

State of New Mexico
Otero County
Annual Financial Reports
June 30, 2015



Otero County

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INTRODUCTORY SECTION

STATE OF NEW MEXICO

Otero County
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Otero County
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STATE OF NEW MEXICO

Otero County

Official Roster

June 30, 2015

<u>Name</u>		<u>Title</u>
	<u>Board of County Commissioners</u>	
Ronny Rardin		Chairman
Susan Flores		Vice-Chairperson
Janet White		Commissioner
	<u>Elected Officials</u>	
Steve Boyle		County Assessor
Denise Guerra		County Clerk
Benny House		County Sheriff
Cathe Prather		County Treasurer
LaTanya Boyce		County Probate Judge
	<u>Administrative Officials</u>	
Pamela Heltner		County Manager
Donna Brandon		County Finance Director
Laura Whiteside		County Deputy Treasurer

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FINANCIAL SECTION



Accounting & Consulting Group, LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Timothy M. Keller
New Mexico State Auditor
The U.S. Office of Management and Budget and
To the County Manager and County Commissioners
Otero County
Alamogordo, New Mexico

Report on 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 comparison for the general fund of Otero County (the "County"), as of and for the year ended June 30, 2015, 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 also have audited the financial statements of each of the County's nonmajor governmental funds and the budgetary comparisons for the major proprietary funds, internal service fund and all nonmajor funds presented as supplementary information, as defined by the Governmental Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2015, 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 misstatements, 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 County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County'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, 2015, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the County as of June 30, 2015, and the respective changes in financial position thereof and the respective budgetary comparisons for the major proprietary funds, internal service fund, and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the *Management's Discussion and Analysis* that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by that missing information.

Accounting principles generally accepted in the United States of America require Schedules I and II and the notes to the Required Supplementary Information on pages 62 through 66 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 *Schedule of Expenditures of Federal Awards* as required by Office of Management and Budget *Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations and Supporting Schedules III through VIII 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 Supporting Schedules III through VIII 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 of Federal Awards and Supporting Schedules III through VIII 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 and *Schedule IX* have not been subjected to the auditing procedures applied in the audit of the basic 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 October 29, 2015, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, New Mexico
October 29, 2015

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**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO

Otero County

Statement of Net Position

June 30, 2015

	Primary-Government		Total
	Governmental Activities	Business-type Activities	
Assets			
Current assets			
Cash and cash equivalents	\$ 4,637,015	\$ -	\$ 4,637,015
Investments	8,459,108	-	8,459,108
Receivables:			
Property taxes	1,005,554	-	1,005,554
Other taxes	1,269,649	-	1,269,649
Other receivables	1,115,375	8,861,375	9,976,750
Inventory	44,201	-	44,201
Prepaid expenses	291,040	-	291,040
Total current assets	<u>16,821,942</u>	<u>8,861,375</u>	<u>25,683,317</u>
Noncurrent assets			
Restricted cash and cash equivalents	4,557,487	-	4,557,487
Restricted investments	928,515	24,520,822	25,449,337
Bond discounts, net of accumulated amortization of \$3,420 and \$152,570, respectively	47,230	273,411	320,641
Capital assets	149,746,464	77,114,450	226,860,914
Less: accumulated depreciation	<u>(69,374,275)</u>	<u>(15,431,633)</u>	<u>(84,805,908)</u>
Total noncurrent assets	<u>85,905,421</u>	<u>86,477,050</u>	<u>172,382,471</u>
Deferred outflows of resources			
Employer contributions subsequent to the measurement date	<u>1,133,076</u>	<u>-</u>	<u>1,133,076</u>
Total deferred outflows of resources	<u>1,133,076</u>	<u>-</u>	<u>1,133,076</u>
Total assets and deferred outflows of resources	<u>\$ 103,860,439</u>	<u>\$ 95,338,425</u>	<u>\$ 199,198,864</u>

The accompanying notes are an integral part of these financial statements

	Primary-Government		
	Governmental Activities	Business-type Activities	Total
Liabilities			
Current liabilities			
Accounts payable	\$ 691,833	\$ 16,489,420	\$ 17,181,253
Accrued payroll expenses	298,833	-	298,833
Claims payable	132,000	-	132,000
Accrued interest	125,830	1,178,037	1,303,867
Current portion of accrued compensated absences	376,584	-	376,584
Current portion of loans and capital leases payables	513,272	-	513,272
Current portion of bonds payable	180,000	4,065,000	4,245,000
Total current liabilities	<u>2,318,352</u>	<u>21,732,457</u>	<u>24,050,809</u>
Noncurrent liabilities			
Accrued compensated absences	145,706	-	145,706
Bond premiums, net of accumulated amortization of \$5,575 and \$0, respectively	76,997	-	76,997
Loans and capital leases payable	2,991,759	-	2,991,759
Bonds payable	4,665,000	78,400,000	83,065,000
Net pension liability	9,334,589	-	9,334,589
Total noncurrent liabilities	<u>17,214,051</u>	<u>78,400,000</u>	<u>95,614,051</u>
Total liabilities	<u>19,532,403</u>	<u>100,132,457</u>	<u>119,664,860</u>
Deferred inflows of resources			
Change in experience	254,540	-	254,540
Net difference between projected and actual investment earnings	3,592,217	-	3,592,217
Total deferred inflows of resources	<u>3,846,757</u>	<u>-</u>	<u>3,846,757</u>
Net investment in capital assets	76,299,973	(16,971,509)	59,328,464
Restricted for:			
Debt service	2,620,642	-	2,620,642
Capital projects	190,534	-	190,534
Other purposes - special revenue	6,510,701	-	6,510,701
Otero County detention center	-	6,635,160	6,635,160
Otero County processing center	-	5,542,317	5,542,317
Unrestricted	(5,140,571)	-	(5,140,571)
Total net position	<u>80,481,279</u>	<u>(4,794,032)</u>	<u>75,687,247</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 103,860,439</u>	<u>\$ 95,338,425</u>	<u>\$ 199,198,864</u>

STATE OF NEW MEXICO
Otero County
Statement of Activities
For the Year Ended June 30, 2015

<u>Functions/Programs:</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities:				
General government	\$ 6,779,883	\$ 2,175,774	\$ 1,901,378	\$ 1,430,174
Public safety	15,127,279	621,463	2,951,683	201,522
Public works	6,851,041	-	754,205	482,399
Culture and recreation	189,999	-	-	-
Health and welfare	2,922,692	56,371	223,441	-
Interest on long-term debt	376,194	-	-	-
<i>Total governmental activities</i>	<u>32,247,088</u>	<u>2,853,608</u>	<u>5,830,707</u>	<u>2,114,095</u>
Business-Type Activities:				
Otero County Detention Center	23,116,790	29,538,324	-	-
Otero County Processing Center	24,923,213	29,678,638	-	-
<i>Total business-type activities</i>	<u>48,040,003</u>	<u>59,216,962</u>	<u>-</u>	<u>-</u>
<i>Total primary government</i>	<u>\$ 80,287,091</u>	<u>\$ 62,070,570</u>	<u>\$ 5,830,707</u>	<u>\$ 2,114,095</u>

General revenues:

Taxes
Property
Gross receipts
Gasoline and motor vehicle
Payment in lieu of taxes
Investment income (loss)
Miscellaneous income
Transfers in (out)
 Total general revenues
 Change in net position
 Net position - beginning, as originally stated
 Net position - restatement (note 20)
 Net position - beginning, as restated
 Net position, ending

The accompanying notes are an integral part of these financial statements

**Net (Expense) Revenue and Changes in
Net Position**

Governmental Activities	Business-Type Activities	Total
\$ (1,272,557)	\$ -	\$ (1,272,557)
(11,352,611)	-	(11,352,611)
(5,614,437)	-	(5,614,437)
(189,999)	-	(189,999)
(2,642,880)	-	(2,642,880)
(376,194)	-	(376,194)
<u>(21,448,678)</u>	<u>-</u>	<u>(21,448,678)</u>
-	6,421,534	6,421,534
-	4,755,425	4,755,425
<u>-</u>	<u>11,176,959</u>	<u>11,176,959</u>
(21,448,678)	11,176,959	(10,271,719)
9,619,966	-	9,619,966
6,851,778	-	6,851,778
1,166,555	-	1,166,555
2,859,462	-	2,859,462
133,275	737	134,012
670,077	-	670,077
848,228	(848,228)	-
<u>22,149,341</u>	<u>(847,491)</u>	<u>21,301,850</u>
<u>700,663</u>	<u>10,329,468</u>	<u>11,030,131</u>
92,271,170	(15,123,500)	77,147,670
<u>(12,490,554)</u>	<u>-</u>	<u>(12,490,554)</u>
<u>79,780,616</u>	<u>(15,123,500)</u>	<u>64,657,116</u>
<u>\$ 80,481,279</u>	<u>\$ (4,794,032)</u>	<u>\$ 75,687,247</u>

STATE OF NEW MEXICO

Otero County
Balance Sheet
Governmental Funds
June 30, 2015

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<i>Assets</i>			
Cash and cash equivalents	\$ 1,363,747	\$ 7,575,806	\$ 8,939,553
Investments	4,936,021	4,451,602	9,387,623
Receivables:			
Property taxes	1,004,640	914	1,005,554
Other taxes	403,669	865,980	1,269,649
Other receivables	205,396	909,979	1,115,375
Inventory	-	44,201	44,201
Prepaid expenses	266,396	24,644	291,040
<i>Total assets</i>	<u>\$ 8,179,869</u>	<u>\$ 13,873,126</u>	<u>\$ 22,052,995</u>
<i>Liabilities</i>			
Accounts payable	\$ 362,208	\$ 329,625	\$ 691,833
Accrued payroll expenses	242,910	55,923	298,833
<i>Total liabilities</i>	<u>605,118</u>	<u>385,548</u>	<u>990,666</u>
<i>Deferred inflows of resources</i>			
Unavailable revenue:			
Property taxes	854,049	880	854,929
<i>Total deferred inflows of resources</i>	<u>854,049</u>	<u>880</u>	<u>854,929</u>
<i>Fund balances</i>			
Nonspendable			
Inventory	-	44,201	44,201
Prepaid expenses	266,396	24,644	291,040
Spendable			
Restricted for:			
General county operations	-	684,785	684,785
Maintenance of roads	-	884,816	884,816
Environment	-	361,001	361,001
Recreation	-	3,959	3,959
Public safety	-	3,608,437	3,608,437
Healthcare	-	638,163	638,163
Debt service expenditures	-	2,745,592	2,745,592
Capital projects	-	4,491,100	4,491,100
Committed to:			
Minimum fund balance	4,288,472	-	4,288,472
Unassigned	2,165,834	-	2,165,834
<i>Total fund balances</i>	<u>6,720,702</u>	<u>13,486,698</u>	<u>20,207,400</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 8,179,869</u>	<u>\$ 13,873,126</u>	<u>\$ 22,052,995</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit B-1

Otero County

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2015

Amounts reported for governmental activities in the Statement of
Net Position are different because:

Fund balances - total governmental funds	\$	20,207,400
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		80,372,189
Residual balances of the internal service funds are included within the governmental activities and are not reported within the governmental funds		122,949
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be unavailable revenue in the fund financial statements, but are considered revenue in the Statement of Activities		854,929
Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in funds		
Deferred outflows of resources related to employer contributions subsequent to the measurement date		1,133,076
Deferred inflows of resources related to changes in assumption		(254,540)
Deferred inflows of resources related to investment experience		(3,592,217)
Certain liabilities, including bonds payable, net pension liability, and current and long-term portions of accrued compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued interest payable		(125,830)
Accrued compensated absences not due and payable		(522,290)
Bond discounts		47,230
Bond premiums		(76,997)
Bonds payable		(4,845,000)
Loans and capital leases payable		(3,505,031)
Net pension liability		(9,334,589)
		80,481,279
Net position of governmental activities	\$	80,481,279

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Otero County
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	General Fund	Other Governmental Funds	Total
<i>Revenues:</i>			
Taxes:			
Property	\$ 9,331,756	\$ 240,914	\$ 9,572,670
Gross receipts	2,266,870	4,584,908	6,851,778
Gasoline and motor vehicle	121,925	1,044,630	1,166,555
Intergovernmental:			
Federal operating grants	813,981	561,957	1,375,938
Federal capital grants	-	482,399	482,399
State operating grants	1,453,961	3,000,808	4,454,769
State capital grants	-	1,631,696	1,631,696
Payment in lieu of taxes	2,859,462	-	2,859,462
Charges for services	996,455	132,298	1,128,753
Investment income (loss)	96,193	36,457	132,650
Miscellaneous	284,028	386,049	670,077
<i>Total revenues</i>	<u>18,224,631</u>	<u>12,102,116</u>	<u>30,326,747</u>
<i>Expenditures:</i>			
Current:			
General government	4,328,262	328,631	4,656,893
Public safety	10,242,370	3,384,795	13,627,165
Public works	1,553,196	2,464,739	4,017,935
Culture and recreation	97,378	8,008	105,386
Health and welfare	435,740	2,499,761	2,935,501
Capital outlay	471,941	3,009,128	3,481,069
Debt service:			
Principal	25,000	671,859	696,859
Interest	-	344,293	344,293
<i>Total expenditures</i>	<u>17,153,887</u>	<u>12,711,214</u>	<u>29,865,101</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,070,744</u>	<u>(609,098)</u>	<u>461,646</u>
<i>Other financing sources (uses)</i>			
Proceeds from debt	-	42,060	42,060
Transfers in	879,228	2,654,737	3,533,965
Transfers (out)	(2,309,372)	(626,365)	(2,935,737)
<i>Total other financing sources (uses)</i>	<u>(1,430,144)</u>	<u>2,070,432</u>	<u>640,288</u>
<i>Net change in fund balance</i>	(359,400)	1,461,334	1,101,934
<i>Fund balance - beginning of year</i>	<u>7,080,102</u>	<u>12,025,364</u>	<u>19,105,466</u>
<i>Fund balance - end of year</i>	<u>\$ 6,720,702</u>	<u>\$ 13,486,698</u>	<u>\$ 20,207,400</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit B-2

Otero County

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2015

Amounts reported for governmental activities in the Statement of Activities
are different because:

Net change in fund balances - total governmental funds	\$	1,101,934
--	----	-----------

Change in net position of internal service funds		122,949
--	--	---------

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital expenditures		3,481,069
Depreciation expense		(5,111,345)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds:

Change in property taxes		47,296
--------------------------	--	--------

Governmental funds report County pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense:

County pension contributions		1,133,076
Pension expense		(690,792)

The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:

Increase in accrued interest		(33,517)
Increase in accrued compensated absences		(6,422)
Proceeds from issuance of debt		(42,060)
Principal payments on bonds payable		696,859
Amortization expense for debt discount		(2,565)
Amortization expense for debt premium		4,181

Change in net position of governmental activities	\$	<u><u>700,663</u></u>
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The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO

Exhibit C-1

Otero County

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variations
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ 8,985,916	\$ 8,985,916	\$ 9,274,204	\$ 288,288
Gross receipts	2,350,000	2,350,000	2,234,293	(115,707)
Gasoline and motor vehicle	140,800	140,800	144,771	3,971
Intergovernmental:				
Federal operating grants	508,871	508,871	811,369	302,498
Federal capital grants	-	-	-	-
State operating grants	1,199,099	1,238,621	1,469,436	230,815
Payment in lieu of taxes	1,860,000	1,860,000	2,859,462	999,462
Charges for services	961,692	961,692	963,859	2,167
Investment income (loss)	27,000	27,000	96,193	69,193
Miscellaneous	279,890	301,890	287,111	(14,779)
<i>Total revenues</i>	<u>16,313,268</u>	<u>16,374,790</u>	<u>18,140,698</u>	<u>1,765,908</u>
<i>Expenditures:</i>				
Current:				
General government	4,666,563	4,692,219	4,285,742	406,477
Public safety	10,716,102	11,111,578	10,290,567	821,011
Public works	1,197,845	1,532,682	1,530,010	2,672
Culture and recreation	98,285	98,284	96,943	1,341
Health and welfare	471,239	471,239	459,740	11,499
Capital outlay	326,103	357,658	349,134	8,524
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>17,476,137</u>	<u>18,263,660</u>	<u>17,012,136</u>	<u>1,251,524</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,162,869)</u>	<u>(1,888,870)</u>	<u>1,128,562</u>	<u>3,017,432</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	1,990,501	2,966,502	-	(2,966,502)
Proceeds from debt	-	-	-	-
Transfers in	1,481,000	1,481,000	879,228	(601,772)
Transfers (out)	(2,308,632)	(2,558,632)	(2,298,146)	260,486
<i>Total other financing sources (uses)</i>	<u>1,162,869</u>	<u>1,888,870</u>	<u>(1,418,918)</u>	<u>(3,307,788)</u>
<i>Net change in fund balance</i>	-	-	(290,356)	(290,356)
<i>Fund balance - beginning of year</i>	-	-	6,590,124	6,590,124
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,299,768</u>	<u>\$ 6,299,768</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (290,356)
Adjustments to revenue for property and other taxes, state and federal grants and investment income				72,707
Adjustments to expenditures for payroll, insurance, supplies, and maintenance and repair expenditures				(141,751)
Net change in fund balance (GAAP)				<u>\$ (359,400)</u>

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO

Exhibit D-1

Otero County
Statement of Net Position
Proprietary Funds
June 30, 2015

	Enterprise Funds			Governmental Activities
	Otero County Detention Center	Otero County Processing Center	Total	Self-Insurance Internal Service Fund
<i>Assets</i>				
<i>Current assets</i>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 254,949
Customer receivables	3,681,921	5,179,454	8,861,375	-
<i>Total current assets</i>	<u>3,681,921</u>	<u>5,179,454</u>	<u>8,861,375</u>	<u>254,949</u>
<i>Noncurrent assets</i>				
Restricted investments	13,798,363	10,722,459	24,520,822	-
Bond discounts, net of accumulated amortization of \$3,604 and \$148,966, respectively	38,446	234,965	273,411	-
Capital assets	31,983,032	45,131,418	77,114,450	-
Less: accumulated depreciation	<u>(8,196,866)</u>	<u>(7,234,767)</u>	<u>(15,431,633)</u>	<u>-</u>
<i>Total noncurrent assets</i>	<u>37,622,975</u>	<u>48,854,075</u>	<u>86,477,050</u>	<u>-</u>
<i>Total assets</i>	<u>\$ 41,304,896</u>	<u>\$ 54,033,529</u>	<u>\$ 95,338,425</u>	<u>254,949</u>
<i>Liabilities and net position</i>				
<i>Liabilities</i>				
<i>Current liabilities</i>				
Accounts payable	\$ 7,958,937	\$ 8,530,483	\$ 16,489,420	\$ -
Claims payable	-	-	-	132,000
Accrued interest payable	446,396	731,641	1,178,037	-
Current portion of bonds payable	<u>1,730,000</u>	<u>2,335,000</u>	<u>4,065,000</u>	<u>-</u>
<i>Total current liabilities</i>	<u>10,135,333</u>	<u>11,597,124</u>	<u>21,732,457</u>	<u>132,000</u>
<i>Noncurrent liabilities</i>				
Bonds payable	<u>31,650,000</u>	<u>46,750,000</u>	<u>78,400,000</u>	<u>-</u>
<i>Total noncurrent liabilities</i>	<u>31,650,000</u>	<u>46,750,000</u>	<u>78,400,000</u>	<u>-</u>
<i>Total liabilities</i>	<u>41,785,333</u>	<u>58,347,124</u>	<u>100,132,457</u>	<u>132,000</u>
<i>Net position</i>				
Net investment in capital assets	(7,115,597)	(9,855,912)	(16,971,509)	-
Restricted for:				
Otero County detention center	6,635,160	-	6,635,160	-
Otero County processing center	-	5,542,317	5,542,317	-
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,949</u>
<i>Total net position</i>	<u>(480,437)</u>	<u>(4,313,595)</u>	<u>(4,794,032)</u>	<u>122,949</u>
<i>Total liabilities and net position</i>	<u>\$ 41,304,896</u>	<u>\$ 54,033,529</u>	<u>\$ 95,338,425</u>	<u>\$ 254,949</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Otero County
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2015

Exhibit D-2

	Enterprise Funds			Governmental Activities
	Otero County Detention Center	Otero County Processing Center	Total	Self-Insurance Internal Service Fund
<i>Operating revenues</i>				
Charges for services	\$ 29,538,324	\$ 29,678,638	\$ 59,216,962	\$ -
Insurance premiums	-	-	-	1,724,855
<i>Total operating revenues</i>	<u>29,538,324</u>	<u>29,678,638</u>	<u>59,216,962</u>	<u>1,724,855</u>
<i>Operating expenses</i>				
Contractual services	21,011,315	20,770,109	41,781,424	-
Depreciation	790,568	1,112,806	1,903,374	-
Claims and judgements	-	-	-	1,852,531
<i>Total operating expenses</i>	<u>21,801,883</u>	<u>21,882,915</u>	<u>43,684,798</u>	<u>1,852,531</u>
<i>Operating income (loss)</i>	<u>7,736,441</u>	<u>7,795,723</u>	<u>15,532,164</u>	<u>(127,676)</u>
<i>Non-operating revenues (expenses)</i>				
Interest expense	(1,312,024)	(3,021,869)	(4,333,893)	-
Amortization expense	(2,883)	(18,429)	(21,312)	-
Interest income (loss)	737	-	737	625
<i>Total non-operating revenues (expenses)</i>	<u>(1,314,170)</u>	<u>(3,040,298)</u>	<u>(4,354,468)</u>	<u>625</u>
<i>Income (loss) before contributions and transfers</i>	6,422,271	4,755,425	11,177,696	(127,051)
Transfers in	-	-	-	250,000
Transfers (out)	(417,413)	(430,815)	(848,228)	-
<i>Change in net position</i>	6,004,858	4,324,610	10,329,468	122,949
<i>Net position - beginning</i>	<u>(6,485,295)</u>	<u>(8,638,205)</u>	<u>(15,123,500)</u>	<u>-</u>
<i>Net position - end of year</i>	<u>\$ (480,437)</u>	<u>\$ (4,313,595)</u>	<u>\$ (4,794,032)</u>	<u>\$ 122,949</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Otero County
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015

Exhibit D-3

	Enterprise Funds			Governmental
	Otero County Detention Center	Otero County Processing Center	Total	Self-Insurance Internal Service Funds
<i>Cash flows from operating activities</i>				
Cash received from customers	\$ 29,473,596	\$ 32,187,961	\$ 61,661,557	\$ 1,724,855
Cash payments to suppliers for goods and services	(22,561,535)	(22,733,872)	(45,295,407)	(1,720,531)
<i>Net cash provided by operating activities</i>	<u>6,912,061</u>	<u>9,454,089</u>	<u>16,366,150</u>	<u>4,324</u>
<i>Cash flows from noncapital financing activities</i>				
Interfund advances (payments)	(417,413)	(430,815)	(848,228)	250,000
<i>Net cash (used) provided by noncapital financing activities</i>	<u>(417,413)</u>	<u>(430,815)</u>	<u>(848,228)</u>	<u>250,000</u>
<i>Cash flows from capital and related financing activities</i>				
Interest paid	(1,052,172)	(3,053,638)	(4,105,810)	-
Principal payments on issuance of long-term debt	(1,930,000)	(2,210,000)	(4,140,000)	-
<i>Net cash (used) by capital and related financing activities</i>	<u>(2,982,172)</u>	<u>(5,263,638)</u>	<u>(8,245,810)</u>	<u>-</u>
<i>Cash flows from investing activities</i>				
Purchases of investments	(3,513,213)	(3,759,636)	(7,272,849)	-
Interest on investments	737	-	737	625
<i>Net cash (used) provided by investing activities</i>	<u>(3,512,476)</u>	<u>(3,759,636)</u>	<u>(7,272,112)</u>	<u>625</u>
<i>Net increase in cash and cash equivalents</i>	-	-	-	254,949
<i>Cash and cash equivalents - beginning of year</i>	-	-	-	-
<i>Cash and cash equivalents - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 254,949</u>
<i>Reconciliation of operating income (loss) to net cash provided by operating activities:</i>				
Operating income (loss)	\$ 7,736,441	\$ 7,795,723	\$ 15,532,164	\$ (127,676)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	790,568	1,112,806	1,903,374	-
Changes in assets and liabilities				
Receivables	(64,728)	2,509,323	2,444,595	-
Accounts payable	(1,550,220)	(1,963,763)	(3,513,983)	-
Claims payable	-	-	-	132,000
<i>Net cash provided by operating activities</i>	<u>\$ 6,912,061</u>	<u>\$ 9,454,089</u>	<u>\$ 16,366,150</u>	<u>\$ 4,324</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Otero County
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2015

Exhibit E-1

<i>Assets</i>	
Cash	\$ 306,402
Property taxes receivable	<u>1,803,365</u>
<i>Total assets</i>	<u><u>\$ 2,109,767</u></u>
<i>Liabilities</i>	
Deposits held in trust	\$ 306,402
Due to other taxing units	<u>1,803,365</u>
<i>Total liabilities</i>	<u><u>\$ 2,109,767</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Otero County
Notes to the Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies

Otero County “the County” is a political subdivision of the State of New Mexico established and regulated by the constitution of the State of New Mexico. The County operates under a Board of County Commissioners-manager form of government and provides the following services as authorized by public law: public safety (sheriff, fire, emergency medical, etc.), roads, health and social services, recreation, sanitation, planning and zoning, property assessment, tax collection, general administrative services, and operation of a prison facility and processing center.

Otero County is a body politic and corporate under the name and form of government selected by its qualified electors. The County may:

1. Sue or be sued;
2. Enter into contracts and leases;
3. Acquire and hold property, both real and personal;
4. Have common seal, which may be altered at pleasure;
5. Exercise such other privileges that are incident to corporations of like character or degree that are not inconsistent with the laws of New Mexico.
6. Protect generally the property of its county and its inhabitants;
7. Preserve peace and order within the county; and
8. Establish rates for services provided by the County utilities and revenue-producing projects, including amounts which the governing body determines to be reasonable in the operation of similar facilities.

This summary of significant accounting policies of the County is presented to assist in the understanding of the County’s financial statements. The financial statements and notes are the representation of County’s management who is responsible for their integrity and objectivity. The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units.

During the year ended June 30, 2015, the County adopted GASB Statements No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* (“GASB 68”), and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68* (“GASB 71”). These two Statements are required to be implemented at the same time. GASB 68 addresses accounting and financial reporting for pensions that are provided to the employees of state and local governments through pension plans that are administered through trusts that have the following characteristics:

- Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.
- Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit plan, plan assets are also legally protected from creditors of the plan members.

STATE OF NEW MEXICO
Otero County
Notes to the Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

GASB 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. As a result of the implementation of GASB 68, the government recognized a net pension liability (“NPL”) measured as of a date no later than the end of its prior fiscal year. If the government employer makes a contribution to the pension plan subsequent to the measurement date but prior to the end of the current fiscal year, GASB 68 requires the government to recognize that contribution as a deferred outflow of resources. In addition, GASB 68 requires the recognition of deferred outflows of resources and deferred inflows of resources for changes in the NPL that arise from other types of events, but does not require the government to recognize beginning deferred outflows of resources or deferred inflows of resources if the amounts are not practical to estimate. At transition to Statement 68, Statement 71 requires the employer or nonemployer contributing entity to recognize a beginning deferred outflow of resources for its pension contributions made subsequent to the measurement date of the beginning net pension liability but before the start of the government’s fiscal year, thus avoiding possible understatement of an employer or nonemployer contributing entity’s beginning net position and expense in the initial period of implementation. This pronouncement has materially impacted the financial statements and additional disclosures are included in the notes to the financial statements to highlight the effects.

A. Financial Reporting Entity

In evaluating how to define the County, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended by GASB Statement No. 39 and GASB Statement No. 61. Blended component units, though legally separate entities, are, in substance, part of the government’s operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body’s ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the County has no component units, and is not a component unit of another governmental agency.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *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.

STATE OF NEW MEXICO
Otero County
Notes to the Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

B. Government-wide and fund financial statements (continued)

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt obligations. The County's net position are reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements of time, reimbursement and contingencies imposed by the provider are met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Only the portion of special assessments due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

STATE OF NEW MEXICO
Otero County
Notes to the Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the County's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the County's general revenues. Program revenues are categorized as (a) charges for services, which include revenues collected for fees and use of County facilities, etc., (b) program-specific operating grants, which include revenues received from state and federal sources such as county equalization distributions to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from state sources to be used for capital projects. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

The County reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The County does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenue of the County's enterprise funds are charges for services for the housing of inmates in the County's Detention and Processing Centers as well as insurance premiums for the County's self-insurance internal service fund. Operating expenses for enterprise funds include the costs of services, administration expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Under the requirements of GASB Statement No. 34, the County is required to present certain of its governmental funds as major based upon certain criteria. The major funds presented in the fund financial statements include the following:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The County reports its proprietary funds as major funds. Proprietary funds include:

The *Otero County Detention Center Fund* is used to account for the activities of the County's Prison Facility in Chaparral.

The *Otero County Processing Center Fund* is used to account for the activities of the County's immigration processing facility in Chaparral.

The government maintains one individual internal service fund:

The *Self-Insurance Internal Service Fund* was created by the County Commission in order to account for self-insurance activities. Self-insurance activities include collecting employee premiums and employer contributions and paying for healthcare and vision claims incurred.

STATE OF NEW MEXICO
Otero County
Notes to the Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Additionally, the government reports the following agency fund:

Fiduciary funds are purely custodial (assets equal liabilities) and do not involve measurement of results of operations. The County's fiduciary funds are used to account for the collection and payment of property taxes and special fees to other governmental agencies. They also account for the collection and disbursement of inmate funds for the Otero County Detention Center.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity

Deposits and Investments: The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the County to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Local Government Investment Pool (LGIP).

Investments for the County are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

Receivables and Payables: Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting funds and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources in the event they are not received within 60 days of year end.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, delinquent property taxes are recorded as revenue when levied.

Property taxes are levied on November 1 based on the assessed value of property as listed on the previous January 1 and are due in two payments by November 10th and April 10th. Property taxes uncollected after May 10th are considered delinquent. The taxes attach as an enforceable lien on property as of January 1st.

Inventory: The County's method of accounting for inventory is the consumption method. Under the consumption approach, governments report inventories they purchase as an asset and defer the recognition of the expenditures until the period in which the inventories actually are consumed. Inventory is valued at cost and consists of supplies and materials. The cost of purchased supplies and materials is recorded as an expenditure at the time individual inventory items are consumed.

STATE OF NEW MEXICO
Otero County
Notes to the Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (continued)

Prepaid Expenses: Prepaid expenses include insurance and contract payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide financial statements and fund financial statements.

Restricted Assets: Restricted assets consist of those funds expendable for operating purposes but restricted by donors or other outside agencies as to the specific purpose for which they may be used and restricted for future debt service payments.

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Otero County was a Phase II government for purposes of implementing GASB Statement No. 34. The County was required to report its major general infrastructure assets retroactively to June 30, 1980. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. There was no interest capitalized by the County during the fiscal year. No interest was included as part of the cost of capital assets under construction.

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	10-30
Buildings and building improvements	40-45
Office furniture and equipment	5-10
Vehicles	5

Accrued Expenses: Accrued expenses are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2015, along with applicable FICA and Medicare liabilities.

Deferred Outflows of Resources: In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The County has one type of item that qualifies for reporting in this category: employer contributions subsequent to the measurement date in the amount of \$1,133,076. This amount is reported in the Statement of Net Position. This amount is deferred and recognized as an outflow of resources in the next period and will reduce the net pension liability in the next period.

STATE OF NEW MEXICO
Otero County
Notes to the Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (continued)

Deferred Inflows of Resources: In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources. The County has one item, which arises under the modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue – property taxes, is reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The County has recorded \$854,929 related to property taxes considered “unavailable”. In addition, the County has two types of items presented on the Statement of Net Position which arise due to the implementation of GASB Statement No. 68 and the related net pension liability. Accordingly, the items, change in experience in the amount of \$254,540 and Net difference between projected and actual investment earnings in the amount of \$3,592,217 are reported on the Statement of Net Position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences: Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. In prior years, substantially all of the related expenditures have been liquidated by the general fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide statement of net position.

Long-term Obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. For bonds issued after the County implemented GASB Statement No. 34, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds Payable are reported net of the applicable bond premium or discount. For fund financial reporting, bond premiums and discounts, as well as issuance costs are recognized in the period the bonds are issued. Bond proceeds are reported as other financing sources net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Fund Balance Classification Policies and Procedures: For committed fund balance, the County's highest level of decision-making authority is the County Commission. The formal action that is required to be taken to establish a fund balance commitment is the County Commission.

For assigned fund balance, the County Commission or an official or body to which the County Commission delegates the authority is authorized to assign amounts to a specific purpose. Under the current authorization system, for funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

For the classification of fund balances, the County considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Also for the classification of fund balances, the County considers committed, assigned, or unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

STATE OF NEW MEXICO
Otero County
Notes to the Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (continued)

Nonspendable Fund Balance: At June 30, 2015, the nonspendable fund balance in the governmental funds consists of amounts associated with inventory and prepaid expense contracts in the amount of \$335,241 that is not in spendable form.

Restricted and Committed Fund Balance: At June 30, 2015, the County has presented restricted fund balance on the governmental funds balance sheet in the amount of \$13,417,853 for various County operations as restricted by enabling legislation. The County has also presented committed fund balance on the governmental funds balance sheet in the amount of \$4,288,472 to meet minimum fund balance requirements for the General Fund. The details of these fund balance items are located on the governmental funds balance sheet as detailed on page 18.

Minimum Fund Balance Policy: The County's policy for maintaining a minimum amount of fund balance for operations is to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. At a minimum, the budget shall ensure that the County holds cash reserves of 3/12th the General Fund expenditures.

Net Position: Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets: Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The County includes unspent debt proceeds in the amounts of \$4,277,815 in the calculation of net investment in capital assets in the governmental activities and \$3,810,674 (\$2,478,237 in the Otero County Detention Center, and \$1,332,437 in the Otero County Processing Center) in the calculation of net investment in capital assets in the and business-type activities.
- b. Restricted net position: Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position restricted for "special revenue, debt service, and capital projects" are described on pages 32 and 70-71.
- c. Unrestricted net position: All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates in the County's financial statements include management's estimate of the expected useful lives of Capital Assets, current portion of accrued compensated absences, and collectability of accounts receivable.

Pensions: 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.

STATE OF NEW MEXICO
Otero County
Notes to the Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

D. *Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (continued)*

Interfund Transactions: Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

NOTE 2. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets of the County are prepared prior to June 1 and must be approved by resolution of the County Commissioners and submitted to the Department of Finance and Administration for State approval. Once the budget has been formally approved, any amendments must also be approved by the County Commissioners and the Department of Finance and Administration. A separate budget is prepared for each fund. Line items within each budget may be over-expended; however, it is not legally permissible to over-expend any budget in total at the fund level.

These budgets are prepared on the Non-GAAP budgetary basis. Budgetary basis expenditures exclude encumbrances. The budget secures appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

The budgetary information presented in these financial statements has been properly amended by County Commissioners in accordance with the above procedures. These amendments resulted in the following changes:

	Excess (deficiency) of revenues over expenditures	
	Original Budget	Final Budget
Budgeted Funds:		
General Fund	\$ (1,162,869)	\$ (1,888,870)
Other Governmental Funds	\$ (10,459,646)	\$ (10,553,655)
	Change in net position	
Budgeted Funds:		
Otero County Detention Center	\$ (305,000)	\$ (305,000)
Otero County Processing Center	\$ (3,818,638)	\$ (3,818,638)
Self-Insurance Internal Service Fund	\$ 652,800	\$ 652,800

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual present comparisons of the legally adopted budget with actual data on a budgetary basis.

STATE OF NEW MEXICO
Otero County
Notes to the Financial Statements
June 30, 2015

NOTE 2. Stewardship, Compliance and Accountability (continued)

Budgetary Information (continued)

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP), a reconciliation of resultant basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2015 is presented. Reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund can be found on each individual budgetary statement.

NOTE 3. Deposits and Investments

State statutes authorize the investment of County funds in a wide variety of instruments including certificates of deposit and other similar obligations, the state investment pool, money market accounts, and United States Government obligations. All invested funds of the County properly followed State investment requirements as of June 30, 2015.

Deposits of funds may be made in interest bearing or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the County. Deposits may be made to the extent that they are insured by an agency of the United States or by collateralized as required by statute. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

By operation of federal law, beginning January 1, 2013, funds deposited in a noninterest-bearing transaction account (including an Interest on Lawyer-Trust Account) no longer will receive unlimited deposit insurance coverage by the FDIC. Beginning January 1, 2013, all of the County's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, will be insured by the FDIC up to the Standard Maximum Deposit Insurance Amount of \$250,000.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2015, \$11,133,105 of the County's bank balance of \$13,156,590 was exposed to custodial credit risk. Although the \$11,133,105 was uninsured, it was collateralized by collateral held by the pledging bank's trust department, not in the County's name. None of the County's deposits were uninsured and uncollateralized at June 30, 2015.

STATE OF NEW MEXICO
Otero County
Notes to the Financial Statements
June 30, 2015

NOTE 3. Deposits and Investments (continued)

	<u>Bank 34</u>	<u>First National Bank of Alamogordo</u>	<u>First Savings Bank</u>	<u>Washington Federal Bank</u>
Amount of deposits	\$ 600,000	\$ 7,224,151	\$ 1,251,240	\$ 250,000
FDIC coverage	<u>(250,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>(250,000)</u>
Total uninsured public funds	<u>350,000</u>	<u>6,724,151</u>	<u>751,240</u>	<u>-</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the County's name	<u>350,000</u>	<u>6,724,151</u>	<u>751,240</u>	<u>-</u>
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Collateral requirement (50%)	\$ 175,000	\$ 3,362,076	\$ 375,620	\$ -
Pledged securities	<u>733,598</u>	<u>7,956,212</u>	<u>1,342,333</u>	<u>53,330</u>
Over (under) collateralized	<u>\$ 558,598</u>	<u>\$ 4,594,136</u>	<u>\$ 966,713</u>	<u>\$ 53,330</u>
	<u>Wells Fargo Bank</u>	<u>Western Bank</u>	<u>Total</u>	
Amount of deposits	\$ 2,507,714	\$ 1,323,485	\$ 13,156,590	
FDIC coverage	<u>(250,000)</u>	<u>(273,485)</u>	<u>(2,023,485)</u>	
Total uninsured public funds	<u>2,257,714</u>	<u>1,050,000</u>	<u>11,133,105</u>	
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the County's name	<u>2,257,714</u>	<u>1,050,000</u>	<u>11,133,105</u>	
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Collateral requirement (50%)	\$ 1,128,857	\$ 525,000	\$ 5,566,553	
Pledged securities	<u>2,261,281</u>	<u>1,470,938</u>	<u>13,817,692</u>	
Over (under) collateralized	<u>\$ 1,132,424</u>	<u>\$ 945,938</u>	<u>\$ 8,251,139</u>	

The collateral pledged is listed on Schedule III of this report. The types of collateral are limited to direct obligations of the United States Government and all bonds issued by any agency, district, or political subdivision of the State of New Mexico.

STATE OF NEW MEXICO
Otero County
Notes to the Financial Statements
June 30, 2015

NOTE 3. Deposits and Investments (continued)

Investments

As of June 30, 2015, the County's investments and related maturities were as follows:

<u>Investment Type</u>	<u>Weighted Average Maturities</u>	<u>Fair Value</u>	<u>Rating***</u>
Federal Home Loan Bank Bond	1 to 10 years	\$ 5,014,848	A-1+
Wells Fargo Money Market Mutual Fund*	<1 year	43,784	AA+
U.S. Treasury Money Market Mutual Fund**	<1 year	1,208,187	AA+
U.S. Treasury and Agency Notes	<1 year	24,520,822	AA+
		<u>\$ 30,787,641</u>	

* Wells Fargo Money Market Mutual Fund Account is guaranteed by US Securities

** Restricted Cash in the amount of \$279,672 and Restricted Investments of \$928,515 per Exhibit A-1

*** Based off Standard & Poor's rating

The investments are listed on Schedule IV of this report.

The County has presented certificates of deposits of \$3,400,478 in the Statement of Net Position, however there are classified as deposits for disclosure purposes.

Custodial Credit Risk - Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's policy related to investments is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). The securities are not subject to custodial credit risk as they are registered and held in the name of Otero County. The fair value of the County's Federal Home Loan Bank Bonds and U.S. Treasury and Agency notes listed above is \$29,535,670 at June 30, 2015.

Interest Rate Risk – Investments. The County has ten investments in which the maturity date is greater than one year. Schedule IV in this report specifically identifies the investment type and amount of investment for these securities. The fair value of the securities exposed to interest rate risk is \$5,014,848. These securities do not have call options. The County's policy related to interest rate risk with investments is to comply with the statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

Concentration Credit Risk – Investments. For an investment, concentration credit risk is when any one issuer is 5% or more of the investment portfolio of the County. The investments in the Federal Home Loan Bank Bond and US Treasury and Agency Notes represent 16% and 80%, respectively, of the investment portfolio. Since the County only purchases investments with high grade credit rating, the additional concentration is not viewed to be an additional risk by the County. The County's policy related to concentration credit risk is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

The County utilizes pooled accounts for their funds. Cash and investments of the General, Special Revenue, Capital Projects, and Agency funds are pooled and held in multiple accounts. Separate accounts exist for sheriff and confiscation related funds.

STATE OF NEW MEXICO
Otero County
Notes to the Financial Statements
June 30, 2015

NOTE 3. Deposits and Investments (continued)

Reconciliation of Cash and Cash Equivalents

Primary Government

Reconciliation to the Statement of Net Position:

Cash and cash equivalents per Exhibit A-1	\$	4,637,015
Restricted cash and cash equivalents per Exhibit A-1		4,557,487
Investments per Exhibit A-1		8,459,108
Restricted investments per Exhibit A-1		25,449,337
Cash - Statement of Fiduciary Assets and Liabilities per Exhibit E-1		<u>306,402</u>
 Total cash, cash equivalents, and investments		 43,409,349
 Add: outstanding checks		 68,771
Add: outstanding warrants and other reconciling items		590,716
Less: investments in Federal Home Loan Bank Bonds		(5,014,848)
Less: investments in Wells Fargo MM Mutual Fund		(43,784)
Less: investments in US Treasury MM mutual fund		(1,208,187)
Less: investments in U.S. Government and U. S. Agency securities		(24,520,822)
Less: deposits in transit and other reconciling items		(123,430)
Less: petty cash		<u>(1,175)</u>
 Bank balance of deposits	 \$	 <u><u>13,156,590</u></u>

NOTE 4. Receivables

Receivables as of June 30, 2015, are as follows:

Governmental Activities:

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Property taxes	\$ 1,004,640	\$ 914	\$ 1,005,554
Other taxes:			
Gross receipts taxes	400,259	749,610	1,149,869
Gasoline and oil taxes	3,410	116,370	119,780
Other receivables:			
Charges for services	191,248	4,598	195,846
Intergovernmental-grants:			
State	1,148	869,422	870,570
Federal	2,612	14,464	17,076
Miscellaneous	<u>10,388</u>	<u>21,495</u>	<u>31,883</u>
 Total	 <u>\$ 1,613,705</u>	 <u>\$ 1,776,873</u>	 <u>\$ 3,390,578</u>

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$854,929 that were not collected within the period of availability have been reclassified as deferred inflows of resources in the governmental fund financial statements. All of the above receivables are deemed to be fully collectible.

STATE OF NEW MEXICO
Otero County
Notes to the Financial Statements
June 30, 2015

NOTE 4. Receivables (Continued)

Receivables as of June 30, 2015, are as follows:

Business-Type Activities:

	Otero County Detention Center Fund	Otero County Processing Center Fund	Total
Customer receivables	\$ 3,681,921	\$ 5,179,454	\$ 8,861,375
Total	<u>\$ 3,681,921</u>	<u>\$ 5,179,454</u>	<u>\$ 8,861,375</u>

All of the above receivables are deemed to be fully collectible.

NOTE 5. Interfund Transfers

Net operating transfers, made to close out funds and to supplement other funding sources in the normal course of operations, were as follows:

Transfers Out	Transfers In	Amount
Primary Government		
General Fund	Property Valuation Special Revenue Fund	\$ 109,706
General Fund	Road Special Revenue Fund	1,095,000
General Fund	HIDTA Grant Special Revenue Fund	30,000
General Fund	Environmental Gross Receipts Tax Special Revenue Fund	400,000
General Fund	CDBG Grants Special Revenue Fund	100,000
General Fund	Other Debt Service Debt Service Fund	62,365
General Fund	Legislative Grants Capital Projects Fund	250,000
General Fund	Building Improvements Capital Projects Fund	12,301
General Fund	Self-Insurance Internal Service Fund	250,000
Fire Funds Special Revenue Fund	General Fund	31,000
Fire Funds Special Revenue Fund	Other Debt Service Debt Service Fund	16,400
Hold Harmless Revenue Bond (Revenue) Special Revenue Fund	Hold Harmless Revenue Bond (Bond) Debt Service Fund	578,965
Otero County Detention Center Fund	General Fund	417,413
Otero County Processing Center Fund	General Fund	430,815
Total		<u>\$ 3,783,965</u>

There were no interfund balances at June 30, 2015.

STATE OF NEW MEXICO
Otero County
Notes to the Financial Statements
June 30, 2015

NOTE 6. Capital Assets

The following is a summary of capital assets and changes occurring during the year ended June 30, 2015. Land and construction in progress are not subject to depreciation.

	<u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
Governmental activities:				
Capital Assets, not depreciated:				
Land	\$ 22,366,237	\$ -	\$ -	\$ 22,366,237
Construction in progress	811,325	1,536,694	(1,195,983)	1,152,036
Total Capital Assets, not depreciated	23,177,562	1,536,694	(1,195,983)	23,518,273
Capital Assets, depreciated:				
Infrastructure and land improvements	62,228,808	360,322	-	62,589,130
Buildings and building improvements	27,463,636	982,648	-	28,446,284
Furniture and equipment	27,153,865	1,308,106	-	28,461,971
Vehicles	6,241,524	489,282	-	6,730,806
Total Capital Assets, depreciated	123,087,833	3,140,358	-	126,228,191
Accumulated Depreciation:				
Infrastructure and land improvements	29,488,224	2,516,949	-	32,005,173
Buildings and building improvements	13,365,740	659,370	-	14,025,110
Furniture and equipment	16,841,505	1,415,563	-	18,257,068
Vehicles	4,567,461	519,463	-	5,086,924
Total Accumulated Depreciation	64,262,930	5,111,345	-	69,374,275
Net Book Value	\$ 82,002,465	\$ (434,293)	\$ (1,195,983)	\$ 80,372,189

Depreciation expense for the year ended June 30, 2015 was charged to governmental activities as follows:

General government	\$ 341,197
Public safety	1,811,159
Public works	2,869,582
Culture and recreation	87,177
Health and welfare	2,230
Total	\$ 5,111,345

STATE OF NEW MEXICO
Otero County
Notes to the Financial Statements
June 30, 2015

NOTE 6. Capital Assets (continued)

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Business-Type activities:				
Capital Assets, not depreciated:				
Land	\$ 927,350	\$ -	\$ -	\$ 927,350
Total Capital Assets, not depreciated	927,350	-	-	927,350
Capital Assets, depreciated:				
Buildings and building improvements	76,187,100	-	-	76,187,100
Total Capital Assets, depreciated	76,187,100	-	-	76,187,100
Accumulated Depreciation:				
Buildings and building improvements	13,528,259	1,903,374	-	15,431,633
Total Accumulated Depreciation	13,528,259	1,903,374	-	15,431,633
Net Book Value	\$ 63,586,191	\$ (1,903,374)	\$ -	\$ 61,682,817

Depreciation expense for the year ended June 30, 2015 was charged to business-type activities as follows:

Otero County Detention Center	\$ 790,568
Otero County Processing Center	1,112,806
Total	\$ 1,903,374

NOTE 7. Long-term Debt

Governmental Activities:

During the year ended June 30, 2015, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015	Due Within One Year
Bonds payable	\$ 5,065,000	\$ -	\$ 220,000	\$ 4,845,000	\$ 180,000
Loans and capital leases	3,939,830	42,060	476,859	3,505,031	513,272
Compensated absences	515,868	383,006	376,584	522,290	376,584
Total long-term debt	\$ 9,520,698	\$ 425,066	\$ 1,073,443	\$ 8,872,321	\$ 1,069,856

STATE OF NEW MEXICO
Otero County
Notes to the Financial Statements
June 30, 2015

NOTE 7. Long-term Debt (continued)

Bonds Payable

The County has entered into a gross receipts revenue bond wherein the County pledged gross receipt revenue to cover debt service. The Bonds Payable are as follows:

Bonds payable:

Description	Date of Issue	Maturity Date	Interest Rate	Original Amount of Issue	Balance June 30, 2015
Hold Harmless GRT Bond	Apr-14	Dec-33	3.00-5.00%	\$ 5,065,000	\$ 4,845,000
Total bonds payable					<u>\$ 4,845,000</u>

The annual requirements to amortize the Bonds Payable as of June 30, 2015, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2016	\$ 180,000	\$ 187,975	\$ 367,975
2017	185,000	182,575	367,575
2018	190,000	177,025	367,025
2019	195,000	169,425	364,425
2020	205,000	161,625	366,625
2021-2025	1,170,000	668,313	1,838,313
2026-2030	1,400,000	422,476	1,822,476
2031-2034	1,320,000	142,238	1,462,238
	<u>\$ 4,845,000</u>	<u>\$ 2,111,652</u>	<u>\$ 6,956,652</u>

The hold harmless GRT revenue bond is to be liquidated through the Hold Harmless Revenue Bonds (Bond) Debt Service Fund.

Loans and Capital Leases

The County has entered into several loan agreements with the New Mexico Finance Authority, wherein the County pledged revenue derived from New Mexico Fire Protection Allotments to cover debt service. This revenue is subject to intercept agreements by the New Mexico Finance Authority. Additionally, the County entered into lease agreements as the lessee for financing the acquisition of equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the future minimum lease payments as of the inception date. The NMFA and capital leases are as follows:

STATE OF NEW MEXICO
Otero County
Notes to the Financial Statements
June 30, 2015

NOTE 7. Long-term Debt (continued)

Loans and capital leases:

Description	Date of Issue	Maturity Date	Interest Rate	Original Amount of Issue	Balance June 30, 2015
NMFA Loan	Apr-06	May-16	3.14%	\$ 187,778	\$ 22,717
NMFA Loan	Jan-07	May-17	3.00%	160,000	36,090
NMFA Loan	Aug-06	May-17	3.43%	91,109	20,986
NMFA Loan	Dec-07	May-28	3.41-4.56%	540,496	404,668
NMFA Loan	Dec-07	May-18	3.41-4.01%	268,889	91,904
NMFA Loan	Nov-07	May-18	3.41-4.01%	155,000	53,528
NMFA Loan	Sep-08	May-29	5.05%	162,400	131,219
NMFA Loan	Nov-08	May-29	3.00%	163,557	125,824
NMFA Loan	Jan-09	May-19	3.68%	293,712	130,807
NMFA Loan	Mar-09	May-19	3.21%	233,450	101,559
NMFA Loan	Mar-09	May-19	3.19%	189,783	82,577
NMFA Loan	Mar-09	May-19	3.23%	182,700	95,293
NMFA Loan	Sep-09	May-19	0.65-3.58%	135,559	60,727
NMFA Loan	Sep-09	May-20	1.03-3.78%	121,800	65,105
NMFA Loan	Nov-09	May-20	0.98-3.22%	144,130	75,865
NMFA Loan	Jul-10	May-21	2.78%	233,450	146,108
NMFA Loan	Aug-10	Jun-21	2.94%	279,125	204,239
NMFA Loan	Apr-11	May-26	3.58%	192,850	148,141
NMFA Loan	Oct-11	May-22	2.11%	213,049	174,758
NMFA Loan	Jan-12	May-22	0.01%	152,250	105,000
NMFA Loan	Jan-13	May-23	0.390%-2.240%	166,247	135,056
NMFA Loan	Feb-13	May-18	0.400%-1.330%	303,636	182,866
NMFA Loan	Mar-13	May-23	0.400%-0.100%	161,210	131,692
NMFA Loan	Jul-13	May-33	1.290%-4.340%	201,500	196,495
NMFA Loan	Jul-13	May-30	1.290%-4.340%	226,688	218,083
NMFA Loan	May-14	May-25	1.170%-3.100%	110,832	110,832
NMFA Loan	May-14	May-25	1.170%-3.100%	110,832	110,832
NMFA Loan	Jun-15	May-34	0.00%	42,060	42,060
Grady Shelter Capital Lease	Jul-13	Sep-18	0.00%	150,000	100,000
Total loans and capital leases					<u>\$ 3,505,031</u>

STATE OF NEW MEXICO
Otero County
Notes to the Financial Statements
June 30, 2015

NOTE 7. Long-term Debt (continued)

The annual requirements to amortize the Loans and Capital Leases Payable as of June 30, 2015, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2016	\$ 513,272	\$ 102,680	\$ 615,952
2017	506,432	85,740	592,172
2018	507,624	73,772	581,396
2019	425,382	59,314	484,696
2020	283,395	49,358	332,753
2021-2025	848,690	152,079	1,000,769
2026-2030	371,025	46,240	417,265
2031-2034	49,211	3,676	52,887
	<u>\$ 3,505,031</u>	<u>\$ 572,859</u>	<u>\$ 4,077,890</u>

Loans and capital leases have been liquidated by the Road and Fire Funds Special Revenue Funds in prior years.

Compensated Absences – Employees of the County are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year 2015, compensated absences increased \$6,422 from the prior year accrual. In prior years, the general fund was typically used to liquidate such long-term liabilities.

Business-Type Activities:

The business-type funds have incurred debt in the form of revenue bonds for the purposes of constructing, expanding, repairing and making improvements to its property, plant and equipment. The following schedule shows the changes to its various forms of debt during the fiscal year ended June 30, 2015:

	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015	Due Within One Year
Revenue Bonds	\$86,605,000	\$ -	\$ 4,140,000	\$82,465,000	\$ 4,065,000
Total Long-term Debt	<u>\$86,605,000</u>	<u>\$ -</u>	<u>\$ 4,140,000</u>	<u>\$82,465,000</u>	<u>\$ 4,065,000</u>

STATE OF NEW MEXICO
Otero County
Notes to the Financial Statements
June 30, 2015

NOTE 7. Long-term Debt (continued)

Revenue Bonds

At June 30, 2015, the County had the following revenue bonds outstanding:

Description	Date of Issue	Maturity Date	Interest Rate	Original Amount of Issue	Balance June 30, 2015
Jail Project Series 2007	May-07	Apr-28	5.50-6.00%	\$ 62,305,000	\$ 49,085,000
Jail Project Series 2012	Dec-12	Dec-27	3.10%	19,760,000	17,615,000
Jail Project Series 2014	Apr-14	Dec-28	4.60%	16,820,000	15,765,000
Total Revenue Bonds					<u><u>\$ 82,465,000</u></u>

Business-type debt has been liquidated by the Otero County Detention Center and Otero County Processing Center funds in prior years.

The annual requirements to amortize the bonds as of June 30, 2015, including interest payments, are as follows:

Revenue Bond Series 2007

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2016	\$ 2,335,000	\$ 2,926,562	\$ 5,261,562
2017	2,470,000	2,792,300	5,262,300
2018	2,610,000	2,650,276	5,260,276
2019	2,760,000	2,500,200	5,260,200
2020	2,930,000	2,334,600	5,264,600
2021-2025	17,495,000	8,816,700	26,311,700
2026-2028	18,485,000	2,564,700	21,049,700
	<u><u>\$ 49,085,000</u></u>	<u><u>\$ 24,585,338</u></u>	<u><u>\$ 73,670,338</u></u>

Revenue Bond Series 2012

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2016	\$ 905,000	\$ 539,090	\$ 1,444,090
2017	935,000	510,803	1,445,803
2018	960,000	481,663	1,441,663
2019	990,000	451,670	1,441,670
2020	1,020,000	420,748	1,440,748
2021-2025	5,595,000	1,605,568	7,200,568
2026-2028	7,210,000	463,141	7,673,141
	<u><u>\$ 17,615,000</u></u>	<u><u>\$ 4,472,683</u></u>	<u><u>\$ 22,087,683</u></u>

STATE OF NEW MEXICO
Otero County
Notes to the Financial Statements
June 30, 2015

NOTE 7. Long-term Debt (continued)

Revenue Bond Series 2014

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2016	\$ 825,000	\$ 725,190	\$ 1,550,190
2017	865,000	687,240	1,552,240
2018	905,000	647,450	1,552,450
2019	945,000	605,820	1,550,820
2020	990,000	562,350	1,552,350
2021-2025	5,680,000	2,084,950	7,764,950
2026-2029	5,555,000	653,430	6,208,430
	<u>\$ 15,765,000</u>	<u>\$ 5,966,430</u>	<u>\$ 21,731,430</u>

Total Revenue Bonds

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2016	\$ 4,065,000	\$ 4,190,842	\$ 8,255,842
2017	4,270,000	3,990,343	8,260,343
2018	4,475,000	3,779,389	8,254,389
2019	4,695,000	3,557,690	8,252,690
2020	4,940,000	3,317,698	8,257,698
2021-2025	28,770,000	12,507,218	41,277,218
2026-2029	31,250,000	3,681,271	34,931,271
	<u>\$ 82,465,000</u>	<u>\$ 35,024,451</u>	<u>\$ 117,489,451</u>

NOTE 8. 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 and natural disasters. The County administers its insurance coverage through the Risk Management Office.

Otero County is a member and is insured through the New Mexico County Insurance Authority. The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The Authority acts as the common carrier for the State of New Mexico counties. The County pays an annual premium to the Authority based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. The County is not liable for more than the premiums paid.

The Self-Insurance is reported as an Internal Service fund. Premiums are paid into the fund by all other funds and are available to pay claims, claim reserves, and administrative costs of the program. The County purchases commercial insurance for claims in excess of coverage provided by the funds and for other risks of loss. The County has had no significant reduction in insurance coverage from the prior year and, as of June 30, 2015; such inter-fund premiums did not exceed reimbursable expenditures.

STATE OF NEW MEXICO
Otero County
Notes to the Financial Statements
June 30, 2015

NOTE 8. Risk Management (continued)

The County's Self-Insurance fund accounts for the self-insured program for employee health and major medical and vision benefits. Claims are handled by a professional third-party claims administrator. The County maintains specific stop loss coverage for individual claims in excess of \$55,000 and aggregate coverage of cumulative claims in excess of 125% of Minimum Attachment Point of \$1,738,518.

Liabilities of the funds are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage award. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimated. An excess coverage insurance policy covers individual claims in various levels. Settlements have not exceeded coverage for each of the past three fiscal years.

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payment	Balances at Fiscal Year End
2014-2015				
Self-Insurance Internal Service Fund	\$ -	\$ 1,984,531	\$ 1,852,531	\$ 132,000

NOTE 9 Required Individual Fund Disclosures

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

- A. Deficit fund balance/net position of individual funds. The following funds reflected a deficit fund balance or deficit net position as of June 30, 2015:

Business-Type Funds

Major Funds

Otero County Detention Center	\$ (480,437)
Otero County Processing Center	(4,313,595)

Total Business-Type Funds \$ (4,794,032)

- B. Excess of expenditures over appropriations. There were not any funds with expenditures in excess of the budgeted appropriations for the year ended June 30, 2015.
- C. Designated cash appropriations in excess of available balances. There were not any funds with excess cash appropriations for the year ended June 30, 2015.

STATE OF NEW MEXICO
Otero County
Notes to the Financial Statements
June 30, 2015

NOTE 10. Pension Plan – Public Employees Retirement Association

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://saonm.org/> using the Audit Report Search function for agency 366.

Benefits provided. 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, 2014 available at:

http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf

Contributions. The contribution requirements of defined benefit plan members and Otero 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 FY14 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA FY14 annual audit report at:

http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2014.pdf

The PERA coverage options that apply to Otero County are Municipal General Division and Municipal Police Division. Statutorily required contributions to the pension plan from Otero County were \$1,133,076, and there were no employer paid member benefits that were “picked up” by the employer for the year ended June 30, 2015.

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, 2013. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date June 30, 2014.

STATE OF NEW MEXICO
Otero County
Notes to the Financial Statements
June 30, 2015

NOTE 10 Pension Plan – Public Employees Retirement Association (continued)

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, 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. Otero County’s proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity’s percentage of that membership group’s total employer contributions for the fiscal year ended June 30, 2014. Only employer contributions for the pay period end dates that fell within the period of July 1, 2013 to June 30, 2014 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2014 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 PERA Fund Municipal General Division, at June 30, 2015, Otero County reported a liability of \$6,253,340 for its proportionate share of the net pension liability. At June 30, 2014, Otero County’s proportion was 0.8016 percent, which was unchanged from its proportion measured as of June 30, 2013 due to the insignificance of the difference.

For the year ended June 30, 2015, Otero County recognized PERA Fund Municipal General Division pension expense of \$385,241. At June 30, 2015, Otero County reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Changes of assumptions	\$ -	\$ 4,238
Net difference between projected and actual earnings on pension plan investments	-	2,446,472
County's contributions subsequent to the measurement date.	334,217	
Total	\$ 334,217	\$ 2,450,710

For Municipal General, \$2,450,710 reported as deferred outflows of resources related to pensions resulting from Otero County’s contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ (612,072)
2017	(612,072)
2018	(612,072)
2019	(612,072)
2020	(2,422)
Thereafter	-

STATE OF NEW MEXICO
Otero County
Notes to the Financial Statements
June 30, 2015

NOTE 10. Pension Plan – Public Employees Retirement Association (continued)

For PERA Fund Municipal Police Division, at June 30, 2015, Otero County reported a liability of \$3,081,249 for its proportionate share of the net pension liability. At June 30, 2014, Otero County’s proportion was 0.9452 percent, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, Otero County recognized PERA Fund Municipal Police Division pension expense of \$305,551. At June 30, 2015, Otero County reported PERA Fund Municipal Police Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Changes of assumptions	\$ -	\$ 250,302
Net difference between projected and actual earnings on pension plan investments	-	1,145,745
County's contributions subsequent to the measurement date	798,859	-
Total	\$ 798,859	\$ 1,396,047

\$1,396,047 reported as deferred outflows of resources related to pensions resulting from Otero County’s 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, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ (348,700)
2017	(348,700)
2018	(348,700)
2019	(348,700)
2020	(1,247)
Thereafter	-

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, 2013 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, 2014 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, 2014. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2014 actuarial valuation.

Actuarial valuation date	June 30, 2013
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	3.50% annual rate
Projected salary increases	3.50 to 14.25% annual rate
Includes inflation at	3.00% annual rate

STATE OF NEW MEXICO
Otero County
Notes to the Financial Statements
June 30, 2015

NOTE 10. Pension Plan – Public Employees Retirement Association (continued)

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:

ALL FUNDS - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	21.10%	5.00%
International Equity	24.80	5.20
Private Equity	7.00	8.20
Core and Global Fixed Income	26.10	1.85
Fixed Income Plus Sectors	5.00	4.80
Real Estate	5.00	5.30
Real Assets	7.00	5.70
Absolute Return	4.00	4.15
Total	100.00%	

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 Employer'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 tables present Otero County's net pension liability in each PERA Fund Division that Otero 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.

PERA Fund Municipal General Division	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
County's proportionate share of the net pension liability	\$ 11,788,953	\$ 6,253,340	\$ 1,976,815

PERA Fund Municipal Police Division	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
County's proportionate share of the net pension liability	\$ 5,875,947	\$ 3,081,249	\$ 994,486

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FY14 Restated PERA financial report. The report is available at <http://www.pera.state.nm.us/publications.html>.

Payables to the pension plan. At June 30, 2015 there were no contributions due and payable to PERA for the County.

STATE OF NEW MEXICO
Otero County
Notes to the Financial Statements
June 30, 2015

NOTE 11. Post-Employment Benefits

The County offers the option for eligible retirees to continue coverage for themselves and dependents under the County's active group health care plan. If the retirees so elect, they must bear 100% of the cost. There is no cost to the County, under Retiree Health Care, to provide this benefit.

NOTE 12. Joint Powers Agreements

Closure of the Dog Canyon Landfill

Participants	Otero County City of Alamogordo
Responsible parties	Otero County City of Alamogordo
Description	To perform certain maintenance and monitoring functions at the landfill site for the duration of the post-closure period.
Term of agreement	Thirty years
Amount of project	Estimated to be \$288,420
County contributions	25% of the total post-closure costs
Audit responsibility	N/A

Regional Emergency Communications Center and Dispatch Services

Participants	Otero County Village of Cloudcroft
Responsible party	Otero County
Description	Establishing a regional emergency communications center and providing for dispatch services
Term of agreement	Indefinite
Amount of project	The Village of Cloudcroft will pay \$20,000 for the service.
County contributions	Unknown
Audit responsibility	Regional Emergency Communications Center

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Otero County
Notes to the Financial Statements
June 30, 2015

NOTE 12. Joint Powers Agreements (continued)

Otero/Otero County Regional Landfill

Participants	Otero County City of Alamogordo Village of Cloudcroft Village of Tularosa Village of Corona	Otero County Town of Carrizozo Village of Capitan Village of Ruidoso Village of Ruidoso Downs
Responsible party	City of Alamogordo	
Description	To establish, finance and operate the Otero/Otero County Regional landfill.	
Terms of agreement	Perpetual	
Amount of project	Unknown	
County contributions	100% of Environmental Services Gross Receipts Tax	
Audit responsibility	City of Alamogordo	

NOTE 13. Landfill Closure Costs – Dog Canyon Landfill

The County entered into a joint powers agreement with the City of Alamogordo to participate in the closure of the Dog Canyon Landfill. The City of Alamogordo is responsible for 75% of the closure and post-closure costs and the County is responsible for 25%. State and Federal laws and regulations require the County to place a final cover on the landfill. This was completed on August 2, 2000, however, there had been problems with the cap and the County worked with the contractor to correct the problems. The capping problems were corrected in prior years. Certain maintenance and monitoring functions at the landfill site must be continued for thirty years after closure. The total liability for landfill closure and post-closure care has been estimated at \$288,420 as of June 30, 2002. However, the actual cost of closure and post-closure care may vary due to inflation, changes in technology, or changes in landfill laws and regulations.

The County is required by State and Federal laws and regulations to make annual contributions to closure and post-closure care. The County and the City of Alamogordo have currently funded closure and post-closure costs in the amount of \$307,361. Remaining costs will be funded as current expenditures in future years.

NOTE 14. Otero/Otero County Regional Landfill

During the 1993-1994 fiscal years the County entered into a joint powers agreement for the operation of a regional landfill. The following entities represent the signers of this agreement:

Otero County:

City of Alamogordo
Otero County
Village of Cloudcroft
Village of Tularosa

Otero County:

Otero County
Town of Carrizozo
Village of Capitan
Village of Ruidoso
Village of Ruidoso Downs
Village of Corona

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Otero County
Notes to the Financial Statements
June 30, 2015

NOTE 14. Otero/Otero County Regional Landfill (continued)

The purpose of the joint venture was to establish, finance and operate the Otero/Otero County Regional Landfill. Each of the governmental entities has pledged their respective environmental services gross receipts tax revenues as financial support for the purpose of funding the acquisition of capital assets necessary for the operation of the landfill. The Otero and Otero County authorities have also agreed to a 50-50 joint ownership and operation of this enterprise.

It was mutually agreed and covenanted between the entities that:

1. The facility shall be known as the Otero/Otero County Regional Landfill;
2. Each entity designated the City of Alamogordo to act as the administrator to issue bonds and pledge the environmental services gross receipts tax revenues of each respective governmental entity as well as the operating revenues of the landfill to service the bonds and operate the landfill;
3. Title to the facility shall be held in undivided-joint tenancy between the Otero and Otero Solid Waste Authorities;
4. The entities, through their respective Otero or Otero County Authorities, shall be joint owners of a co-equal undivided one-half interest in the assets and also shall be equally responsible for the debt;
5. The entities each agree to maintain an irrevocable, first, but not exclusive, pledge of 100% of their environmental gross receipts tax revenues for the life of the bond issue used for permanent financing;
6. The entities agree that tipping fees collected shall be used to pay principal and interest on the bonds and that the fee established shall be adequate to meet operations, maintenance and financing requirements;
7. The entities agree that the City of Alamogordo shall annually prepare a budget that shall be approved by the Otero and Otero County Solid Waste Authorities. Thereafter, the City will operate the Landfill in accordance with good business practice;
8. The governmental entities authorize the exercise of the following joint powers by the City of Alamogordo, acting as agent on their behalf:
 - a. In accordance with the approved budget, to acquire, cause to be acquired and maintain the necessary property, equipment and personnel for the landfill.
 - b. To approve the issuance of revenue bonds
 - c. To enter into agreements for the services of managers, attorneys, appraisers, consultants and employees
 - d. To implement adopted policies regarding fees, rates and charges.
9. The landfill shall be a joint venture of the entities acting in a proprietary capacity;
10. Annually, the City of Alamogordo will provide a complete financial report on the operation to each participating entity; and
11. The terms of this agreement are perpetual.

The City of Alamogordo reports the joint venture above as a discretely presented component unit on its annual financial report. The landfill's fees, however, were enough to meet the expenses of the landfill and the City of Alamogordo refunded all of these gross receipts taxes to the County.

NOTE 15. Federal and State Grants

Otero County participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, Otero County may be required to reimburse the grantor government. As of June 30, 2015, significant amounts of grant expenditures have not been audited by the grantor agencies. Management believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of Otero County.

STATE OF NEW MEXICO
Otero County
Notes to the Financial Statements
June 30, 2015

NOTE 16. Contingent Liabilities

The County is party to various claims and lawsuits arising in the normal course of business. The County is insured through the New Mexico County Insurance Authority. In the opinion of management, the outcome of these matters will not have a material effect on the financial position of the County.

NOTE 17. Commitments

The County's commitments as of June 30, 2015 are as follows:

<u>Contract</u>	<u>Year Ending</u>	<u>Amount</u>
Tularosa Basin Historical Societ Building Remodel	2016	\$ 225,000
Tyler Financial Software	2016	75,000
2015 Dodge Ram 1500 Crew Cab	2016	14,244
2015 Dodge Ram 1500 Crew Cab	2016	14,244
Aces School Remodel Phase II	2016	495,000
Mayhill Community Center	2016	55,834
Emergency Response Center	2016	110,983
Fairgrounds Frontier Village Improvements	2016	1,412,975
Chaparral Community Center	2016	<u>925,149</u>
Total commitments		<u>\$ 3,328,429</u>

NOTE 18. Concentrations

The County depends on financial resources flowing from, or associated with, both the Federal Government and that the State of New Mexico. Because of this dependency, the County is subject to changes in the specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations.

NOTE 19. Restricted Net Position

The government-wide statement of net position reports \$21,499,354 of restricted net position, all of which is restricted by enabling legislation. For descriptions of the related enabling legislation for special revenue, debt service and capital project funds, see pages 32 and 70-71.

STATE OF NEW MEXICO
Otero County
Notes to the Financial Statements
June 30, 2015

NOTE 20. Net Position Restatement

The County has restated prior year net position in the government-wide financial statements as a result of the following:

Governmental-Type Activities:

The County has restated government-wide statement of net position in the amount of (\$12,490,554) for the implementation of GASB Statement No. 68 and GASB Statement No. 71. The adjustment reflects a beginning net pension liability of (\$13,646,729) and a beginning deferred outflow of resources, employer contributions subsequent to the measurement date of \$1,156,175.

NOTE 21. Subsequent Events

Subsequent to June 30, 2015, the County enacted the following:

- The County Commission enacted the final 1/8% Hold Harmless Gross Receipts Taxes and is planning to sell the remaining \$15 million of authorized revenue bonds pursuant to County Ordinance No. 13-06.
- The County has entered into an NMFA Loan closing on July 17, 2015, for \$120,907. The purpose of the loan shall be used to purchase a new fire pumper for the County. The debt payments will be made by intercepting the state fire allotments provided on an annual basis by the State of New Mexico.

The date to which events occurring after June 30, 2015, the date of the most recent Statement of Net Position, have been evaluated for possible adjustment to the financial statements or disclosures is October 29, 2015, which is the date on which the financial statements were issued.

NOTE 22. Subsequent Pronouncements

In February 2015, GASB Statement No. 72 *Fair Value Measurement and Application*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015. Earlier application is encouraged. The County will implement this standard during the fiscal year ended June 30, 2016. The County is still evaluating how this pronouncement will affect the financial statements.

In June 2015, GASB Statement No. 73 *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2016. Earlier application is encouraged. The County is still evaluating how this pronouncement will affect the financial statements.

In June 2015, GASB Statement No. 74 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2016. This pronouncement will not effect the County's financial statements.

In June 2015, GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2017. The standard will be implemented during the fiscal year ended June 30, 2018. The County does not expect this pronouncement to have an effect on the financial statements as they do not participate in such a plan.

STATE OF NEW MEXICO
Otero County
Notes to the Financial Statements
June 30, 2015

NOTE 22. Subsequent Pronouncements (continued)

In June 2015, GASB Statement No. 76 *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015. Earlier application is encouraged. The County will implement this standard during the fiscal year ended June 30, 2016. The County expects the pronouncement to have a material effect on the financial statements.

In August 2015, GASB Statement No. 77 *Tax Abatement Disclosures*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged. The County will implement this standard during the fiscal year ended June 30, 2017. The County is still evaluating how this pronouncement will effect the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO

Otero County

Schedule of the County's Proportionate Share of the Net Pension Liability
of PERA Fund Municipal General Division
Public Employees Retirement Association (PERA) Plan
Last 10 Fiscal Years*

Schedule I

Page 1 of 2

	2015 Measurement Date (As of and for the year ended <u>June 30, 2014</u>)
Otero County's proportion of the net pension liability	0.8016%
Otero County's proportionate share of the net pension liability	\$ 6,253,340
Otero County's covered-employee payroll	\$ 6,507,077
Otero County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	96.10%
Plan fiduciary net position as a percentage of the total pension liability	81.29%

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

See independent auditors' report
See notes to required supplementary information

STATE OF NEW MEXICO

Otero County

Schedule of the County's Proportionate Share of the Net Pension Liability
of PERA Fund Municipal Police Division
Public Employees Retirement Association (PERA) Plan
Last 10 Fiscal Years*

Schedule I

Page 2 of 2

	2015 Measurement Date (As of and for the year ended June 30, 2014)
Otero County's proportion of the net pension liability	0.9452%
Otero County's proportionate share of the net pension liability	\$ 3,081,249
Otero County's covered-employee payroll	\$ 1,820,248
Otero County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	169.28%
Plan fiduciary net position as a percentage of the total pension liability	81.29%

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

See independent auditors' report
See notes to required supplementary information

STATE OF NEW MEXICO

Otero County

Schedule of County's Contributions

Public Employees Retirement Association (PERA) Plan

PERA Fund Municipal General Division

Last 10 Fiscal Years*

Schedule II

Page 1 of 2

	As of and for the year ended June 30, 2015
Contractually required contribution	\$ 334,217
Contributions in relation to the contractually required contribution	<u>(334,217)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Otero County's covered-employee payroll	\$ 6,413,158
Contributions as a percentage of covered-employee payroll	5%

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

See independent auditors' report
See notes to required supplementary information

STATE OF NEW MEXICO

Otero County

Schedule of County's Contributions

Public Employees Retirement Association (PERA) Plan

PERA Fund Municipal Police Division

Last 10 Fiscal Years*

Schedule II

Page 2 of 2

	As of and for the year ended June 30, 2015
Contractually required contribution	\$ 798,859
Contributions in relation to the contractually required contribution	<u>(798,859)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Otero County's covered-employee payroll	\$ 1,677,786
Contributions as a percentage of covered-employee payroll	48%

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

See independent auditors' report
See notes to required supplementary information

STATE OF NEW MEXICO
Otero County
Notes to Required Supplementary Information
For the Year Ended June 30, 2015

Changes of benefit terms. The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY14 audit available at: http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf.

Changes of assumptions. Changes of assumptions. The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2014 report is available at: http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-30-2014%20PERA%20Valuation%20Report_FINAL.pdf.

The summary of Key Findings for the PERA Fund (on page 2 of the report) states “based on a recent experience study for the five-year period ending June 30, 2013, the economic and demographic assumptions were updated for this valuation. The changes in assumptions resulted in a decrease of \$30.8 million to Fund liabilities and an increase of 0.13% to the funded ratio. For details about changes in the actuarial assumptions, see Appendix B on page 60 of the report.

See independent auditors' report

SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
Otero County
Nonmajor Fund Descriptions
June 30, 2015

Special Revenue Funds:

DWI Grant – In accordance with NMSA Section 11-6A-1/5 – This fund is to account for funding restricted for the following:

1. Coordination and planning for DWI prevention and evaluation
2. Prosecution and intensive probation supervision
3. Screening and assessment

Property Valuation – To account for funds used to provide valuation services to the County. The Fund was created under the authority of NMSA Section 7-38-38.1.

Road – To account for funds used to maintain roads for which the County has responsibility. Financing sources include gasoline taxes, motor vehicle registration fees and New Mexico State Highway Department Cooperative Agreement funds. Expenditures are restricted for the construction and maintenance of county roads. The fund was created by authority of State Statutes Section 67-4-1 NMSA, 1978 Compilation.

Clerk's Equipment – To account for revenues and expenditures for equipment for the Clerk's office. The fund is authorized under Section 14-8-2.2 NMSA 1978.

Farm and Range – To account for the operations and maintenance of county roads and predatory animal control. Financing is provided by the County's share of grazing fees under the authority of NMSA 1978 Section 6-11-6.

Recreation – To account for expenditures for recreational purposes in the County. Funding is provided by a cigarette tax levy. Authority NMSA 1978 7-12-1 and 7-12-15.

HIDTA Grant – To account for a grant from the U.S. Department of Justice to combat drug trafficking in a high intensity drug trafficking area. Authorization for this fund is a grant from the Department of Justice.

Fire – To account for monies received from the New Mexico State Fire Marshall's Office and fire protection gross receipts tax proceeds. These funds are to be used to support the twenty volunteer fire departments in the region. The funds were created under the authority of State Statute (see Section 59A-93-5-8 and 59A-53-5, NMSA 1978 Compilation).

Indigent – To cover local hospital care and/or ambulance service for qualifying indigent residents of Otero County in an amount not to exceed \$10,000 per applicant per claim. In the event the fund has not exceeded its budgeted allotment for indigent care at the end of a fiscal year, the fund may expend more than \$10,000 for any one applicant, and may also pay for hospital services provided to qualified Otero County residents at an out-of-town facility. Funding is provided by one-eighth cent attachment to local gross receipts tax rate. Authority for this fund is NMSA Section 7029E-9.

EMS – To account for grant monies restricted to expenditures for improvement and operations of emergency medical services. Source of funds is the State of New Mexico Health and Environment Department Emergency Medical Services Bureau. Authority for this fund is NMSA 24-10A to 24-10A-10.

Hazard Mitigation 2002 – To account for expenditures under New Mexico Energy, Minerals and Natural Resources contract 02-521-0463-112.

Law Enforcement Protection – To account for grant funds used for maintenance and development of the County's sheriff office. Funding authority is NMSA 29-13-1.

Environmental Gross Receipts Tax – To account for a gross receipts tax imposed to fund environmental activities, mainly sanitary landfill closure and disposal of solid waste. Authority for this fund is NMSA 1978 7-20E-17.

Southwest Border Prosecution – The County receives monies from the U.S. Department of Justice for participation in the prosecution of various offenders involving federal and state criminal offenses. These funds are used for prosecution activities. Authorization for this fund is a contract with the U.S. Department of Justice.

STATE OF NEW MEXICO
Otero County
Nonmajor Fund Descriptions
June 30, 2015

Special Revenue Funds (continued):

Landfill Closure – In accordance with New Mexico Solid Waste Act Section 7-9-40. This fund is to account for a state grant to fund costs relating to the final closure of Dog Canyon Landfill.

CDBG Grants – To account for monies received through a Community Development Block Grant to make improvements to a public facility serving as a child development center. Authority for this fund is CDBG grant #12-C-NR-I-03-G-26.

Secure Rural Schools Grant – To account for expenditures received from the US Forest Services for rural schools. Authority for this fund is Commission motion.

Sheriff's Covert Activity – To account for monies received by the Sheriff's department for forfeiture of cash that results from the auction of seized property and judgments handed down in drug cases. Authorization for this fund is Commission motion.

Hold Harmless Revenue Bond (Revenue) – To account for the hold harmless gross receipt tax revenues for the payment on the hold harmless revenue bond; authority NMSA 7-20E-28.

Debt Service Funds:

Debt Service - To account for the accumulation of resources for, and the payment of, general long-term principal, interest and related costs of general obligation bonds. The primary source of revenue is property taxes. The authorization for this fund is the bond ordinance.

Other Debt Service – To account for long-term debt activity other than general obligation bonds. The authorization for this fund is Commission motion.

Hold Harmless Revenue Bond (Bond) – To account for the long-term debt activity related to the hold harmless revenue bond; authority NMSA 7-20E-28.

Capital Projects Funds:

Legislative Grants - To account for revenues and expenditures of various State appropriations. The majority of monies received are for equipment and vehicles for the various fire departments throughout the County. This fund was created by authority of NMSA 1978 Sections 4-38-13 and 4-38-16.

Building Improvements – To account for improvements made to various buildings throughout the County. Funding authority is set forth by the County Commission.

Hold Harmless Revenue Bond (Acquisition) – To account for hold harmless revenue bond proceeds and disbursement of said bond proceeds; authority NMSA 7-20E-28.

STATE OF NEW MEXICO
Otero County
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2015

	Special Revenue			
	DWI Grant	Property Valuation	Road	Clerk's Equipment
<i>Assets</i>				
Cash and cash equivalents	\$ 174,656	\$ 105,794	\$ 63,115	\$ 96,108
Investments	-	394,087	235,107	-
Receivables:				
Property taxes	-	-	-	-
Other taxes	-	-	116,370	-
Other receivables	9,078	-	479,065	150
Inventory	-	-	44,201	-
Prepaid expenses	-	20,704	-	3,940
<i>Total assets</i>	<u>\$ 183,734</u>	<u>\$ 520,585</u>	<u>\$ 937,858</u>	<u>\$ 100,198</u>
<i>Liabilities</i>				
Accounts payable	\$ 1,551	\$ 6,237	\$ 24,918	\$ -
Accrued payroll expenses	6,202	4,826	29,348	-
<i>Total liabilities</i>	<u>7,753</u>	<u>11,063</u>	<u>54,266</u>	<u>-</u>
<i>Deferred inflows of resources</i>				
Unavailable revenue:				
Property taxes	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Nonspendable				
Inventory	-	-	44,201	-
Prepaid expenses	-	20,704	-	3,940
Spendable				
Restricted for:				
General county operations	-	488,818	-	96,258
Maintenance of roads	-	-	839,391	-
Environment	-	-	-	-
Recreation	-	-	-	-
Public safety	175,981	-	-	-
Healthcare	-	-	-	-
Debt service expenditures	-	-	-	-
Capital projects	-	-	-	-
<i>Total fund balances</i>	<u>175,981</u>	<u>509,522</u>	<u>883,592</u>	<u>100,198</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 183,734</u>	<u>\$ 520,585</u>	<u>\$ 937,858</u>	<u>\$ 100,198</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

<u>Farm and Range</u>	<u>Recreation</u>	<u>HIDTA Grant</u>	<u>Fire</u>	<u>Indigent</u>	<u>EMS</u>
\$ 92,677	\$ 3,959	\$ 55,327	\$ 686,252	\$ 90,626	\$ 9,720
-	-	-	2,556,310	337,583	-
-	-	-	-	-	-
-	-	-	124,345	202,246	-
-	-	21,495	14,464	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 92,677</u>	<u>\$ 3,959</u>	<u>\$ 76,822</u>	<u>\$ 3,381,371</u>	<u>\$ 630,455</u>	<u>\$ 9,720</u>
\$ -	\$ -	\$ -	\$ 96,265	\$ 270	\$ 1,460
-	-	2,829	-	282	-
<u>-</u>	<u>-</u>	<u>2,829</u>	<u>96,265</u>	<u>552</u>	<u>1,460</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
92,677	-	-	-	-	-
-	3,959	-	-	-	-
-	-	73,993	3,285,106	-	-
-	-	-	-	629,903	8,260
-	-	-	-	-	-
-	-	-	-	-	-
<u>92,677</u>	<u>3,959</u>	<u>73,993</u>	<u>3,285,106</u>	<u>629,903</u>	<u>8,260</u>
<u>\$ 92,677</u>	<u>\$ 3,959</u>	<u>\$ 76,822</u>	<u>\$ 3,381,371</u>	<u>\$ 630,455</u>	<u>\$ 9,720</u>

STATE OF NEW MEXICO
Otero County
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2015

	Special Revenue			
	Hazard Mitigation 2002	Law Enforcement Protection	Environmental Gross Receipts Tax	Southwest Border Prosecution
<i>Assets</i>				
Cash and cash equivalents	\$ 168,589	\$ -	\$ 49,384	\$ 72,685
Investments	-	-	-	-
Receivables:				
Property taxes	-	-	-	-
Other taxes	-	-	63,100	-
Other receivables	-	-	4,133	-
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
<i>Total assets</i>	<u>\$ 168,589</u>	<u>\$ -</u>	<u>\$ 116,617</u>	<u>\$ 72,685</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ 13,584	\$ -
Accrued payroll expenses	-	-	12,436	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>26,020</u>	<u>-</u>
<i>Deferred inflows of resources</i>				
Unavailable revenue:				
Property taxes	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Nonspendable				
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
Spendable				
Restricted for:				
General county operations	-	-	-	-
Maintenance of roads	-	-	-	-
Environment	168,589	-	90,597	-
Recreation	-	-	-	-
Public safety	-	-	-	72,685
Healthcare	-	-	-	-
Debt service expenditures	-	-	-	-
Capital projects	-	-	-	-
<i>Total fund balances</i>	<u>168,589</u>	<u>-</u>	<u>90,597</u>	<u>72,685</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 168,589</u>	<u>\$ -</u>	<u>\$ 116,617</u>	<u>\$ 72,685</u>

The accompanying notes are an integral part of these financial statements

Special Revenue					Debt Service
Landfill Closure	CDBG Grants	Secure Rural Schools Grant	Sheriff's Covert Activity	Hold Harmless Revenue Bond (Revenue)	Debt Service
\$ 9,138	\$ 99,709	\$ 54,675	\$ 672	\$ 906,172	\$ 150,330
-	-	-	-	-	-
-	-	-	-	-	914
-	-	-	-	359,919	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 9,138</u>	<u>\$ 99,709</u>	<u>\$ 54,675</u>	<u>\$ 672</u>	<u>\$ 1,266,091</u>	<u>\$ 151,244</u>
\$ -	\$ -	\$ 9,250	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	9,250	-	-	-
-	-	-	-	-	880
-	-	-	-	-	880
-	-	-	-	-	-
-	-	-	-	-	-
-	99,709	-	-	-	-
-	-	45,425	-	-	-
9,138	-	-	-	-	-
-	-	-	-	-	-
-	-	-	672	-	-
-	-	-	-	-	-
-	-	-	-	1,266,091	150,364
-	-	-	-	-	-
<u>9,138</u>	<u>99,709</u>	<u>45,425</u>	<u>672</u>	<u>1,266,091</u>	<u>150,364</u>
<u>\$ 9,138</u>	<u>\$ 99,709</u>	<u>\$ 54,675</u>	<u>\$ 672</u>	<u>\$ 1,266,091</u>	<u>\$ 151,244</u>

STATE OF NEW MEXICO
Otero County
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2015

	Debt Service		Capital Projects	
	Other Debt Service	Hold Harmless Revenue Bond (Bond)	Legislative Grants	Building Improvements
<i>Assets</i>				
Cash and cash equivalents	\$ 279,672	\$ 120,950	\$ 5,632	\$ 2,149
Investments	928,515	-	-	-
Receivables:				
Property taxes	-	-	-	-
Other taxes	-	-	-	-
Other receivables	-	-	381,594	-
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
<i>Total assets</i>	<u>\$ 1,208,187</u>	<u>\$ 120,950</u>	<u>\$ 387,226</u>	<u>\$ 2,149</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ 30,912	\$ -
Accrued payroll expenses	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>30,912</u>	<u>-</u>
<i>Deferred inflows of resources</i>				
Unavailable revenue:				
Property taxes	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Nonspendable				
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
Spendable				
Restricted for:				
General county operations	-	-	-	-
Maintenance of roads	-	-	-	-
Environment	-	-	-	-
Recreation	-	-	-	-
Public safety	-	-	-	-
Healthcare	-	-	-	-
Debt service expenditures	1,208,187	120,950	-	-
Capital projects	-	-	356,314	2,149
<i>Total fund balances</i>	<u>1,208,187</u>	<u>120,950</u>	<u>356,314</u>	<u>2,149</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 1,208,187</u>	<u>\$ 120,950</u>	<u>\$ 387,226</u>	<u>\$ 2,149</u>

The accompanying notes are an integral part of these financial statements

<u>Capital Projects</u> <u>Hold Harmless</u> <u>Revenue Bond</u> <u>(Acquisition)</u>	<u>Total Nonmajor</u> <u>Governmental</u> <u>Funds</u>
\$ 4,277,815	\$ 7,575,806
-	4,451,602
-	914
-	865,980
-	909,979
-	44,201
-	24,644
<u>\$ 4,277,815</u>	<u>\$ 13,873,126</u>
\$ 145,178	\$ 329,625
-	55,923
<u>145,178</u>	<u>385,548</u>
-	880
<u>-</u>	<u>880</u>
-	44,201
-	24,644
-	684,785
-	884,816
-	361,001
-	3,959
-	3,608,437
-	638,163
-	2,745,592
<u>4,132,637</u>	<u>4,491,100</u>
<u>4,132,637</u>	<u>13,486,698</u>
<u>\$ 4,277,815</u>	<u>\$ 13,873,126</u>

STATE OF NEW MEXICO
Otero County
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended June 30, 2015

	Special Revenue			
	DWI Grant	Property Valuation	Road	Clerk's Equipment
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ 240,673	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	1,044,630	-
Intergovernmental:				
Federal operating grants	-	-	275,140	-
Federal capital grants	-	-	-	-
State operating grants	452,564	-	479,065	-
State capital grants	-	-	-	-
Charges for services	15,865	-	-	60,062
Investment income (loss)	-	(125)	(1,399)	-
Miscellaneous	-	-	32,026	-
<i>Total revenues</i>	<u>468,429</u>	<u>240,548</u>	<u>1,829,462</u>	<u>60,062</u>
<i>Expenditures:</i>				
Current:				
General government	-	228,168	-	35,214
Public safety	442,592	-	-	-
Public works	-	-	2,464,739	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	106,231	45,427	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>442,592</u>	<u>334,399</u>	<u>2,510,166</u>	<u>35,214</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>25,837</u>	<u>(93,851)</u>	<u>(680,704)</u>	<u>24,848</u>
<i>Other financing sources (uses)</i>				
Proceeds from debt	-	-	-	-
Transfers in	-	109,706	1,095,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>109,706</u>	<u>1,095,000</u>	<u>-</u>
<i>Net change in fund balances</i>	25,837	15,855	414,296	24,848
<i>Fund balances - beginning of year</i>	<u>150,144</u>	<u>493,667</u>	<u>469,296</u>	<u>75,350</u>
<i>Fund balances - end of year</i>	<u>\$ 175,981</u>	<u>\$ 509,522</u>	<u>\$ 883,592</u>	<u>\$ 100,198</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

<u>Farm and Range</u>	<u>Recreation</u>	<u>HIDTA Grant</u>	<u>Fire</u>	<u>Indigent</u>	<u>EMS</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	635,298	1,665,008	-
-	-	-	-	-	-
16,807	-	122,305	41,388	-	-
-	-	-	-	-	-
-	-	-	1,438,455	-	145,634
-	-	-	142,722	-	-
-	-	-	-	-	-
266	-	-	15,474	1,321	-
-	-	115,373	49,392	13,075	1,655
<u>17,073</u>	<u>-</u>	<u>237,678</u>	<u>2,322,729</u>	<u>1,679,404</u>	<u>147,289</u>
-	-	-	-	-	-
-	-	290,896	2,461,101	-	-
-	-	-	-	-	-
-	992	-	-	-	-
-	-	-	-	1,311,607	155,753
-	-	-	202,818	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>992</u>	<u>290,896</u>	<u>2,663,919</u>	<u>1,311,607</u>	<u>155,753</u>
<u>17,073</u>	<u>(992)</u>	<u>(53,218)</u>	<u>(341,190)</u>	<u>367,797</u>	<u>(8,464)</u>
-	-	-	-	-	-
-	-	30,000	-	-	-
-	-	-	(47,400)	-	-
<u>-</u>	<u>-</u>	<u>30,000</u>	<u>(47,400)</u>	<u>-</u>	<u>-</u>
17,073	(992)	(23,218)	(388,590)	367,797	(8,464)
<u>75,604</u>	<u>4,951</u>	<u>97,211</u>	<u>3,673,696</u>	<u>262,106</u>	<u>16,724</u>
<u>\$ 92,677</u>	<u>\$ 3,959</u>	<u>\$ 73,993</u>	<u>\$ 3,285,106</u>	<u>\$ 629,903</u>	<u>\$ 8,260</u>

STATE OF NEW MEXICO
Otero County
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended June 30, 2015

	Special Revenue			
	Hazard Mitigation 2002	Law Enforcement Protection	Environmental Gross Receipts Tax	Southwest Border Prosecution
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	440,814	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	61,000	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	58,800	-	-
Charges for services	-	-	56,371	-
Investment income (loss)	-	-	296	-
Miscellaneous	-	-	36,963	-
<i>Total revenues</i>	<u>61,000</u>	<u>58,800</u>	<u>534,444</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	35,664	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	65,379	-	955,533	-
Capital outlay	-	68,945	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>65,379</u>	<u>104,609</u>	<u>955,533</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(4,379)</u>	<u>(45,809)</u>	<u>(421,089)</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Proceeds from debt	-	-	-	-
Transfers in	-	-	400,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>400,000</u>	<u>-</u>
<i>Net change in fund balances</i>	(4,379)	(45,809)	(21,089)	-
<i>Fund balances - beginning of year</i>	<u>172,968</u>	<u>45,809</u>	<u>111,686</u>	<u>72,685</u>
<i>Fund balances - end of year</i>	<u>\$ 168,589</u>	<u>\$ -</u>	<u>\$ 90,597</u>	<u>\$ 72,685</u>

The accompanying notes are an integral part of these financial statements

Landfill Closure	Special Revenue				Debt Service
	CDBG Grants	Secure Rural Schools Grant	Sheriff's Covert Activity	Hold Harmless Revenue Bond (Revenue)	Debt Service
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 241
-	-	-	-	1,843,788	-
-	-	-	-	-	-
-	-	45,317	-	-	-
-	482,399	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
45	-	-	10	1,268	530
-	-	-	137,565	-	-
<u>45</u>	<u>482,399</u>	<u>45,317</u>	<u>137,575</u>	<u>1,845,056</u>	<u>771</u>
-	1,408	63,841	-	-	-
-	-	-	151,327	-	-
-	-	-	-	-	-
-	-	-	-	-	-
11,489	-	-	-	-	-
-	484,046	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>11,489</u>	<u>485,454</u>	<u>63,841</u>	<u>151,327</u>	<u>-</u>	<u>-</u>
<u>(11,444)</u>	<u>(3,055)</u>	<u>(18,524)</u>	<u>(13,752)</u>	<u>1,845,056</u>	<u>771</u>
-	-	-	-	-	-
-	100,000	-	-	-	-
-	-	-	-	(578,965)	-
-	100,000	-	-	(578,965)	-
(11,444)	96,945	(18,524)	(13,752)	1,266,091	771
20,582	2,764	63,949	14,424	-	149,593
<u>\$ 9,138</u>	<u>\$ 99,709</u>	<u>\$ 45,425</u>	<u>\$ 672</u>	<u>\$ 1,266,091</u>	<u>\$ 150,364</u>

STATE OF NEW MEXICO
Otero County
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended June 30, 2015

	Debt Service		Capital Projects	
	Other Debt Service	Hold Harmless Revenue Bond (Bond)	Legislative Grants	Building Improvements
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	485,090	-	-	-
State capital grants	821,228	-	608,946	-
Charges for services	-	-	-	-
Investment income (loss)	1,947	282	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	1,308,265	282	608,946	-
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	3,215	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	7,016	-
Health and welfare	-	-	-	-
Capital outlay	503,668	-	745,616	-
Debt service:				
Principal	451,859	220,000	-	-
Interest	105,996	238,297	-	-
<i>Total expenditures</i>	1,064,738	458,297	752,632	-
<i>Excess (deficiency) of revenues over expenditures</i>	243,527	(458,015)	(143,686)	-
<i>Other financing sources (uses)</i>				
Proceeds from debt	42,060	-	-	-
Transfers in	78,765	578,965	250,000	12,301
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	120,825	578,965	250,000	12,301
<i>Net change in fund balances</i>	364,352	120,950	106,314	12,301
<i>Fund balances - beginning of year</i>	843,835	-	250,000	(10,152)
<i>Fund balances - end of year</i>	\$ 1,208,187	\$ 120,950	\$ 356,314	\$ 2,149

The accompanying notes are an integral part of these financial statements

<u>Capital Projects</u>		<u>Total Nonmajor</u>
<u>Hold Harmless</u>		<u>Governmental</u>
<u>Revenue Bond</u>		<u>Funds</u>
<u>(Acquisition)</u>		
\$ -	\$	240,914
-		4,584,908
-		1,044,630
-		561,957
-		482,399
-		3,000,808
-		1,631,696
-		132,298
16,542		36,457
-		386,049
16,542		12,102,116
-		328,631
-		3,384,795
-		2,464,739
-		8,008
-		2,499,761
852,377		3,009,128
-		671,859
-		344,293
852,377		12,711,214
(835,835)		(609,098)
-		42,060
-		2,654,737
-		(626,365)
-		2,070,432
(835,835)		1,461,334
4,968,472		12,025,364
\$ 4,132,637	\$	13,486,698

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STATE OF NEW MEXICO

Statement B-1

Otero County

DWI Grant Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	453,789	453,789	487,110	33,321
State capital grants	-	-	-	-
Charges for services	24,100	24,100	15,585	(8,515)
Investment income (loss)	-	-	-	-
Miscellaneous	2,500	2,500	-	(2,500)
<i>Total revenues</i>	<u>480,389</u>	<u>480,389</u>	<u>502,695</u>	<u>22,306</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	499,736	518,734	458,032	60,702
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	36,579	17,582	-	17,582
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>536,315</u>	<u>536,316</u>	<u>458,032</u>	<u>78,284</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(55,926)</u>	<u>(55,927)</u>	<u>44,663</u>	<u>100,590</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	55,926	55,927	-	(55,927)
Proceeds from debt	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>55,926</u>	<u>55,927</u>	<u>-</u>	<u>(55,927)</u>
<i>Net change in fund balance</i>	-	-	44,663	44,663
<i>Fund balance - beginning of year</i>	-	-	129,993	129,993
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 174,656</u>	<u>\$ 174,656</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 44,663
Adjustments to revenue state grants				(34,266)
Adjustments to expenditures for payroll and other operating expenditures				15,440
Net change in fund balance (GAAP)				<u>\$ 25,837</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-2

Otero County

Property Valuation Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ 235,000	\$ 235,000	\$ 245,511	\$ 10,511
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	(125)	(125)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>235,000</u>	<u>235,000</u>	<u>245,386</u>	<u>10,386</u>
<i>Expenditures:</i>				
Current:				
General government	300,245	300,245	225,495	74,750
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	302,885	302,885	120,919	181,966
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>603,130</u>	<u>603,130</u>	<u>346,414</u>	<u>256,716</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(368,130)</u>	<u>(368,130)</u>	<u>(101,028)</u>	<u>267,102</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	258,424	258,424	-	(258,424)
Proceeds from debt	-	-	-	-
Transfers in	109,706	109,706	109,706	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>368,130</u>	<u>368,130</u>	<u>109,706</u>	<u>(258,424)</u>
<i>Net change in fund balance</i>	-	-	8,678	8,678
<i>Fund balance - beginning of year</i>	-	-	491,203	491,203
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 499,881</u>	<u>\$ 499,881</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 8,678
Adjustments to revenues for property taxes				(4,838)
Adjustments to expenditures for payroll and contract expenses				12,015
Net change in fund balance (GAAP)				<u>\$ 15,855</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-3

Otero County

Road Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	1,107,500	1,107,500	1,125,449	17,949
Intergovernmental:				
Federal operating grants	35,000	35,000	275,140	240,140
Federal capital grants	-	-	-	-
State operating grants	468,398	468,398	-	(468,398)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	(1,399)	(1,399)
Miscellaneous	-	-	32,026	32,026
<i>Total revenues</i>	<u>1,610,898</u>	<u>1,610,898</u>	<u>1,431,216</u>	<u>(179,682)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	3,083,836	3,083,837	2,280,831	803,006
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	300,000	300,000	255,690	44,310
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,383,836</u>	<u>3,383,837</u>	<u>2,536,521</u>	<u>847,316</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,772,938)</u>	<u>(1,772,939)</u>	<u>(1,105,305)</u>	<u>667,634</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(2,062)	(2,061)	-	2,061
Proceeds from debt	-	-	-	-
Transfers in	1,775,000	1,775,000	1,095,000	(680,000)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,772,938</u>	<u>1,772,939</u>	<u>1,095,000</u>	<u>(677,939)</u>
<i>Net change in fund balance</i>	-	-	(10,305)	(10,305)
<i>Fund balance - beginning of year</i>	-	-	308,527	308,527
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 298,222</u>	<u>\$ 298,222</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (10,305)
Adjustments to revenues for gas and motor vehicle taxes				398,246
Adjustments to expenditures for salaries, maintenance, and insurance expenditures				26,355
Net change in fund balance (GAAP)				<u>\$ 414,296</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-4

Otero County

Clerk's Equipment Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variations
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Local sources	-	-	-	-
Investment income (loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>65,000</u>	<u>65,000</u>	<u>59,912</u>	<u>(5,088)</u>
<i>Expenditures:</i>				
Current:				
General government	71,426	71,426	35,230	36,196
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>71,426</u>	<u>71,426</u>	<u>35,230</u>	<u>36,196</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(6,426)</u>	<u>(6,426)</u>	<u>24,682</u>	<u>31,108</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	6,426	6,426	-	(6,426)
Proceeds from debt	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>6,426</u>	<u>6,426</u>	<u>-</u>	<u>(6,426)</u>
<i>Net change in fund balance</i>	-	-	24,682	24,682
<i>Fund balance - beginning of year</i>	-	-	71,426	71,426
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,108</u>	<u>\$ 96,108</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 24,682
Adjustments to revenues equipment fees				150
Adjustments to expenditures for equipment rentals and maintenance contract expenditures				16
Net change in fund balance (GAAP)				<u>\$ 24,848</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-5

Otero County

Farm and Range Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	15,500	15,500	16,807	1,307
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	266	266
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>15,500</u>	<u>15,500</u>	<u>17,073</u>	<u>1,573</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	75,604	75,604	-	75,604
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>75,604</u>	<u>75,604</u>	<u>-</u>	<u>75,604</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(60,104)</u>	<u>(60,104)</u>	<u>17,073</u>	<u>77,177</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	60,104	60,104	-	(60,104)
Proceeds from debt	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>60,104</u>	<u>60,104</u>	<u>-</u>	<u>(60,104)</u>
<i>Net change in fund balance</i>	-	-	17,073	17,073
<i>Fund balance - beginning of year</i>	-	-	75,604	75,604
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,677</u>	<u>\$ 92,677</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 17,073
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 17,073</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-6

Otero County

Recreation Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	3,000	3,000	992	2,008
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,000</u>	<u>3,000</u>	<u>992</u>	<u>2,008</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(3,000)</u>	<u>(3,000)</u>	<u>(992)</u>	<u>2,008</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	3,000	3,000	-	(3,000)
Proceeds from debt	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>(3,000)</u>
<i>Net change in fund balance</i>	-	-	(992)	(992)
<i>Fund balance - beginning of year</i>	-	-	4,951	4,951
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,959</u>	<u>\$ 3,959</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (992)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ (992)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-7

Otero County

HIDTA Grant Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	240,000	240,000	178,203	(61,797)
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	-	-
Miscellaneous	115,000	115,000	102,621	(12,379)
<i>Total revenues</i>	<u>355,000</u>	<u>355,000</u>	<u>280,824</u>	<u>(74,176)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	440,596	440,596	296,329	144,267
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>440,596</u>	<u>440,596</u>	<u>296,329</u>	<u>144,267</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(85,596)</u>	<u>(85,596)</u>	<u>(15,505)</u>	<u>70,091</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	35,596	35,596	-	(35,596)
Proceeds from debt	-	-	-	-
Transfers in	50,000	50,000	30,000	(20,000)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>85,596</u>	<u>85,596</u>	<u>30,000</u>	<u>(55,596)</u>
<i>Net change in fund balance</i>	-	-	14,495	14,495
<i>Fund balance - beginning of year</i>	-	-	40,832	40,832
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,327</u>	<u>\$ 55,327</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 14,495
Adjustments to revenue for federal grants				(43,146)
Adjustments to expenditures for payroll and supply expenditures				5,433
Net change in fund balance (GAAP)				<u>\$ (23,218)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-8

Otero County

Fire Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	780,000	780,000	622,014	(157,986)
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	55,955	55,955	38,429	(17,526)
Federal capital grants	-	-	-	-
State operating grants	1,491,869	1,538,455	1,438,455	(100,000)
State capital grants	-	142,722	142,722	-
Charges for services	-	-	-	-
Investment income (loss)	7,000	7,000	15,474	8,474
Miscellaneous	-	-	52,728	52,728
<i>Total revenues</i>	<u>2,334,824</u>	<u>2,524,132</u>	<u>2,309,822</u>	<u>(214,310)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	3,663,693	4,114,126	2,207,981	1,906,145
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	1,315,947	1,054,828	318,750	736,078
Debt service:				
Principal	82,476	82,476	22,476	60,000
Interest	-	-	-	-
<i>Total expenditures</i>	<u>5,062,116</u>	<u>5,251,430</u>	<u>2,549,207</u>	<u>2,702,223</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,727,292)</u>	<u>(2,727,298)</u>	<u>(239,385)</u>	<u>2,487,913</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	2,758,292	2,758,298	-	(2,758,298)
Proceeds from debt	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	(31,000)	(31,000)	(47,400)	(16,400)
<i>Total other financing sources (uses)</i>	<u>2,727,292</u>	<u>2,727,298</u>	<u>(47,400)</u>	<u>(2,774,698)</u>
<i>Net change in fund balance</i>	-	-	(286,785)	(286,785)
<i>Fund balance - beginning of year</i>	-	-	3,529,347	3,529,347
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,242,562</u>	<u>\$ 3,242,562</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (286,785)
Adjustments to revenue for gross receipts taxes and state grants				12,907
Adjustments to expenditures for supplies, maintenance, and operating expenditures				(114,712)
Net change in fund balance (GAAP)				<u>\$ (388,590)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-9

Otero County

Indigent Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	1,762,500	1,809,334	1,646,708	(162,626)
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	1,321	1,321
Miscellaneous	-	-	13,075	13,075
<i>Total revenues</i>	<u>1,762,500</u>	<u>1,809,334</u>	<u>1,661,104</u>	<u>(148,230)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	2,119,421	2,166,256	1,688,104	478,152
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,119,421</u>	<u>2,166,256</u>	<u>1,688,104</u>	<u>478,152</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(356,921)</u>	<u>(356,922)</u>	<u>(27,000)</u>	<u>329,922</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	356,921	356,922	-	(356,922)
Proceeds from debt	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>356,921</u>	<u>356,922</u>	<u>-</u>	<u>(356,922)</u>
<i>Net change in fund balance</i>	-	-	(27,000)	(27,000)
<i>Fund balance - beginning of year</i>	-	-	455,209	455,209
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 428,209</u>	<u>\$ 428,209</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (27,000)
Adjustments to revenue for gross receipts taxes				18,300
Adjustments to expenditures for payroll and supply expenditures				376,497
Net change in fund balance (GAAP)				<u>\$ 367,797</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-10

Otero County

EMS Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	132,521	145,634	145,634	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	-	-
Miscellaneous	-	-	1,655	1,655
<i>Total revenues</i>	<u>132,521</u>	<u>145,634</u>	<u>147,289</u>	<u>1,655</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	157,039	169,353	161,788	7,565
Capital outlay	1,198	1,998	1,498	500
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>158,237</u>	<u>171,351</u>	<u>163,286</u>	<u>8,065</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(25,716)</u>	<u>(25,717)</u>	<u>(15,997)</u>	<u>9,720</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	25,716	25,717	-	(25,717)
Proceeds from debt	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>25,716</u>	<u>25,717</u>	<u>-</u>	<u>(25,717)</u>
<i>Net change in fund balance</i>	-	-	(15,997)	(15,997)
<i>Fund balance - beginning of year</i>	-	-	25,717	25,717
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,720</u>	<u>\$ 9,720</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (15,997)
No adjustments to revenues				-
Adjustments to expenditures for supply expenditures				7,533
Net change in fund balance (GAAP)				<u>\$ (8,464)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-11

Otero County

Hazard Mitigation 2002 Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	162,380	162,380	119,839	(42,541)
Federal capital grants	-	-	-	-
State operating grants	7,013	7,013	-	(7,013)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>169,393</u>	<u>169,393</u>	<u>119,839</u>	<u>(49,554)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	89,666	89,666	67,975	21,691
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>89,666</u>	<u>89,666</u>	<u>67,975</u>	<u>21,691</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>79,727</u>	<u>79,727</u>	<u>51,864</u>	<u>(27,863)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	70,273	70,273	-	(70,273)
Proceeds from debt	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	(150,000)	(150,000)	-	150,000
<i>Total other financing sources (uses)</i>	<u>(79,727)</u>	<u>(79,727)</u>	<u>-</u>	<u>79,727</u>
<i>Net change in fund balance</i>	-	-	51,864	51,864
<i>Fund balance - beginning of year</i>	-	-	116,725	116,725
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 168,589</u>	<u>\$ 168,589</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 51,864
Adjustments to revenues for federal and state grants				(58,839)
Adjustments to expenditures for grant expenditures				2,596
Net change in fund balance (GAAP)				<u>\$ (4,379)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-12

Otero County

Law Enforcement Protection Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	58,800	58,800	58,800	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>58,800</u>	<u>58,800</u>	<u>58,800</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	34,409	35,664	35,664	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	70,200	68,945	68,945	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>104,609</u>	<u>104,609</u>	<u>104,609</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(45,809)</u>	<u>(45,809)</u>	<u>(45,809)</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	45,809	45,809	-	(45,809)
Proceeds from debt	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>45,809</u>	<u>45,809</u>	<u>-</u>	<u>(45,809)</u>
<i>Net change in fund balance</i>	-	-	(45,809)	(45,809)
<i>Fund balance - beginning of year</i>	-	-	45,809	45,809
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (45,809)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ (45,809)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-13

Otero County

Environmental Gross Receipts Tax Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	390,000	390,000	433,239	43,239
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	47,450	47,450	53,912	6,462
Investment income (loss)	-	-	296	296
Miscellaneous	39,000	39,000	36,963	(2,037)
<i>Total revenues</i>	<u>476,450</u>	<u>476,450</u>	<u>524,410</u>	<u>47,960</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	973,859	980,268	946,691	33,577
Capital outlay	28,000	21,591	9,698	11,893
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,001,859</u>	<u>1,001,859</u>	<u>956,389</u>	<u>45,470</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(525,409)</u>	<u>(525,409)</u>	<u>(431,979)</u>	<u>93,430</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	25,409	25,409	-	(25,409)
Proceeds from debt	-	-	-	-
Transfers in	500,000	500,000	400,000	(100,000)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>525,409</u>	<u>525,409</u>	<u>400,000</u>	<u>(125,409)</u>
<i>Net change in fund balance</i>	-	-	(31,979)	(31,979)
<i>Fund balance - beginning of year</i>	-	-	81,363	81,363
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,384</u>	<u>\$ 49,384</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (31,979)
Adjustments to revenue for gross receipt taxes				10,034
Adjustments to expenditures for salaries, maintenance and repairs and insurance expenditures				856
Net change in fund balance (GAAP)				<u>\$ (21,089)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-14

Otero County

Southwest Border Prosecution Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	72,685	72,685	-	72,685
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>72,685</u>	<u>72,685</u>	<u>-</u>	<u>72,685</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(72,685)</u>	<u>(72,685)</u>	<u>-</u>	<u>72,685</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	72,685	72,685	-	(72,685)
Proceeds from debt	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>72,685</u>	<u>72,685</u>	<u>-</u>	<u>(72,685)</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>72,685</u>	<u>72,685</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,685</u>	<u>\$ 72,685</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-15

Otero County

Landfill Closure Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variations
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	45	45
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>45</u>	<u>45</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	17,000	17,000	11,489	5,511
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>17,000</u>	<u>17,000</u>	<u>11,489</u>	<u>5,511</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(17,000)</u>	<u>(17,000)</u>	<u>(11,444)</u>	<u>5,556</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	17,000	17,000	-	(17,000)
Proceeds from debt	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>17,000</u>	<u>17,000</u>	<u>-</u>	<u>(17,000)</u>
<i>Net change in fund balance</i>	-	-	(11,444)	(11,444)
<i>Fund balance - beginning of year</i>	-	-	20,582	20,582
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,138</u>	<u>\$ 20,582</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (11,444)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ (11,444)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-16

Otero County

CDBG Grants Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	486,584	486,584	482,399	(4,185)
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>486,584</u>	<u>486,584</u>	<u>482,399</u>	<u>(4,185)</u>
<i>Expenditures:</i>				
Current:				
General government	4,784	1,408	1,408	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	484,854	488,230	484,046	4,184
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>489,638</u>	<u>489,638</u>	<u>485,454</u>	<u>4,184</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(3,054)</u>	<u>(3,054)</u>	<u>(3,055)</u>	<u>(1)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(96,946)	(96,946)	-	96,946
Proceeds from debt	-	-	-	-
Transfers in	100,000	100,000	100,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>3,054</u>	<u>3,054</u>	<u>100,000</u>	<u>96,946</u>
<i>Net change in fund balance</i>	-	-	96,945	96,945
<i>Fund balance - beginning of year</i>	-	-	2,764	2,764
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 99,709</u>	<u>\$ 99,709</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 96,945
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 96,945</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-17

Otero County

Secure Rural Schools Grant Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	45,317	45,317
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>45,317</u>	<u>45,317</u>
<i>Expenditures:</i>				
Current:				
General government	63,959	63,959	54,601	9,358
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>63,959</u>	<u>63,959</u>	<u>54,601</u>	<u>9,358</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(63,959)</u>	<u>(63,959)</u>	<u>(9,284)</u>	<u>54,675</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	63,959	63,959	-	(63,959)
Proceeds from debt	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>63,959</u>	<u>63,959</u>	<u>-</u>	<u>(63,959)</u>
<i>Net change in fund balance</i>	-	-	(9,284)	(9,284)
<i>Fund balance - beginning of year</i>	-	-	63,959	63,959
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,675</u>	<u>\$ 54,675</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (9,284)
No adjustments to revenues				-
Adjustments to expenditures for professional services expenditures				(9,240)
Net change in fund balance (GAAP)				<u>\$ (18,524)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-18

Otero County

Sheriff's Covert Activity Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	10	10
Miscellaneous	255,000	255,000	137,565	(117,435)
Total revenues	255,000	255,000	137,575	(117,425)
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	255,000	255,000	151,327	103,673
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	255,000	255,000	151,327	103,673
Excess (deficiency) of revenues over expenditures	-	-	(13,752)	(13,752)
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Proceeds from debt	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	(13,752)	(13,752)
Fund balance - beginning of year	-	-	14,424	14,424
Fund balance - end of year	\$ -	\$ -	\$ 672	\$ 672
Net change in fund balance (non-GAAP budgetary basis)				\$ (13,752)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				\$ (13,752)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-19

Otero County

Hold Harmless Revenue Bond (Revenue) Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Non-GAAP Basis)	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	1,958,333	1,958,333	1,483,869	(474,464)
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	1,268	1,268
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,958,333</u>	<u>1,958,333</u>	<u>1,485,137</u>	<u>(473,196)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,958,333</u>	<u>1,958,333</u>	<u>1,485,137</u>	<u>(473,196)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(1,118,333)	(904,333)	-	904,333
Proceeds from debt	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	(840,000)	(1,054,000)	(578,965)	475,035
<i>Total other financing sources (uses)</i>	<u>(1,958,333)</u>	<u>(1,958,333)</u>	<u>(578,965)</u>	<u>1,379,368</u>
<i>Net change in fund balance</i>	-	-	906,172	906,172
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 906,172</u>	<u>\$ 906,172</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 906,172
Adjustments to revenues for gross receipts taxes				359,919
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 1,266,091</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-20

Otero County

Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ 300	\$ 300	\$ 219	\$ (81)
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	300	300	530	230
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>600</u>	<u>600</u>	<u>749</u>	<u>149</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>600</u>	<u>600</u>	<u>749</u>	<u>149</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(600)	(600)	-	600
Proceeds from debt	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(600)</u>	<u>(600)</u>	<u>-</u>	<u>600</u>
<i>Net change in fund balance</i>	-	-	749	749
<i>Fund balance - beginning of year</i>	-	-	149,581	149,581
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,330</u>	<u>\$ 150,330</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 749
Adjustments to revenue for property taxes				22
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 771</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-21

Otero County

Other Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	525,000	525,000	485,090	(39,910)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	3,200	3,200	1,947	(1,253)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>528,200</u>	<u>528,200</u>	<u>487,037</u>	<u>(41,163)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	25,000	25,000	3,215	21,785
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	825,000	825,000	503,668	321,332
Debt service:				
Principal	500,000	500,000	451,859	48,141
Interest	153,200	153,200	105,996	47,204
<i>Total expenditures</i>	<u>1,503,200</u>	<u>1,503,200</u>	<u>1,064,738</u>	<u>438,462</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(975,000)</u>	<u>(975,000)</u>	<u>(577,701)</u>	<u>397,299</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Proceeds from debt	825,000	825,000	863,288	38,288
Transfers in	150,000	150,000	78,765	(71,235)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>975,000</u>	<u>975,000</u>	<u>942,053</u>	<u>(32,947)</u>
<i>Net change in fund balance</i>	-	-	364,352	364,352
<i>Fund balance - beginning of year</i>	-	-	843,835	843,835
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,208,187</u>	<u>\$ 1,208,187</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 364,352
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 364,352</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-22

Otero County

Hold Harmless Revenue Bond (Bond) Debt Service Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Non-GAAP Basis)	Variations Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	282	282
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>282</u>	<u>282</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	220,000	224,895	224,895	-
Interest	144,310	233,415	233,402	13
<i>Total expenditures</i>	<u>364,310</u>	<u>458,310</u>	<u>458,297</u>	<u>13</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(364,310)</u>	<u>(458,310)</u>	<u>(458,015)</u>	<u>295</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(690)	(120,690)	-	120,690
Proceeds from debt	-	-	-	-
Transfers in	365,000	579,000	578,965	(35)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>364,310</u>	<u>458,310</u>	<u>578,965</u>	<u>120,655</u>
<i>Net change in fund balance</i>	-	-	120,950	120,950
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,950</u>	<u>\$ 120,950</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 120,950
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 120,950</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-23

Otero County

Legislative Grants Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variations
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	1,747,850	1,747,850	227,352	(1,520,498)
Charges for services	-	-	-	-
Investment income (loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,747,850</u>	<u>1,747,850</u>	<u>227,352</u>	<u>(1,520,498)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	1,747,850	1,747,850	721,720	1,026,130
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,747,850</u>	<u>1,747,850</u>	<u>721,720</u>	<u>1,026,130</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(494,368)</u>	<u>(494,368)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(250,000)	-	250,000
Proceeds from debt	-	-	-	-
Transfers in	-	250,000	250,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>250,000</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(244,368)</u>	<u>(244,368)</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>250,000</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,632</u>	<u>\$ 5,632</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (244,368)
Adjustments to revenue for state grants revenues				381,594
Adjustments to expenditures for supply expenditures				(30,912)
Net change in fund balance (GAAP)				<u>\$ 106,314</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-24

Otero County

Building Improvements Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variations
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	1,074	1,074	-	(1,074)
Proceeds from debt	-	-	-	-
Transfers in	(1,074)	(1,074)	1,075	2,149
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>1,075</u>	<u>1,075</u>
<i>Net change in fund balance</i>	-	-	1,075	1,075
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,074</u>	<u>1,074</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,149</u>	<u>\$ 2,149</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 1,075
No adjustments to revenues				-
Adjustments to expenditures for transfer of capital outlay expenditures				11,226
Net change in fund balance (GAAP)				<u>\$ 12,301</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-25

Otero County

Hold Harmless Revenue Bond (Aquisition) Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	16,542	16,542
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>16,542</u>	<u>16,542</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	4,969,030	4,969,030	707,757	4,261,273
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>4,969,030</u>	<u>4,969,030</u>	<u>707,757</u>	<u>4,261,273</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(4,969,030)</u>	<u>(4,969,030)</u>	<u>(691,215)</u>	<u>4,277,815</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	4,969,030	4,969,030	-	(4,969,030)
Proceeds from debt	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>4,969,030</u>	<u>4,969,030</u>	<u>-</u>	<u>(4,969,030)</u>
<i>Net change in fund balance</i>	-	-	(691,215)	(691,215)
<i>Fund balance - beginning of year</i>	-	-	4,969,030	4,969,030
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,277,815</u>	<u>\$ 4,277,815</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (691,215)
No adjustments to revenues				-
Adjustments to expenditures for capital outlay expenditures				(144,620)
Net change in fund balance (GAAP)				<u>\$ (835,835)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-26

Otero County

Otero County Detention Center Proprietary Fund
Statement of Revenues, Expenses and Changes in Net Position
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budget Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Operating revenues</i>				
Charges for services	\$ 40,000,000	\$ 40,000,000	\$ 29,473,596	\$ (10,526,404)
<i>Total operating revenues</i>	40,000,000	40,000,000	29,473,596	(10,526,404)
<i>Operating expenses</i>				
Contractual services	35,025,000	35,025,000	22,561,535	12,463,465
<i>Total operating expenses</i>	35,025,000	35,025,000	22,561,535	12,463,465
<i>Operating income (loss)</i>	4,975,000	4,975,000	6,912,061	1,937,061
<i>Non-operating revenues (expenses)</i>				
Interest expense	(1,815,000)	(1,815,000)	(1,052,172)	762,828
Principal expense	(2,800,000)	(2,800,000)	(1,930,000)	870,000
Interest income (loss)	85,000	85,000	737	(84,263)
<i>Total non-operating revenues (expenses)</i>	(4,530,000)	(4,530,000)	(2,981,435)	1,548,565
<i>Income (loss) before contributions and transfers</i>	445,000	445,000	3,930,626	3,485,626
Transfers (out)	(750,000)	(750,000)	(417,413)	332,587
<i>Change in net position</i>	(305,000)	(305,000)	3,513,213	3,818,213
Designated cash (budgeted increase in cash)	305,000	305,000	-	(305,000)
<i>Net position - beginning</i>	-	-	10,285,150	10,285,150
<i>Net position - end of year</i>	\$ -	\$ -	\$ 13,798,363	\$ 13,798,363
Net change in net position (non-GAAP budgetary basis)				\$ 3,513,213
Adjustments to revenues for charges for services				64,728
Adjustments to expenditures for contract services, interest, depreciation and amortization				2,426,917
Net change in net position (GAAP)				\$ 6,004,858

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-27

Otero County

Otero County Processing Center Proprietary Fund
Statement of Revenues, Expenses and Changes in Net Position
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budget Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Operating revenues</i>				
Charges for services	\$ 32,000,000	\$ 32,000,000	\$ 32,187,961	\$ 187,961
<i>Total operating revenues</i>	32,000,000	32,000,000	32,187,961	187,961
<i>Operating expenses</i>				
Contractual services	30,025,000	30,025,000	22,733,872	7,291,128
<i>Total operating expenses</i>	30,025,000	30,025,000	22,733,872	7,291,128
<i>Operating income (loss)</i>	1,975,000	1,975,000	9,454,089	7,479,089
<i>Non-operating revenues (expenses)</i>				
Interest expense	(3,053,638)	(3,053,638)	(3,053,638)	-
Principal expense	(2,210,000)	(2,210,000)	(2,210,000)	-
Interest income (loss)	20,000	20,000	-	(20,000)
<i>Total non-operating revenues (expenses)</i>	(5,243,638)	(5,243,638)	(5,263,638)	(20,000)
<i>Income (loss) before contributions and transfers</i>	(3,268,638)	(3,268,638)	4,190,451	7,459,089
Transfers (out)	(550,000)	(550,000)	(430,815)	119,185
<i>Change in net position</i>	(3,818,638)	(3,818,638)	3,759,636	7,578,274
Designated cash (budgeted increase in cash)	3,818,638	3,818,638	-	(3,818,638)
<i>Net position - beginning</i>	-	-	6,962,823	6,962,823
<i>Net position - end of year</i>	\$ -	\$ -	\$ 10,722,459	\$ 10,722,459
Net change in net position (non-GAAP budgetary basis)				\$ 3,759,636
Adjustments to revenues for charges for services				(2,509,323)
Adjustments to expenditures for contract services, interest, depreciation and amortization				3,074,297
Net change in net position (GAAP)				\$ 4,324,610

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-28

Otero County

Self-Insurance Internal Service Fund

Statement of Revenues, Expenses and Changes in Net Position
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budget Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
<i>Operating revenues</i>				
Insurance premiums	\$ 2,175,000	\$ 2,175,000	\$ 1,724,855	\$ (450,145)
<i>Total operating revenues</i>	2,175,000	2,175,000	1,724,855	(450,145)
<i>Operating expenses</i>				
Claims and judgements	1,773,000	1,773,000	1,720,531	52,469
<i>Total operating expenses</i>	1,773,000	1,773,000	1,720,531	52,469
<i>Operating income (loss)</i>	402,000	402,000	4,324	(397,676)
<i>Non-operating revenues (expenses)</i>				
Interest income (loss)	800	800	625	(175)
<i>Total non-operating revenues (expenses)</i>	800	800	625	(175)
<i>Income (loss) before contributions and transfers</i>	402,800	402,800	4,949	(397,851)
Transfers in	250,000	250,000	250,000	-
<i>Change in net position</i>	652,800	652,800	254,949	(397,851)
Designated cash (budgeted increase in cash)	(652,800)	(652,800)	-	652,800
<i>Net position - beginning</i>	-	-	-	-
<i>Net position - end of year</i>	\$ -	\$ -	\$ 254,949	\$ 254,949
Net change in net position (non-GAAP budgetary basis)				\$ 254,949
No adjustments to revenues				-
Adjustments to expenditures for claims payable				(132,000)
Net change in net position (GAAP)				\$ 122,949

The accompanying notes are an integral part of these financial statements

SUPPORTING SCHEDULES

STATE OF NEW MEXICO
Otero County
Schedule of Collateral Pledged by Depository For Public Funds
June 30, 2015

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value June 30, 2015
Bank 34	FNMA 20YR	04/20/34	3141BALC0	\$ 733,598
	Total Bank 34			<u>733,598</u>

Name and location of safekeeper for above pledged collateral:
Federal Home Loan Bank, 8500 Freeport Parkway South, Irving, TX 75063

First National Bank of Alamogordo				
	FNMA Pool #709835	06/01/18	31401JSY5	48,709
	FHLMC Pool #B10680	11/01/18	312962XH1	114,279
	FHLMC Pool #G12358	05/01/21	3128M1QK8	108,959
	FHLMC Pool #J14944	04/01/26	3128PUP55	674,336
	FNMA Pool #AH8166	04/01/26	3138AACC3	995,820
	FNMA Pool #893271	08/01/26	31410PMU4	25,867
	FNMA Pool #AB3163	06/01/31	31416YQR2	464,213
	FNMA Pool #MA3894	09/01/31	31418DKG6	1,242,119
	FNMA Pool #AB4713	03/01/32	31417BGX9	869,971
	FNMA Pool #MA1338	02/01/33	31418APY8	3,326,218
	FNMA Pool #945117	08/01/37	31413GPA2	85,721
	Total First National Bank of Alamogordo			<u>7,956,212</u>

Name and location of safekeeper for above pledged collateral:
Federal Home Loan Bank, 8500 Freeport Parkway South, Irving, TX 75063

First Savings Bank				
	FNRF 2012-145DC	01/25/28	3136AA2LB	1,342,333
	Total First Savings Bank			<u>1,342,333</u>

Name and location of safekeeper for above pledged collateral:
First Savings Bank, 201 North Third Street, Beresford, SD 57004

Washington Federal Bank				
	GNMA2 G2895800	08/20/61	3620E0NW2	53,330
	Total Washington Federal Bank			<u>53,330</u>

Name and location of safekeeper for above pledged collateral:
Federal Home Loan Bank, 8500 Freeport Parkway South, Irving, TX 75063

See independent auditors' report

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value June 30, 2015
Wells Fargo Bank	FNMA FNAR 2.950%	08/01/41	3138ANHX4	9,471
	FNMA FNMS 3.000%	12/01/26	3138AYLZ0	53,640
	FNMA FNMS 3.500%	11/01/41	3138EHB50	2,183
	FNMA FNMS 3.000%	07/01/42	3138LY5A1	195,749
	FNMA FNMS 3.000%	01/01/43	3138NXXJ5	52,942
	FNMA FNMS 3.000%	06/01/43	3138WU4Q3	526,624
	FNMA FNMS 3.000%	06/01/43	3138WVPL9	1,791
	FNMA FNMS 4.000%	12/01/43	3138XBX90	1,270,368
	FNMA FNMS 6.000%	07/01/38	31410KZW7	1,143
	FNMA FNMS 6.000%	11/01/37	31413KXVB	376
	FNMA FNMS 4.500%	03/01/41	314174YXX0	9,059
	FNMA FNMS 3.000%	11/01/25	31419KVB8	137,935
	Total Wells Fargo Bank			<u>2,261,281</u>
	Name and location of safekeeper for above pledged collateral: Bank of NY Mellon, One Wall Street, NY 10286			
Western Bank	FNMA Agency	09/27/32	3136G0H61	<u>1,470,938</u>
	Total Western Bank			<u>1,470,938</u>
	Name and location of safekeeper for above pledged collateral: Federal Home Loan Bank, 8500 Freeport Parkway South, Irving, TX 75063			
	Total Pledged Collateral			<u>\$ 13,817,692</u>

STATE OF NEW MEXICO
Otero County
Schedule of Deposit and Investment Accounts
June 30, 2015

Bank Account Type/Name	Bank 34	First National Bank of Alamogordo	First Savings Bank	Washington Federal Bank
Certificate of Deposit - Interest Bearing	\$ 500,000	\$ 1,000,000	\$ 250,478	\$ 250,000
Certificate of Deposit - Interest Bearing	100,000	-	-	-
Checking - Operational - Interest Bearing	-	3,493,640	-	-
Checking - Inmate Trust Fund - Non-interest Bearing	-	33,779	-	-
Money Market - Interest Bearing	-	2,696,064	1,000,762	-
Checking - Sheriff's Trust Fund - Non-interest Bearing	-	668	-	-
Federal Home Loan Bank Bond - Interest Bearing	-	301,560	-	-
Federal Home Loan Bank Bond - Interest Bearing	-	500,050	-	-
Federal Home Loan Bank Bond - Interest Bearing	-	499,900	-	-
Federal Home Loan Bank Bond - Interest Bearing	-	493,650	-	-
Federal Home Loan Bank Bond - Interest Bearing	-	563,750	-	-
Federal Home Loan Bank Bond - Interest Bearing	-	-	-	-
Federal Home Loan Bank Bond - Interest Bearing	-	-	-	-
Federal Home Loan Bank Bond - Interest Bearing	-	-	-	-
Analyzed Business Checking - PF	-	-	-	-
Business Market Rate Public Funds	-	-	-	-
Money Market Mutual Fund - Interest Bearing	-	-	-	-
Checking - Sheriff's Covert Activities - Non-interest Bearing	-	-	-	-
Bond Account - Series 2007 - Interest Bearing**	-	-	-	-
Reserve Account - Series 2007 - Interest Bearing**	-	-	-	-
Revenue Account - Series 2007 - Interest Bearing**	-	-	-	-
Revenue Account - Series 2012 - Interest Bearing**	-	-	-	-
Bond Account - Series 2012 - Interest Bearing**	-	-	-	-
Redemption Account - Series 2012 - Interest Bearing**	-	-	-	-
Reserve Account - Series 2012 - Interest Bearing**	-	-	-	-
Administration Account - Series 2012 - Interest Bearing**	-	-	-	-
Rebate Account - Series 2012 - Interest Bearing**	-	-	-	-
Bond Account - Series 2014 - Interest Bearing**	-	-	-	-
Reserve Account - Series 2014 - Interest Bearing**	-	-	-	-
Redemption Account - Series 2014 - Interest Bearing**	-	-	-	-
Equity Account - Series 2014 - Interest Bearing**	-	-	-	-
Refunding Account - Series 2014 - Interest Bearing**	-	-	-	-
Cost of Issuance Account - Series 2014 - Interest Bearing**	-	-	-	-
NMFA Reserve Account***	-	-	-	-
Total	600,000	9,583,061	1,251,240	250,000
Reconciling items	-	78,140	-	-
Reconciled balance	\$ 600,000	\$ 9,661,201	\$ 1,251,240	\$ 250,000

**Accounts are U.S. Treasury and Agency Notes

***Accounts are U.S. Treasury MM Mutual Funds

See independent auditors' report.

Wells Fargo Bank	Western Bank	US Bank	Bank of NY Mellon	Totals
\$ -	\$ 1,000,000	\$ -	\$ -	\$ 3,000,478
-	300,000	-	-	400,000
-	-	-	-	3,493,640
-	-	-	-	33,779
-	-	-	-	3,696,826
-	-	-	-	668
468,198	-	-	-	769,758
243,177	-	-	-	743,227
247,980	-	-	-	747,880
249,830	-	-	-	743,480
249,103	-	-	-	812,853
500,797	-	-	-	500,797
198,541	-	-	-	198,541
498,312	-	-	-	498,312
500,000	-	-	-	500,000
2,007,714	-	-	-	2,007,714
43,784	-	-	-	43,784
-	23,485	-	-	23,485
-	-	1,332,437	-	1,332,437
-	-	5,200,100	-	5,200,100
-	-	4,189,922	-	4,189,922
-	-	4,720,540	-	4,720,540
-	-	133,751	-	133,751
-	-	2,995,497	-	2,995,497
-	-	1,445,070	-	1,445,070
-	-	3,129	-	3,129
-	-	16	-	16
-	-	2,344,486	-	2,344,486
-	-	1,554,306	-	1,554,306
-	-	410,145	-	410,145
-	-	173,942	-	173,942
-	-	131	-	131
-	-	17,350	-	17,350
-	-	-	1,208,187	1,208,187
5,207,436	1,323,485	24,520,822	1,208,187	43,944,231
-	(23,481)	-	-	54,659
<u>\$ 5,207,436</u>	<u>\$ 1,300,004</u>	<u>\$ 24,520,822</u>	<u>\$ 1,208,187</u>	43,998,890
Plus: petty cash				1,175
Less: restricted cash and cash equivalents per Exhibit A-1				(4,557,487)
Less: agency funds cash per Exhibit D-1				(306,402)
Less: investments per Exhibit A-1				(8,459,108)
Less: restricted investments per Exhibit A-1				(25,449,337)
Less: overpayments and taxes in suspense				(46,913)
Less: outstanding warrants and other items				(543,803)
Cash and cash equivalents per Exhibit A-1				<u>\$ 4,637,015</u>

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STATE OF NEW MEXICO

Schedule V

Otero County

Tax Roll Reconciliation - Changes in Property Taxes Receivable
For the Year Ended June 30, 2015

Uncollected taxes, July 1, 2014	\$ 2,490,335
Net taxes charged to treasurer for fiscal year	25,639,210
Current year tax collections	(25,289,973)
Adjustments	(30,653)
Uncollected taxes, June 30, 2015	<u>\$ 2,808,919</u>

Property taxes receivable are reported in the financial statements as follows:

Statement of Net Position - Exhibit A-1	\$ 1,005,554
Statement of Fiduciary Assets and Liabilities - Agency Funds - Exhibit E-1	<u>1,803,365</u>
 Total property taxes receivable	 <u>\$ 2,808,919</u>

Property taxes receivable by year:

2005	\$ 3,671
2006	5,779
2007	10,018
2008	19,536
2009	26,766
2010	47,933
2011	66,505
2012	141,924
2013	622,799
2014	<u>1,863,988</u>

Total property taxes receivable	<u>\$ 2,808,919</u>
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See independent auditors' report.

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 Otero County
 County Treasurer's Property Tax Schedule
 June 30, 2015

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Agency	Net Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Undistributed at Year End	Treasurer's Receivable at Year End
State of New Mexico						
P&I on Bonds 2005	842,421	23	842,255	23	-	164
P&I on Bonds 2006	916,633	34	916,351	34	-	277
P&I on Bonds 2007	952,907	128	952,422	128	5	469
P&I on Bonds 2008	1,032,200	376	1,031,228	399	3	953
P&I on Bonds 2009	985,474	799	984,202	838	29	1,230
P&I on Bonds 2010	1,383,117	2,011	1,380,006	2,099	80	3,023
P&I on Bonds 2011	1,287,696	3,824	1,283,951	7,904	167	3,657
P&I on Bonds 2012	1,347,475	29,770	1,339,502	26,403	5,084	7,840
P&I on Bonds 2013	1,404,939	47,302	1,369,663	67,682	2,074	33,887
P&I on Bonds 2014	1,512,930	1,350,941	1,414,762	1,333,916	17,023	97,502
Total P&I on Bonds	11,665,792	1,435,208	11,514,343	1,439,427	24,463	149,002
State Special Levies						
State Special Levies 2005	20,709	-	20,709	-	-	-
State Special Levies 2006	21,878	-	21,878	-	-	-
State Special Levies 2007	26,007	-	26,007	-	-	-
State Special Levies 2008	21,801	-	21,801	-	-	-
State Special Levies 2009	23,611	7	23,579	7	-	32
State Special Levies 2010	20,092	6	20,057	13	-	35
State Special Levies 2011	23,461	120	23,423	126	-	38
State Special Levies 2012	27,315	205	26,915	212	-	400
State Special Levies 2013	29,702	283	29,032	876	-	670
State Special Levies 2014	29,534	27,102	26,868	26,421	681	2,665
Total State Special Levies	244,110	27,723	240,270	27,654	681	3,839
Total State of New Mexico	11,909,901	1,462,931	11,754,613	1,467,082	25,144	152,841
Otero County						
General Advalorem 2005	5,845,828	133	5,844,646	133	-	1,171
General Advalorem 2006	6,205,165	211	6,203,299	211	-	1,840
General Advalorem 2007	6,695,142	894	6,691,831	864	31	3,224
General Advalorem 2008	7,214,174	2,524	7,207,578	2,509	15	6,485
General Advalorem 2009	7,611,295	6,154	7,601,962	5,967	187	9,055
General Advalorem 2010	7,727,535	10,717	7,710,103	10,332	386	17,013
General Advalorem 2011	8,102,238	23,163	8,079,305	22,230	933	22,474
General Advalorem 2012	8,492,351	198,548	8,442,563	162,834	35,715	49,082
General Advalorem 2013	8,846,071	310,704	8,614,821	297,629	13,075	223,142
General Advalorem 2014	9,400,977	8,396,571	8,725,541	8,289,917	106,654	671,155
Total General Advalorem	76,140,776	8,949,620	75,121,650	8,792,624	156,996	1,004,640
Debt Service						
Debt Service P&I 2005	755,722	21	755,573	21	-	147
Debt Service P&I 2006	722,798	27	722,576	27	-	218
Debt Service P&I 2007	794,479	107	794,075	103	5	391
Debt Service P&I 2008	170,128	63	169,946	63	-	157
Debt Service P&I 2009	-	-	-	-	-	-
Debt Service P&I 2010	-	-	-	-	-	-
Debt Service P&I 2011	-	-	-	-	-	-
Debt Service P&I 2012	-	-	-	-	-	-
Debt Service P&I 2013	-	-	-	-	-	-
Debt Service P&I 2014	-	-	-	-	-	-
Total Debt Service	2,443,126	218	2,442,170	213	5	914
Total Otero County	78,583,902	8,949,838	77,563,821	8,792,837	157,001	1,005,554

See independent auditors' report.

STATE OF NEW MEXICO
 Otero County
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Agency	Net Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Undistributed at Year End	Treasurer's Receivable at Year End
City of Alamogordo						
General Advalorem 2005	1,912,782	87	1,912,766	87	-	16
General Advalorem 2006	2,066,849	28	2,066,599	28	-	250
General Advalorem 2007	2,224,264	87	2,223,753	87	-	511
General Advalorem 2008	2,404,150	183	2,403,214	191	11	923
General Advalorem 2009	2,512,602	443	2,511,254	514	10	1,334
General Advalorem 2010	2,526,420	1,973	2,524,754	2,107	46	1,653
General Advalorem 2011	2,665,688	4,155	2,661,310	13,033	52	4,366
General Advalorem 2012	2,801,441	50,125	2,790,541	41,315	11,541	10,875
General Advalorem 2013	2,863,806	76,784	2,805,544	107,772	2,688	56,596
General Advalorem 2014	3,008,388	2,735,312	2,868,511	2,712,606	22,706	138,337
Total General Advalorem	24,986,390	2,869,178	24,768,247	2,877,740	37,055	214,861
Debt Service P&I 2005	794,056	40	794,049	40	-	7
Debt Service P&I 2006	792,396	12	792,298	12	-	98
Debt Service P&I 2007	895,215	39	894,996	39	-	219
Debt Service P&I 2008	722,844	60	722,548	63	4	291
Debt Service P&I 2009	642,966	123	642,610	121	3	353
Debt Service P&I 2010	688,984	571	688,502	611	14	479
Debt Service P&I 2011	713,138	1,200	711,997	3,340	15	1,137
Debt Service P&I 2012	726,827	12,408	724,032	10,431	2,630	2,789
Debt Service P&I 2013	751,524	19,162	737,049	26,803	740	13,959
Debt Service P&I 2014	1,082,852	982,842	1,035,601	974,713	8,129	46,771
Total Debt Service	7,810,802	1,016,458	7,743,680	1,016,173	11,534	66,102
Total City of Alamogordo	32,797,191	3,885,636	32,511,928	3,893,912	48,588	280,963
Alamogordo Public Schools						
General Advalorem 2005	186,458	6	186,452	6	-	6
General Advalorem 2006	198,275	2	198,250	2	-	25
General Advalorem 2007	212,628	12	212,575	12	-	50
General Advalorem 2008	228,999	33	228,893	34	1	105
General Advalorem 2009	239,029	111	238,867	116	1	159
General Advalorem 2010	241,182	271	240,960	282	6	212
General Advalorem 2011	261,973	536	261,440	1,299	24	520
General Advalorem 2012	265,843	5,068	264,687	4,306	1,024	1,137
General Advalorem 2013	272,213	7,442	266,346	10,900	260	5,671
General Advalorem 2014	292,329	266,170	278,511	263,662	2,508	13,709
Total General Advalorem	2,398,929	279,651	2,376,980	280,618	3,824	21,593
Debt Service P&I 2005	2,197,869	78	2,197,787	78	-	83
Debt Service P&I 2006	2,284,581	24	2,284,271	24	-	308
Debt Service P&I 2007	3,432,016	226	3,431,060	226	-	901
Debt Service P&I 2008	2,440,457	380	2,439,215	391	9	1,229
Debt Service P&I 2009	2,612,186	1,194	2,610,266	1,255	8	1,873
Debt Service P&I 2010	2,849,487	3,354	2,846,587	3,487	82	2,763
Debt Service P&I 2011	3,356,231	7,355	3,349,172	15,964	339	6,862
Debt Service P&I 2012	4,049,746	73,116	4,031,905	63,439	13,457	17,514
Debt Service P&I 2013	3,951,673	103,372	3,871,122	149,607	3,935	77,560
Debt Service P&I 2014	4,457,908	4,042,317	4,258,026	4,004,095	38,222	198,289
Total Debt Service	31,632,154	4,231,414	31,319,412	4,238,565	56,050	307,382

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Agency	Net Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Undistributed at Year End	Treasurer's Receivable at Year End
Capital Improvements 2005	964,994	34	964,958	34	-	36
Capital Improvements 2006	1,024,936	11	1,024,796	11	-	138
Capital Improvements 2007	1,121,941	74	1,121,628	74	-	294
Capital Improvements 2008	1,185,551	185	1,184,948	190	4	597
Capital Improvements 2009	1,216,668	556	1,215,774	585	4	872
Capital Improvements 2010	1,227,935	1,447	1,226,683	1,504	35	1,193
Capital Improvements 2011	1,333,398	2,898	1,330,605	6,377	133	2,716
Capital Improvements 2012	1,347,387	24,499	1,341,461	21,198	4,568	5,819
Capital Improvements 2013	1,384,650	36,426	1,356,223	52,800	1,372	27,387
Capital Improvements 2014	1,489,882	1,351,828	1,422,534	1,339,052	12,776	66,813
Total Capital Improvements	12,297,341	1,417,957	12,189,609	1,421,824	18,891	105,866
Tech Debt 2005	853,198	30	853,166	30	-	32
Tech Debt 2006	871,195	9	871,077	9	-	117
Tech Debt 2007	-	-	-	-	-	-
Tech Debt 2008	1,153,541	180	1,152,954	185	4	581
Tech Debt 2009	1,134,543	518	1,133,709	545	3	813
Tech Debt 2010	1,092,559	1,286	1,091,447	1,337	31	1,059
Tech Debt 2011	887,455	1,945	885,588	4,221	90	1,814
Tech Debt 2012	237,643	4,290	236,596	3,723	790	1,028
Tech Debt 2013	423,706	11,084	415,066	16,041	422	8,316
Tech Debt 2014	296,776	269,109	283,470	266,564	2,545	13,201
Total Tech debt	6,950,617	288,451	6,923,073	292,655	3,884	26,962
Total Alamogordo Public Schools	53,279,041	6,217,472	52,809,073	6,233,661	82,650	461,803
Village of Cloudcroft						
General Advalorem 2005	35,807	-	35,807	-	-	-
General Advalorem 2006	38,664	-	38,664	-	-	-
General Advalorem 2007	42,693	-	42,693	-	-	-
General Advalorem 2008	47,290	-	47,290	-	-	-
General Advalorem 2009	50,159	-	50,159	-	-	-
General Advalorem 2010	51,745	-	51,738	-	-	6
General Advalorem 2011	52,872	-	52,863	-	-	8
General Advalorem 2012	54,322	2,333	54,250	2,201	133	72
General Advalorem 2013	55,589	3,121	54,756	5,043	8	826
General Advalorem 2014	56,740	53,794	54,323	52,982	813	2,409
Total General Advalorem	485,880	59,248	482,543	60,226	954	3,323
Debt Service P&I 2005	-	-	-	-	-	-
Debt Service P&I 2006	-	-	-	-	-	-
Debt Service P&I 2007	-	-	-	-	-	-
Debt Service P&I 2008	-	-	-	-	-	-
Debt Service P&I 2009	-	-	-	-	-	-
Debt Service P&I 2010	-	-	-	-	-	-
Debt Service P&I 2011	-	-	-	-	-	-
Debt Service P&I 2012	-	-	-	-	-	-
Debt Service P&I 2013	-	-	-	-	-	-
Debt Service P&I 2014	-	-	-	-	-	-
Total Debt Service	-	-	-	-	-	-
Total Village of Cloudcroft	485,880	59,248	482,543	60,226	954	3,323

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Agency	Net Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Undistributed at Year End	Treasurer's Receivable at Year End
Cloudcroft Public Schools						
General Advalorem 2005	30,205	-	30,200	-	-	5
General Advalorem 2006	32,623	2	32,615	2	-	8
General Advalorem 2007	35,435	10	35,420	11	-	15
General Advalorem 2008	38,338	26	38,313	28	-	25
General Advalorem 2009	40,994	55	40,955	55	2	39
General Advalorem 2010	42,272	63	42,179	64	2	93
General Advalorem 2011	43,771	171	43,628	283	7	143
General Advalorem 2012	45,849	1,166	45,566	1,099	120	282
General Advalorem 2013	47,268	2,283	46,224	3,591	72	1,009
General Advalorem 2014	49,311	45,845	46,468	44,936	909	2,811
Total General Advalorem	406,065	49,621	401,566	50,069	1,111	4,431
Debt Service P&I						
Debt Service P&I 2005	530,615	-	530,520	-	-	95
Debt Service P&I 2006	510,826	24	510,695	24	-	131
Debt Service P&I 2007	906,060	177	905,708	202	-	351
Debt Service P&I 2008	936,726	511	936,207	537	-	519
Debt Service P&I 2009	949,947	1,101	949,223	1,079	48	724
Debt Service P&I 2010	1,020,006	1,304	1,018,106	1,296	50	1,900
Debt Service P&I 2011	1,006,782	3,379	1,004,126	5,652	157	2,656
Debt Service P&I 2012	762,433	15,953	758,502	14,748	2,022	3,923
Debt Service P&I 2013	640,942	27,267	628,046	43,411	882	12,492
Debt Service P&I 2014	998,774	929,830	946,343	912,099	17,731	52,048
Total Debt Service	8,263,110	979,545	8,187,476	979,048	20,890	74,839
Capital Improvements						
Capital Improvements 2005	224,756	-	224,716	-	-	40
Capital Improvements 2006	235,458	11	235,398	11	-	60
Capital Improvements 2007	262,436	51	262,334	58	-	102
Capital Improvements 2008	272,740	149	272,589	156	-	151
Capital Improvements 2009	284,586	330	284,369	323	14	217
Capital Improvements 2010	291,314	376	290,766	374	14	549
Capital Improvements 2011	299,994	1,021	299,187	1,706	47	807
Capital Improvements 2012	311,261	6,626	309,631	6,137	824	1,627
Capital Improvements 2013	339,236	14,435	332,476	22,981	467	6,613
Capital Improvements 2014	352,706	328,352	334,167	322,087	6,265	18,403
Total Capital Improvements	2,874,487	351,350	2,845,631	353,835	7,631	28,569
Total Cloudcroft Public Schools	11,543,662	1,380,516	11,434,673	1,382,951	29,633	107,838
Village of Tularosa						
General Advalorem 2005	119,111	-	119,092	-	-	19
General Advalorem 2006	128,052	-	128,028	-	-	23
General Advalorem 2007	141,091	14	141,060	14	-	31
General Advalorem 2008	152,084	38	152,011	38	-	73
General Advalorem 2009	166,300	276	166,104	323	-	189
General Advalorem 2010	169,204	455	168,626	358	151	563
General Advalorem 2011	190,333	1,247	189,572	2,452	116	746
General Advalorem 2012	182,068	6,340	180,521	5,303	1,261	1,533
General Advalorem 2013	186,538	12,372	182,094	14,707	601	5,020
General Advalorem 2014	200,707	176,764	188,295	172,907	3,857	13,064
Total General Advalorem	1,635,486	197,507	1,615,403	196,102	5,986	21,263

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Agency	Net Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Undistributed at Year End	Treasurer's Receivable at Year End
Debt Service P&I 2005	-	-	-	-	-	-
Debt Service P&I 2006	-	-	-	-	-	-
Debt Service P&I 2007	-	-	-	-	-	-
Debt Service P&I 2008	-	-	-	-	-	-
Debt Service P&I 2009	-	-	-	-	-	-
Debt Service P&I 2010	-	-	-	-	-	-
Debt Service P&I 2011	-	-	-	-	-	-
Debt Service P&I 2012	-	-	-	-	-	-
Debt Service P&I 2013	-	-	-	-	-	-
Debt Service P&I 2014	-	-	-	-	-	-
Total Debt Service	-	-	-	-	-	-
Total Village of Tularosa	1,635,486	197,507	1,615,403	196,102	5,986	21,263
Tularosa Public Schools						
General Advalorem 2005	20,261	-	20,258	-	-	3
General Advalorem 2006	21,631	4	21,629	4	-	3
General Advalorem 2007	23,504	3	23,498	2	1	6
General Advalorem 2008	26,742	9	26,724	9	-	18
General Advalorem 2009	30,901	36	30,860	34	4	40
General Advalorem 2010	32,001	53	31,762	50	7	239
General Advalorem 2011	26,566	85	26,483	239	2	83
General Advalorem 2012	34,229	798	33,990	718	138	234
General Advalorem 2013	35,407	1,541	34,427	1,915	64	959
General Advalorem 2014	37,407	33,697	35,122	33,189	507	2,283
Total General Advalorem	288,650	36,224	284,753	36,159	725	3,869
Debt Service P&I 2005	476,222	14	476,129	14	-	93
Debt Service P&I 2006	523,958	108	523,880	108	-	77
Debt Service P&I 2007	520,050	68	519,880	34	34	170
Debt Service P&I 2008	569,579	228	569,181	249	-	398
Debt Service P&I 2009	637,168	815	636,197	771	113	961
Debt Service P&I 2010	649,721	1,165	645,297	1,089	162	4,404
Debt Service P&I 2011	513,347	1,782	511,518	5,236	46	1,830
Debt Service P&I 2012	766,811	19,092	760,885	17,185	3,350	5,786
Debt Service P&I 2013	846,624	38,008	821,921	47,925	1,596	23,871
Debt Service P&I 2014	858,224	764,106	804,371	752,156	11,950	53,554
Total Debt Service	6,361,704	825,387	6,269,258	824,767	17,250	91,143
Capital Improvements 2005	107,015	3	106,994	3	-	21
Capital Improvements 2006	111,909	23	111,892	23	-	17
Capital Improvements 2007	122,016	16	121,976	8	8	40
Capital Improvements 2008	136,247	55	136,151	60	-	95
Capital Improvements 2009	152,105	195	151,873	184	27	229
Capital Improvements 2010	156,975	281	155,902	262	39	1,068
Capital Improvements 2011	122,325	422	121,894	1,236	11	432
Capital Improvements 2012	168,002	4,167	166,711	3,751	731	1,261
Capital Improvements 2013	173,850	7,787	168,790	9,810	327	4,888
Capital Improvements 2014	184,528	164,427	172,971	161,863	2,565	11,497
Total Capital Improvements	1,434,972	177,376	1,415,155	177,199	3,707	19,547
Total Tularosa Public Schools	8,085,326	1,038,988	7,969,167	1,038,125	21,682	114,559

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Agency	Net Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Undistributed at Year End	Treasurer's Receivable at Year End
Gadsden School Dist						
General Advalorem 2005	7,474	-	7,440	-	-	33
General Advalorem 2006	7,875	1	7,836	1	-	39
General Advalorem 2007	8,950	10	8,889	10	-	60
General Advalorem 2008	9,722	31	9,601	34	-	117
General Advalorem 2009	10,337	45	10,194	53	1	136
General Advalorem 2010	11,769	71	11,585	82	2	177
General Advalorem 2011	12,029	190	11,810	349	7	212
General Advalorem 2012	15,667	1,409	15,207	1,283	228	453
General Advalorem 2013	22,163	1,817	20,163	2,298	163	1,895
General Advalorem 2014	22,218	12,013	12,481	11,499	514	9,694
Total General Advalorem	128,204	15,587	115,205	15,608	915	12,816
Debt Service P&I 2005	307,279	-	306,156	-	-	1,103
Debt Service P&I 2006	322,551	52	321,067	52	-	1,444
Debt Service P&I 2007	367,647	465	365,322	465	-	2,284
Debt Service P&I 2008	334,831	1,254	330,686	1,372	-	4,002
Debt Service P&I 2009	323,000	1,654	318,357	1,949	27	4,380
Debt Service P&I 2010	341,866	2,318	336,137	2,714	68	5,476
Debt Service P&I 2011	350,958	5,729	344,065	10,368	235	6,643
Debt Service P&I 2012	516,780	46,413	500,777	42,267	7,580	15,700
Debt Service P&I 2013	674,305	58,812	608,917	74,257	5,051	61,671
Debt Service P&I 2014	665,916	386,550	403,883	370,863	15,687	260,723
Total Debt Service	4,205,132	503,247	3,835,368	504,307	28,648	363,424
Capital Improvements 2005	45,630	-	45,462	-	-	165
Capital Improvements 2006	47,732	8	47,513	8	-	214
Capital Improvements 2007	53,977	69	53,639	69	-	333
Capital Improvements 2008	56,983	213	56,277	233	-	681
Capital Improvements 2009	60,510	310	59,640	365	5	820
Capital Improvements 2010	66,330	450	65,219	527	13	1,063
Capital Improvements 2011	66,977	1,093	65,661	1,979	45	1,268
Capital Improvements 2012	82,192	7,382	79,647	6,722	1,206	2,497
Capital Improvements 2013	108,786	9,486	98,212	11,977	815	9,947
Capital Improvements 2014	110,050	63,842	66,702	61,250	2,592	43,131
Total Capital Improvements	699,166	82,852	637,971	83,130	4,675	60,119
Tech Debt 2005	27,994	-	27,892	-	-	100
Tech Debt 2006	19,737	3	19,647	3	-	88
Tech Debt 2007	-	-	-	-	-	-
Tech Debt 2008	73,707	276	72,795	302	-	881
Tech Debt 2009	111,216	570	109,618	671	9	1,508
Tech Debt 2010	134,120	909	131,872	1,065	27	2,148
Tech Debt 2011	129,198	2,109	126,660	3,817	87	2,446
Tech Debt 2012	72,164	6,481	69,930	5,902	1,058	2,192
Tech Debt 2013	104,930	9,135	94,579	11,534	784	9,579
Tech Debt 2014	123,412	71,636	74,850	68,728	2,907	48,319
Total Tech Debt	796,479	91,119	727,842	92,022	4,873	67,262
Total Gadsden School District	5,828,981	692,805	5,316,385	695,067	39,111	503,620

See independent auditors' report.

STATE OF NEW MEXICO
 Otero County
 County Treasurer's Property Tax Schedule
 June 30, 2015

Schedule VI
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Agency	Net Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Undistributed at Year End	Treasurer's Receivable at Year End
NMSU - Alamogordo						
General Advalorem 2005	412,409	13	412,394	13	-	14
General Advalorem 2006	441,708	4	441,650	4	-	57
General Advalorem 2007	473,782	29	473,658	29	-	117
General Advalorem 2008	510,091	76	509,843	78	2	245
General Advalorem 2009	532,979	246	532,602	258	1	367
General Advalorem 2010	537,964	618	537,443	644	15	497
General Advalorem 2011	561,020	1,123	559,888	2,741	40	1,102
General Advalorem 2012	587,308	10,964	584,741	9,390	2,141	2,523
General Advalorem 2013	601,956	16,177	589,258	23,583	585	12,256
General Advalorem 2014	646,865	588,064	616,886	582,515	5,549	29,742
Total General Advalorem	5,306,080	617,314	5,258,365	619,255	8,332	46,920
Debt Service P&I						
Debt Service P&I 2005	379,438	13	379,361	13	-	75
Debt Service P&I 2006	407,614	7	407,477	7	-	134
Debt Service P&I 2007	168,291	11	168,244	11	-	44
Debt Service P&I 2008	474,220	74	473,979	76	2	239
Debt Service P&I 2009	486,667	222	486,309	234	1	349
Debt Service P&I 2010	512,037	603	511,516	627	15	496
Debt Service P&I 2011	570,256	1,501	568,496	2,919	63	1,705
Debt Service P&I 2012	560,810	10,125	558,339	8,785	1,864	2,425
Debt Service P&I 2013	576,486	15,080	564,715	21,825	574	11,314
Debt Service P&I 2014	626,441	568,074	598,353	562,703	5,371	27,864
Total Debt Service	4,762,259	595,710	4,716,790	597,198	7,889	44,647
Total NMSU - Alamogordo	10,068,340	1,213,024	9,975,155	1,216,453	16,221	91,567
NMSU - Dona Ana						
General Advalorem 2005	21,624	-	21,543	-	-	80
General Advalorem 2006	22,640	4	22,535	4	-	102
General Advalorem 2007	25,565	32	25,403	32	-	159
General Advalorem 2008	27,243	101	26,906	110	-	326
General Advalorem 2009	29,421	149	28,999	176	2	398
General Advalorem 2010	32,617	220	32,072	258	6	521
General Advalorem 2011	33,488	547	32,831	989	22	634
General Advalorem 2012	41,096	3,691	39,823	3,361	603	1,248
General Advalorem 2013	54,391	4,743	49,106	5,988	407	4,973
General Advalorem 2014	55,144	32,010	33,445	30,711	1,299	21,590
Total General Advalorem	343,229	41,496	312,663	41,629	2,340	30,033
Total NMSU - Dona Ana	343,229	41,496	312,663	41,629	2,340	30,033

See independent auditors' report.

STATE OF NEW MEXICO
Otero County
County Treasurer's Property Tax Schedule
June 30, 2015

Schedule VI
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Agency	Net Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Undistributed at Year End	Treasurer's Receivable at Year End
Local Special Levies						
Timberon Water & Sanitation District						
Timberon Special Levy 2005	339,818	-	339,657	-	-	161
Timberon Special Levy 2006	137,799	50	137,688	50	-	112
Timberon Special Levy 2007	153,037	232	152,791	266	2	247
Timberon Special Levy 2008	152,758	453	152,313	491	-	444
Timberon Special Levy 2009	157,533	807	156,845	846	-	688
Timberon Special Levy 2010	161,226	946	159,921	996	2	1,305
Timberon Special Levy 2011	162,927	1,473	160,722	1,910	16	2,205
Timberon Special Levy 2012	170,563	3,879	166,878	4,199	282	3,685
Timberon Special Levy 2013	176,962	8,555	167,777	13,855	351	8,297
Timberon Special Levy 2014	156,529	133,980	137,229	130,156	3,824	18,411
Total Timberon Water & Sanitation	1,769,151	150,374	1,731,820	152,768	4,477	35,553
Penasco S&W Conservation District						
Penasco Special Levy 2005	49	-	49	-	-	-
Penasco Special Levy 2006	49	-	49	-	-	-
Penasco Special Levy 2007	90	-	90	-	-	-
Penasco Special Levy 2008	2	-	2	-	-	-
Penasco Special Levy 2009	62	-	62	-	-	-
Penasco Special Levy 2010	64	-	64	-	-	-
Penasco Special Levy 2011	65	-	65	-	-	-
Penasco Special Levy 2012	66	32	66	32	-	-
Penasco Special Levy 2013	68	33	68	33	-	-
Penasco Special Levy 2014	45	44	44	44	-	1
Total Penasco S&W Conservation Dist	560	109	559	109	-	1
Carlsbad Soil & Water Conservation District						
Carlsbad Special Levy 2005	8	-	8	-	-	-
Carlsbad Special Levy 2006	27	-	27	-	-	-
Carlsbad Special Levy 2007	28	-	28	-	-	-
Carlsbad Special Levy 2008	29	-	29	-	-	-
Carlsbad Special Levy 2009	29	-	29	-	-	-
Carlsbad Special Levy 2010	29	-	29	-	-	-
Carlsbad Special Levy 2011	30	-	30	-	-	-
Carlsbad Special Levy 2012	30	-	30	-	-	-
Carlsbad Special Levy 2013	30	-	30	1	-	-
Carlsbad Special Levy 2014	30	29	29	29	-	-
Total Carlsbad S&W Conservation Dist	269	29	268	30	-	-
Total Local Special Levies	1,769,980	150,513	1,732,647	152,907	4,477	35,555
Grand Totals	\$ 216,330,919	\$ 25,289,973	\$ 213,478,071	\$ 25,170,954	\$ 433,787	\$ 2,808,919

See independent auditors' report.

STATE OF NEW MEXICO
 Otero County
 County Treasurer's Property Tax Schedule
 June 30, 2015

Schedule VI
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Agency	Net Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Undistributed at Year End	Treasurer's Receivable at Year End
Recap By Tax Year						
2005	17,459,750	496	17,456,079	496	-	3,671
2006	18,115,560	656	18,109,780	656	-	5,779
2007	19,659,250	2,754	19,649,232	2,743	86	10,018
2008	20,393,174	7,476	20,373,639	7,796	53	19,536
2009	21,002,285	16,716	20,975,520	17,270	498	26,766
2010	21,968,571	31,468	21,920,638	32,175	1,253	47,933
2011	22,774,214	67,067	22,707,710	116,369	2,652	66,505
2012	23,667,679	544,883	23,525,755	466,943	98,348	141,924
2013	24,573,815	843,208	23,951,017	1,044,843	37,314	622,799
2014	26,716,620	23,775,248	24,852,632	23,481,663	293,584	1,863,988
Grand Totals	\$ 216,330,919	\$ 25,289,973	\$ 213,522,002	\$ 25,170,954	\$ 433,787	\$ 2,808,919

See independent auditors' report.

STATE OF NEW MEXICO

Schedule VII

Otero County

Agency Funds

Schedule of Changes in Fiduciary Assets and Liabilities
For the Year Ended June 30, 2015

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
ASSETS				
Cash	\$ 395,201	\$ 18,013,700	\$ 18,102,499	\$ 306,402
Property taxes receivable	1,589,651	17,315,643	17,101,929	1,803,365
<i>Total assets</i>	<u>\$ 1,984,852</u>	<u>\$ 35,329,343</u>	<u>\$ 35,204,428</u>	<u>\$ 2,109,767</u>
LIABILITIES				
Deposits held in trust	\$ 395,201	\$ 18,013,700	\$ 18,102,499	\$ 306,402
Due to other taxing units	1,589,651	17,315,643	17,101,929	1,803,365
<i>Total liabilities</i>	<u>\$ 1,984,852</u>	<u>\$ 35,329,343</u>	<u>\$ 35,204,428</u>	<u>\$ 2,109,767</u>

See independent auditors' report.

STATE OF NEW MEXICO
Otero County
Schedule of Legislative Grants
For the Year Ended June 30, 2015

<u>Project</u>	<u>Agency</u>	<u>Grant #</u>	<u>Effective Date</u>	<u>Reversion Date</u>	<u>Original Amount</u>
Fairgrounds Grandstand	DFA	12-1460	08/22/14	06/30/16	\$ 347,000
Mayhill Community Center	DFA	13-1737	05/15/14	06/30/17	62,850
Tularosa Basin Historical Museum	DFA	13-1736	N/A	06/30/17	525,000
12th Judicial Dist Courthouse Remodel	DFA	14-1961	N/A	06/30/18	77,500
Child Development Center	DFA	14-1962	N/A	06/30/18	500,000
Slash Pit	Energy, Minerals & Natural Resources	14-1581	N/A	06/30/18	235,500
Grand Totals					<u><u>\$ 1,747,850</u></u>

See independent auditors' report.

Arts in Public Places	Net Amount	Expenditures to Date	Reverted	Remaining
\$ -	\$ 347,000	\$ 342,061	\$ -	\$ 4,939
-	62,850	7,016	-	55,834
5,250	519,750	295,144	-	224,606
-	77,500	77,500	-	-
5,000	495,000	-	-	495,000
-	235,500	-	-	235,500
<u>\$ 10,250</u>	<u>\$ 1,737,600</u>	<u>\$ 721,720</u>	<u>\$ -</u>	<u>\$1,015,879</u>

STATE OF NEW MEXICO
Otero County
Schedule of Vendor Information for Purchases Exceeding \$60,000 (excluding GRT)
For the Year Ended June 30, 2015

Prepared by: Otero County

Title: Finance Director

Date: 10/21/2015

RFB/ RFP #	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract
40-000-14-00060	State bid	Reliable Chevrolet	\$64,080	N/A
40-000-13	State bid	Melloy Dodge	\$69,508	N/A
RFB 15-021	Sealed Bid	White Sands Construction	\$661,952	N/A
RFB 15-021	Sealed Bid	White Sands Construction	\$661,952	N/A
RFB 15-021	Sealed Bid	White Sands Construction	\$661,952	N/A
RFB 15-021	Sealed Bid	White Sands Construction	\$661,952	N/A
RFB 15-021	Sealed Bid	White Sands Construction	\$661,952	N/A
RFB 15-021	Sealed Bid	White Sands Construction	\$661,952	N/A
RFB 15-021	Sealed Bid	White Sands Construction	\$661,952	N/A
RFB 15-021	Sealed Bid	White Sands Construction	\$661,952	N/A
RFB 15-021	Sealed Bid	White Sands Construction	\$661,952	N/A
RFB 15-021	Sealed Bid	White Sands Construction	\$661,952	N/A
RFB 15-019	RFP	Southwest Correctional	\$1,078,380	N/A
RFB 15-019	Sealed Bid	White Sands Construction	\$661,952	N/A
RFB 15-019	Sealed Bid	White Sands Construction	\$661,952	N/A

See independent auditors' report.

Name and Physical Address per the procurement documentation, of ALL 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
Reliable Chevrolet Inc Albuquerque NM	Y	N/A	2 ea Chevy Tahoes
Melloy Dodge Albuquerque NM	Y	N/A	2 ea Dodge 3/4 Ton
White Sands Construction P.O Box 1745 Alamogordo, NM 88310	Y	N	Construction of the Chaparral Community Center
ESA Construction, Inc. 120 Paragon LANE STE 103 El Paso, TX	N	N	Construction of the Chaparral Community Center
Classic Industries Inc. P.O. Box 434 Dona Ana, NM 88032	Y	N	Construction of the Chaparral Community Center
Warren Construction P.O. Box Drawer N Mesilla, NM 88046	Y	N	Construction of the Chaparral Community Center
Timberland Construction P.O. Box 2199 Silver City, NM 88062	Y	N	Construction of the Chaparral Community Center
R-Con Construction 3401 Montecito Ct Las Cruces, NM 88012	Y	N	Construction of the Chaparral Community Center
C&E Industrial 103 Maguey Ct. Sunland Park, NM 88063	Y	N	Construction of the Chaparral Community Center
Spartan Construction of NM 240 Thunderbird Dr, Ste. E El Paso, TX 79912	N	N	Construction of the Chaparral Community Center
National Construction P.O. box 1479 Alamogordo, NM 88310	Y	N	Construction of the Chaparral Community Center
SWCMG Monterey CA	N	N	Inmate Medical Care at the OC Detention Center
Correct Care Solutions Murfreesboro, TN	N	N	Construction of the Chaparral Community Center
San Juan Regional Medical 801 West Maple ST Farmington NM	Y	N	Construction of the Chaparral Community Center

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COMPLIANCE SECTION



Accounting & Consulting Group, LLP
Certified Public Accountants

**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**

INDEPENDENT AUDITORS' REPORT

Timothy M. Keller
New Mexico State Auditor
The U.S. Office of Management and Budget and
The County Manager and County Commissioners
Otero County
Alamogordo, New Mexico

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, and the budgetary comparison for the general fund of Otero County (the "County"), as of and for the year ended June 30, 2015, 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 October 29, 2015.

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 opinions 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 County'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.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a material weakness. See item FS 2015-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as items FA 2015-001.

County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, New Mexico
October 29, 2015

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FEDERAL FINANCIAL ASSISTANCE



Accounting & Consulting Group, LLP
Certified Public Accountants

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

INDEPENDENT AUDITORS' REPORT

Timothy M. Keller
New Mexico State Auditor
The U.S. Office of Management and Budget and
The County Manager and County Commissioners
Otero County
Alamogordo, New Mexico

Report on Compliance for Each Major Federal Program

We have audited Otero County's (the "County") compliance of with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2015. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weakness and significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item FA 2015-001 that we consider to be a significant deficiency.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, New Mexico
October 29, 2015

STATE OF NEW MEXICO
Otero County
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

Federal Grantor/ Passthrough Grantor/ Program Title	Grant Number	Federal CFDA Number	Federal Expenditures
U.S. Department of Agriculture			
Schools and Roads Grants to States - Title III	(1)	12-CA-11030800-012	10.665
Schools and Roads Grants to Counties - Title I	(1)	12-CA-11030800-012	10.666
Total U.S. Department of Agriculture			<u>\$ 275,140</u> <u>54,601</u> <u>329,741</u>
Executive Office of the President			
High Intensity Drug Trafficking Area		G14SN0017A	95.001
Total Executive Office of the President			<u>122,305</u> <u>122,305</u>
U.S. Department of Homeland Security			
(Passed through the New Mexico Department of Public Safety)			
Assistance to Firefighters		EMW-2010-FF-001-46	97.044
(Passed through the New Mexico Department of Homeland Security and Emergency Management)			
State Homeland Security Grant Program			
Homeland Security Grant Program **		2013-SS-00152-S01	97.067
Operation Stonegarden**		EMW-2011-SS-00094-S01	97.067
Operation Stonegarden**		EMW-2012-SS-00094-S01	97.067
Operation Stonegarden**		EMW-2013-SS-00094-S01	97.067
Total State Homeland Security Grant Program			239,917
Total U.S. Department of Homeland Security			<u>281,304</u>
U.S. Department of Housing and Urban Development			
(Passed through the New Mexico Department of Finance and Administration)			
CDBG - Child Development Center**		12-C-NR-I-03-G-26	14.228
Total U.S. Department of Housing and Urban Development			<u>485,454</u> <u>485,454</u>
Total Federal Financial Assistance			<u>\$ 1,218,804</u>

() Denotes Cluster

** Denotes Major Federal Financial Assistance Program

See independent auditors' report
See accompanying notes to schedule of expenditures of federal awards

Notes to Schedule of Expenditures of Federal Awards1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Otero County, New Mexico (County) and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

2. Subrecipients

The County did not provide any federal awards to subrecipients during the year.

3. Loans

The County did not expend federal awards related to loans or loan guarantees during the year.

4. Federally Funded Insurance

The County has no federally funded insurance.

5. Non-Cash Federal Assistance

The County did not receive any non-cash federal assistance during the year.

Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 1,218,804
Total expenditures funded by other sources	<u>76,614,145</u>
Total expenditures	<u><u>\$ 77,832,949</u></u>

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STATE OF NEW MEXICO
Otero County
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015

Section I – Summary of Auditors’ Results

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditors’ report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted? | Yes |

Federal Awards:

- | | |
|---|------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | None noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| 2. Type of auditors’ report issued on compliance for major programs | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | Yes |

4. Identification of major programs:

CFDA Number	Federal Program
14.228	Community Development Block Grant
97.067	State Homeland Security Grant Program

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 6. Auditee qualified as low-risk auditee? | No |

Section II – Financial Statement Findings

FS 2015-001 – Preparation of Accounts Receivable and Accounts Payable – Material Weakness

Condition: During the performance of audit procedures relating to accounts receivable and accounts payable, we noted the following:

- The County did not include 11 items in the total amount of \$986,144 as accounts receivable at year end.
- The County did not include 10 items in the total amount of \$282,621 as accounts payable at year end.

Criteria: According to the American Institute of Certified Public Accountants, AU-C Section 265, a system of internal control over financial reporting does not stop at the general ledger. Well designed systems include controls over financial statement preparation, including GAAP-Basis accruals, and any footnote disclosures. Generally Accepted Accounting Principles (GAAP) state that revenue recognition is recognized in the period in which the transaction is incurred.

Effect: The County's accounts receivable and accounts payable were understated at year end.

Cause: The County converted to new software in the Treasurer's Office on October 1, 2014 and new software in the finance office on July 1, 2015. The County was getting used to new reports and reporting system and overlooked including these items in their accounts receivable and accounts payable balances at year end.

Auditors' Recommendations: We recommend that the County work with the software and their provider in order to obtain reports for accounts receivable and accounts payable that are accurate and useful for the County at year end.

Agency Response: The County will work with Tyler to set up the accounts receivable module within Munis in order to create accurate records and reports as well as creating an export file from Eagle to Munis. With the new accounting system, we will be able to accurately track accounts payable and as year end approaches encumber expenses incurred in the current fiscal year for payment in the following fiscal year

STATE OF NEW MEXICO
Otero County
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015

Schedule XI
Page 3 of 4

Section III – Financial Statement and Federal Award Findings

FA 2015-001 – Internal Controls over Schedule of Expenditures of Federal Awards – Significant Deficiency

Federal Program Information:

Funding agency: U.S. Department of Homeland Security
Passthrough agency: New Mexico Department of Homeland Security and Emergency Management
Title: State Homeland Security Grant Program
CFDA number: 97.067
Grant years: 2011, 2012, 2013, and 2014

Condition: The Schedule of Expenditures of Federal Awards (SEFA) originally provided by the County incorrectly included payroll expenditures from the prior year in the amount of \$74,031 in the current year's expenditures.

Criteria: The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Good internal controls require that management have procedures in place for identifying federal, state, and other awards, properly classifying expenditures in the correct programs and under the correct CFDA numbers, and ensuring that expenditures reported for federal programs are accurate.

Cause: The County incorrectly included expenditures from the prior year on the SEFA at June 30, 2015.

Effect: The SEFA provided was not accurate at year end.

Questioned Costs: None noted

Auditors' Recommendation: We recommend that the County develop a review process in order to ensure all that grants transactions are properly tracked by fiscal year, and that all information is accurately reported on the SEFA.

Agency's Response: The County will work to create comprehensive internal controls designed, documented and implemented to ensure grant expenses are tracked by fiscal year as well as information is accurately documented on the SEFA.

STATE OF NEW MEXICO
Otero County
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015

Section IV – Prior Year Audit Findings

FS 2014-001 – Design Deficiencies in Internal Control over Cash Disbursements – Resolved

FS 2014-002 – Disposition of Capital Assets and Electronic Information – Resolved

FS 2014-003 – Improper Reporting of Payments to Volunteer Firefighters – Resolved

FA-2013-001 – Compliance with Special Provision for Public Comment – Resolved

FA-2014-001 – Unallowable Cost – Resolved

STATE OF NEW MEXICO
Otero County
Other Disclosures
For the Year Ended June 30, 2015

Other Disclosures

Exit Conference

An exit conference was held on October 29, 2015. In attendance were the following:

Representing Otero County:

Janet White, Member, Otero County Commission
Pamela Heltner, County Manager
Tim Mills, Finance Director
Donna Brandon, Finance Director
Ginger Herndon, Purchasing Agent
Laura Whiteside, Deputy Treasurer

Representing Accounting & Consulting Grouping, LLP:

Ray Roberts, CPA, Partner

Auditor Prepared Financial Statements

Accounting and Consulting Group, LLP prepared the GAAP-basis financial statements and footnotes of Otero County from the original books and records provided to them by the management of the County. The responsibility for the financial statements remains with the County.