,880	291,524	435,404	1,992,181	1,746,451	245,730
NM 502 Knecht to Tewa	271,111	0	257,478	257,478	13,633	0	13,633
Western Area Road Replacement (Continuing)	3,322,985	0	1,249,713	1,249,713	2,073,272	1,795,618	277,654
Oppenheimer/Trinity Signal Replacement	350,000	0	0	0	350,000	0	350,000
Ice Rink Parking Lot (Residual)	13,389	0	0	0	13,389	0	13,389
Central Avenue Improvements	98,696	0	23,904	23,904	74,792	0	74,792
Sherwood Boulevard Reconstruction	1,647,157	0	0	0	1,647,157	891,654	755,503
20th Street Reconstruction	33,112	0	0	0	33,112	0	33,112
Pavement Condition Index Road Survey	21,583	0	0	0	21,583	11,101	10,482
Knecht Street Drainage	253,250	0	34,182	34,182	219,068	197,297	21,771
Canyon Rim Trail West	1,000,000	0	0	0	1,000,000	0	1,000,000
Public Art (Continuing)	522,781	0	0	0	522,781	41,336	481,445
Parks Small Capital Projects (Continuing)	628,494	0	0	0	628,494	11,729	616,764
Teen Center	161,890	0	0	0	161,890	47,191	114,699
Nature Center	135,315	0	0	0	135,315	0	135,315
Pajarito Mountain Bike Trails	500,000	0	0	0	500,000	0	500,000
	<u>22,921,792</u>	<u>143,880</u>	<u>2,814,950</u>	<u>2,958,830</u>	<u>19,962,962</u>	<u>10,668,590</u>	<u>9,294,372</u>
<b>PROJECTS COMPLETED IN FY2016</b>							
Information Technology	1,203,854	170,894	1,032,960	1,203,854	0	0	0
Virtual Desktop Infrastructure	22,929	0	22,929	22,929	0	0	0
Finance Enterprise Resource Planning	36,523	0	36,523	36,523	0	0	0
Municipal Building Replacement	29,226	0	29,226	29,226	0	0	0
Golf Course Clubhouse	252,855	0	252,855	252,855	0	0	0
White Rock Civic Center	5,452,500	4,999,300	453,200	5,452,500	0	0	0
Western Area Road Replacement	1,259,024	1,259,024	0	1,259,024	0	0	0
Ice Rink Parking Lot	230,611	0	230,611	230,611	0	0	0
Sherwood Boulevard Reconstruction	1,188,649	42,123	1,146,526	1,188,649	0	0	0
Pavement Condition Index Road Survey	203,417	0	203,417	203,417	0	0	0
20th Street Reconstruction	913,780	360	913,420	913,780	0	0	0
20th Street Safety Improvement	5,972	0	5,972	5,972	0	0	0
Deacon Street Improvement	6,188	0	6,188	6,188	0	0	0
Public Art	372,307	0	372,307	372,307	0	0	0
Parks Small Capital Projects	142,939	0	142,939	142,939	0	0	0
White Rock Gateway Structure	32,941	32,941	0	32,941	0	0	0
Ice Rink Improvements	181,000	180,835	0	180,835	165	0	165
Teen Center	4,148,507	2,946,988	1,201,519	4,148,507	0	0	0
Nature Center	85,452	0	85,452	85,452	0	0	0
<b>TOTAL PROJECTS COMPLETED IN FY2016</b>	<u>15,768,674</u>	<u>9,632,465</u>	<u>6,136,044</u>	<u>15,768,509</u>	<u>165</u>	<u>0</u>	<u>165</u>
<b>PROJECT TOTALS FY2016</b>	<u>\$ 38,690,466</u>	<u>9,776,345</u>	<u>8,950,994</u>	<u>18,727,339</u>	<u>19,963,127</u>	<u>10,668,590</u>	<u>9,294,537</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.

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**INCORPORATED COUNTY OF LOS ALAMOS**  
**JOINT UTILITY SYSTEM SUBFUNDS**  
**COMBINING SCHEDULE OF NET POSITION**  
**June 30, 2016**

	<b>ELECTRIC</b>	<b>GAS</b>	<b>WATER</b>	<b>WASTEWATER</b>	<b>TOTAL JOINT UTILITY SYSTEM</b>
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Equity (deficit) in pooled cash and investments	\$ (284,991)	6,397,463	10,931,673	(539,200)	16,504,945
Receivables, net of allowance for uncollectibles					
Accounts	2,978,887	192,918	472,153	323,284	3,967,242
Unbilled	657,458	97,330	327,552	219,362	1,301,702
Due from other governments	0	0	60,184	0	60,184
Due from other subfunds (not included in total column)	0	0	145,912	0	0
Inventories and prepayments					
Inventories	731,819	42,719	209,041	20,177	1,003,756
Power plant inventories	893,343	0	0	0	893,343
Prepayments	735,593	0	116,664	0	852,257
	<u>5,712,109</u>	<u>6,730,430</u>	<u>12,263,179</u>	<u>23,623</u>	<u>24,583,429</u>
<b>RESTRICTED ASSETS</b>					
Cash and cash equivalents					
Debt reserves and debt service	3,200,005	0	179,962	884,481	4,264,448
Operations and maintenance	8,377,396	0	0	478,504	8,855,900
Investments					
Debt reserves and debt service	8,901,616	0	0	0	8,901,616
	<u>20,479,017</u>	<u>0</u>	<u>179,962</u>	<u>1,362,985</u>	<u>22,021,964</u>
<b>PROPERTY, PLANT AND EQUIPMENT</b>					
Land	0	0	0	2,959,328	2,959,328
Utility plant in service	169,929,901	15,183,224	84,174,421	42,382,614	311,670,160
Machinery and equipment	3,116,590	179,710	877,536	285,717	4,459,553
Less accumulated depreciation	(101,950,492)	(4,500,848)	(25,587,270)	(10,958,827)	(142,997,437)
Construction in progress	7,194,390	33,079	1,230,140	91,495	8,549,104
	<u>78,290,389</u>	<u>10,895,165</u>	<u>60,694,827</u>	<u>34,760,327</u>	<u>184,640,708</u>
<b>OTHER ASSETS</b>					
Advances to other subfunds (not included in total column)	0	0	1,242,641	0	0
<b>TOTAL ASSETS</b>	<b><u>104,481,515</u></b>	<b><u>17,625,595</u></b>	<b><u>74,380,609</u></b>	<b><u>36,146,935</u></b>	<b><u>231,246,101</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>					
Deferred amounts from refunding of debt (debits)	609,746	0	0	0	609,746
Deferred pensions	371,249	93,324	53,558	44,592	562,723
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b><u>980,995</u></b>	<b><u>93,324</u></b>	<b><u>53,558</u></b>	<b><u>44,592</u></b>	<b><u>1,172,469</u></b>

## LIABILITIES

### **CURRENT LIABILITIES**

Accounts payable	4,920,126	48,522	207,815	68,038	5,244,501
Accrued salaries including benefits payable	150,222	6,042	45,732	21,142	223,138
Accrued compensated absences	393,799	104,184	60,223	52,179	610,385
Customer deposits payable	71,265	53,686	54,735	0	179,686
Due to other governments	64,814	14,565	22,364	19,404	121,147
Due to other subfunds (not included in total column)	0	0	0	145,912	0
Donations held in trust	27,989	0	0	0	27,989
	<u>5,628,215</u>	<u>226,999</u>	<u>390,869</u>	<u>306,675</u>	<u>6,406,846</u>

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

Current portion of revenue bonds payable	2,685,242	0	44,758	0	2,730,000
Contracts and intergovernmental debt payable	0	0	89,081	641,156	730,237
Interest payable on debt	92,376	0	9,032	75,258	176,666
	<u>2,777,618</u>	<u>0</u>	<u>142,871</u>	<u>716,414</u>	<u>3,636,903</u>

### **NON-CURRENT LIABILITIES**

Revenue bonds payable	26,078,080	0	1,531,788	0	27,609,868
Special closure costs	8,162,882	0	0	0	8,162,882
Accrued compensated absences	164,134	81,340	43,204	23,179	311,857
Advances from other subfunds (not included in total column)	0	0	0	1,242,641	0
Contracts and intergovernmental debt payable	0	0	1,403,970	10,294,508	11,698,478
Net pension liability	4,736,653	1,191,237	678,675	574,040	7,180,605
	<u>39,141,749</u>	<u>1,272,577</u>	<u>3,657,637</u>	<u>12,134,368</u>	<u>54,963,690</u>

### **TOTAL LIABILITIES**

	<u><b>47,547,582</b></u>	<u><b>1,499,576</b></u>	<u><b>4,191,377</b></u>	<u><b>13,157,457</b></u>	<u><b>65,007,439</b></u>
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### **DEFERRED INFLOWS OF RESOURCES:**

Deferred pensions	168,904	41,607	31,626	12,321	254,458
	<u>168,904</u>	<u>41,607</u>	<u>31,626</u>	<u>12,321</u>	<u>254,458</u>

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

	<u><b>168,904</b></u>	<u><b>41,607</b></u>	<u><b>31,626</b></u>	<u><b>12,321</b></u>	<u><b>254,458</b></u>
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### **NET POSITION**

Net investment in capital assets	50,136,813	10,895,165	57,625,230	23,824,663	142,481,871
Restricted assets for, net of related liabilities:					
Debt service	12,223,759	0	170,930	1,287,727	13,682,416
Unrestricted	(4,614,548)	5,282,571	12,415,004	(2,090,641)	10,992,386
<b>TOTAL NET POSITION</b>	<u><b>\$ 57,746,024</b></u>	<u><b>16,177,736</b></u>	<u><b>70,211,164</b></u>	<u><b>23,021,749</b></u>	<u><b>167,156,673</b></u>

See accompanying notes to financial statements



LOS ALAMOS

**INCORPORATED COUNTY OF LOS ALAMOS**  
**JOINT UTILITY SYSTEM SUBFUNDS**  
 COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 Year ended June 30, 2016

	<u>ELECTRIC</u>	<u>GAS</u>	<u>WATER</u>	<u>WASTEWATER</u>	<u>TOTAL JOINT UTILITY SYSTEM</u>
<b>OPERATING REVENUES</b>					
Utility sales and service	\$ 45,643,302	4,899,188	4,883,520	4,632,768	60,058,778
Rentals	22,262	0	0	0	22,262
Miscellaneous operating revenue	36,128	11,091	18,184	10,760	76,163
	<u>45,701,692</u>	<u>4,910,279</u>	<u>4,901,704</u>	<u>4,643,528</u>	<u>60,157,203</u>
<b>OPERATING EXPENSES</b>					
Employee salaries and benefits	4,906,777	451,963	1,397,578	1,181,032	7,937,350
Contractual services	28,763,249	2,991,711	3,328,958	1,501,192	36,585,110
Materials and supplies	310,397	60,350	87,948	187,474	646,169
Depreciation and amortization	4,787,413	411,120	2,045,827	837,819	8,082,179
Special closure costs	271,193	0	0	0	271,193
Other	5,815	5,461	5,554	1,932	18,762
	<u>39,044,844</u>	<u>3,920,605</u>	<u>6,865,865</u>	<u>3,709,449</u>	<u>53,540,763</u>
<b>OPERATING INCOME (LOSS)</b>	<b>6,656,848</b>	<b>989,674</b>	<b>(1,964,161)</b>	<b>934,079</b>	<b>6,616,440</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Gain (loss) on disposition of capital assets	(438,389)	(13,860)	(575,309)	(3,919)	(1,031,477)
Investment income (loss)	40,784	23,330	39,597	3,619	107,330
Interest on long-term debt	(1,116,794)	0	(90,103)	(341,385)	(1,548,282)
Interest on intra-subfund debt	0	0	45,906	(45,906)	0
Inventory adjustment	12,380	(3,271)	(4,265)	(894)	3,950
Gain (loss) on San Juan restructuring agreement	1,953,600	0	0	0	1,953,600
	<u>451,581</u>	<u>6,199</u>	<u>(584,174)</u>	<u>(388,485)</u>	<u>(514,879)</u>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS</b>	<b>7,108,429</b>	<b>995,873</b>	<b>(2,548,335)</b>	<b>545,594</b>	<b>6,101,561</b>
<b>TRANSFERS AND CONTRIBUTIONS</b>					
Transfers in	500,000	0	0	0	500,000
Transfers out	(527,407)	(1,246,867)	(2,777)	0	(1,777,051)
Intergovernmental - capital grants	94,980	0	949,939	0	1,044,919
Contributed capital assets- governmental activities	(735,937)	5,307	11,795	7,667	(711,168)
<b>NET INCOME (LOSS)</b>	<b>6,440,065</b>	<b>(245,687)</b>	<b>(1,589,378)</b>	<b>553,261</b>	<b>5,158,261</b>
<b>NET POSITION</b>					
Beginning of fiscal year	51,305,959	16,423,423	71,800,542	22,468,488	161,998,412
<b>NET POSITION - END OF FISCAL YEAR</b>	<b>\$ 57,746,024</b>	<b>16,177,736</b>	<b>70,211,164</b>	<b>23,021,749</b>	<b>167,156,673</b>

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS**  
**JOINT UTILITY SYSTEM SUBFUNDS**  
**COMBINING SCHEDULE OF CASH FLOWS**  
**Year ended June 30, 2016**

	<u>ELECTRIC</u>	<u>GAS</u>	<u>WATER</u>	<u>WASTEWATER</u>	<u>TOTAL</u>
<b>CASH FLOWS - OPERATING ACTIVITIES</b>					
Cash received from customers and users	\$ 46,335,136	4,891,420	4,594,372	4,601,244	60,422,172
Cash paid to suppliers for goods and services	(27,957,149)	(3,063,644)	(3,334,597)	(1,795,021)	(36,150,411)
Cash paid to employees	(5,106,431)	(482,255)	(1,412,927)	(1,228,817)	(8,230,430)
Taxes received from customers and users	847,403	340,603	213,192	227,255	1,628,453
Taxes remitted to State (from customers and users)	(846,648)	(341,232)	(211,508)	(226,161)	(1,625,549)
<b>NET CASH FLOWS - OPERATING ACTIVITIES</b>	<b>13,272,311</b>	<b>1,344,892</b>	<b>(151,468)</b>	<b>1,578,500</b>	<b>16,044,235</b>
<b>CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers to other funds	(524,540)	(1,246,867)	0	0	(1,771,407)
Cash received from short-term intra subfund loans	0	0	187,568	0	187,568
Cash paid for short-term intra subfund loans	0	0	0	(187,568)	(187,568)
<b>NET CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES</b>	<b>(524,540)</b>	<b>(1,246,867)</b>	<b>187,568</b>	<b>(187,568)</b>	<b>(1,771,407)</b>
<b>CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Cash received from capital grants	94,980	0	889,755	0	984,735
Proceeds received from loans	0	0	537,268	0	537,268
Principal repaid	(2,635,728)	0	(105,286)	(622,568)	(3,363,582)
Interest and other debt service paid	(1,165,312)	0	(93,087)	(345,662)	(1,604,061)
Cash paid for acquisition of capital assets	(8,821,030)	(120,649)	(2,539,085)	(1,064,473)	(12,545,237)
Cash received from San Juan restructuring agreement	1,953,600	0	0	0	1,953,600
<b>NET CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(10,573,490)</b>	<b>(120,649)</b>	<b>(1,310,435)</b>	<b>(2,032,703)</b>	<b>(14,037,277)</b>
<b>CASH FLOWS - INVESTING ACTIVITIES</b>					
Proceeds from sale of investment securities	8,020,489	0	0	0	8,020,489
Interest received on investments	40,784	23,330	39,597	3,619	107,330
Purchase of investment securities	(60,452)	0	0	0	(60,452)
<b>NET CASH FLOWS - INVESTING ACTIVITIES</b>	<b>8,000,821</b>	<b>23,330</b>	<b>39,597</b>	<b>3,619</b>	<b>8,067,367</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>10,175,102</b>	<b>706</b>	<b>(1,234,738)</b>	<b>(638,152)</b>	<b>8,302,918</b>
<b>EQUITY IN POOLED CASH AND INVESTMENTS - BEGINNING OF FISCAL YEAR</b>	<b>1,117,307</b>	<b>6,396,757</b>	<b>12,346,373</b>	<b>1,461,937</b>	<b>21,322,374</b>
<b>EQUITY IN POOLED CASH AND INVESTMENTS - END OF FISCAL YEAR</b>	<b>\$ 11,292,409</b>	<b>6,397,463</b>	<b>11,111,635</b>	<b>823,785</b>	<b>29,625,292</b>

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

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

<b>OPERATING INCOME(LOSS)</b>	\$	6,656,848	989,674	(1,964,161)	934,079	6,616,440
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FLOWS - OPERATING ACTIVITIES</b>						
Depreciation and amortization expense		4,787,413	411,120	2,045,827	837,819	8,082,179
Amortization of special closure costs		271,193	0	0	0	271,193
Provision for uncollectible accounts receivable		3,752	5,461	5,554	1,932	16,699
Change in assets and liabilities:						
Accounts and other receivables		635,877	(20,643)	(315,962)	(42,284)	256,988
Inventories		7,648	32,847	43,817	(1,211)	83,101
Prepayments and other		(51,201)	0	17,091	0	(34,110)
Accounts and retentions payable		1,162,113	(44,431)	21,402	(105,144)	1,033,940
Salaries and benefits payable		(199,654)	(30,291)	(15,350)	(47,785)	(293,080)
Other current liabilities		(2,433)	1,784	8,630	0	7,981
Due to other governments		755	(629)	1,684	1,094	2,904
<b>Total adjustments</b>		<b>6,615,463</b>	<b>355,218</b>	<b>1,812,693</b>	<b>644,421</b>	<b>9,427,795</b>
<b>NET CASH FLOWS - OPERATING ACTIVITIES</b>	\$	<b>13,272,311</b>	<b>1,344,892</b>	<b>(151,468)</b>	<b>1,578,500</b>	<b>16,044,235</b>

## SCHEDULE OF NON CASH CAPITAL AND RELATED FINANCING ACTIVITIES

### NON CASH TRANSACTIONS:

Asset transfers - proprietary funds	\$	(2,867)	0	(2,777)	0	(5,644)
Contributed capital assets - governmental activities		212,299	5,307	11,795	7,667	237,068
Transfer of asset held for resale to governmental activities		(948,236)	0	0	0	(948,236)
Interfund loan forgiveness		500,000	0	0	0	500,000
<b>TOTAL NON CASH TRANSACTIONS</b>	\$	<b>(238,804)</b>	<b>5,307</b>	<b>9,018</b>	<b>7,667</b>	<b>(216,812)</b>

**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, 2016

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 0	375,000	1,044,919	669,919
Charges for services	74,046,537	74,046,537	60,081,040	(13,965,497)
Miscellaneous revenues	945,051	945,051	2,324,661	1,379,610
<b>TOTAL REVENUES</b>	<b><u>74,991,588</u></b>	<b><u>75,366,588</u></b>	<b><u>63,450,620</u></b>	<b><u>(11,915,968)</u></b>
<b>EXPENSES AND ENCUMBRANCES</b>				
<b>Department of Public Utilities</b>				
Electric Subfund	59,941,124	65,314,662	48,548,051	16,766,611
Gas Subfund	6,254,339	6,833,303	4,501,361	2,331,942
Water Subfund	7,906,432	12,899,830	10,212,294	2,687,536
Wastewater Subfund	4,968,577	6,489,128	5,957,248	531,880
<b>TOTAL EXPENSES AND ENCUMBRANCES</b>	<b><u>79,070,472</u></b>	<b><u>91,536,923</u></b>	<b><u>69,218,954</u></b>	<b><u>22,317,969</u></b>
<b>EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES</b>	<b><u>(4,078,884)</u></b>	<b><u>(16,170,335)</u></b>	<b><u>(5,768,334)</u></b>	<b><u>10,402,001</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(947,661)	(1,947,661)	(1,771,407)	176,254
Proceeds from long-term debt	1,054,960	1,054,960	562,400	(492,560)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b><u>107,299</u></b>	<b><u>(892,701)</u></b>	<b><u>(1,209,007)</u></b>	<b><u>(316,306)</u></b>
<b>NET CHANGE IN FUND BALANCE</b>	<b><u>\$ (3,971,585)</u></b>	<b><u>(17,063,036)</u></b>	<b><u>(6,977,341)</u></b>	<b><u>10,085,695</u></b>
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			6,032,959	
Changes in compensated absences			9,213	
Bad debt adjustment			(16,084)	
Depreciation and amortization			(8,082,179)	
Adjustments to inventory			3,950	
Special closure costs			(271,193)	

Net book value of disposed capital assets	(1,031,477)
Proceeds from issuance of long-term debt	(562,400)
Assets transferred - proprietary funds	(5,644)
Contributed capital assets - governmental activities	237,068
Interfund loan forgiveness	500,000
Transfer of asset held for resale to governmental activities	(948,236)
Capital outlay capitalized	8,418,587
Capital projects capitalized (budgeted by line item)	4,127,008
Pension expense	335,314
Principal on debt service	3,388,716
	<u>12,135,602</u>
<b>GAAP BASIS</b>	<b>5,158,261</b>
<b>NET POSITION</b>	
Beginning of fiscal year	161,998,412
<b>NET POSITION - END OF FISCAL YEAR</b>	<b>\$ <u><u>167,156,673</u></u></b>

See accompanying notes to financial statements



**INCORPORATED COUNTY OF LOS ALAMOS  
ELECTRIC SUBFUND**

**SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGET BASIS)**  
Year ended June 30, 2016

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
<b>Intergovernmental</b>				
Federal subsidy	\$ 0	0	94,980	94,980
<b>Charges for services</b>				
Residential	14,815,900	14,815,900	7,113,594	(7,702,306)
Commercial and industrial	0	0	4,780,023	4,780,023
Public street and highway lighting	0	0	67,941	67,941
Municipal	0	0	1,563,086	1,563,086
Educational	0	0	530,129	530,129
Wholesale	40,826,807	40,826,807	31,402,138	(9,424,669)
Rent from utility properties	0	0	22,262	22,262
Miscellaneous services	258,750	258,750	186,391	(72,359)
	<u>55,901,457</u>	<u>55,901,457</u>	<u>45,665,564</u>	<u>(10,235,893)</u>
<b>Miscellaneous revenues</b>				
Interest income (loss)	100,000	100,000	40,784	(59,216)
Interest charges-delinquent accounts	0	0	34,950	34,950
Other	0	0	1,954,778	1,954,778
Interfund loans (principal)	67,945	67,945	0	(67,945)
	<u>167,945</u>	<u>167,945</u>	<u>2,030,512</u>	<u>1,862,567</u>
<b>TOTAL REVENUES</b>	<b>56,069,402</b>	<b>56,069,402</b>	<b>47,791,056</b>	<b>(8,278,346)</b>
<b>EXPENSES AND ENCUMBRANCES</b>				
<b>Department of Public Utilities</b>				
<b>Electric production</b>				
Employee salaries and benefits	1,406,534	1,406,534	1,496,709	(90,175)
Outside services	48,297,355	50,165,273	35,951,532	14,213,741
Materials and supplies	74,400	78,720	67,215	11,505
Intrafund/interfund services	1,129,929	1,129,929	1,049,230	80,699
Capital outlay	159,050	159,050	385,251	(226,201)
Debt and fiscal charges	2,528,081	2,528,081	2,498,401	29,680
	<u>53,595,349</u>	<u>55,467,587</u>	<u>41,448,338</u>	<u>14,019,249</u>
<b>Electric distribution</b>				
Employee salaries and benefits	1,401,499	1,401,499	1,502,106	(100,607)
Outside services	1,914,509	5,346,426	2,242,131	3,104,295
Materials and supplies	198,479	201,076	817,035	(615,959)

Intrafund/interfund services	1,505,804	1,505,804	1,179,025	326,779
Capital outlay	37,525	37,525	3,348	34,177
Debt and fiscal charges	1,287,959	1,287,959	1,254,122	33,837
	<u>6,345,775</u>	<u>9,780,289</u>	<u>6,997,767</u>	<u>2,782,522</u>
General and administrative				
Employee salaries and benefits	2,897,006	2,897,006	2,439,685	457,321
Outside services	834,516	849,726	680,153	169,573
Materials and supplies	227,150	238,726	83,051	155,675
Intrafund/interfund services	(4,008,672)	(4,008,672)	(3,143,623)	(865,049)
Capital outlay	50,000	90,000	40,000	50,000
Debt and fiscal charges	0	0	2,680	(2,680)
	<u>0</u>	<u>66,786</u>	<u>101,946</u>	<u>(35,160)</u>
<b>TOTAL EXPENSES AND ENCUMBRANCES</b>	<b><u>59,941,124</u></b>	<b><u>65,314,662</u></b>	<b><u>48,548,051</u></b>	<b><u>16,766,611</u></b>
<b>EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES</b>	<b>(3,871,722)</b>	<b>(9,245,260)</b>	<b>(756,995)</b>	<b>8,488,265</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out to:				
General Fund	(624,019)	(624,019)	(524,540)	99,479
Proceeds from issuance of long-term debt				
Revenue bonds	33,984	33,984	0	(33,984)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ <u>(4,461,757)</u></b>	<b><u>(9,835,295)</u></b>	<b><u>(1,281,535)</u></b>	<b><u>8,553,760</u></b>
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			1,752,555	
Changes in compensated absences			17,435	
Bad debt adjustment			(3,137)	
Depreciation and amortization			(4,787,413)	
Adjustments to inventory			12,380	
Special closure costs			(271,193)	
Net book value of disposed capital assets			(438,389)	
Assets transferred - proprietary funds			(2,867)	
Contributed capital assets - governmental activities			212,299	
Interfund loan forgiveness			500,000	
Transfer of asset held for resale to governmental activities			(948,236)	
Capital outlay capitalized			8,398,270	
Capital projects capitalized (budgeted by line item)			423,117	
Pension expense			221,050	
Principal on debt service			2,635,729	
			<u>7,721,600</u>	
<b>GAAP BASIS</b>			<b>6,440,065</b>	
<b>NET POSITION</b>				
Beginning of fiscal year			51,305,959	
<b>NET POSITION - END OF FISCAL YEAR</b>			<b><u>57,746,024</u></b>	

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS  
GAS SUBFUND**

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

Year ended June 30, 2016

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
<b>Charges for services</b>				
Residential	\$ 6,930,233	6,930,233	3,825,203	(3,105,030)
Commercial and industrial	0	0	704,292	704,292
Municipal	0	0	196,661	196,661
Educational	0	0	161,799	161,799
Miscellaneous services	13,000	13,000	11,233	(1,767)
	<u>6,943,233</u>	<u>6,943,233</u>	<u>4,899,188</u>	<u>(2,044,045)</u>
<b>Miscellaneous revenues</b>				
Interest income	200,000	200,000	23,330	(176,670)
Interest charges-delinquent accounts	0	0	11,091	11,091
	<u>200,000</u>	<u>200,000</u>	<u>34,421</u>	<u>(165,579)</u>
<b>TOTAL REVENUES</b>	<b>7,143,233</b>	<b>7,143,233</b>	<b>4,933,609</b>	<b>(2,209,624)</b>
<b>EXPENSES AND ENCUMBRANCES</b>				
<b>Department of Public Utilities</b>				
<b>Gas</b>				
Employee salaries and benefits	477,159	477,159	496,066	(18,907)
Outside services	4,461,517	5,016,534	2,938,542	2,077,992
Materials and supplies	263,000	286,947	166,272	120,675
Intrafund/interfund services	1,052,663	1,052,663	900,481	152,182
<b>TOTAL EXPENSES AND ENCUMBRANCES</b>	<b>6,254,339</b>	<b>6,833,303</b>	<b>4,501,361</b>	<b>2,331,942</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES</b>	<b>888,894</b>	<b>309,930</b>	<b>432,248</b>	<b>122,318</b>

**OTHER FINANCING SOURCES (USES)**

Transfer out to:				
General Fund	<u>(323,642)</u>	<u>(1,323,642)</u>	<u>(1,246,867)</u>	<u>76,775</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ <u>565,252</u></b>	<b><u>(1,013,712)</u></b>	<b><u>(814,619)</u></b>	<b><u>199,093</u></b>

**ADJUSTMENTS TO GAAP**

Encumbrances			843,382	
Changes in compensated absences			(22,400)	
Bad debt adjustment			(5,461)	
Depreciation and amortization			(411,120)	
Adjustments to inventory			(3,271)	
Net book value of disposed capital assets			(13,860)	
Contributed capital assets - governmental activities			5,307	
Capital projects capitalized (budgeted by line item)			120,648	
Pension expense			55,707	
			<u>568,932</u>	
<b>GAAP BASIS</b>			<b><u>(245,687)</u></b>	

**NET POSITION**

Beginning of fiscal year			16,423,423	
<b>NET POSITION - END OF FISCAL YEAR</b>			<b>\$ <u>16,177,736</u></b>	

**INCORPORATED COUNTY OF LOS ALAMOS  
WATER SUBFUND**

**SCHEDULE OF REVENUES, EXPENSES, ENCUMBRANCES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (BUDGET BASIS)**  
Year ended June 30, 2016

	<b>ANNUAL BUDGET</b>	<b>REVISED BUDGET</b>	<b>ACTUALS</b>	<b>VARIANCE POSITIVE (NEGATIVE)</b>
<b>REVENUES</b>				
<b>Intergovernmental</b>				
Federal subsidy	\$ 0	0	25,683	25,683
State grants-other	0	375,000	924,256	549,256
<b>Charges for services</b>				
Residential	4,613,800	4,613,800	3,114,535	(1,499,265)
Commercial and industrial	0	0	431,565	431,565
Municipal	90,000	90,000	303,355	213,355
Educational	0	0	123,883	123,883
Wholesale	1,154,084	1,154,084	850,800	(303,284)
Miscellaneous services	62,000	62,000	59,382	(2,618)
	<u>5,919,884</u>	<u>5,919,884</u>	<u>4,883,520</u>	<u>(1,036,364)</u>
<b>Miscellaneous revenues</b>				
Interest income	532,106	532,106	39,597	(492,509)
Interest charges-delinquent accounts	0	0	7,574	7,574
Sales of scrap and junk	0	0	10,610	10,610
Interfund loan repayment	0	0	187,568	187,568
	<u>532,106</u>	<u>532,106</u>	<u>245,349</u>	<u>(286,757)</u>
<b>TOTAL REVENUES</b>	<b><u>6,451,990</u></b>	<b><u>6,826,990</u></b>	<b><u>6,078,808</u></b>	<b><u>(748,182)</u></b>
<b>EXPENSES AND ENCUMBRANCES</b>				
<b>Department of Public Utilities</b>				
Water distribution				
Employee salaries and benefits	527,275	527,275	693,212	(165,937)
Outside services	1,111,500	2,193,027	1,179,881	1,013,146
Materials and supplies	260,000	260,000	432,192	(172,192)
Intrafund/interfund services	797,748	797,748	971,210	(173,462)
Capital outlay	7,500	7,500	9,893	(2,393)
	<u>2,704,023</u>	<u>3,785,550</u>	<u>3,286,388</u>	<u>499,162</u>
Water production				
Employee salaries and benefits	925,377	925,377	946,195	(20,818)
Outside services	2,004,200	5,874,592	3,889,690	1,984,902
Materials and supplies	228,400	269,879	227,381	42,498
Intrafund/interfund services	1,701,734	1,701,734	1,639,343	62,391

Capital outlay	109,065	109,065	2,777	106,288
Debt and fiscal charges	233,633	233,633	220,520	13,113
	<u>5,202,409</u>	<u>9,114,280</u>	<u>6,925,906</u>	<u>2,188,374</u>
<b>TOTAL EXPENSES AND ENCUMBRANCES</b>	<b><u>7,906,432</u></b>	<b><u>12,899,830</u></b>	<b><u>10,212,294</u></b>	<b><u>2,687,536</u></b>
<b>EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES</b>	<b>(1,454,442)</b>	<b>(6,072,840)</b>	<b>(4,133,486)</b>	<b>1,939,354</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer out to:				
Proceeds from issuance of long-term debt:				
Intergovernmental loans	1,020,976	1,020,976	562,400	(458,576)
	<u>1,020,976</u>	<u>1,020,976</u>	<u>562,400</u>	<u>(458,576)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ <u>(433,466)</u></b>	<b><u>(5,051,864)</u></b>	<b><u>(3,571,086)</u></b>	<b><u>1,480,778</u></b>
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			2,608,167	
Changes in compensated absences			(665)	
Bad debt adjustment			(5,554)	
Depreciation and amortization			(2,045,827)	
Adjustments to inventory			(4,265)	
Net book value of disposed capital assets			(575,309)	
Proceeds from intergovernmental loans			(562,400)	
Assets transferred - proprietary funds			(2,777)	
Contributed capital assets - governmental activities			11,795	
Capital outlay capitalized			11,597	
Capital projects capitalized (budgeted by line item)			2,527,490	
Principal on interfund loans			(141,662)	
Pension expense			30,700	
Principal on debt service			130,418	
			<u>1,981,708</u>	
<b>GAAP BASIS</b>			<b><u>(1,589,378)</u></b>	
<b>NET POSITION</b>				
Beginning of fiscal year			71,800,542	
<b>NET POSITION - END OF FISCAL YEAR</b>			<b><u>\$ 70,211,164</u></b>	

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS  
WASTEWATER SUBFUND**

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

Year ended June 30, 2016

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
<b>Charges for services</b>				
Wastewater collection	\$ 5,278,963	5,278,963	4,632,768	(646,195)
Miscellaneous services	3,000	3,000	0	(3,000)
	<u>5,281,963</u>	<u>5,281,963</u>	<u>4,632,768</u>	<u>(649,195)</u>
<b>Miscellaneous revenues</b>				
Interest income	45,000	45,000	3,619	(41,381)
Interest charges-delinquent accounts	0	0	10,760	10,760
	<u>45,000</u>	<u>45,000</u>	<u>14,379</u>	<u>(30,621)</u>
<b>TOTAL REVENUES</b>	<u><b>5,326,963</b></u>	<u><b>5,326,963</b></u>	<u><b>4,647,147</b></u>	<u><b>(679,816)</b></u>
<b>EXPENSES AND ENCUMBRANCES</b>				
<b>Department of Public Utilities</b>				
Wastewater				
Employee salaries and benefits	1,420,951	1,420,951	1,270,060	150,891
Outside services	986,000	2,506,551	1,989,252	517,299
Materials and supplies	224,250	224,250	197,266	26,984
Intrafund/interfund services	1,345,146	1,345,146	1,340,428	4,718
Capital outlay	24,000	24,000	8,720	15,280
Debt and fiscal charges	968,230	968,230	1,151,522	(183,292)
	<u>4,968,577</u>	<u>6,489,128</u>	<u>5,957,248</u>	<u>531,880</u>
<b>TOTAL EXPENSES AND ENCUMBRANCES</b>	<u><b>4,968,577</b></u>	<u><b>6,489,128</b></u>	<u><b>5,957,248</b></u>	<u><b>531,880</b></u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><b>\$ 358,386</b></u>	<u><b>(1,162,165)</b></u>	<u><b>(1,310,101)</b></u>	<u><b>(147,936)</b></u>

**ADJUSTMENTS TO GAAP**

Encumbrances	828,855
Changes in compensated absences	14,843
Bad debt adjustment	(1,932)
Depreciation and amortization	(837,819)
Adjustments to inventory	(894)
Net book value of disposed capital assets	(3,919)
Contributed capital assets - governmental activities	7,667
Capital outlay capitalized	8,720
Capital projects capitalized (budgeted by line item)	1,055,753
Principal on interfund loans	141,662
Pension expense	27,857
Principal on debt service	622,569

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**1,863,362**

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**553,261****GAAP BASIS****NET POSITION**Beginning of fiscal year 22,468,488**NET POSITION - END OF FISCAL YEAR**\$ 23,021,749



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where discoveries are made



## 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.

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**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, 2016

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
<b>Taxes</b>				
Selective gross receipt taxes	\$ 810,000	810,000	832,877	22,877
<b>Charges for services</b>				
Sales of food or merchandise (trash bags)	7,000	7,000	5,111	(1,889)
Residential	1,703,000	1,703,000	1,717,466	14,466
Commercial and industrial	587,000	587,000	563,890	(23,110)
Other charges for services	660,000	660,000	472,811	(187,189)
	<u>2,957,000</u>	<u>2,957,000</u>	<u>2,759,278</u>	<u>(197,722)</u>
<b>Interfund/interdepartmental charges</b>				
Interdepartmental services	0	0	85,219	85,219
<b>Miscellaneous revenues</b>				
Interest income	18,000	18,000	11,555	(6,445)
Interest charges-delinquent accounts	0	0	5,995	5,995
Other	93,000	93,000	101,281	8,281
	<u>111,000</u>	<u>111,000</u>	<u>118,831</u>	<u>7,831</u>
<b>TOTAL REVENUES</b>	<b><u>3,878,000</u></b>	<b><u>3,878,000</u></b>	<b><u>3,796,205</u></b>	<b><u>(81,795)</u></b>
<b>EXPENSES AND ENCUMBRANCES</b>				
<b>Public Works</b>				
Environmental Services				
Employee salaries and benefits	1,183,076	1,183,076	1,112,067	71,009
Outside services	1,236,035	1,237,617	1,223,064	14,553
Materials and supplies	168,530	178,914	139,044	39,870
Intrafund/interfund services	1,045,186	1,045,186	1,064,615	(19,429)
Debt and fiscal charges	361,569	361,569	360,548	1,021
	<u>3,994,396</u>	<u>4,006,362</u>	<u>3,899,338</u>	<u>107,024</u>
<b>TOTAL EXPENSES AND ENCUMBRANCES</b>	<b><u>3,994,396</u></b>	<b><u>4,006,362</u></b>	<b><u>3,899,338</u></b>	<b><u>107,024</u></b>
<b>EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES</b>	<b>(116,396)</b>	<b>(128,362)</b>	<b>(103,133)</b>	<b>25,229</b>

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

Capital Improvement Project Fund

0(300,000)(300,000)0**NET CHANGE IN FUND BALANCE**\$ (116,396)(428,362)(403,133)25,229**ADJUSTMENTS TO GAAP**

Encumbrances

793

Changes in compensated absences

(8,918)

Bad debt adjustment

(2,513)

Depreciation and amortization

(198,697)

Special closure costs

166,323

Principal on debt service

170,021

Pension expense

37,870

164,879(238,254)**GAAP BASIS****NET POSITION**

Beginning of fiscal year

3,536,922

**NET POSITION - END OF FISCAL YEAR**\$ 3,298,668

**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, 2016

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
<b>Intergovernmental</b>				
Federal direct	\$ 0	200,000	205,406	5,406
Federal indirect	2,298,788	2,528,239	1,884,988	(643,251)
State grants-other	0	0	3,685	3,685
Other intergovernmental (NCRTD)	1,511,820	1,511,820	1,380,700	(131,120)
	<u>3,810,608</u>	<u>4,240,059</u>	<u>3,474,779</u>	<u>(765,280)</u>
<b>Miscellaneous revenues</b>				
Interest income	49,000	49,000	5,106	(43,894)
<b>TOTAL REVENUES</b>	<u><b>3,859,608</b></u>	<u><b>4,289,059</b></u>	<u><b>3,479,885</b></u>	<u><b>(809,174)</b></u>
<b>EXPENSES AND ENCUMBRANCES</b>				
<b>Public Works</b>				
Transit (Atomic City Transit)				
Employee salaries and benefits	2,474,624	2,474,624	2,285,136	189,488
Outside services	134,101	189,563	154,744	34,819
Materials and supplies	129,480	137,480	85,334	52,146
Intrafund/interfund services	1,194,791	1,194,791	1,194,847	(56)
Capital outlay	777,778	1,386,432	845,440	540,992
<b>TOTAL EXPENSES AND ENCUMBRANCES</b>	<u><b>4,710,774</b></u>	<u><b>5,382,890</b></u>	<u><b>4,565,501</b></u>	<u><b>817,389</b></u>
<b>EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES</b>	<b>(851,166)</b>	<b>(1,093,831)</b>	<b>(1,085,616)</b>	<b>8,215</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Transfers in from:</b>				
General Fund	<u>1,188,000</u>	<u>1,188,000</u>	<u>1,188,000</u>	<u>0</u>
<b>Transfers out to:</b>				
Capital Improvement Project Fund	<u>0</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>0</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u><b>\$ 336,834</b></u></u>	<u><u><b>(205,831)</b></u></u>	<u><u><b>(197,616)</b></u></u>	<u><u><b>8,215</b></u></u>

**ADJUSTMENTS TO GAAP**

Encumbrances	145,064
Changes in compensated absences	(19,226)
Depreciation and amortization	(142,373)
Capital outlay capitalized	718,535
Capital projects capitalized (budgeted by line item)	13,915
Assets transferred - proprietary funds	(647,040)
Pension expense	76,533

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**145,408**

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**(52,208)****GAAP BASIS****NET POSITION**

Beginning of fiscal year	1,057,163
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**NET POSITION - END OF FISCAL YEAR****\$** 

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**1,004,955**

**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, 2016

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
<b>Taxes</b>				
Fire excise tax	\$ 1,612,000	1,612,000	1,665,683	53,683
<b>Intergovernmental revenue</b>				
Federal direct - NNSA cooperative agreement	18,511,968	18,511,968	17,786,582	(725,386)
<b>Charges for services</b>				
Ambulance services	400,000	400,000	535,645	135,645
Other charges for services	0	0	25,471	25,471
<b>Interfund/interdepartmental charges</b>				
County share of fire services	4,263,915	4,263,915	4,263,915	0
<b>Miscellaneous revenues</b>				
Other	0	0	4,204	4,204
<b>TOTAL REVENUES</b>	<u>24,787,883</u>	<u>24,787,883</u>	<u>24,281,500</u>	<u>(506,383)</u>
<b>EXPENSES AND ENCUMBRANCES</b>				
<b>Fire Department</b>				
Operations				
Employee salaries and benefits	15,073,828	15,073,828	14,229,261	844,567
Outside services	153,894	141,894	56,323	85,571
Materials and supplies	569,031	830,228	705,746	124,482
	<u>15,796,753</u>	<u>16,045,950</u>	<u>14,991,330</u>	<u>1,054,620</u>
Life Safety				
Employee salaries and benefits	0	0	36,630	(36,630)
Outside services	17,000	16,604	11,701	4,903
Materials and supplies	39,661	44,474	33,226	11,248
	<u>56,661</u>	<u>61,078</u>	<u>81,557</u>	<u>(20,479)</u>
Training				
Employee salaries and benefits	0	0	777	(777)
Outside services	309,540	310,279	239,891	70,388
Materials and supplies	56,500	81,789	51,232	30,557
	<u>366,040</u>	<u>392,068</u>	<u>291,900</u>	<u>100,168</u>



Emergency Medical Services				
Employee salaries and benefits	0	0	3,837	(3,837)
Outside services	242,550	242,050	159,746	82,304
Materials and supplies	159,245	180,219	137,969	42,250
	<u>401,795</u>	<u>422,269</u>	<u>301,552</u>	<u>120,717</u>
Non contract-administration				
Outside services	0	0	3,257	(3,257)
Administration				
Employee salaries and benefits	2,396,050	2,396,050	2,354,113	41,937
Outside services	405,646	455,259	419,613	35,646
Materials and supplies	93,919	90,621	58,029	32,592
Intrafund/interfund services	3,843,373	3,843,373	3,904,243	(60,870)
	<u>6,738,988</u>	<u>6,785,303</u>	<u>6,735,998</u>	<u>49,305</u>
<b>TOTAL EXPENSES AND ENCUMBRANCES</b>	<b><u>23,360,237</u></b>	<b><u>23,706,668</u></b>	<b><u>22,405,594</u></b>	<b><u>1,301,074</u></b>
<b>EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES</b>	<b>1,427,646</b>	<b>1,081,215</b>	<b>1,875,906</b>	<b>794,691</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out to:				
General Fund	<u>(1,700,000)</u>	<u>(1,700,000)</u>	<u>(1,613,414)</u>	<u>(86,586)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ <u>(272,354)</u></b>	<b>\$ <u>(618,785)</u></b>	<b>262,492</b>	<b><u>708,105</u></b>
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			103,562	
Changes in compensated absences			(149,046)	
Bad debt expense			(155,605)	
Depreciation and amortization			(491,407)	
Pension expense			(2,056,879)	
			<u>(2,749,375)</u>	
<b>GAAP BASIS</b>			<b>(2,486,883)</b>	
<b>NET POSITION</b>				
Beginning of fiscal year			(19,168,006)	
<b>NET POSITION - END OF FISCAL YEAR</b>			<b>\$ <u>(21,654,889)</u></b>	

See accompanying notes to financial statements

**INCORPORATED COUNTY OF LOS ALAMOS  
AIRPORT FUND**

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

Year ended June 30, 2016

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
<b>Licenses and permits</b>				
Right of entry permits	\$ 1,000	1,000	0	(1,000)
<b>Intergovernmental</b>				
Federal direct	425,500	425,500	0	(425,500)
State grants-other	463,750	494,273	18,647	(475,626)
	<u>889,250</u>	<u>919,773</u>	<u>18,647</u>	<u>(901,126)</u>
<b>Charges for services</b>				
Airport fees	55,000	55,000	41,825	(13,175)
<b>Miscellaneous revenues</b>				
Interest income	11,000	11,000	3,946	(7,054)
Tie down rental	35,000	35,000	36,414	1,414
Facilities rental	14,300	14,300	9,150	(5,150)
	<u>60,300</u>	<u>60,300</u>	<u>49,510</u>	<u>(10,790)</u>
<b>TOTAL REVENUES</b>	<b>1,005,550</b>	<b>1,036,073</b>	<b>109,982</b>	<b>(926,091)</b>
<b>EXPENSES AND ENCUMBRANCES</b>				
<b>Public Works</b>				
Airport operations				
Employee salaries and benefits	151,549	151,549	133,515	18,034
Outside services	1,505,200	1,588,912	339,960	1,248,952
Materials and supplies	22,810	28,297	12,699	15,598
Intrafund/interfund services	128,439	128,439	126,419	2,020
Capital outlay	20,000	20,000	0	20,000
Debt and fiscal charges	500	500	1,277	(777)
	<u>1,828,498</u>	<u>1,917,697</u>	<u>613,870</u>	<u>1,303,827</u>
<b>TOTAL EXPENSES AND ENCUMBRANCES</b>	<b>1,828,498</b>	<b>1,917,697</b>	<b>613,870</b>	<b>1,303,827</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES</b>	<b>(822,948)</b>	<b>(881,624)</b>	<b>(503,888)</b>	<b>377,736</b>

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

General Fund	406,750	406,750	406,750	0
Economic Development Fund	400,000	400,000	400,000	0
	<u>806,750</u>	<u>806,750</u>	<u>806,750</u>	<u>0</u>

**NET CHANGE IN FUND BALANCE** \$ (16,198) (74,874) 302,862 377,736

**ADJUSTMENTS TO GAAP**

Changes in compensated absences	(2,670)
Depreciation and amortization	(741,372)
Gain(loss) on disposition of fixed assets	(429,202)
Pension expense	5,677
	<u>(1,167,567)</u>
<b>GAAP BASIS</b>	<b>(864,705)</b>

**NET POSITION**

Beginning of fiscal year 15,681,632

**NET POSITION - END OF FISCAL YEAR** \$ 14,816,927



LOS ALAMOS

where discoveries are made



## 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.



LOS ALAMOS

**INCORPORATED COUNTY OF LOS ALAMOS**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**June 30, 2016**

	<u>EQUIPMENT</u>	<u>RISK MANAGEMENT</u>	<u>TOTAL</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Equity in pooled cash and investments	\$ 6,891,827	8,678,586	15,570,413
Receivables, net of allowance for uncollectibles			
Accounts	75,532	4,663	80,195
Inventories and prepayments			
Prepayments	0	26,900	26,900
	<u>6,967,359</u>	<u>8,710,149</u>	<u>15,677,508</u>
<b>PROPERTY, PLANT AND EQUIPMENT</b>			
Machinery and equipment	24,461,267	0	24,461,267
Less accumulated depreciation	(14,121,087)	0	(14,121,087)
	<u>10,340,180</u>	<u>0</u>	<u>10,340,180</u>
<b>TOTAL ASSETS</b>	<b><u>17,307,539</u></b>	<b><u>8,710,149</u></b>	<b><u>26,017,688</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pensions	51,005	15,641	66,646
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	55,952	225,292	281,244
Claims and judgments payable	0	2,004,769	2,004,769
Accrued salaries including benefits payable	20,181	32,291	52,472
Accrued compensated absences	65,565	32,316	97,881
	<u>141,698</u>	<u>2,294,668</u>	<u>2,436,366</u>
<b>NONCURRENT LIABILITIES</b>			
Accrued compensated absences	36,198	5,970	42,168
Claims and judgments payable	0	1,160,948	1,160,948
Net pension liability	653,231	199,647	852,878
	<u>689,429</u>	<u>1,366,565</u>	<u>2,055,994</u>
<b>TOTAL LIABILITIES</b>	<b><u>831,127</u></b>	<b><u>3,661,233</u></b>	<b><u>4,492,360</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pensions	19,356	6,973	26,329
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	10,340,180	0	10,340,180
Unrestricted	6,167,881	5,057,584	11,225,465
<b>TOTAL NET POSITION</b>	<b><u>\$ 16,508,061</u></b>	<b><u>5,057,584</u></b>	<b><u>21,565,645</u></b>

See accompanying notes to financial statements

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

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
Year ended June 30, 2016

	<u>EQUIPMENT</u>	<u>RISK MANAGEMENT</u>	<u>TOTAL</u>
<b>OPERATING REVENUES</b>			
Interfund charges for services	\$ 4,091,502	0	4,091,502
Insurance and pension contributions			
County	0	7,942,365	7,942,365
Employees and retirees	0	1,588,747	1,588,747
Miscellaneous operating revenue	75,409	34,825	110,234
	<u>4,166,911</u>	<u>9,565,937</u>	<u>13,732,848</u>
<b>OPERATING EXPENSES</b>			
Employee salaries and benefits	815,763	273,448	1,089,211
Contractual services	587,615	8,270,976	8,858,591
Materials and supplies	1,235,288	4,419	1,239,707
Depreciation and amortization	2,145,185	0	2,145,185
Other	0	3,048	3,048
	<u>4,783,851</u>	<u>8,551,891</u>	<u>13,335,742</u>
<b>OPERATING INCOME (LOSS)</b>	<b>(616,940)</b>	<b>1,014,046</b>	<b>397,106</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Gain (loss) on disposition of fixed assets	223,607	0	223,607
Investment income	24,779	28,722	53,501
	<u>248,386</u>	<u>28,722</u>	<u>277,108</u>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS</b>	<b>(368,554)</b>	<b>1,042,768</b>	<b>674,214</b>
<b>TRANSFERS AND CONTRIBUTIONS</b>			
Transfers in	655,498	0	655,498
Contributed capital assets - governmental activities	51,930	0	51,930
	<u>707,428</u>	<u>0</u>	<u>707,428</u>
<b>NET INCOME (LOSS)</b>	<b>338,874</b>	<b>1,042,768</b>	<b>1,381,642</b>
<b>NET POSITION</b>			
Beginning of fiscal year	16,169,187	4,014,816	20,184,003
<b>NET POSITION - END OF FISCAL YEAR</b>	<b>\$ <u>16,508,061</u></b>	<b>\$ <u>5,057,584</u></b>	<b><u>21,565,645</u></b>

See accompanying notes to financial statements



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

COMBINING STATEMENT OF CASH FLOWS  
Year ended June 30, 2016

	<u>EQUIPMENT</u>	<u>RISK MANAGEMENT</u>	<u>TOTAL</u>
<b>CASH FLOWS - OPERATING ACTIVITIES</b>			
Cash received from customers and users	\$ 4,118,902	28,730	4,147,632
Cash received from contributions-employer and employees	0	9,531,112	9,531,112
Cash paid to suppliers for goods and services	(1,845,482)	(9,138,373)	(10,983,855)
Cash paid to employees	(843,214)	(263,285)	(1,106,499)
<b>NET CASH FLOWS - OPERATING ACTIVITIES</b>	<b><u>1,430,206</u></b>	<b><u>158,184</u></b>	<b><u>1,588,390</u></b>
Transfers from other funds	2,814	0	2,814
<b>NET CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES</b>	<b><u>2,814</u></b>	<b><u>0</u></b>	<b><u>2,814</u></b>
<b>CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Cash paid for acquisition of capital assets	(1,705,129)	0	(1,705,129)
Proceeds from sale of capital assets	223,607	0	223,607
<b>NET CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b><u>(1,481,522)</u></b>	<b><u>0</u></b>	<b><u>(1,481,522)</u></b>
<b>CASH FLOWS - INVESTING ACTIVITIES</b>			
Interest received on investments	<u>24,779</u>	<u>28,722</u>	<u>53,501</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(23,723)</b>	<b>186,906</b>	<b>163,183</b>
<b>EQUITY IN POOLED CASH AND INVESTMENTS - BEGINNING OF FISCAL YEAR</b>	<u>6,915,550</u>	<u>8,491,680</u>	<u>15,407,230</u>
<b>EQUITY IN POOLED CASH AND INVESTMENTS - END OF FISCAL YEAR</b>	<b>\$ <u><u>6,891,827</u></u></b>	<b><u><u>8,678,586</u></u></b>	<b><u><u>15,570,413</u></u></b>

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

<b>OPERATING INCOME(LOSS)</b>	\$ (616,940)	1,014,046	397,106
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FLOWS - OPERATING ACTIVITIES</b>			
Depreciation and amortization expense	2,145,185	0	2,145,185
Change in assets and liabilities:			
Accounts and other receivables	(48,009)	(3,047)	(51,056)
Accounts payable	(22,579)	(54,369)	(76,948)
Salaries and benefits payable	(27,451)	10,163	(17,288)
Claims and judgments payable	0	(808,609)	(808,609)
<b>Total adjustments</b>	<u>2,047,146</u>	<u>(855,862)</u>	<u>1,191,284</u>
<b>NET CASH FLOWS - OPERATING ACTIVITIES</b>	\$ <u>1,430,206</u>	<u>158,184</u>	<u>1,588,390</u>

## SCHEDULE OF NON CASH CAPITAL AND RELATED FINANCING ACTIVITIES

### NON CASH TRANSACTIONS:

Asset transfers - proprietary funds	\$ 652,684	0	652,684
Contributed capital assets - governmental activities	51,930	0	51,930
<b>TOTAL NON CASH CAPITAL ACQUISITIONS</b>	\$ <u>704,614</u>	<u>0</u>	<u>704,614</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, 2016

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
<b>Intergovernmental</b>				
State grants-other	\$ 0	41,200	0	(41,200)
<b>Interfund/interdepartmental charges</b>				
Charges for special services	3,429,616	3,429,616	4,091,502	661,886
<b>Miscellaneous revenues</b>				
Investment income	216,000	216,000	24,779	(191,221)
Other	240,000	240,000	75,410	(164,590)
	<u>456,000</u>	<u>456,000</u>	<u>100,189</u>	<u>(355,811)</u>
<b>TOTAL REVENUES</b>	<b><u>3,885,616</u></b>	<b><u>3,926,816</u></b>	<b><u>4,191,691</u></b>	<b><u>264,875</u></b>
<b>EXPENSES AND ENCUMBRANCES</b>				
<b>Public Works</b>				
Fleet management-equipment maintenance				
Employee salaries and benefits	840,096	840,096	848,376	(8,280)
Outside services	113,396	122,000	226,659	(104,659)
Materials and supplies	1,480,168	1,480,168	1,206,576	273,592
Intrafund/interfund services	358,771	358,771	360,206	(1,435)
	<u>2,792,431</u>	<u>2,801,035</u>	<u>2,641,817</u>	<u>159,218</u>
Fleet management-equipment replacement				
Outside services	0	0	750	(750)
Materials and supplies	0	0	29,843	(29,843)
Capital outlay	1,587,060	2,233,627	1,914,294	319,333
	<u>1,587,060</u>	<u>2,233,627</u>	<u>1,944,887</u>	<u>288,740</u>
<b>TOTAL EXPENSES AND ENCUMBRANCES</b>	<b><u>4,379,491</u></b>	<b><u>5,034,662</u></b>	<b><u>4,586,704</u></b>	<b><u>447,958</u></b>
<b>EXCESS REVENUES OVER (UNDER) EXPENSES AND ENCUMBRANCES</b>	<b>(493,875)</b>	<b>(1,107,846)</b>	<b>(395,013)</b>	<b>712,833</b>

**OTHER FINANCING SOURCES (USES)**

Transfers in from:				
General Fund	0	2,814	2,814	0
Proceeds from sale of capital assets	<u>100,000</u>	<u>100,000</u>	<u>223,607</u>	<u>123,607</u>
<b>NET CHANGE IN NET POSITION</b>	<b>\$ <u><u>(393,875)</u></u></b>	<b><u><u>(1,005,032)</u></u></b>	<b><u><u>(168,592)</u></u></b>	<b><u><u>836,440</u></u></b>

**ADJUSTMENTS TO GAAP**

Encumbrances			210,295	
Changes in compensated absences			1,612	
Depreciation and amortization			(2,145,185)	
Capital outlay capitalized			1,705,129	
Asset transfers - proprietary funds			652,684	
Contributed capital assets - governmental activities			51,930	
Pension expense			31,001	
			<u>507,466</u>	
<b>GAAP BASIS</b>			<b>338,874</b>	

**NET POSITION**

Beginning of fiscal year			<u>16,169,187</u>	
<b>NET POSITION - END OF FISCAL YEAR</b>			<b>\$ <u><u>16,508,061</u></u></b>	

**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, 2016

	<u>ANNUAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUALS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
<b>Charges for services</b>				
Administrative charges for services	\$ 0	0	107	107
<b>Interfund/interdepartmental charges</b>				
County insurance contributions	8,529,384	8,529,384	7,942,365	(587,019)
<b>Miscellaneous revenues</b>				
Investment income	140,000	140,000	28,722	(111,278)
Group insurance contributions				
Employees	1,757,215	1,757,215	1,588,747	(168,468)
Retirees and others	0	0	14,302	14,302
Other judgments and settlements	0	0	20,414	20,414
	<u>1,897,215</u>	<u>1,897,215</u>	<u>1,652,185</u>	<u>(245,030)</u>
<b>TOTAL REVENUES</b>	<b>10,426,599</b>	<b>10,426,599</b>	<b>9,594,657</b>	<b>(831,942)</b>
<b>EXPENSES AND ENCUMBRANCES</b>				
<b>Administrative Services - Human Resources</b>				
Group insurance				
Outside services	655,200	655,200	642,654	12,546
Intrafund/interfund services	(51,200)	(102,400)	(26,897)	(75,503)
	<u>604,000</u>	<u>552,800</u>	<u>615,757</u>	<u>(62,957)</u>
Medical Insurance				
Outside services	7,109,467	7,109,467	6,606,234	503,233
Intrafund/interfund services				
Unemployment insurance				
Outside services	70,000	70,000	51,299	18,701
Workers' compensation insurance				
Outside services	700,000	700,000	745,617	(45,617)
Administration and other insurance				
Employee salaries and benefits	273,116	273,116	277,071	(3,955)
Outside services	988,000	988,000	1,030,193	(42,193)
Materials and supplies	15,500	15,500	4,418	11,082
Intrafund/interfund services	54,788	105,988	30,485	75,503
	<u>1,331,404</u>	<u>1,382,604</u>	<u>1,342,167</u>	<u>40,437</u>
<b>TOTAL EXPENSES AND ENCUMBRANCES</b>	<b>9,814,871</b>	<b>9,814,871</b>	<b>9,361,074</b>	<b>453,797</b>

<b>NET CHANGE IN NET POSITION</b>	\$	<u>611,728</u>	<u>611,728</u>	233,583	<u>(378,145)</u>
<b>ADJUSTMENTS TO GAAP</b>					
Changes in compensated absences				(5,713)	
Bad debt expense				(3,048)	
Incurred but not reported claims adjustment				808,609	
Pension expense				9,337	
				<u>809,185</u>	
<b>GAAP BASIS</b>				<u>1,042,768</u>	
<b>NET POSITION</b>					
Beginning of fiscal year				4,014,816	
<b>NET POSITION - END OF FISCAL YEAR</b>	\$			<u>5,057,584</u>	

**INCORPORATED COUNTY OF LOS ALAMOS  
AGENCY FUND**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

Year ended June 30, 2016

	<u>BALANCE JUNE 30, 2015</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE JUNE 30, 2016</u>
<b>ASSETS</b>				
Equity in pooled cash and investments	\$ 322,496	21,468,504	21,327,550	463,450
Receivables				
Property taxes	236,274	16,969,275	16,973,924	231,625
Other	313	21,255	18,800	2,768
<b>TOTAL ASSETS</b>	<u>\$ 559,083</u>	<u>38,459,034</u>	<u>38,320,274</u>	<u>697,843</u>
<b>LIABILITIES</b>				
Due to other governments	\$ 542,098	17,413,497	17,273,750	681,845
Donations held in trust	16,985	6,197	7,184	15,998
<b>TOTAL LIABILITIES</b>	<u>\$ 559,083</u>	<u>17,419,694</u>	<u>17,280,934</u>	<u>697,843</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>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>
Governmental activities										
Net investment in capital assets	\$ 179,392,030	169,397,461	183,000,699	178,334,145	192,752,416	208,576,888	237,826,582	239,254,295	250,108,256	252,531,286
Restricted	25,953,706	26,998,503	28,017,885	28,325,491	35,352,438	33,651,944	35,537,750	34,988,485	34,249,549	33,470,637
Unrestricted	83,145,949	92,425,436	89,765,352	103,506,637	105,766,930	88,201,894	64,512,993	65,417,024	24,828,055 [b]	23,440,469
Total governmental activities net position [a]	<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>	<u>309,185,860</u>	<u>309,442,392</u>
Business-type activities										
Net investment in capital assets	\$ 104,619,109	115,346,140	142,618,564	158,548,491	161,529,616	167,570,211	167,060,666	181,756,242	179,372,871	184,426,198
Restricted	18,171,112	21,313,740	18,360,797	18,666,972	20,160,305	21,139,074	22,202,599	22,978,409	18,360,915	14,083,223
Unrestricted	39,456,940	38,716,522	40,619,953	34,379,861	39,092,391	37,641,839	35,292,581	32,720,327	-13,031,536 [b]	-11,155,982
Total business-type activities net position [a]	<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>	<u>184,702,250</u>	<u>187,353,439</u>
Primary government										
Net investment in capital assets	\$ 284,011,139	284,743,601	325,619,263	336,882,636	354,282,032	376,147,099	404,887,248	421,010,537	429,481,127	436,957,484
Restricted	44,124,818	48,312,243	46,378,682	46,992,463	55,512,743	54,791,018	57,740,349	57,966,894	52,610,464	47,553,860
Unrestricted	122,602,889	131,141,958	130,385,305	137,886,498	144,859,321	125,843,733	99,805,574	98,137,351	11,796,519 [b]	12,284,487
Total primary government net position [a]	<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>	<u>493,888,110</u>	<u>496,795,831</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".

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

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

Table 2

	<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>FY2015</u>	<u>FY2016</u>
<b>Expenses</b>										
Governmental activities:										
General government	\$ 11,783,696	14,426,791	15,392,748	19,020,307	19,354,103	18,663,752	14,217,521	14,792,046	15,786,864	15,346,876
Public safety	7,393,321	7,029,949	9,657,214	11,307,944	12,360,479	12,763,626	14,126,300	13,888,177	12,144,576	13,360,596
Cerro Grande fire recovery	814,144	365,197	94,245 [b]	0	0	0	0	0	0	0
Physical and economic environment	1,524,858	1,685,895	2,017,455	1,545,719	2,099,635	3,900,321	1,820,183	1,704,968	1,625,567	2,958,513
Transportation	9,637,503	12,409,532	11,250,407	10,050,217	8,666,590	11,979,692	10,597,589	11,592,103	10,612,552	11,818,676
Health and welfare	993,076	1,892,186	1,860,474	2,068,607	2,154,670	2,671,201	2,812,257	2,413,003	3,454,239	3,365,393
Culture and recreation	7,586,802	9,120,096	8,682,314	8,865,528	9,053,137	9,327,340	8,630,805	8,539,264	8,499,131	9,048,935
Interest on long-term debt	122,631	96,932	2,672,018	3,699,791	3,595,170	3,476,881	3,651,044	3,143,244	3,089,731	2,918,556
Total governmental activities expenses	<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>	<u>55,212,660</u>	<u>58,817,545</u>
Business-type activities:										
Joint Utilities										
Electric	37,942,732	45,217,104	34,387,216	41,164,227	41,736,839	41,719,538	47,133,456	43,960,638	47,510,797	40,530,631
Gas	7,731,388	8,434,435	6,365,053	6,896,901	5,350,868	4,311,995	4,782,055	6,075,188	4,442,941	3,917,505
Water	4,756,917	5,419,693	5,377,817	5,877,689	5,949,329	5,551,378	6,743,730	6,663,350	7,037,166	7,476,966
Wastewater	3,016,061	2,870,251	3,654,838	3,137,595	4,159,837	3,771,483	4,013,751	3,943,016	4,294,289	4,013,980
Environmental Services	2,654,126	3,097,723	3,221,222	4,399,102	4,220,409	4,549,617	3,670,408	4,225,768	3,984,802	3,669,075
Golf	1,014,099	1,044,012	1,150,136	1,140,056	1,277,202	1,254,690	1,194,242	0 [c]	0	0
Transit (Atomic City Transit)	0	1,544,871 [a]	2,144,194 [a]	3,165,043	3,416,977	3,567,829	4,200,697	3,993,193	4,050,193	3,665,719
Fire	14,980,238	15,090,781	18,411,656	19,127,418	19,412,022	21,002,769	20,470,142	22,908,775	23,455,765	25,081,899
Airport	222,398	446,171	767,161	944,379	999,589	1,108,878	1,737,767	1,537,667	1,251,229	1,777,165
Total business-type activities expenses	<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>	<u>96,027,182</u>	<u>90,132,940</u>
Total primary government expenses	<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>	<u>151,239,842</u>	<u>148,950,485</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for Services:										
General government	\$ 1,145,736	879,593	909,928	1,096,043	1,227,575	1,020,736	1,079,196	957,045	1,038,897	1,271,004
Public safety	100,100	92,377	70,792	84,106	72,192	39,254	30,892	10,075	27,970	21,186
Transportation	0	0	0	0	0	0	58,997	0	0	0
Physical and economic environment	327,333	296,965	274,041	696,216	281,256	229,336	278,557	297,164	285,865	267,346
Culture and recreation	538,676	574,193	604,296	608,966	558,720	500,258	485,245	1,095,508	1,054,444	1,049,593
Operating grants and contributions	1,964,532	1,901,447	3,368,035	1,896,905	1,710,444	2,188,367	2,944,958	3,193,079	1,686,315	2,215,748
Capital grants and contributions	1,517,988	2,921,918	579,715	2,582,496	5,678,971	462,299	1,254,628	710,953	895,715	702,911
Total governmental activities program revenues	<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>	<u>4,989,206</u>	<u>5,527,788</u>
Business-type activities:										
Charges for services:										
Joint Utilities										
Electric	36,475,970	42,521,330	40,793,945	40,668,122	42,894,754	44,840,758	49,066,724	46,479,599	41,641,654	45,701,692
Gas	9,163,927	8,836,735	8,261,673	7,954,116	6,239,881	5,453,744	5,496,085	6,714,276	5,383,259	4,910,279
Water	4,190,068	4,781,273	4,618,583	4,816,679	5,403,940	5,667,415	5,768,598	4,913,083	4,614,815	4,901,704
Wastewater	2,464,387	3,334,040	3,316,698	3,542,805	3,696,644	4,147,134	3,998,295	4,019,962	4,286,041	4,643,528
Environmental Services	3,017,966	3,150,748	3,121,708	3,126,334	3,250,412	2,827,628	2,701,807	3,096,701	2,719,249	2,951,773
Golf	633,094	661,826	636,358	641,433	584,432	521,004	505,080	0 [c]	0	0
Transit (Atomic City Transit)	0	332 [a]	14,180 [a]	18,548	68,944	39,132	150,092	150,092	0	0
Fire	14,879,607	14,781,394	7,232,513	3,813,047	3,980,920	4,111,381	4,485,389	4,702,845	4,399,490	4,829,236
Airport	103,325	94,267	84,429	82,883	86,784	88,933	85,324	100,434	88,639	87,389
Operating grants and contributions	170,925	772,110	11,172,077	16,456,680	16,941,411	18,545,761	18,639,957	20,631,902	20,167,450	20,747,128
Capital grants and contributions	819,731	283,738	15,468,551	7,230,200	5,764,144	1,734,061	1,863,427	11,953,592	2,484,713	1,577,799

Total business-type activities program revenues	<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>	<u>85,785,310</u>	<u>90,350,528</u>
Total primary government program revenues	\$ <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>	\$ <u>90,774,516</u>	\$ <u>95,878,316</u>
<b>Net (Expenses)/Revenues</b>										
Governmental activities	\$ (34,261,666)	(40,360,085)	(45,820,068)	(49,593,381)	(47,754,626)	(58,342,563)	(49,723,226)	(49,808,981)	(50,223,454)	(53,289,757)
Business-type activities	(398,959)	(3,947,248)	19,241,422	2,498,437	2,389,194	1,138,774	(1,185,470)	9,454,799	(10,241,872)	217,588
Total primary government net expense	\$ <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>	\$ <u>(60,465,326)</u>	\$ <u>(53,072,169)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Gross receipts taxes	\$ 29,397,771	25,943,927	32,912,239	28,948,180	32,669,923	29,348,286	24,328,784	22,376,156	22,340,980	25,455,540
Property taxes	5,598,052	5,962,093	6,268,614	6,585,887	5,082,288	5,181,012	5,266,033	5,328,528	5,336,098	6,974,747
Franchise taxes	473,599	491,631	469,347	451,423	445,786	470,897	464,719	481,665	472,261	512,974
Grants and contribution not restricted to specific programs	837,047	821,381	872,736	797,199	846,484	654,647	523,589	1,451,287	817,545	1,392,069
State shared tax revenue not restricted to specific programs	19,465,338	17,172,099	22,164,216	19,284,774	21,792,159	19,562,710	16,273,672	14,979,816	14,911,175	17,009,401
Unrestricted investment earnings	8,328,587	2,377,360	(2,619,223)	6,619,681	9,357,730	310,908	6,423,031	8,321,837	1,359,032	55,063
Gain on exchange of capital assets	0	0	0	0	4,267,857	0	0	0	337,133	0
Transfers	(3,904,908)	(12,078,691)	(2,285,325)	(3,711,426)	(3,002,090)	(626,955)	3,889,997	(807,895)	347,887	2,146,495
Total governmental activities	<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>	<u>45,922,111</u>	<u>53,546,289</u>
Business-type activities:										
Gross receipts taxes	956,397	2,557,319	3,242,150	2,841,265	3,212,873	2,884,446	2,392,659	2,197,573	2,190,204	2,498,560
Grants and contribution not restricted to specific programs	0	0	0	0	18,000	7,500	0	0	0	0
Unrestricted investment earnings	3,121,214	2,440,479	1,454,015	944,882	564,831	911,137	887,530	898,846	157,053	127,936
Gain on restructuring of San Juan ownership agreement	0	0	0	0	0	0	0	0	0	1,953,600 [e]
Transfers	3,904,908	12,078,691	2,285,325	3,711,426	3,002,090	626,955	(3,889,997)	807,895	(347,887)	(2,146,495)
Total business-type activities	<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>	<u>1,999,370</u>	<u>2,433,601</u>
Total primary government	\$ <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>	\$ <u>47,921,481</u>	\$ <u>55,979,890</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 25,933,820	329,715	11,962,536	9,382,337	23,705,511	(3,441,058)	7,446,599	2,322,413	(4,301,343)	256,532
Business-type activities	7,583,560	13,129,241	26,222,912	9,996,010	9,186,988	5,568,812	(1,795,278)	13,359,113	(8,242,502)	2,651,189
Total primary government net expense	\$ <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>	\$ <u>(12,543,845)</u> [d]	\$ <u>2,907,721</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.

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

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

LOS ALAMOS



where discoveries are made

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

Table 3

	<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>FY2015 [e]</u>	<u>FY2016</u>
General Fund										
Reserved	\$ 6,163,307	6,357,698	7,322,571	7,454,198	0	0	0	0	0	0
Unreserved	20,310,233	28,476,946	34,373,979	31,678,425	0	0	0	0	0	0
Nonspendable	0	0	0	0	1,266,859	1,304,638	2,082,306	2,370,466	2,086,644	1,543,084
Restricted	0	0	0	0	4,414,738	4,573,909	4,704,218	4,578,105	4,662,147	4,725,850
Committed	0	0	0	0	12,761,219	4,879,110	10,576,477	11,216,517	0	0
Assigned	0	0	0	0	0	0	0	0	2,735,989	2,552,924
Unassigned	0	0	0	0	13,570,673	11,947,812	11,020,219	10,946,134	16,030,633	10,988,354
Total General Fund	<u>\$ 26,473,540</u>	<u>34,834,644</u>	<u>41,696,550</u>	<u>39,132,623</u>	<u>32,013,489</u>	<u>22,705,469</u>	<u>28,383,220</u>	<u>29,111,222</u>	<u>25,515,413</u>	<u>19,810,212</u>
All Other Governmental Funds										
Reserved	\$ 36,097,731	53,828,212	100,153,224	38,926,491	0	0	0	0	0	0
Unreserved, reported in:										
Special revenue funds	13,161,264	8,747,551	6,026,702	8,400,370	0	0	0	0	0	0
Debt service funds	0	0	6,424,030 [b]	6,424,030	0	0	0	0	0	0
Capital projects funds	32,198,705	23,643,713	1,235,010	38,276,395	0	0	0	0	0	0
Permanent funds [a]	2,401,352	0	0	1,498,489	0	0	0	0	0	0
Nonspendable	0	0	0	0	24,492,490	24,982,806	25,214,071	25,177,558	25,472,184	24,580,311
Restricted	0	0	0	0	7,512,658	4,808,769	6,169,905	5,377,454	4,153,960	3,426,972
Committed	0	0	0	0	80,339,764	72,140,568	43,106,108	43,694,827	787,738	522,781
Assigned	0	0	0	0	0	0	0	0	31,376,364	36,492,709
Unassigned	0	0	0	0	0	0	(605,171) [c]	(2,733,870) [d]	0	0
Total All Other Governmental Funds	<u>\$ 83,859,052</u>	<u>86,219,476</u>	<u>113,838,966</u>	<u>93,525,775</u>	<u>112,344,912</u>	<u>101,932,143</u>	<u>73,884,913</u>	<u>71,515,969</u>	<u>61,790,246</u>	<u>65,022,773</u>

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).

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

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

Table 4

	<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>FY2015</u>	<u>FY2016</u>
<b>Revenues:</b>										
Taxes and special assessments	\$ 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	28,494,458	33,406,693
Licenses and permits	243,071	223,071	216,234	409,123	240,507	182,160	232,506	274,320	252,091	241,250
Intergovernmental	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	19,881,600	21,218,380
Fines forfeitures and penalties	302,516	255,665	203,514	194,532	174,671	160,777	171,567	167,241	154,697	185,658
Charges for services	1,259,022	1,053,068	1,045,629	1,201,023	1,115,663	939,550	1,014,457	1,230,420	1,204,594	1,217,041
Interfund/Interdepartmental charges	3,746,485	3,988,710	4,835,634	4,526,696	4,069,297	4,172,734	6,436,301	7,493,187	6,602,030	6,301,361
Investment Income	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	1,359,032	55,063
Other revenues	711,931	493,595	872,244	1,161,464	1,092,145	820,470	706,646	1,286,404	1,482,134	1,613,461
<b>Total revenues</b>	<b>73,275,445</b>	<b>62,388,162</b>	<b>70,202,596</b>	<b>72,545,594</b>	<b>80,611,555</b>	<b>63,589,620</b>	<b>64,758,779</b>	<b>64,348,233</b>	<b>59,430,636</b>	<b>64,238,907</b>
<b>Expenditures</b>										
General government	16,088,626	16,743,522	18,480,346	18,344,495	19,843,062	19,187,027	18,639,060	18,478,112	19,795,338	19,716,655
Public safety	7,499,938	7,043,313	9,689,061	11,526,276	11,651,434	12,157,139	13,510,694	13,365,914	11,897,415	13,083,180
Cerro Grande fire recovery [a]	4,723,030	4,284,892	165,171	0	0	0	0	0	0	0
Physical and economic environment	1,521,304	1,650,347	2,594,303	1,421,757	2,089,260	3,895,739	1,723,777	1,714,917	1,660,995	3,006,055
Transportation	3,530,925	3,531,475	4,056,407	4,478,447	3,068,034	4,889,279	4,511,094	4,613,400	3,737,857	4,296,240
Health and welfare	993,076	1,892,186 [d]	1,860,474	2,068,607	2,154,210	2,671,161	2,811,364	2,414,606	3,461,538	3,371,456
Culture and recreation	6,850,489	7,758,322	8,181,407	8,216,827	8,278,223	8,508,258	7,840,837	7,788,712	7,805,286	7,947,403
Capital Projects/Outlay	11,879,387	10,268,206	59,440,424	42,337,887	11,341,861	24,432,329	24,017,766	11,688,570	18,701,900	10,508,740
Debt service										
Principal	566,926	592,494	3,605,686	3,090,000	3,215,000	3,345,000	9,794,887 [f]	3,615,000	3,795,000	3,970,000
Interest	126,447	100,933	2,459,841	3,821,638	3,698,038	3,569,438	3,442,225	2,542,740	2,475,396	2,299,109
Bond issuance costs	0	0	0	0	0	0	375,113 [f]	0	0	0
<b>Total expenditures</b>	<b>53,780,148</b>	<b>53,865,690</b>	<b>110,533,120</b>	<b>95,305,934</b>	<b>65,339,122</b>	<b>82,655,370</b>	<b>86,666,817</b>	<b>66,221,971</b>	<b>73,330,725</b>	<b>68,198,838</b>
Excess of revenues over (under) expenditures	19,495,297	8,522,472	(40,330,524)	(22,760,340)	15,272,433	(19,065,750)	(21,908,038)	(1,873,738)	(13,900,089)	(3,959,931)
<b>Other Financial Sources (Uses)</b>										
Transfers in	27,571,970	27,763,838	26,836,139	28,158,656	35,599,850	27,418,134	15,264,237	21,359,159	17,779,053	25,518,449
Transfers out	(30,032,123)	(25,564,782)	(27,700,509)	(28,275,434)	(38,574,878)	(28,073,173)	(15,725,678)	(21,126,363)	(17,200,496)	(24,031,192)
Issuance of long-term debt	0	0	75,676,290 [e]	0	0	0	43,413,930 [g]	0	0	0
Payment to escrow - refunding debt	0	0	0	0	0	0	(43,413,930)	0	0	0
Loss on disposal of asset held for resale	0	0	0	0	(597,402)	0	0	0	0	0
<b>Total other financial sources (uses)</b>	<b>(2,460,153)</b>	<b>2,199,056</b>	<b>74,811,920</b>	<b>(116,778)</b>	<b>(3,572,430)</b>	<b>(655,039)</b>	<b>(461,441)</b>	<b>232,796</b>	<b>578,557</b>	<b>1,487,257</b>
<b>Net change in fund balance</b>	<b>\$ 17,035,144</b>	<b>10,721,528</b>	<b>34,481,396</b>	<b>(22,877,118)</b>	<b>11,700,003</b>	<b>(19,720,789)</b>	<b>(22,369,479)</b>	<b>(1,640,942)</b>	<b>(13,321,532)</b>	<b>(2,472,674)</b>
<b>Debt service as a percentage of non-capital expenditures</b>										
	1.65%	1.59%	11.87%	13.05%	12.80%	11.88%	21.13%	11.29%	11.48%	10.87%

**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
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
2015	8,647	7,439	6,984	6,696
2016	8,796	7,584	7,042	6,694

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



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

Table 6

Fiscal Year	ELECTRIC		GAS		WATER		Wastewater Revenue	Joint Utility System Revenue
	Revenue	Sales (KWh)	Revenue	Sales (Therms)	Revenue	Sales (MGal) [a]		
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
2015	41,736,139	514,619,427	5,383,259	8,085,720	4,640,379	964,069	4,286,041	56,045,818
2016	45,701,692	566,018,259	4,910,279	8,416,085	4,901,704	974,848	4,643,528	60,157,203

**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>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>
Type of Customer:										
Electric Utility										
Residential	\$ 5,069,467	5,346,566	5,230,565	5,730,319	5,594,525	5,878,664	5,744,107	5,801,691	6,203,978	7,113,594
Commercial and industrial	3,229,023	3,506,293	3,523,646	3,606,847	3,557,480	3,858,918	3,822,367	3,888,005	4,286,822	4,780,023
Public street and highway lighting	60,342	58,060	61,221	65,567	56,135	69,953	63,467	66,035	67,436	67,941
Municipal	976,043	1,273,241	1,381,168	1,313,543	1,728,801	1,554,427	1,683,615	1,444,776	1,402,431	1,563,086
Educational	313,724	341,237	349,934	357,528	359,585	425,151	447,456	473,886	469,886	530,129
Wholesale	26,627,645	31,496,210	29,954,906	29,325,387	31,406,424	32,888,233	36,932,693	34,425,200	29,056,585	31,402,138
Miscellaneous	199,726	499,723	292,505	268,931	191,804	279,515	512,838	474,721	249,001	244,781
Total electric utility	<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>	<u>41,736,139</u>	<u>45,701,692</u>
Gas Utility										
Residential	6,452,335	6,634,477	6,207,224	5,986,586	4,728,730	4,230,259	4,288,747	5,068,656	4,150,914	3,825,203
Commercial and industrial	1,951,352	1,412,365	1,284,447	1,245,762	926,796	783,425	782,496	879,141	786,424	704,292
Municipal	370,165	378,729	426,102	400,936	326,138	215,625	216,626	322,610	228,955	196,661
Educational	339,136	305,086	297,291	265,683	203,497	193,036	189,857	227,578	177,991	161,799
Miscellaneous	50,939	106,078	46,609	55,149	54,720	59,731	29,502	216,291	38,975	22,324
Total gas utility	<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>	<u>5,383,259</u>	<u>4,910,279</u>
Water Utility										
Residential	2,418,937	2,948,789	2,706,312	2,893,771	3,327,626	3,512,646	3,559,699	3,112,239	3,010,161	3,114,535
Commercial and industrial	692,244	453,342	436,167	375,903	475,727	515,633	479,456	418,078	459,150	431,565
Municipal	166,737	371,081 [a]	327,690	355,465	384,581	413,283	379,986	310,255	259,569	303,355
Educational	70,453	135,963	112,101	96,981	119,391	157,613	139,435	122,780	115,167	123,883
Wholesale	780,414	806,247	983,763	1,025,587	1,048,609	1,017,619	1,163,816	898,229	734,950	850,800
Miscellaneous	61,283	65,851	52,550	68,972	48,006	55,228	58,368	77,127	61,382	77,566
Total water utility	<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>	<u>4,640,379</u>	<u>4,901,704</u>
Wastewater Utility										
Wastewater collection	2,411,602	3,311,657	3,304,507	3,529,619	3,685,168	4,136,291	3,997,167	4,008,411	4,274,921	4,632,768
Municipal (non-potable water)	45,073	0 [a]	0	0	0	0	0	0	0	0
Miscellaneous	7,712	22,383	12,191	13,186	11,476	10,843	9,396	11,551	11,120	10,760
Total wastewater utility	<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>	<u>4,286,041</u>	<u>4,643,528</u>
Total operating revenues- Joint Utility System	<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>	<u>56,045,818</u>	<u>60,157,203</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>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>
Electric Utility										
Residential										
Rate per kilowatt hour	\$0.0815	\$0.0815	\$0.0907	\$0.0907	\$0.0952	\$0.0952	\$0.0952	\$0.1028	\$0.1152	\$0.1152
Monthly flat service fee	\$5.67	\$5.67	\$5.67	\$5.67	\$5.95	\$5.95	\$5.95	\$6.43	\$12.00	\$12.00
Commercial										
Rate per kilowatt hour	\$0.0553 - .0772	\$0.0553 - .0772	\$0.058 - 0.0859	\$0.058 - 0.0859	\$0.0613 - 0.902	\$0.0613 - 0.902	\$0.0613 - 0.902	\$0.0662 - .09074	\$0.0821-0.1111	\$0.0821-0.1111
Monthly flat service fee	\$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	\$22.00 - 65.00	\$22.00 - 65.00
Demand Rate	\$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	\$10.50 - 11.00	\$10.50 - 11.00
Gas Utility										
Residential										
Rate per therm	\$0.92	\$0.92	\$0.92	\$0.70	\$0.55	\$0.55	\$0.55	\$0.28 - \$0.77	\$0.29 - \$0.82	\$0.30 - \$0.70
Monthly flat service fee	\$6.43	\$6.43	\$6.43	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50
Commercial										
Rate per therm	\$0.92	\$0.92	\$0.92	\$0.70	\$0.55	\$0.55	\$0.55	\$0.28 - \$0.77	\$0.29 - \$0.82	\$0.26 - \$0.66
Monthly flat service fee	\$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	\$9.50 - 28.50	\$9.50 - 28.50
Water Utility										
Residential										
Rate per 1000 Gallons	\$3.72	\$3.72	\$3.72	\$3.95	\$3.95	\$4.19	\$4.19	\$4.19	\$4.19 - \$5.32	\$4.19 - \$5.32
Monthly flat service fee	\$7.02	\$7.02	\$7.02	\$7.50	\$7.50	\$7.55	\$7.55	\$7.55 - \$8.80	\$7.93	\$7.93
Commercial										
Rate per 1000 Gallons	\$3.72	\$3.72	\$3.72	\$3.95	\$3.95	\$4.19	\$4.19	\$4.19	\$4.19	\$4.19
Monthly flat service fee	\$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	\$7.93 - \$439.50	\$7.93 - \$439.50
Wastewater Utility										
Residential										
Rate per 1000 Gallons	\$4.60	\$4.85	\$4.85	\$5.35	\$5.35	\$5.89	\$0.00	\$0.00	\$0.00	\$0.00
Monthly flat service fees	\$7.50	\$12.00	\$12.00	\$13.20	\$13.20	\$14.52	\$30.33 - \$34.89	\$30.33 - \$34.89	\$32.75 - \$37.68	\$35.37 - \$40.69
Commercial										
Rate per 1000 Gallons	\$4.60	\$4.85	\$4.85	\$5.35	\$5.35	\$5.89	\$11.91	\$12.86	\$13.89	\$15.00
Monthly flat service fee	\$7.50	\$12.00	\$12.00	\$13.20	\$13.20	\$14.52	\$7.00	\$7.56	\$8.16	\$8.81

Source: Utility rates approved by County Council



LOS ALAMOS

where discoveries are made

**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>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014 [b]</u>	<u>FY2015</u>	<u>FY2016</u>
Services [a]	\$ 1,255,824	1,190,803	1,526,945	1,283,609	1,531,617	1,350,135	1,047,653	962,997	1,117,023	1,136,727
Construction	165,717	97,351	81,169	97,497	58,993	67,311	80,273	61,625	34,176	38,096
Retail & Food Service	59,019	57,987	68,459	64,603	62,959	59,933	64,501	58,195	79,997	74,711
Telecommunications	10,693	10,865	11,260	21,388	22,778	28,445	26,983	27,875	25,406	24,434
Manufacturing	2,696	3,939	6,770	2,883	4,727	3,706	5,471	6,042	5,370	4,935
Wholesale	14,736	7,165	9,387	6,418	4,397	6,195	2,944	1,555	2,121	2,280
Financial Services	10,360	8,808	9,253	10,036	10,088	11,456	8,962	9,594	12,240	12,050
Agriculture	9	29	38	0	0	0	0	9	47	99
Mining	0	105	0	0	0	0	4	0	0	0
Public Administration	0	0	1,046	0	0	0	0	0	0	15
Other	25,275	20,477	15,218	17,533	15,175	14,991	14,805	17,822	18,406	20,292
Totals	\$ <u>1,544,329</u>	<u>1,397,529</u>	<u>1,729,545</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>	<u>1,294,786</u>	<u>1,313,639</u>

**Source:** Taxable Gross Receipts (from State of New Mexico Taxation and Revenue Department - monthly and quarterly report NM\_FR003-500 Local Government Distribution) - in \$1,000s

**Notes:**

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

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

[b] Lower receipts overall in 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.



**Sources:** Los Alamos County CAFRs and Adopted Budgets

**Notes:**

[a] State Rate Changed July 1, 2010

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

[c] County Correctional effective July 1, 2006

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

[e] Regional Transit increment effective July 1, 2009

**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
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%
2014		15,368,081	201,079	15,569,160	15,018,695	97.73%	259,582	15,278,277	98.13%
2015		16,969,275	214,699	17,183,974	16,690,916	98.36%	228,950	16,919,866	98.46%

**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 2014 were collected during the fiscal year ended June 30, 2015.



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

Table 12

TAX YEAR [b]	ASSESSED VALUE [a]				EXEMPTIONS	TOTAL ASSESSED VALUE	ESTIMATED ACTUAL VALUE	TOTAL DIRECT MILL RATE [e]
	REAL PROPERTY	PERSONAL PROPERTY [c]	CENTRALLY ASSESSED PROPERTY [d]					
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	687,495,870	8,850,630	5,478,780	(9,042,360)	692,782,920	2,105,475,840	2.248%	
2014	661,177,270	9,403,680	5,601,990	(8,884,910)	667,298,030	2,028,548,820	2.303%	
2015	675,527,010	9,742,600	5,762,060	(8,944,770)	682,086,900	2,073,095,010	2.488%	

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 2014 were collected during the fiscal year ended June 30, 2015.

[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						
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	7.347	12.307	1.000	22.014
	Non-Residential	1.360	10.598	12.487	1.000	25.445
2014	Residential	1.360	7.690	12.534	1.000	22.584
	Non-Residential	1.360	10.598	12.694	1.000	25.652
2015	Residential	1.360	9.942	12.128	1.000	24.430
	Non-Residential	1.360	12.848	12.288	1.000	27.496

Source: Adopted rates

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

Table 14

June 30, 2016

TAXPAYER	TYPE OF BUSINESS	FY 2016			FY 2007		
		TAX YEAR 2015 ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION	TAX YEAR 2006 ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION
PHC-Los Alamos, Inc.	Medical Services	\$ 8,478,300	1	1.25%	\$ 9,815,380	1	1.41%
Central Park Square LLC	Real Estate	5,264,210	2	0.77%	-	-	-
Los Alamos National Bank	Banking	4,702,460	3	0.69%	5,039,260	3	0.72%
Topvalco, Inc	Food & Drug	4,678,530	4	0.69%	-	-	-
Los Alamos Commerce and Development	Real Estate	3,775,760	5	0.55%	4,681,110	4	0.67%
Qwest Corp	Telephone Utility	3,366,290	6	0.49%	5,341,960	2	0.76%
Canyon Village Housing Solutions	Apartments	3,256,160	7	0.48%	-	-	-
Oppenheimer Place Condo Assoc Inc	Real Estate	3,207,600	8	0.47%	3,501,110	7	0.50%
Smith's Food & Drug Centers, Inc.	Food & Drug	2,195,340	9	0.32%	-	-	-
NMC Holdings LLC	Scientific	2,177,450	10	0.32%	-	-	-
CC&F Los Alamos Invest Co.	Real Estate	-	-	-	2,084,760	9	0.30%
Shannon Corporation	Real Estate	-	-	-	2,482,880	8	0.36%
Netuschil Development Corporation	Real Estate	-	-	-	4,245,590	5	0.61%
Housing Solutions LLC	Real Estate	-	-	-	3,627,100	6	0.52%
Developers Diversified Realty	Real Estate	-	-	-	1,989,370	10	0.28%
Total assessed valuation of ten principal taxpayers		41,102,100		6.03%	42,808,520		6.13%
Total assessed valuation of other taxpayers		640,984,800		93.97%	655,941,810		93.87%
Total assessed valuation		\$ 682,086,900		100.00%	\$ 698,750,330		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			
2007	\$ 0	\$ 0	\$ 2,353,180	\$ 65,019,205	\$ 15,657,064	\$ 83,029,449	8%	\$ 4,386
2008	0	0	1,760,686	59,514,641	18,086,801 [a]	79,362,128	7%	4,172
2009	0	73,734,775 [b]	0 [c]	53,605,077	18,486,512	145,826,364	15%	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 [d]	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%	7,234
2013	0	53,956,841 [e]	0	39,879,153	18,784,979	112,620,973	10%	6,199
2014	0	59,912,216 [f]	0	32,822,680 [f]	18,113,022	110,847,918	10%	6,211
2015	0	56,056,683	0	33,137,373 [g]	17,284,068	106,478,124	10%	6,010
2016	0	53,034,028	0	30,339,868	16,967,732	100,341,628	9%	5,642

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

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

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

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

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

[f] 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.

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

**INCORPORATED COUNTY OF LOS ALAMOS**

Table 16

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

LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>POPULATION [a]</u>	<u>ASSESSED VALUE [b]</u>	<u>GROSS BONDED DEBT</u>	<u>NET DEBT SERVICE FUNDS</u>	<u>NET BONDED DEBT</u>	<u>RATIO OF NET BONDED DEBT TO ASSESSED VALUE</u>	<u>NET BONDED DEBT PER CAPITA</u>
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	18,012	702,351,050	0	0	0	0.00%	0
2013	18,168	699,706,950	0	0	0	0.00%	0
2014	17,848	667,298,030	0	0	0	0.00%	0
2015	17,718	665,525,266	0	0	0	0.00%	0
2016	17,785	682,086,900	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 2014 tax year corresponds to FY2015)

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

Table 17

June 30, 2016

<u>NAME OF GOVERNMENTAL UNIT</u>	<u>2015 CALENDAR YEAR ASSESSED VALUATION</u>	<u>DEBT OUTSTANDING</u>	<u>PERCENT APPLICABLE TO GOVERNMENT</u>	<u>COUNTY OF LOS ALAMOS SHARE OF DEBT</u>
<b>Direct County of Los Alamos Debt</b>				
General Obligation Bonds	\$ 682,086,900	\$ 0	100.00%	\$ 0
GRT Revenue Bonds	682,086,900	53,034,028	100.00%	53,034,028
<b>Overlapping Debt [a]</b>				
State of New Mexico	58,791,482,397	326,755,000	1.16%	3,790,945
Los Alamos School District	682,086,900	31,968,788	100.00%	31,968,788
University of New Mexico - Los Alamos	682,086,900	0	100.00%	0
<b>Total overlapping debt</b>				<b>35,759,733</b>
<b>Total direct and overlapping debt</b>				<b>\$ 88,793,761</b>

Ratio of estimated direct and overlapping debt to 2015 assessed valuation: 13.02

Ratio of direct general obligation debt to 2015 assessed valuation: .00%

Per capita direct and overlapping debt: \$4,993

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

County population - 2016 estimate: 17,785

**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, 2016

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Assessed valuation, tax year 2015 (One third of full valuation)	<u>\$ 682,086,900</u>
Legal debt margin:	
Debt limitation - 4 percent of assessed valuation	27,283,476
Less: Debt applicable to limitation (general obligation debt)	<u>0</u>
Legal debt margin	<u><u>\$ 27,283,476</u></u>

**Note:**

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

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

Table 19

FISCAL YEAR	GROSS REVENUES[a]	EXPENSES[b]	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS [c]			DEBT SERVICE COVERAGE RATIO
				PRINCIPAL	INTEREST	TOTAL	
<b>ELECTRIC UTILITY</b>							
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
2015	41,608,321	39,453,772	2,154,549	9,031,716	1,128,201	10,159,917	0.21
2016	47,708,456	34,784,838	12,923,618	2,635,728	1,116,794	3,752,522	3.44
<b>WATER UTILITY</b>							
2007-2010	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
2015	4,790,904	4,449,574	341,330	70,332	89,436	159,768	2.14
2016	4,987,177	4,822,815	164,362	44,272	80,816	125,088	1.31

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (In thousands)</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
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	999,126	55,109	3,355	3.00%
2010	18,150	1,065,369	58,698	3,362	3.50%
2011	17,950	1,075,851	59,936	3,410	4.00%
2012	18,012	1,108,440	61,539	3,375	2.90%
2013	18,168	1,103,143	60,719	3,528	3.70%
2014	17,848	1,138,453	63,786	3,524	3.40%
2015	17,718	1,103,548	62,284	3,505	3.40%
2016	17,785	1,113,679	62,619	3,578	4.00%

**Sources:** School Enrollment is from the New Mexico Public Education Department website. Unemployment Rate is from the New Mexico Department of Workforce Solutions Economic Research and Analysis report. The 2011 population data is from the US 2010 Census. All other population estimates are from the University of New Mexico Bureau of Business and Economic Research website. Personal Income data is from NM Dept. of Workforce Solutions data for the most recent year available.

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

Table 21

June 30, 2016

EMPLOYER	TYPE OF BUSINESS	FY2016			FY2007		
		NUMBER OF EMPLOYEES [a]	RANK	% of Total County Employment [c]	NUMBER OF EMPLOYEES	RANK	% of Total County Employment
Los Alamos National Laboratory	Research and Development	10,500	1	67.55%	11,764	1	57.10%
Los Alamos Public Schools	Education	684	2	4.40%	700	3	3.40%
Los Alamos County	Government	670	3	4.31%	650	4	3.16%
Centerra-Los Alamos	Security	300	4	1.93%	-	-	-
Los Alamos Medical Center	Medical Services	271	5	1.74%	312	6	1.51%
Los Alamos National Bank	Banking	170	6	1.09%	284	7	1.38%
KSL Services, Inc.	Maintenance and Operations Service	-	-	-	1,603	2	7.78%
Protection Technology Los Alamos	Security	-	-	-	555	5	2.69%
Plus Group	Business Services	-	-	-	255	8	1.24%
Butler Technical Group	Technical Services	-	-	-	165	9	0.80%
Comforce Technical	Engineering & Analysis Studies	-	-	-	165	9	0.80%
Weirich Technical Services	Engineering & Analysis Studies	-	-	-	140	10	0.68%
Other employers		<u>2,950</u>		<u>18.98%</u>	<u>4,009</u>		<u>19.46%</u>
Total workforce [b]		<u>15,545</u>		<u>100.00%</u>	<u>20,602</u>		<u>100.00%</u>

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

**Notes:**

[a] As of June 30, 2016

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

[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	20.4%
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>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>
<b>Governmental activities</b>										
General government										
County Council	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
County Courts	4.80	4.80	4.80	4.80	4.80	4.80	4.80	4.75	4.75	4.75
County Manager	13.50	13.50	12.00	13.23	11.00	11.50	22.00	20.00	19.00	21.00
County Assessor	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
County Attorney	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
County Clerk	6.75	6.72	6.70	6.70	6.70	6.70	6.69	6.69	7.56	7.94
County Sheriff	1.97	2.02	1.90	1.90	1.90	2.04	2.04	1.94	1.94	1.94
Administrative Services	53.86	54.75	55.25	58.25	60.22	59.76	50.00	50.00	47.76	48.01
Public Works [2]	46.15	47.17	12.14	12.00	12.00	12.00	10.00	11.46	11.46	42.46
Capital Projects & Facilities (new FY2009) [3]	0.00	0.00	38.50	37.00	37.00	37.00	39.00	37.00	32.00	0.00
Public Safety										
Police	75.55	75.57	77.53	76.54	77.54	77.98	77.99	78.02	76.00	75.00
Cerro Grande fire recovery	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Physical and economic environment	13.00	13.00	13.00	13.00	13.00	13.00	14.00	12.00	15.00	15.00
Transportation	25.53	27.53	27.41	27.37	26.87	26.62	26.60	26.23	24.50	25.00
Health and welfare	0	0	0	0	1.25	1.25	2.00	2.00	2.50	2.50
Culture and recreation [1]	85.43	86.31	86.67	88.36	86.88	86.26	85.58	97.92	96.20	91.99
<b>Business-type activities</b>										
Joint Utilities										
Electric	45.00	45.00	54.00	54.00	54.00	52.00	54.44	54.02	55.02	55.02
Gas	25.74	25.37	25.83	24.39	23.40	25.17	24.04	24.18	22.28	24.05
Water	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25
Wastewater	10.13	10.13	9.13	9.13	9.13	9.00	9.00	9.00	9.00	9.00
Environmental Services	19.26	19.26	18.75	18.75	19.00	18.50	18.00	18.17	17.17	17.17
Golf [1]	12.73	12.79	13.60	13.02	12.48	12.20	12.09	0.00	0.00	0.00
Fire	141.00	141.00	148.00	150.00	150.00	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	2.08	1.50	1.00
Transit (new FY2008)	0.00	22.00	24.00	31.50	31.75	32.00	40.00	39.37	37.45	36.20
Equipment-internal service	10.00	10.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Risk-internal service	2.50	2.50	2.50	2.50	2.50	2.00	2.00	2.00	2.00	2.00
<b>Totals</b>	<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>	<u>673.34</u>	<u>670.28</u>

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

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

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

Source: Administrative Services Department

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

Table 24

LAST TEN FISCAL YEARS

	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
General Government										
Assessor-number of parcels by tax year	8,972	8,988	8,799	9,139	9,078	9,079	9,047	9,194	9,189	9,165
Clerk-number of elections managed	4	1	3	2	2	2	3	2	2	2
Sheriff-number of processes administered	245	276	256	284	322	169	138	151	148	154
IT-Number of networked devices supported	1,452	1,535	1,537	1,567	1,569	1,585	1,592	1,453	1,480	1,770
Public Safety										
Police-Part 1 UCR Offenses [a]	431	386	297	349	364	258	358	204	187	169
Police-number of service call responses	13,773	13,883	14,264	17,172	16,882	17,513	17,647	16,700	14,316	18,319
Police-number of reported traffic accidents	471	260	216	242	225	366	310	305	229	239
Police-number animal control cases	354	355	293	350	305	265	385	182	98	130
Physical & Economic Development										
Number of construction permits issued*	191	113	92	94	108	96	578 [b]	681	579	697
Transportation										
Traffic-miles of lane lines striped	46	58	52	88	56	84	84	84	51	141
Culture and Recreation										
Library-Number of circulations	339,895	358,216	374,358	394,736	411,356	413,291	389,719	396,768	379,991	391,992
Number of park acres maintained	599	599	599	609	616	936	944	944	944	944
Number of cemetery internments	41	32	39	34	36	59	55	55	41	67
Number of aquatic center visits	87,457	86,843	90,275	99,759	85,658	91,972	134,143	135,916	193,398	194,946
Number of rink visits	20,130	23,451	20,731	27,443	28,663	22,817	28,286	30,150	30,805	27,228
Sr. Center-number of seniors served	2,263	2,348	2,410	3,800	4,040	3,790	2,787	3,732	3,898	4,047
Joint Utility System										
EP-Number of megawatt hrs supplied	590,117	550,623	567,821	559,542	563,109	589,362	570,883	531,796	514,619	566,018
ED-Number of electric utility customers	8,892	8,877	8,764	8,733	8,610	8,660	8,741	8,900	8,647	8,796
Gas-Number of therms delivered	9,374,019	9,389,368	8,396,000	9,761,560	8,754,903	8,475,984	8,711,200	9,389,410	8,446,420	8,580,270
WP-K gallons water produced	1,245,586	1,458,459	1,420,686	1,308,069	1,422,096	1,382,268	1,376,746	1,166,692	1,105,780	1,176,804
WD-K gallons of water sold	720,433	800,273	781,692	741,277	800,842	876,360	842,344	683,637	706,356	693,335
WW-K gallons sewage conveyed	363,182	441,351	451,640	447,516	445,685	479,870	429,117	421,319	437,938	408,234
Golf Course										
Number of golf rounds provided	31,374	29,221	29,553	27,844	25,841	24,249	22,186	27,284	29,359	29,733
Transit (first year of complete data was FY2009)										
Number of one way passenger rides	not available	not available	391,338	433,512	449,987	491,315	573,967	517,638	548,331	494,444
Number of miles of service provided	not available	not available	430,180	516,013	627,309	675,157	785,697	714,815	721,357	704,072
Fire Protection Services										
Number of responses	1,873	2,022	1,956	2,001	2,110	1,951	1,841	1,838	1,766	1,804
Airport										
Number of takeoffs & landings	11,199	13,255	13,244	13,376	14,010	13,500	13,500	13,500	12,700	13,000

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

	<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>FY2015</u>	<u>FY2016</u>
Public Safety										
Police stations (includes WR substation)	2	2	2	2	2	2	2	2	2	2
Police vehicles	46	48	50	50	50	47	47	47	43	45
County owned fire stations	4	5	5	5	5	5	5	5	5	5
Dept. of Energy owned fire stations	2	2	2	2	2	2	2	2	2	2
Transportation										
Streets, miles	106.0	106.0	106.0	106.6	106.6	106.5	106.5	106.5	106.5	106.5
Sidewalk, square yards	229,048	231,099	235,356	241,612	241,612	245,440	245,440	245,440	246,009	246,009
Street lights, county owned	1,156	1,167	1,204	1,292	1,292	1,292	1,292	1,292	1,292	1,414
Traffic signals	11	11	11	11	11	11	11	11	12	12
School and station flashers	9	10	10	10	10	10	10	10	10	10
Public Parking Lots	30	31	27	34	35	37	38	38	39	40
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	34	35	35	35	35	35	35	35	35
Baseball/softball diamonds	14	14	14	14	14	14	14	14	14	14
Soccer fields	7	7	7	7	7	7	7	7	7	7
Tennis courts	9	9	9	9	9	9	9	9	9	9
Joint Utility System										
Electric generating capacity, owned resources MW	60	60	60	60	61	61	61	62	62	62
Electric distribution line miles	142.0	142.0	142.0	143.0	143.0	143.0	143.0	144.0	144.0	144.0
Water production wells	12.0	12.0	12.0	12.0	12.0	12	12	12	12	12
Water distribution line miles	147.0	147.0	147.0	148.5	148.5	148.5	149.5	149.5	149.8	150.7
Gas distribution line miles	120.0	120.0	120.0	122.0	122.0	122.0	125.0	125.5	125.5	125.5
Wastewater collection line miles	117.0	117.0	117.0	118.0	118.0	118.0	118.0	118.9	118.9	118.9
Environmental Services										
Collection trucks	9	10	10	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	98	98	98	98	98	98	98	98	98

Sources: County departments

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

Table 26

Fiscal Year	FRANCHISE FEES [a]		IN LIEU TAX [b]			PROFIT TRANSFER [c]		TOTAL JOINT UTILITY SYSTEM
	ELECTRIC DISTRIBUTION	GAS	ELECTRIC PRODUCTION	ELECTRIC DISTRIBUTION	GAS	ELECTRIC	GAS	
2007	\$ 192,972	\$ 182,260	\$ 826	\$ 111,761	\$ 31,668	\$ 413,327	\$ 407,440	\$ 1,340,254
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	1,448,211
2011	225,931	123,703	747	174,095	47,631	466,858	361,617	1,400,582
2012	235,444	108,900	2,474	181,565	49,922	457,600	282,776	1,318,681
2013	233,512	109,421	4,533	175,552	61,835	486,879	250,684	1,322,416
2014	231,282	128,916	13,924	189,561	68,787	478,324	253,562	1,364,356
2015	247,143	107,219	17,208	206,136	77,004	484,485	297,390	1,436,585
2016	279,200	97,940	100,338 [d]	231,536	81,666	524,540	246,867	1,562,087

Sources: County financial records

**Notes:**

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

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

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

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

[d] Began paying in lieu tax for solar assets

L  S A L A M  S





**Other Supplementary Information**

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

Year ended June 30, 2016

<b>PROPERTY TAX RECEIVABLE, JUNE 30, 2015</b>	\$ 370,536
Net taxes charged to treasurer	16,969,275
Collections	(16,940,627)
Adjustments	(5,342)
<b>PROPERTY TAX RECEIVABLE, JUNE 30, 2016</b>	<u><u>\$ 393,842</u></u>

PROPERTY TAXES RECEIVABLE AS OF JUNE 30, 2016, 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>
2006	\$ 1,194	576	86	81	451
2007	1,373	704	92	62	515
2008	651	310	48	32	261
2009	1,307	504	65	50	688
2010	3,231	1,199	241	130	1,661
2011	2,767	1,017	174	114	1,462
2012	14,917	5,534	883	624	7,876
2013	25,745	9,471	1,542	1,101	13,631
2014	78,551	29,621	4,479	3,266	41,185
2015	264,106	113,281	14,213	10,363	126,249
	<u><u>\$ 393,842</u></u>	<u><u>162,217</u></u>	<u><u>21,823</u></u>	<u><u>15,823</u></u>	<u><u>193,979</u></u>

**DISTRIBUTION OF COLLECTED PROPERTY TAXES:**

Incorporated County of Los Alamos	\$ 7,040,468
State of New Mexico	928,001
University of New Mexico	681,940
Los Alamos Schools	8,290,217
	<u><u>\$ 16,940,627</u></u>

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

Year ended June 30, 2016

<u>Agency</u>	<b>Property Taxes Levied</b>	<b>Collected in Current Year</b>	<b>Collected to Date</b>	<b>Distributed in Current Year</b>	<b>Distributed to Date</b>	<b>Undistributed at Year End</b>	<b>Receivable at Year End</b>
Incorporated County of Los Alamos:							
2006	5,659,661	0	5,659,085	0	5,659,085	0	576
2007	6,036,476	0	6,035,772	0	6,035,772	0	704
2008	6,379,203	0	6,378,893	0	6,378,893	0	310
2009	6,682,978	22	6,682,474	22	6,682,474	0	503
2010	5,137,490	18	5,136,292	18	5,136,292	0	1,198
2011	5,312,334	38	5,311,318	38	5,311,318	0	1,017
2012	5,400,510	3,656	5,394,976	3,656	5,394,976	0	5,534
2013	5,458,794	7,829	5,449,323	7,829	5,449,323	0	9,471
2014	5,476,756	73,127	5,447,135	73,127	5,447,135	0	29,621
2015	7,158,024	6,955,778	7,044,742	6,955,778	7,044,742	0	113,282
	<b>58,702,226</b>	<b>7,040,468</b>	<b>58,540,009</b>	<b>7,040,468</b>	<b>58,540,010</b>	<b>0</b>	<b>162,218</b>
State of New Mexico:							
2006	893,349	0	893,264	0	893,264	0	86
2007	888,249	0	888,157	0	888,157	0	92
2008	917,943	0	917,895	0	917,895	0	48
2009	816,703	3	816,638	3	816,638	0	65
2010	1,059,007	4	1,058,766	4	1,058,766	0	241
2011	969,195	7	969,022	4	969,019	3	173
2012	964,641	589	963,758	376	963,545	213	882
2013	955,274	1,344	953,732	919	953,307	425	1,542
2014	920,135	12,274	915,655	11,913	915,294	360	4,480
2015	940,159	913,780	925,945	901,565	913,730	12,216	14,214
	<b>9,324,655</b>	<b>928,001</b>	<b>9,302,832</b>	<b>914,784</b>	<b>9,289,614</b>	<b>13,218</b>	<b>21,823</b>

University of New Mexico:

2006	842,876	0	842,795	0	842,795	0	81
2007	581,285	0	581,223	0	581,223	0	62
2008	614,435	0	614,403	0	614,403	0	32
2009	643,301	2	643,251	2	643,251	0	50
2010	646,526	2	646,396	2	646,396	0	130
2011	671,310	5	671,196	3	671,193	2	114
2012	689,810	410	689,186	255	689,031	155	624
2013	701,943	970	700,842	661	700,532	309	1,101
2014	676,212	8,979	672,946	8,717	672,685	261	3,266
2015	690,879	671,571	680,516	662,613	671,557	8,959	10,363
	<b>6,758,577</b>	<b>681,940</b>	<b>6,742,753</b>	<b>672,253</b>	<b>6,733,066</b>	<b>9,687</b>	<b>15,824</b>

Los Alamos Public Schools:

2006	4,686,654	0	4,686,203	0	4,686,203	0	451
2007	4,930,473	0	4,929,958	0	4,929,958	0	515
2008	4,993,277	0	4,993,016	0	4,993,016	0	261
2009	8,716,082	31	8,715,394	31	8,715,394	0	688
2010	8,505,958	31	8,504,298	31	8,504,298	0	1,660
2011	8,747,763	65	8,746,301	34	8,746,270	31	1,462
2012	8,748,437	5,172	8,740,561	3,229	8,738,617	1,943	7,877
2013	8,655,512	11,976	8,641,881	8,145	8,638,050	3,831	13,631
2014	8,490,869	112,763	8,449,684	109,461	8,446,382	3,302	41,185
2015	8,394,912	8,160,178	8,268,663	8,051,124	8,159,608	109,055	126,249
	<b>74,869,937</b>	<b>8,290,217</b>	<b>74,675,958</b>	<b>8,172,055</b>	<b>74,557,796</b>	<b>118,162</b>	<b>193,978</b>

<b>Grand Total</b>	<b>\$ 149,655,395</b>	<b>16,940,627</b>	<b>149,261,553</b>	<b>16,799,560</b>	<b>149,120,486</b>	<b>141,066</b>	<b>393,842</b>
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**INCORPORATED COUNTY OF LOS ALAMOS  
SCHEDULE OF PLEDGED COLLATERAL**

June 30, 2016

	<u>LOS ALAMOS NATIONAL BANK</u>	<u>NEW MEXICO BANK &amp; TRUST</u>	<u>FIRST NATIONAL OF SANTA FE</u>	<u>WELLS FARGO</u>	<u>TOTAL</u>
<b>TOTAL AMOUNT OF DEPOSITS (bank balances)</b>	\$ 17,826,330	3,042,298	9,159,433	985	30,029,046
	0	0	0	0	0
Less: FDIC coverage	250,000	250,000	250,000	985	750,985
<b>TOTAL UNINSURED PUBLIC FUNDS</b>	<u>17,576,330</u>	<u>2,792,298</u>	<u>8,909,433</u>	<u>(0)</u>	<u>29,278,061</u>
<b>COLLATERAL REQUIRED</b>					
Deposits	8,788,165 [a] 0	1,396,149 [a] 0	4,454,716 [a] 0	(0) 0	14,639,030 0
<b>COLLATERAL</b>					
Letters of Credit, Agencies, Municipal Bonds	34,129,785 [b]	3,000,000 [b]	9,253,270 [b]	0	46,383,055
<b>OVER(UNDER) SECURED</b>	<u>\$ 25,341,620</u>	<u>1,603,851</u>	<u>4,798,554</u>	<u>0</u>	<u>31,744,025</u>

**Notes:**

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

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

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

June 30, 2016

	<u>ACQUISITION DATE</u>	<u>MATURITY DATE</u>	<u>CUSIP NUMBER</u>	<u>TYPE</u>	<u>PAR VALUE</u>	<u>BOOK/MARKET PER BANK</u>
<b>LOS ALAMOS NATIONAL BANK</b>						
Agency Notes/Bonds	05/22/14	09/01/38	3138ELE25	FNMA	8,355,295	8,805,478
	04/20/15	06/01/40	31419ABY2	FNMA	7,342,314	7,745,848
	04/20/15	08/01/41	3138EMP39	FNMA	6,275,686	6,619,593
	05/21/15	04/01/40	3138EGYN8	FNMA	3,048,307	3,194,840
	05/26/15	11/16/44	38378NNC3	GNR	4,348,053	4,456,873
	04/25/16	08/25/25	3137BLW95	FHMS	3,000,000	3,307,153
					<u>32,369,655</u>	<u>34,129,785</u>
<b>NEW MEXICO BANK &amp; TRUST</b>						
Letter of Credit: Federal Home Loan Bank of Dallas Beneficiary: County of Los Alamos	04/08/16	07/29/16	Letter of credit		3,000,000	3,000,000
					<u>3,000,000</u>	<u>3,000,000</u>
<b>FIRST NATIONAL BANK OF SANTA FE</b>						
Agency Notes/Bonds	08/29/14	02/01/34	3128P75H2	FHLMC	5,690,173	5,862,676
	11/30/15	02/15/27	889855UZ3	TOMBALL TEX INDPT SCH DIST	250,000	267,453
	12/31/15	10/01/30	882723PY9	TEXAS ST	2,070,000	2,187,690
	12/31/15	08/25/38	3136AGJV5	FNMA	905,470	935,451
					<u>8,915,643</u>	<u>9,253,270</u>
<b>TOTAL PLEDGED COLLATERAL</b>					<u>\$ 44,285,298</u>	<u>46,383,055</u>

LOS ALAMOS

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

June 30, 2016

<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	\$ 38,997,026
Bank of Albuquerque	Los Alamos County	FHLB	9,050,690
Bank of Albuquerque	Los Alamos County	FHLMC	5,023,900
Bank of Albuquerque	Los Alamos County	FNMA	2,518,625
Bank of Albuquerque	Los Alamos County	FFCB	9,993,700
Bank of Albuquerque	Los Alamos County	T-Note	38,514,022
First National of Santa Fe	Los Alamos County	Savings	3,159,433
First National of Santa Fe	Los Alamos County	C.D.	6,000,000
New Mexico Bank & Trust	Los Alamos County	Savings	3,042,298
Los Alamos National Bank	Library Gift Fund	C.D.	12,300
Los Alamos National Bank	Employee Fund	Checking	6,342
Los Alamos National Bank	Employee Fund	C.D.	9,656
Los Alamos National Bank	Flexible Spending Account	Checking	19,936
Los Alamos National Bank	General County	Checking	10,961,805
Los Alamos National Bank	GRT Bonds Debt Service	Checking	31,555
Los Alamos National Bank	Landfill Closure	Checking	357,775
Los Alamos National Bank	Municipal Court Bond	Checking	7,011
Los Alamos National Bank	Police Operations	Checking	2,540
Los Alamos National Bank	Small Purchase	Checking	12,537
Los Alamos National Bank	Manual Checks	Checking	20,001
Los Alamos National Bank	Utility Resource Pool	Checking	6,384,872
NMFA / Bank of Albuquerque	Trustee Loan Account	Cash Equivalent	431,237
Bank of Albuquerque	Trustee Loan Account - Utilities	Cash Equivalent	1,137,558
NMFA / Bank of Albuquerque	Trustee Loan Account - Utilities	Cash Equivalent	8,297,824
NMFA / Bank of Albuquerque	Trustee Loan Account - Utilities	Cash Equivalent	2,341,395
State Investment Council	Permanent Fund	Pool	19,173,751
State Investment Council	General Fund	Pool	12,583,890
State Investment Council	Cemetery Perpetual Care	Pool	692,028
Wells Fargo Bank Minnesota	Utility Bond Accounts	Cash Equivalent	1,856,868
Wells Fargo Commercial Checking	Los Alamos County - Purchasing-Card	Checking	985
<b>Total Depository Balances</b>			<b>180,641,560</b>
Reconciling items to Bank Reconciliation			(867,990)
Petty Cash and Change Funds			4,360
<b>Total Deposits and Investments reported in financial statements</b>			<b>\$ 179,777,930</b>



**INCORPORATED COUNTY OF LOS ALAMOS  
SUPPLEMENTAL SCHEDULE OF JOINT POWERS AGREEMENTS AND MEMORANDUMS OF UNDERSTANDING**

June 30, 2016

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**Incorporated County of Los Alamos (the County) and the New Mexico State Investment Council (SIC)**

The parties entered into this agreement in order to establish a relationship between the County and the SIC. Under this agreement, the SIC 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, 2016, the County had approximately \$32.4 million invested with the SIC. The County paid approximately \$90,051 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 may be 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 December 23, 2014 and remains in force and effect for five (5) years. 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. Each party bears 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 31<sup>st</sup> to be effective at the start of the next fiscal year.

**Incorporated County of Los Alamos (the County) and the City of Santa Fe, Santa Fe County, City of Espanola, Rio Arriba County, the Town of Taos, Taos County, Ohkay Owingeh, and Jemez Pueblo together known as “coalition members”**

Members of the coalition entered into this joint powers agreement 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 in October 2012; Jemez Pueblo joined the coalition in November 2014. The term of this agreement is perpetual unless terminated by mutual consent of the coalition members.

**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, including a minimal financial contribution by the County. In addition, the partners agree to dedicate collaborative resources, adopt municipal revitalization tools, and establish economic development funding to restore economic vitality within the district.

The MOU covers a period of two years beginning July 1, 2015 through June 30, 2017. The MOU was fully executed on September 9, 2015.

**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 thirteen (13) other political subdivisions. Through this regional partnership effort, the County agrees to fund \$350,000 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 expires on September 30, 2016, 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 (the County) and the National Park Service (NPS); Bandelier National Monument**

The parties entered into this MOU with respect to structural fire-fighting assistance on lands within and adjacent to Bandelier National Monument. The agreement outlines procedures for emergency notification and response under a Unified Incident Command structure. Accordingly, the County's Fire Department is authorized to establish a command structure to assist the NPS with fire suppression, traffic control, and emergency medical assistance. Both parties are required to participate in joint training exercises at least biannually. The MOU does not obligate either party to the expenditure of funds, reimbursement of funds, or the future payment of money.

The MOU was entered into and made effective on January 23, 2015 and remains in force and effect for five (5) years. 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) and Comcast, Inc., a Pennsylvania Corporation.**

The parties entered into this MOU to define the duties and obligations necessary to permit the efficient, cost effective and timely removal, construction and relocation of Comcast facilities and infrastructure as a result of the County's Trinity Drive Project ("Project"). The Project includes utility replacements and road reconstruction and obligates Comcast to reimburse the County for the fair market costs of conduit installations and appurtenances.

The MOU was entered into and made effective on July 15, 2015 and continues until December 31, 2017, or until the obligations of the parties are fully and completely discharged, whichever occurs later.

**Incorporated County of Los Alamos (the County) and The American Red Cross (Red Cross).**

The parties entered into this MOU to define a working relationship between the Red Cross and the County's Office of Emergency Management in preparing for, responding to, and recovering from emergencies and disasters, including assisting individuals, families and communities impacted. The MOU outlines the roles and responsibilities of the Red Cross and the County with respect to readiness, response, and recovery activities, including planning, training, exercising and resourcing.

The MOU was entered into and made effective on July 1, 2015 and continues until July 1, 2020, at which time may be extended for an additional five (5)-year period. The MOU does not create any financial obligations for either party and may be terminated at any time and for any or no reason.

**Incorporated County of Los Alamos (the County) and Espanola Rio Arriba E9-1-1 Center (ERA911 Center).**

The parties entered into this MOU to establish a mutual assistance agreement wherein the County serves as a backup E911 Public Safety Answering Point (PSAP) to the ERA911 Center. In the event an emergency condition arises where the PSAP is out of service, the County's Consolidated Dispatch Center (CDC) will provide backup service which requires alternate routing of E911 calls from the ERA911 Center. Both parties are required to communicate and coordinate overall procedures, including routing, emergency contact information, command personnel, radio codes and frequencies, and any other information required to perform a secondary PSAP service.

The MOU was entered into and made effective on December 11, 2015 and continues until June 30, 2019, at which time can be extended to four (4) five (5)-year renewals. The MOU does not create any financial obligations for either party and may be terminated upon sixty (60) days written notice to the other Party.



LOS ALAMOS



## INCORPORATED COUNTY OF LOS ALAMOS

## SCHEDULE OF VENDOR INFORMATION FOR PURCHASES EXCEEDING \$60,000 (EXCLUDING GRT) - UNAUDITED

Year ended June 30, 2016

<i>IFB#/RFP#</i>	<i>Type of Procurement</i>	<i>Awarded Vendor</i>	<i>\$ Amount of Awarded Contract</i>	<i>\$ Amount of Amended Contract</i>	<i>Name and Physical Address per the procurement documentation, of ALL Vendor(s) that responded</i>	<i>In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)</i>	<i>Was the vendor in-state and chose Veteran's preference (Y or N) For federal funds answer N/A</i>	<i>Brief Description of the Scope of Work</i>
IFB16-01 Canyon Reservoir Sediment Removal and Access Road	Competitive Sealed Bidding	CBKN Dirtworks	\$ 641,729		CBKN Dirtworks, 45 Yerba Manza Road, Bernalillo, NM 87004	In-State	N	Remove the build-up of sediment in the reservoir and use as aggregate for road reconstruction. Add redwood bridge decking
					Paul Parker Construction, P.O. Box 459, Los Alamos, NM 87544	In-State	N	
					RMCI Inc., P.O. Box 91447, Albuquerque, NM 87199	In-State	N	
					Century Club Construction, 8201 Golf Course NW, Suite D3 #295, Albuquerque, NM 87120	In-State	N	
					Allied 360 Construction, P.O. Box 351, Espanola, NM 87532	In-State	N	
IFB16-02 NM 502 & A-19 Switchgear	Competitive Sealed Bidding	Wesco Distribution, Inc.	\$ 195,760		Wesco Distribution, 3333 Los Arboles Avenue NE, Albuquerque, NM 87107	In-State	N	Install dead front pad-mounted switch gear outdoor distribution
					Border States Electric, 5601 Jefferson Street NE, Albuquerque, NM 87109	In-State	N	
					Irby Utility, 7125 Belton Street, Richland Hills, TX 76118	Out-of-State	N	
					Graybar, 2841 South 900 West, Salt Lake City, UT 84119	In-State	N	
					Western United Electric Supply, 100 Bromley Business Parkway, Brighton, CO 80603	Out-of-State	N	
IFB16-12 Canyon Rim Trail	Competitive Sealed Bidding	Star Paving Company	\$ 1,893,812		Star Paving Company, P.O. Box 12333, Albuquerque, NM 87195	In-State	N	Clear, grub, and remove all debris for 10' wide trail. Prepare subgrade, place base course and asphalt pavement. Install retaining walls and prefab bridge.
					Meridian Contracting, Inc. 3223 Los Arboles Avenue NE, Albuquerque, NM 87107	In-State	N	

IFB16-13 2015 Type 4 4x4 Fire Apparatus	Competitive Sealed Bidding	Boise Mobile Equipment	\$ 294,270		Boise Mobile Equipment, 900 West Boeing Street, Boise, ID 83705	Out-of-State	N	Purchase a Navistar 7400, 2016 model, fire vehicle
IFB16-35 Type V Brush Truck	Competitive Sealed Bidding	Siddons Martin Emergency Group	\$ 179,844		Siddons Martin Emergency Group, 4214 2nd Street, NW, Albuquerque, NM 87107	In-State	N	Purchase a Type 5 Wildland engine vehicle for the Fire Department
IFB16-38 White Rock Civic & Senior Center Renovations	Competitive Sealed Bidding	R & M Construction	\$ 3,363,810		R & M Construction, P.O. Box 1026, Alcalde, NM 87511	In-State	N	Renovations to the White Rock Civic Center and Senior Center
					AIC General Contractors, 2703-G Broadbent Pkwy NE, Albuquerque, NM 87107	In-State	N	
					Longhorn Construction Services, 9208 Lona Lane NE, Albuquerque, NM 87111	In-State	N	
					Forgette Construction, P.O. Box 379, Corrales, NM 87048	In-State	N	
					Mick Rich Contractors, Inc. 8401 Firestone Lane NE, Albuquerque, NM 87199	In-State	N	
					RVC, Inc. 537 US84/285, Suite D, Espanola, NM 87532	In-State	N	
					Brycon Corporation, 8400 Firestone Lane NE, Albuquerque, NM 87113	In-State	N	
					SDV Construction, 8912 Adams Street NE, Albuquerque, NM 87113	In-State	N	
					Richardson & Richardson, P.O. Box 36627, 400 Menaul Blvd. Albuquerque, NM 87176	In-State	N	
					JB Henderson, 1285 Trinity Drive, Suites A&B, Los Alamos, NM 87544	In-State	N	
					T.A. Cole & Sons, P.O. Box 10660, Albuquerque, NM 87184	In-State	N	
IFB16-45 Baseball Infield Field Mix and Clay	Competitive Sealed Bidding	JAKE Lovato Trucking	\$ 125,436		JAKE Lovato Trucking, P.O. Box 190, Holman, NM 87723	In-State	N	County is purchasing baseball field infield mix and clay.
					Materials Inc. 3601 Pan American Freeway NE, Albuquerque, NM 87107	In-State	N	
					Bestway Concrete Co/All American Sports Material, 301 Centennial Dr. Milliken, CO 80543	Out-of-State	N	
IFB16-48 Western Area Improvements Phase 4	Competitive Sealed Bidding	TLC Plumbing AGR16-048	\$ 3,062,974		TLC Plumbing, 5000 Edith Blvd. NE, Albuquerque, NM 87107	In-State	N	Reconstruction of parts of 37th, 38th, 39th, 45th and 40th streets.
					Albuquerque Asphalt, P.O. Box 66450, Albuquerque, NM 87193	In-State	N	

## INCORPORATED COUNTY OF LOS ALAMOS

## SCHEDULE OF VENDOR INFORMATION FOR PURCHASES EXCEEDING \$60,000 (EXCLUDING GRT) - UNAUDITED

Year ended June 30, 2016

IFB#/RFP#	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address per the procurement documentation, of <u>ALL</u> Vendor(s) that responded	In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)	Was the vendor in-state and chose Veteran's preference (Y or N) For federal funds answer N/A	Brief Description of the Scope of Work
IFB16-51 Gauje Canyon Rd Mitigation Project	Competitive Sealed Bidding	LA Landscaping	\$ 603,753		Los Alamos Landscaping, 2126 B 34th Street, Los Alamos, NM 87544	In-State	N	Construction of bank repair, roadwork, and erosion control replacement and or reinforcement.
					Urban Trucking, 40 Los Arribenos, Pena Blanca NM 87041	In-State	N	
					RL Leeder Co. 1225 South St. Francis Dr. Santa Fe, NM 87505	In-State	N	
					Hasse Contracting, P.O. Box 26808, Albuquerque, NM 87125	In-State	N	
IFB16-52 Kwage Mesa Non-potable Water Line Replacement	Competitive Sealed Bidding	Parker Construction	\$ 268,844		Paul Parker, P.O. Box 459, Los Alamos, NM 87544	In-State	N	Installation of 800 lineal feet of new PVC, non-potable water pipe, plus slope and trench stabilization, plus drainage improvements.
IFB16-58 Runway Rehabilitation 9-27	Competitive Sealed Bidding	Maxwell Asphalt, Inc	\$ 482,187		Maxwell Asphalt, Inc. P.O. Box 585, Bountiful, Utah 84011	Out-of-State	Federal Funds	Repair and rehab the airport runway with asphalt, taxiway markings, etc.
					American Airport Maintenance, 5445 E. Eco Industrial PL, Tucson, AZ 85756	Out-of-State	N	
IFB16-59 San Ildefonso Gas, Electric, & Fiber Utility Infrastructure Project	Competitive Sealed Bidding	Sasquatch, Inc.	\$ 268,700		Sasquatch, Inc. 1274 Calle De Comercio, Suite 6, Santa Fe, New Mexico 87507	In-State	N	Construct 8-inch gas pipe with valve place electrical conduit and remove and replace asphalt, sidewalks, curb and gutter and restore and reseed site.
IFB16-63 El Vado & Abiquiu Hydroelectric Plants Back-Up Generator Replacement	Competitive Sealed Bidding	U.S. Electric Corporation	\$ 123,240		U.S. Electric Corporation, 301 California Street SE, Albuquerque, NM 87108	In-State	N	Replace El Vado and Abiquiu generators and automatic transfer switch
					Pueblo Electric, 200 DP Road, Los Alamos, NM 87544	In-State	N	
RFP16-039 Central Avenue Project	Competitive sealed Requests for Proposals (RFP)	Century Club Construction AGR16-039	\$ 2,256,242		Century Club Construction, 8201 Golf Course Rd. NW, Ste D3 #295, Albuquerque, NM 87120	In-State	N	Central Ave Phase 2 improvements
					Star Paving, 3109 Love Road SW, Albuquerque, NM 87105	In-State	N	
RFP16-040 Special Event Entertainer Promoter	Competitive sealed Requests for Proposals (RFP)	Gordens' LLC AGR16-040	\$ 68,400		Gordons' LLC, Russell Gordon, 109 Central Park Square, Los Alamos, NM 87544	In-State	N	Promote, coordinate prepare and conduct family-oriented musical concerts.

RFP16-042 Energy Trade Capture & Scheduling Software	Competitive sealed Requests for Proposals (RFP)	OATI, Inc Rochelle Mars AGR16-042	\$ 679,320		OATI, Inc. Rochelle Mars, 3660 Technology Drive, NE, Minneapolis, MN 55418	Out-of-state	N	Supply a software solution to facilitate electrical load forecasting.
					Quantrisk, Al Lavassani, 990 Biscaye Blvd. #530, Dollard Des Ormeaux QC Canada	Out-of-Country	N	
					MCG Energy Solutions, LLC, Amy Dunker, 9012 Marquette Ave. Suite 1000, Minneapolis, MN 55402	Out-of-state	N	
					EKA Dean Stiles, 25 Esquire Road, Norwalk, CT 06851	Out-of-state	N	
RFP16-044 Utilities On Call Construction Services	Competitive sealed Requests for Proposals (RFP)	Paul Parker Construction AGR16-044	\$ 1,500,000		Paul Parker Construction, PO Box 459, Los Alamos, NM 87544	In-State	N	Utility on-call construction services
					Allied 360 Construction, Patrick Herrera, PO Box 1913, Espanola, NM 87532	In-State	N	
RFP16-046 Internet Website Replacement Services	Competitive sealed Requests for Proposals (RFP)	West Interactive Services AGR16-046	\$ 184,263		West Interactive Services Corp. 100 Enterprise Way, Suite 300-A, Scotts Valley, CA 95066	Out-of-state	N	Replace LAC website
					Civic Live 175 Bloor St. E. South Tower, Suite 900, Toronto, ON M4W3R8 Canada	Out-of-Country	N	
					ICON Enterprises , 302 S. 4th Street, Manhattan, KS 66502	Out-of-state	N	
					Real Time Solutions, 301 Central Avenue, 2nd Floor, Albuquerque, NM 87102	In-State	N	
					Cocolevio, LLC, 600 Ave. 14th Floor, Austin, TX 78701	In-State	N	
					Vision Internet, 222 N. Sepulveda Blvd, Suite 1500, EL Segudo, CA 90245	In-State	N	
					Fast Conversion, 560A, 561 & 562 5th Floor, Sohna Road, Sector 48, Gurgaon, Haryana 122018 India	Out-of-Country	N	
					Granicus, 707 17th Street, Denver, CO 80202	In-State	N	
RFP16-049 Landfill Scar Repair	Competitive sealed Requests for Proposals (RFP)	EnviroWorks AGR16-049	\$ 1,361,835		EnviroWorks, LLs, Post Office Box 340, Edgewood, NM 87015	In-State	N	Site evaluation, design and install erosion control
					Sedona Contracting, 2810 Sudderth Drive Suite 201, Ruidoso, NM 88345	In-State	N	
					Sierra Canyon Construction, 1919 5th Street, Ste. D, Santa Fe NM 87505	In-State	N	
RFP16-050 NERC Compliance Software	Competitive sealed Requests for Proposals (RFP)	Wiznucleus AGR16-050	\$ 94,370	\$ 9,000	Wiznucleus, 200 Park Avenue, Suite 1700, New York, NY 10017	Out-of-State	N	Training, installation for management and tracking NERC
					SigmaFlow, 7800 North Dallas Parkway, Suite 150, Plano, TX 75024	Out-of-State	N	

## INCORPORATED COUNTY OF LOS ALAMOS

## SCHEDULE OF VENDOR INFORMATION FOR PURCHASES EXCEEDING \$60,000 (EXCLUDING GRT) - UNAUDITED

Year ended June 30, 2016

<i>IFB#/RFP#</i>	<i>Type of Procurement</i>	<i>Awarded Vendor</i>	<i>\$ Amount of Awarded Contract</i>	<i>\$ Amount of Amended Contract</i>	<i>Name and Physical Address per the procurement documentation, of ALL Vendor(s) that responded</i>	<i>In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)</i>	<i>Was the vendor in-state and chose Veteran's preference (Y or N) For federal funds answer N/A</i>	<i>Brief Description of the Scope of Work</i>
RFP16-055 Wastewater Collection System Trenches Repair	Competitive sealed Requests for Proposals (RFP)	AUI, Inc. AGR16-055	\$ 2,400,000		AUI, Inc. P.O. Box 8725, Albuquerque, NM 87107	In-State	N	Partial replacement & rehab of wastewater collection systems.
					TLC Plumbing and Utility, 5000 Edith Blvd, NE, Albuquerque, NM 87107	In-State	N	
RFP16-056 Support Services Contract for NERC WECC Cyber Security Standards	Competitive sealed Requests for Proposals (RFP)	AESI AGR16-056	\$ 189,750		AESI, 1990 Lakeside Parkway, Suite 250, Tucker, GA 30084	Out-of-State	N	Implement a cyber security asset software for NERC
					NAES Corporation, 1180 NW Maple Street, Suite 200, Issaquah, WA 98027	Out-of-State	N	
					GDS Associates, Inc. 1850 Parkway Place, Suite 800, Marietta, GA 30067	Out-of-State	N	
					Burns McDonnell, 9400 Ward Parkway, Kansas City, MO 64114	Out-of-State	N	
RFP16-057 Geotechnical & Construction Materials Testing Services	Competitive sealed Requests for Proposals (RFP)	Geo-Test, Inc. AGR16-057b	\$ 1,000,000		Geo-Test, Inc. 3204 Richards Lane, Santa Fe, NM 87507	In-State	N	Provide information necessary for designing projects, evaluating condition of existing infrastructure, and prudent decision-making during construction.
					BSN, 28 Bisbee Court, Suite B, Santa Fe, NM 87508	In-State	N	
					NV 5, 9019 Washington St. NE Suite A, Albuquerque, NM 87113	In-State	N	
					Amec Foster Wheeler, Environment & Infrastructure, Inc. 8519 Jefferson NE, Albuquerque, NM 87113	In-State	N	
RFP16-060 Engineering Services & Design for a Permanent Methane Gas Extraction System	Competitive sealed Requests for Proposals (RFP)	Stearns, Conrad, & Schmidt Consulting Engineers AGR 16-060	\$ 131,230		SCS Engineers, 3301 Candelaria Road NE, Suite D, Albuquerque, NM 87107	In-State	N	Engineering and design services for a methane extraction system

RFP16-062 Architect & Engineering 2017 Bond Projects	Competitive sealed Requests for Proposals (RFP)	Dekker Perich Sabatini AGR16-062	\$ 453,281		Dekker Perich Sabatini, 7601 Jefferson E, Suite 100, Albuquerque, NM 87109	In-State	N	Architectural and Engineering services for 2017 Bond CIP.
					Huitt-Zollars, Inc. 333 Rio Rancho Drive NE, Suite 101, Rio Rancho, NM 87124	In-State	N	
					NCA Architects, LLC, 1306 Rio Grande Blvd. NW, Albuquerque, NM 87104	In-State	N	
					RMKM Architecture, P.C. 400 Gold Avenue SW, Albuquerque, NM 87102	In-State	N	
					FBT Architects, One Park Square, 6501 Americas Pkwy NE, Suite 300, Albuquerque, NM 87110	In-State	N	
					Vigil & Associates Architectural Group, 4477 Irving NW, Suite A, Albuquerque, NM 87114	In-State	N	
					3H Design Studio/Design Lab, 4688 Ridgeway, Los Alamos, NM 87544	In-State	N	
RFP16-01 ED Services for Regional Coalition of LANL Communities	Competitive sealed Requests for Proposals (RFP)	Andrea Romero Consulting AGR16-01	\$ 140,000		Andrea Romero Consulting, 1101 Hickox Street, Santa Fe, NM 87505	In-State	N	Executive Director Services
					Tafoya and Brainerd Partners, LLC. P.O. Box 1274, Albuquerque, NM 87103	In-State	N	
RFP2016-2013 OH Pole Replacement ON Call	Competitive sealed Requests for Proposals (RFP)	Elite Power and Recovery AGR16-4281	\$ 1,000,000		Elite Power and Recovery, 2121 Osuna Road, NE. Albuquerque, NM 87113	In-State	N	Replacement of 15KV overhead distribution poles
					Wilson Construction Co. P.O. Box 1190, 1190 NW Third Ave. Canby, OR 97013	Out-of-State	N	
					Gila Cut Out Construction, P.O. Box 2429 35 Bighorn Trail, Silver City, NM 88062	In-State	N	
RFP2016-2014 Laundry Dry Cleaning & Alterations	Competitive sealed Requests for Proposals (RFP)	Mountain Air Cleaners AGR16-4277	\$ 180,000		Mountain Air Cleaners, 157 Central Park Square, Los Alamos, NM 87544	In-State	N	Clean garments for Fire
RFP2016-2016 Mobile Utilities App	Competitive sealed Requests for Proposals (RFP)	Smart Utility Systems AGR16-4278	\$ 173,950		Smart Utility Systems, 2211 Michelson Drive, Suite 370, Irvine, CA 92612	Out-of-State	N	Provide software for customers and billing.
					Kansoft, 2225 East Bayshore Road #200, Palo Alto, CA 64303	Out-of-State	N	
					Averta Corp. 580 Herndon Parkway, Suite 300, Herndon, VA 20170	Out-of-State	N	
					Clearly Innovative, Inc. 1100 H. St. NW. Washington, DC 20005	Out-of-State	N	
RFP2016-2017 NERC WECC Cyber Security Standards Policy & Procedures	Competitive sealed Requests for Proposals (RFP)	AESI-Inc. AGR16-4275	\$ 155,000	\$ 246,000	AESI, 775 Main Street East, Suite 1B, Milton, Ontario Canada L9T 323	Out-of-Country	N	Develop NERC compliance program
					Burkard & Associates, LLC. 6633 Old Henderson-Spottsville Rd. Spottsville, KY 42458	Out-of-State	N	
					Intellibind Technologies. 14520 Wunderlich Drive. Houston, TX 77069	Out-of-State	N	

## INCORPORATED COUNTY OF LOS ALAMOS

## SCHEDULE OF VENDOR INFORMATION FOR PURCHASES EXCEEDING \$60,000 (EXCLUDING GRT) - UNAUDITED

Year ended June 30, 2016

IFB#/RFP#	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address per the procurement documentation, of <u>ALL</u> Vendor(s) that responded	In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)	Was the vendor in-state and chose Veteran's preference (Y or N) For federal funds answer N/A	Brief Description of the Scope of Work
RFP2016-2019 Camp May Potable Water Supply	Competitive sealed Requests for Proposals (RFP)	Wilson and Company AGR16-4296	\$ 320,023		Wilson and Company, 2600 The American RD, SE Suite 100, Rio Rancho, NM 87124	In-State	N	Concept, design drawings, specs and bid docs for Camp May/ ski hill water line
					Forsgren Associates, Inc. 6100 Indian School Rd, NE Suite 205, Albuquerque, NM 87110	In-State	N	
					Molzen Corbin, 2701 Miles Road SE, Albuquerque, NM 87106	In-State	N	
					Souder Miller & Associates, 2904 Rodeo Park Dr, East Bldg 100, Santa Fe, NM 87502	In-State	N	
RFP2016-2022 WR New Water Resources Recovery Facilities	Competitive sealed Requests for Proposals (RFP)	Molzen Corbin AGR16-4291	\$ 109,793	\$ 149,543	Molzen Corbin, 2701 Miles Road SE, Albuquerque, NM 87106	In-State	N	White Rock Water Resources recovery facilities
					Forsgren Associates, Inc. 6100 Indian School Rd, NE Suite 205, Albuquerque, NM 87110	In-State	N	
					Souder Miller & Associates, 2904 Rodeo Park Dr, East Bldg 100, Santa Fe, NM 87502	In-State	N	
RFP2016-2025 Teen Court Coordinator & Juvenile Adjudication Grant	Competitive sealed Requests for Proposals (RFP)	E. K. Allen Law, LLC AGR17-912 AGR 16-4284	\$ 85,000		E.K. Allen Law, LLC, 81 San Ildefonso Road, Los Alamos, NM 87544	In-State	N	Manage the Teen Court and all activities. Serve as contract manager for the grant.
RFP2016-2027 Fuller Lodge Phases 2-4	Competitive sealed Requests for Proposals (RFP)	R and M Construction	\$ 1,592,730		R and M Construction LLC, P.O. Box 1026, Alcalde, NM 87511	In-State	N	Rehab Fuller Lodge and Historical Museum. Add elevator and upgrade electrical.
					ESA Construction, 3435 Girard Blvd. NE, Albuquerque, NM 87107	In-State	N	
					JB Henderson, P.O. Box 53176, Albuquerque, NM 87153	In-State	N	
					Mick Rick Contractors, 8401 Firestone Lane, NE, Albuquerque, NM 87199	In-State	N	
RFP2016-2029 Comprehensive Plan	Competitive sealed Requests for Proposals (RFP)	Architectural Research Consultants AGR16-4299	\$ 150,000		Architectural Research Consultants, 220 Gold Ave SW, Albuquerque, NM 87102	In-State	N	Coordinate and consult on activities for the development of the LAC Comprehensive Plan.
					Sites Southwest, 121 Tijeras NE, Suite 3100, Albuquerque, NM 87102	In-State	N	
					Consensus Planning, 302 Eighth St. NW, Albuquerque, NM 87102	In-State	N	

RFP2016-2030 On Call Electric Power Line Tree Trimming Services	Competitive sealed Requests for Proposals (RFP)	Allied Tree Service & Fencing AGR16-4297	\$ 195,000		Allied Tree Service & Fencing, P.O. Box 351, Espanola, NM 87532	In-State	N	Electrical power line tree trimming and clearing
RFP2016-2032 Cultural and Social Services (FY2016 RFP resulting in a FY2017 AGR)	Competitive sealed Requests for Proposals (RFP)	Family Strengths Network AGR17-705	\$ 317,118		Family Strengths Network, 3450 Orange Street, Los Alamos, NM 87544	In-State	N	Administer a community-wide Parent Education program
		La Arts Council AGR17-702	\$41,778 + in-kind \$9,050 annually		LA Arts Council, P.O. Box 284, Los Alamos, NM 87544	In-State	N	Provide children's theater workshop, etc.
		LA Historical Society AGR17-707	\$613,424		LA Historical Society P.O. Box 43 or 1050 Bath Tub Row Los Alamos, NM 87544	In-State	N	Staff & operate a museum and museum shop at Fuller Lodge
		JJAB AGR17-708	\$180,760		LA Juvenile Justice Advisory Board, P.O. Box 4716, Los Alamos, NM 87544	In-State	N	Provide juvenile services and programs
		KN LLC AGR17-703	\$43,600 + in-kind of \$164,032		KN LLC, 2132 Central Avenue, Los Alamos, NM 87544	In-State	N	Manage and operate a community Art Center
		LA Family Council AGR17-704	\$714,217		LA Family Council/Family YMCA, 1505 15th Street, Suite C & 1450 Iris, Los Alamos, NM 87544	In-State	N	Operate 2 youth activity centers
					LA Family Council, 1505 15th Street, Suite C, Los Alamos, NM 87544	In-State	N	
		LARSO AGR17-706	\$1,673,190 + in-kind \$522,602		LA Retired & Senior Organization, 1101 Bathtub Row, Los Alamos, NM 87544	In-State	N	Provide a senior citizens program
			Karen Wray, 166 East Gate Drive, Los Alamos, NM 87544	In-State	N			
RFP2016-2034 Community Energy and Water Conservation Services	Competitive sealed Requests for Proposals (RFP)	Pajarito Environmental Education Center AGR16-033	\$ 199,000		Pajarito Environmental Education Center, 2600 Canyon Road, Los Alamos, NM 87544	In-State	N	Community conservation outreach to LAPS and County residents



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

Year ended June 30, 2016

<u>STATE GRANTOR /PROGRAM TITLE</u>	<u>PROGRAM OR AWARD AMOUNT</u>	<u>ACCRUED REIMBURSEMENT (RESERVED BALANCE) JUNE 30, 2015</u>	<u>CASH RECEIVED</u>	<u>OTHER (SEE NOTES)</u>	<u>STATE PARTICIPATING EXPENDITURES</u>	<u>ACCRUED REIMBURSEMENT (RESERVED BALANCE) JUNE 30, 2016</u>
<b>STATE OF NEW MEXICO:</b>						
Fire Marshal's Office:						
Fire Protection Fund Distribution		\$ (236,784)	437,290	2,190	[1] 134,463	(541,801)
Fire Protection Grant		(75)	100,000	0	0	(100,075)
Total Fire Marshal's Office		<u>(236,859)</u>	<u>537,290</u>	<u>2,190</u>	<u>134,463</u>	<u>(641,876)</u>
Children, Youth and Families Department						
Juvenile Justice Continuum (15-690-00-17338)		17,780	17,780	0	0	0
Juvenile Justice Continuum (16-690-18431)		0	189,745	0	198,794	9,049
Total Children, Youth and Families Department		<u>17,780</u>	<u>207,525</u>	<u>0</u>	<u>198,794</u>	<u>9,049</u>
Department of Finance and Administration:						
LDWI-Local Distribution		0	77,898	(9,181)	[2] 68,717	0
DWI Grant (16-D-J-G-16)		0	9,516	0	36,331	26,815
DWI Grant (15-D-J-G-16)		29,734	29,734	0	0	0
Juvenile Adjudication Grant Fund (16-JAF-16)		0	4,926	0	12,803	7,877
Enhanced E911 (15-E-12)		1,626	1,626	0	0	0
Enhanced E911 (16-E-12)		0	6,882	155,880	[3] 162,762	0
County Detention Distribution		0	24,999	0	24,999	0
Law Enforcement Protection Fund Distribution		(20,563)	39,200	0	59,743	(20)
Capital Grant Project-Jemez Mountains Regional Fire Protection		0	61,290	0	121,474	60,184
Total Department of Finance and Administration		<u>10,797</u>	<u>256,071</u>	<u>146,699</u>	<u>486,829</u>	<u>94,856</u>
Department of Health - Public Health Office						
Primary Care and EMS Distribution - Fire		0	10,449	0	9,462	(987)
Los Alamos Community Health Council Pass Through (FY15)		3,250	3,250	0	0	0
Los Alamos Community Health Council Pass Through (FY16)		0	13,750	0	13,750	0
Total Department of Health		<u>3,250</u>	<u>27,449</u>	<u>0</u>	<u>23,212</u>	<u>(987)</u>

Transportation Department						
Cooperative Agreement, Design Canyon Rim Trail	32,053	0	32,053	[4]	0	0
Cooperative Agreement, Local Government Road Funds (SP-5-15(181))	0	59,782	0		59,782	0
Cooperative Agreement, School Bus Route (SB-7803(100))	0	87,353	0		87,353	0
Cooperative Agreement, County Arterial Program (CAP-5-15(467))		27,648	0		27,648	0
Airport Maintenance Program (LAM-16-01)	0	7,666	0		7,666	0
Airport Service Assistance Program (LAM-14-03)	0	7,625	0		7,625	0
Airport Service Assistance Program (LAM-16-03)	0	1,282	0		1,282	0
Airport Rehabilitate Taxiway "C" and "F" (LAM-15-01)	25,478	25,478	0		0	0
Runway Crack Seal, Seal Coat and Remark Project (LAM-16-02)	0	1,608	0		2,074	466
Operation Buckledown/Click It or Ticket (FY15)	1,392	2,818	0		1,426	0
Operation Buckledown/Click It or Ticket (FY16)	0	0	0		876	876
CTAA Scholarship	0	3,685	0		3,685	0
<b>Total Transportation Department</b>	<b>58,923</b>	<b>224,945</b>	<b>32,053</b>		<b>199,417</b>	<b>1,342</b>
Homeland Security and Emergency Management Department						
Disaster Assistance - FEMA DR 4079	(23,636)	2,027	0		24,882	(781)
Disaster Assistance - FEMA DR 4152	(231,364)	0	(3,133)	[4]	45,278	(182,953)
<b>Total Homeland Security Department</b>	<b>(255,000)</b>	<b>2,027</b>	<b>(3,133)</b>		<b>70,160</b>	<b>(183,734)</b>
New Mexico Finance Authority						
Water Trust Board-Project Number 318	0	802,781	0		802,781	0
Aging and Long Term Services Department						
Capital Grant Project-White Rock Senior Center	0	0	0		30,950	30,950
Administrative Office of the Courts						
Municipal Automation Fund	0	12,302	0		24,041	11,739
Office of Cultural Affairs:						
New Mexico State Library 2010 General Obligation Bond	0	16,220	0		16,220	0
New Mexico State Library Grant - Operations	0	11,290	0		11,290	0
<b>Total Office of Cultural Affairs</b>	<b>0</b>	<b>27,510</b>	<b>0</b>		<b>27,510</b>	<b>0</b>
<b>TOTAL STATE OF NEW MEXICO FINANCIAL ASSISTANCE</b>	<b>\$ (401,109)</b>	<b>2,097,900</b>	<b>177,809</b>		<b>1,998,157</b>	<b>(678,661)</b>

**RELATIONSHIP TO BASIC FINANCIAL STATEMENTS:**

State-shared Revenues	17,596,514
Change in reserved balances	383,271
Change in Deferred Revenue	(644)

**TOTAL INTERGOVERNMENTAL REVENUES - STATE**

**\$ 19,977,298**

**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
- [4] Prior Period Adjustment



LOS ALAMOS

where discoveries are made

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

Year ended June 30, 2016

FEDERAL GRANTOR /PROGRAM TITLE	FEDERAL CFDA NUMBER	ACCRUED REIMBURSEMENT (RESERVED BALANCE) JUNE 30, 2015	CASH RECEIVED	OTHER	FEDERAL PARTICIPATING EXPENDITURES	ACCRUED REIMBURSEMENT (RESERVED BALANCE) JUNE 30, 2016
<b>MAJOR FEDERAL FINANCIAL ASSISTANCE</b>						
United States Department of Energy:						
National Nuclear Security Administration						
Fire protection, emergency medical and rescue services						
	81.XXX					
Cooperative Agreement ended September 30, 2013	DE-FC52-08NA28090	\$ 209,855	209,855	0	0	0
Cooperative Agreement begin October 1, 2013	DE-NA0002067/000	1,630,311	16,127,702	2,891,326 [1]	20,677,908	3,289,191
Atomic Energy Act 1954-Payments in Lieu	Public Law Section 168	0	1,104,918	0	0	(1,104,918)
United States Department of Transportation-Federal Transit Administration						
Flow through the New Mexico Department of Transportation						
Nonurbanized Area Formula Grant Program Section 5311						
	20.509	357,784	854,178	0	496,394	0
	20.509	0	986,320	0	1,110,361	124,041
Nonurbanized Area Formula Grant Program Section 5309						
	20.500	488,000	488,000	0	0	0
	20.500	0	277,359	0	277,359	0
<b>TOTAL MAJOR FEDERAL FINANCIAL ASSISTANCE</b>		<b>2,685,950</b>	<b>20,048,332</b>	<b>2,891,326</b>	<b>22,562,022</b>	<b>2,308,314</b>
<b>NONMAJOR FEDERAL FINANCIAL ASSISTANCE</b>						
United States Department of Agriculture:						
United States National Forest Reserve						
	10-665					
	Public Law 106-393	0	4,527	0	4,527	0
United States Department of Homeland Security						
Flow through the New Mexico Department of Homeland Security and Emergency Management						
FEMA 4079, Flood Disaster Declaration, Public Assistance Program	97.036	(161,398)	0	0	149,291	(12,107)
FEMA 4152, Flood Disaster Declaration, Public Assistance Program	97.036	(1,399,826)	0	(18,785) [2]	271,673	(1,109,368)
Emergency Management Performance Grant (FY 15)	97.042	22,249	22,249	0	0	0
Emergency Management Performance Grant (FY 16)	97.042	0	68,011	0	91,054	23,043
Emergency Management Performance Grant-Equipment Grant	97.042	0	285,419	0	285,419	0
Emergency Management Performance Grant-Emergency Operations Plan	97.042	0	169	0	169	0
State Homeleand Security Grant-Training and Per Diem (FY 15)	97.067	5,000	5,000	0	0	0
State Homeleand Security Grant-Multi-year Full Scale Exercise	97.067	39,699	50,237	0	10,538	0
State Homeleand Security Grant-Software and Equipment	97.067	0	29,645	0	29,645	0
United States Department of Interior, Bureau of Land Management:						
Bureau of Land Management						
Section 1 Payment for Federal-Owned Entitlement Land						
	Public Law 100-343	0	93,367	0	93,367	0
National Park Service						
Cooperative Agreement for Bandelier National Park (FY 16)	P12AC00524	0	150,000	0	150,000	0
Cooperative Agreement for Bandelier National Park (FY 17)	P12AC00524/Mod 5	0	55,406	0	55,406	0

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

Year ended June 30, 2016

FEDERAL GRANTOR /PROGRAM TITLE	FEDERAL CFDA NUMBER	ACCRUED REIMBURSEMENT (RESERVED BALANCE) JUNE 30, 2015	CASH RECEIVED	OTHER	FEDERAL PARTICIPATING EXPENDITURES	ACCRUED REIMBURSEMENT (RESERVED BALANCE) JUNE 30, 2016
United States Department of Justice:						
Drug Enforcement Administration-Asset Forfeiture	16.xxx	(227)	0	1 [3]	0	(228)
Office of Justice-Bulletproof Vest Partnership	Public Law 106-517	0	8,725	0	9,957	1,232
Flow through New Mexico Crime Victims Reparation Commission						
STOP Violence Against Women Formula Grant Program (FY16)	16.588	0	6,678	0	9,373	2,695
Victims of Crime Assistance Formula Grant Program (FY17)	16.575	0	4,707	0	6,709	2,002
United States Department of Transportation-Federal Aviation Administration						
Airport Rehabilitate Taxiway "C" and "F" (Construction)	20.106	458,603	458,603	0	0	0
United States Department of Transportation-Federal Highway Administration						
Flow through the New Mexico Department of Transportation						
100 Days and Nights of Summer (15-DS-PT-056)	20.600	743	7,089	0	6,346	0
100 Days and Nights of Summer (16-DS-PT-056)	20.600	0	0	0	466	466
Federal AID Project-Canyon Rim Trail Phase 1	20.205	0	32,053	(32,053) [2]	0	0
Federal AID Project-Canyon Rim Trail Phase 2	20.205	0	0	0	81,825	81,825
United States Department of Transportation-Federal Transit Administration						
Flow through the New Mexico Department of Transportation						
Nonurbanized Area Formula Grant Program Section 5310						
FY15 Contract M01358	20.513	31,126	32,000	0	874	0
<b>TOTAL NONMAJOR FEDERAL FINANCIAL ASSISTANCE</b>		<b><u>(1,004,031)</u></b>	<b><u>1,313,885</u></b>	<b><u>(50,837)</u></b>	<b><u>1,256,639</u></b>	<b><u>(1,010,440)</u></b>
<b>TOTAL MAJOR AND NONMAJOR FEDERAL FINANCIAL ASSISTANCE</b>		<b><u>\$ 1,681,919</u></b>	<b><u>21,362,217</u></b>	<b><u>2,840,489</u></b>	<b><u>23,818,661</u></b>	<b><u>1,297,874</u></b>
<b>RELATIONSHIP TO BASIC FINANCIAL STATEMENTS:</b>						
Atomic Energy Act 1954-Payments in Lieu					1,104,918	
Change in deferred revenue - FEMA 4152					(3,866)	
Change in dererred revenue - Other					36,259	
Federal Subsidy Build America Bonds					120,662	
Ambulance billing and other receipts DOE Cooperative Agreement for fire services					(360,738)	
County Share of DOE Cooperative Agreement for fire services - DE-NA0002067/000					(2,530,587)	
North Central Regional Transit District revenues					1,380,700	
<b>INTERGOVERNMENTAL REVENUES - FEDERAL</b>					<b><u>23,566,009</u></b>	
<b>INTERGOVERNMENTAL REVENUES - STATE</b>					<b><u>19,977,298</u></b>	
<b>TOTAL INTERGOVERNMENTAL REVENUES</b>					<b><u>\$ 43,543,307</u></b>	

**INTERGOVERNMENTAL REVENUES REPORTED IN BASIC FINANCIAL STATEMENTS:**

Governmental funds	\$ 21,218,380
Proprietary funds	
Intergovernmental charges for services	17,786,582
Intergovernmental - non capital revenue	2,960,546
Other sources and uses - intergovernmental capital revenue	<u>1,577,799</u>
<b>TOTAL INTERGOVERNMENTAL REVENUES</b>	<b>\$ <u><u>43,543,307</u></u></b>

**Notes to Supplemental Schedule of Expenditures of Federal Awards**

**NOTE 1 - 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) for the year ended June 30, 2016. The amounts received from the federal government are recorded as intergovernmental revenues of the County. There were no sub recipients of these grant awards.

**NOTE 2 - Basis of Presentation**

The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County.

**NOTE 3 - Summary of Significant Accounting Policies**

Expenditures reported in the Schedule of Expenditures of Federal Awards are presented using the modified accrual basis of accounting, which is described in Note (1)D to the County's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**Other Notes**

- [1] County's share of NNSA Cooperative agreement expenditures, ambulance billing and other receipts
- [2] Prior Period Adjustment
- [3] Interest earned on reserved fund balance

**INCORPORATED COUNTY OF LOS ALAMOS**  
**JOINT UTILITY SYSTEM SUBFUNDS**  
**SUPPLEMENTAL COMBINING BALANCE SHEET - INDUSTRY FORMAT**  
**June 30, 2016**

	<u>ELECTRIC</u>	<u>GAS</u>	<u>WATER</u>	<u>WASTEWATER</u>	<u>TOTAL</u>
<b>ASSETS AND OTHER DEBITS</b>					
<b>UTILITY PLANT</b>					
Utility plant in service	\$ 173,046,491	15,362,934	85,051,957	45,627,659	319,089,041
Construction work in progress	7,194,390	33,079	1,230,140	91,495	8,549,104
Less accumulated depreciation	<u>(101,950,492)</u>	<u>(4,500,848)</u>	<u>(25,587,270)</u>	<u>(10,958,827)</u>	<u>(142,997,437)</u>
NET PLANT IN SERVICE	78,290,389	10,895,165	60,694,827	34,760,327	184,640,708
<b>OTHER PROPERTY AND INVESTMENTS</b>					
Investments and special funds	<u>20,479,017</u>	<u>0</u>	<u>179,962</u>	<u>1,362,985</u>	<u>22,021,964</u>
	20,479,017	0	179,962	1,362,985	22,021,964
<b>CURRENT AND ACCRUED ASSETS</b>					
Cash and short-term investments	(284,991)	6,397,463	10,931,673	(539,200)	16,504,945
Customer accounts receivable	2,997,640	197,359	481,666	330,725	4,007,390
Less provision for uncollectible accounts	(18,753)	(4,441)	(9,513)	(7,441)	(40,148)
Due from other governments	0	0	60,184	0	60,184
Due from associated subfunds (not included in total column)	0	0	145,912	0	0
Fuel stock	392,396	0	0	0	392,396
Materials and supplies	1,232,766	42,719	209,041	20,177	1,504,703
Prepayments	735,593	0	116,664	0	852,257
Accrued utility revenues	<u>657,458</u>	<u>97,330</u>	<u>327,552</u>	<u>219,362</u>	<u>1,301,702</u>
	5,712,109	6,730,430	12,263,179	23,623	24,583,429
<b>OTHER NONCURRENT ASSETS AND DEFERRALS</b>					
Advances to associated subfunds (not included in total column)	0	0	1,242,641	0	0
Deferred pensions	371,249	93,324	53,558	44,592	562,723
Unamortized deferral on refunding of debt	<u>609,746</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>609,746</u>
	980,995	93,324	1,296,199	44,592	1,172,469
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ <u>105,462,510</u></b>	<b><u>17,718,919</u></b>	<b><u>74,434,167</u></b>	<b><u>36,191,527</u></b>	<b><u>232,418,570</u></b>

**LIABILITIES AND OTHER CREDITS**

<b>EQUITY</b>						
Retained earnings	\$	57,746,024	16,177,736	70,211,164	23,021,749	167,156,673
<b>LONG-TERM DEBT</b>						
Bonds		25,145,480	0	1,514,520	0	26,660,000
Plus unamortized premium on long-term debt		932,600	0	17,268	0	949,868
Contracts and intergovernmental debt payable		0	0	1,403,970	10,294,508	11,698,478
		<u>26,078,080</u>	<u>0</u>	<u>2,935,758</u>	<u>10,294,508</u>	<u>39,308,346</u>
<b>OTHER NONCURRENT LIABILITIES AND DEFERRALS</b>						
Accumulated provision for benefits		164,134	81,340	43,204	23,179	311,857
Advances from associated subfunds (not included in total column)		0	0	0	1,242,641	0
Asset retirement obligations		8,162,882	0	0	0	8,162,882
Pension liability		4,736,653	1,191,237	678,675	574,040	7,180,605
Deferred pensions		168,904	41,607	31,626	12,321	254,458
		<u>13,232,573</u>	<u>1,314,184</u>	<u>753,505</u>	<u>1,852,181</u>	<u>15,909,802</u>
<b>CURRENT AND ACCRUED LIABILITIES</b>						
Accounts payable		4,948,115	48,522	207,815	68,038	5,272,490
Customer deposits		71,265	53,686	54,735	0	179,686
Tax collections payable		64,814	14,565	22,364	19,404	121,147
Current portion of revenue bonds payable		2,685,242	0	44,758	0	2,730,000
Current portion of contracts and other debt		0	0	89,081	641,156	730,237
Interest accrued		92,376	0	9,032	75,258	176,666
Due to associated subfunds (not included in total column)		0	0	0	145,912	0
Miscellaneous current and accrued liabilities		544,021	110,226	105,955	73,321	833,523
		<u>8,405,833</u>	<u>226,999</u>	<u>533,740</u>	<u>1,023,089</u>	<u>10,043,749</u>
<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b>\$</b>	<b><u>105,462,510</u></b>	<b><u>17,718,919</u></b>	<b><u>74,434,167</u></b>	<b><u>36,191,527</u></b>	<b><u>232,418,570</u></b>



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

**SUPPLEMENTAL COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN PROPRIETARY CAPITAL - INDUSTRY FORMAT**

Year ended June 30, 2016

	<u>ELECTRIC</u>	<u>GAS</u>	<u>WATER</u>	<u>WASTEWATER</u>	<u>TOTAL</u>
<b>UTILITY OPERATING REVENUES</b>					
Sales for resale	\$ 31,402,138	0	0	0	31,402,138
Residential	7,113,594	3,825,203	3,114,535	4,632,768	18,686,100
Commercial and industrial	4,780,023	704,292	431,565	0	5,915,880
Sale to public authorities	2,093,214	358,460	1,278,038	0	3,729,712
Street lighting	67,941	0	0	0	67,941
Other operating revenues	244,782	22,324	77,566	10,760	355,432
<b>TOTAL OPERATING REVENUES</b>	<b>45,701,692</b>	<b>4,910,279</b>	<b>4,901,704</b>	<b>4,643,528</b>	<b>60,157,203</b>
<b>OPERATING EXPENSES</b>					
Purchased power or natural gas	(15,579,738)	(1,853,462)	0	0	(17,433,200)
Distribution	(410,588)	(540,065)	(989,492)	(1,475,043)	(3,415,188)
Administrative and general	(2,303,138)	(744,623)	(1,510,471)	(765,404)	(5,323,636)
Customer accounts	(5,733)	0	(5,554)	(3,632)	(14,919)
Steam power generation	(5,482,606)	0	0	0	(5,482,606)
Transmission	(3,262,624)	0	0	0	(3,262,624)
Other production expenses	(1,413,645)	0	0	0	(1,413,645)
Hydraulic power generation	(418,759)	0	0	0	(418,759)
	(28,876,831)	(3,138,150)	(2,505,517)	(2,244,079)	(36,764,577)
<b>MAINTENANCE EXPENSES</b>					
Distribution	(1,217,477)	(191,729)	(2,273,808)	(627,551)	(4,310,565)
Steam power generation	(2,079,626)	0	0	0	(2,079,626)
Hydraulic power generation	(484,498)	0	0	0	(484,498)
Carbon free generation	(11,825)	0	0	0	(11,825)
Transmission	(381,338)	0	0	0	(381,338)
	(4,174,764)	(191,729)	(2,273,808)	(627,551)	(7,267,852)
<b>DEPRECIATION AND AMORTIZATION EXPENSE</b>	(5,058,606)	(411,120)	(2,045,827)	(837,819)	(8,353,372)
<b>TAXES</b>	(934,643)	(179,606)	(34,855)	0	(1,149,104)
<b>TOTAL UTILITY OPERATING EXPENSES</b>	<b>(39,044,844)</b>	<b>(3,920,605)</b>	<b>(6,860,007)</b>	<b>(3,709,449)</b>	<b>(53,534,905)</b>

<b>UTILITY OPERATING INCOME</b>	<u>6,656,848</u>	<u>989,674</u>	<u>(1,958,303)</u>	<u>934,079</u>	<u>6,622,298</u>
Other income (investment loss)	2,101,744	23,330	989,535	3,619	3,118,228
Other deductions	<u>(962,929)</u>	<u>(1,263,998)</u>	<u>(585,433)</u>	<u>(4,813)</u>	<u>(2,817,173)</u>
<b>UTILITY INCOME</b>	<u>7,795,663</u>	<u>(250,994)</u>	<u>(1,554,201)</u>	<u>932,885</u>	<u>6,923,353</u>
Interest on long-term debt	<u>(1,116,794)</u>	<u>0</u>	<u>(44,196)</u>	<u>(387,291)</u>	<u>(1,548,281)</u>
<b>INCOME BEFORE EXTRAORDINARY ITEMS</b>	<u>6,678,869</u>	<u>(250,994)</u>	<u>(1,598,397)</u>	<u>545,594</u>	<u>5,375,072</u>
Proprietary capital, beginning of year	51,305,959	16,423,423	71,800,543	22,468,488	161,998,413
Capital asset transfers (to) from proprietary funds	(2,867)	0	(2,777)	0	(5,644)
Contributed capital - governmental entities	<u>(235,937)</u>	<u>5,307</u>	<u>11,795</u>	<u>7,667</u>	<u>(211,168)</u>
<b>PROPRIETARY CAPITAL, END OF FISCAL YEAR</b>	<u>\$ 57,746,024</u>	<u>16,177,736</u>	<u>70,211,164</u>	<u>23,021,749</u>	<u>167,156,673</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**

Mr. Rick Reiss, Chair, County Council  
Members of the Council, and Harry Burgess, County Manager Los  
Alamos, New Mexico 87544 and  
Timothy Keller, State Auditor

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, of the County as of and for the year ended June 30, 2016, 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 30, 2016.

**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.

Mr. Rick Reiss, Chair, County Council  
Members of the Council, and Harry Burgess, County Manager  
Los Alamos, New Mexico 87544 and  
Timothy Keller, 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.

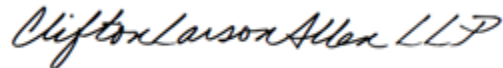
### **Compliance and Other Matters**

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 is 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 30, 2016



CliftonLarsonAllen LLP  
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

Mr. Rick Reiss, Chair, County Council  
Members of the Council, and Harry Burgess, County Manager  
Los Alamos, New Mexico 87544 and  
Timothy Keller, State Auditor

**Report on Compliance for Each Major Federal Program**

We have audited the Incorporated County of Los Alamos' (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2016. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and 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.

Mr. Rick Reiss, Chair, County Council  
Members of the Council, and Harry Burgess, County Manager Los  
Alamos, New Mexico 87544 and  
Timothy Keller, State Auditor

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

### ***Opinion on Each Major Federal Program***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2016.

### **Report on Internal Control Over Compliance**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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.

Mr. Rick Reiss, Chair, County Council  
Members of the Council, and Harry Burgess, County Manager  
Los Alamos, New Mexico 87544 and  
Timothy Keller, State Auditor

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

**CliftonLarsonAllen LLP**

*CliftonLarsonAllen LLP*

Albuquerque, New Mexico  
November 30, 2016

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**INCORPORATED COUNTY OF LOS ALAMOS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2016**

**Section I – Summary of Auditors’ Results**

**Financial Statements**

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes        x   none reported
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes        x   no

**Federal Awards**

1. Internal control over major federal programs:
- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes        x   none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes        x   no

**Identification of Major Federal Programs**

CFDA Number(s)	Name of Federal Program or Cluster
81.XXX	Fire protection, emergency medical and rescue services – Cooperative Agreement
20.509	Nonurbanized Area Formula Grant Program Section 5309
Dollar threshold used to distinguish between Type A and Type B programs:	\$ <u>  \$750,000  </u>
Auditee qualified as low-risk auditee?	<u>  x  </u> yes      _____ no

INCORPORATED COUNTY OF LOS ALAMOS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2016

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***Section II – Financial Statement Findings***

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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Our audit did not disclose any matters required to be reported in in accordance with 2 CFR 200.516(a).

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***Section IV – Prior Year Findings***

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**2015 – 001 – Procurement (Noncompliance)**

**Resolved**

**INCORPORATED COUNTY OF LOS ALAMOS  
EXIT CONFERENCE  
YEAR ENDED JUNE 30, 2016**

An exit conference was held on Monday, November 28, 2016. 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:**

Steven Girrens, County Councilor  
Rick Reiss, County Councilor  
Harry Burgess, County Manager  
Joe D'Anna, Chief Financial Officer  
Robert Westervelt, Deputy Utilities Manager - Finance & Administration

**County Staff:**

Helen M. Perraglio, Deputy Chief Financial Officer  
Margot Liberty, Accounting Operations Manager

**CLIFTONLARSONALLEN LLP**

Laura Beltran-Schmitz, Engagement Director  
Jeff Roybal, In-Charge Associate