



2452 Missouri Ave., P.O. Box 2707, Las Cruces, New Mexico 88004 • Phone: (575) 523-7444, Fax: (575) 527-0872

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# **STATE OF NEW MEXICO**

## **OTERO COUNTY**

### **FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

**JUNE 30, 2016**

**OTERO COUNTY**  
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**OTERO COUNTY**  
OFFICIAL ROSTER  
JUNE 30, 2016

**COUNTY COMMISSIONERS**

<b><u>Name</u></b>	<b><u>Title</u></b>
<i>Susan Flores</i>	<i>Chairperson</i>
<i>Janet White</i>	<i>Chairperson</i>
<i>Ronny Rardin</i>	<i>Member</i>

**ELECTED OFFICIALS**

<i>Steve Boyle</i>	<i>County Assessor</i>
<i>Denise Guerra</i>	<i>County Clerk</i>
<i>Cathe Prather</i>	<i>County Treasurer</i>
<i>Benny House</i>	<i>County Sheriff</i>
<i>LaTanya Boyce</i>	<i>County Probate Judge</i>

**ADMINISTRATIVE OFFICIALS**

<i>Pamela Heltner</i>	<i>County Manager</i>
<i>Tim Mills</i>	<i>County Finance Director</i>
<i>Laura Whiteside</i>	<i>County Deputy Treasurer</i>

## **INDEPENDENT AUDITORS' REPORT**

Mr. Tim Keller, State Auditor and  
The Board of 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 comparisons for the general fund of the Otero County, as of and for the year ended June 30, 2016, and the related notes to the financial statements which collectively comprise the Otero County's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Otero 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 Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2016, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Mr. Tim Keller, State Auditor and  
The Board of County Commissioners  
Otero County  
Alamogordo, New Mexico  
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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 Otero County, as of June 30, 2016, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the general fund 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 Otero County as of June 30, 2016, 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 pension liability schedules on pages 54 through 58 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 Otero County's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The *other schedules required by 2.2.2.NMAC* are presented for purposes of additional analysis and are not a required part of the basic financial statements.


Mr. Tim Keller, State Auditor and  
The Board of County Commissioners  
Otero County  
Alamogordo, New Mexico  
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The *other supplementary information schedules required by 2.2.2 NMAC* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the *other supplementary information schedules required by 2.2.2 NMAC* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of vendor information on page 118 has 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 27, 2016 on our consideration of the Otero 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 Otero County's internal control over financial reporting and compliance.



Kriegel/Gray/Shaw & Co., P.C.  
Las Cruces, New Mexico  
October 27, 2016



**OTERO COUNTY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$5,499,064	\$0	\$5,499,064
Investments	11,031,902	0	11,031,902
Receivables:			
Property taxes	858,533	0	858,533
Other taxes	1,763,177	0	1,763,177
Other receivables	104,740	5,602,371	5,707,111
Inventory	88,378	0	88,378
Prepaid expenses	465,661	0	465,661
<i>Total current assets</i>	<u>19,811,455</u>	<u>5,602,371</u>	<u>25,413,826</u>
<b>Noncurrent Assets</b>			
Restricted cash and cash equivalents	2,069,430	26,280,547	28,349,977
Restricted investments	2,896,865	0	2,896,865
Bond discounts, net of accumulated amortization of \$3,420 and \$21,312, respectively	43,810	252,099	295,909
Capital assets	153,553,991	77,114,450	230,668,441
Less: accumulated depreciation	(75,956,555)	(17,474,387)	(93,430,942)
<i>Total noncurrent assets</i>	<u>82,607,541</u>	<u>86,172,709</u>	<u>168,780,250</u>
<b>Deferred Outflow of Resources</b>			
Pension	554,530	0	554,530
<i>Total deferred outflow of resources</i>	<u>554,530</u>	<u>0</u>	<u>554,530</u>
<b><i>Total assets and deferred outflow of resources</i></b>	<b><u>\$102,973,526</u></b>	<b><u>\$91,775,080</u></b>	<b><u>\$194,748,606</u></b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	\$630,523	\$15,970,034	\$16,600,557
Accrued payroll expenses	320,986	0	320,986
Claims payable	48,221	0	48,221
Accrued interest	31,480	1,142,132	1,173,612
Internal balances	1,151,418	(1,151,418)	0
Current portion of loans and capital leases payables	463,658	0	463,658
Current portion of bonds payable	185,000	4,270,000	4,455,000
<i>Total current liabilities</i>	<u>2,831,286</u>	<u>20,230,748</u>	<u>23,062,034</u>
<b>Noncurrent Liabilities</b>			
Accrued compensated absences	475,452	0	475,452
Bond premiums, net of accumulated amortization of \$5,575	71,422	0	71,422
Loans and capital leases payable	2,689,523	0	2,689,523
Bonds payable	4,480,000	74,130,000	78,610,000
Net pension liability	11,998,726	0	11,998,726
<i>Total noncurrent liabilities</i>	<u>19,715,123</u>	<u>74,130,000</u>	<u>93,845,123</u>
<i>Total liabilities</i>	<u>22,546,409</u>	<u>94,360,748</u>	<u>116,907,157</u>
<b>Deferred Inflow of Resources</b>			
Pension	96,850	0	96,850
<i>Total deferred inflows of resources</i>	<u>96,850</u>	<u>0</u>	<u>96,850</u>
Net investment in capital assets	69,751,643	(18,507,838)	51,243,805
Restricted for:			
Debt service	4,949,212	0	4,949,212
Capital projects	2,914,746	0	2,914,746
Other purposes - special revenue	6,419,661	0	6,419,661
Detention Center	0	8,738,819	8,738,819
Processing Center	0	7,183,351	7,183,351
Unrestricted	(3,704,995)	0	(3,704,995)
<i>Total net position</i>	<u>80,330,267</u>	<u>(2,585,668)</u>	<u>77,744,599</u>
<b><i>Total liabilities, deferred inflow of resources, and net position</i></b>	<b><u>\$102,973,526</u></b>	<b><u>\$91,775,080</u></b>	<b><u>\$194,748,606</u></b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
<b>Primary Government</b>							
<b>Governmental Activities:</b>							
General government	\$6,971,536	\$2,127,781	\$21,148	\$0	(\$4,822,607)	\$0	(\$4,822,607)
Public safety	13,982,694	121,915	3,470,159	40,542	(10,350,078)	0	(10,350,078)
Public works	6,879,589	75,521	715,103	0	(6,088,965)	0	(6,088,965)
Health and welfare	2,792,997	105,412	5,775	0	(2,681,810)	0	(2,681,810)
Culture and recreation	857,930	56,420	0	397,010	(404,500)	0	(404,500)
Interest on long-term debt	317,254	0	0	0	(317,254)	0	(317,254)
<i>Total governmental activities</i>	<i>31,802,000</i>	<i>2,487,049</i>	<i>4,212,185</i>	<i>437,552</i>	<i>(24,665,214)</i>	<i>0</i>	<i>(24,665,214)</i>
<b>Business-Type Activities:</b>							
Detention Center	33,799,748	34,357,000	0	0	0	557,252	557,252
Processing Center	28,050,927	29,701,261	0	0	0	1,650,334	1,650,334
<i>Total business-type activities</i>	<i>61,850,675</i>	<i>64,058,261</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>2,207,586</i>	<i>2,207,586</i>
<b>Total primary government</b>	<b>\$93,652,675</b>	<b>\$66,545,310</b>	<b>\$4,212,185</b>	<b>\$437,552</b>	<b>(\$24,665,214)</b>	<b>\$2,207,586</b>	<b>(\$22,457,628)</b>

**General Revenues**

Taxes:			
Property	\$10,022,705	\$0	\$10,022,705
Gross receipts	10,031,896	0	10,031,896
Gasoline and motor vehicle	1,429,521	0	1,429,521
Payment in lieu of taxes	3,410,558	0	3,410,558
Investment income (loss)	140,113	778	140,891
Miscellaneous income	468,770	0	468,770
Transfers in (out)	0	0	0
<i>Total general revenues</i>	<i>25,503,563</i>	<i>778</i>	<i>25,504,341</i>
Change in net position	838,349	2,208,364	3,046,713
Net position, beginning of year, as previously stated	80,481,279	(4,794,032)	75,687,247
Restatements	(989,361)	0	(989,361)
Net position, beginning of year, as restated	79,491,918	(4,794,032)	74,697,886
Net position, end of year	\$80,330,267	(\$2,585,668)	\$77,744,599

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEETS**  
**JUNE 30, 2016**

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$2,247,205	\$5,272,306	\$7,519,511
Investments	5,538,754	8,390,013	13,928,767
Receivables:			
Property taxes	857,619	914	858,533
Other taxes	740,121	1,023,056	1,763,177
Other receivables	104,740	0	104,740
Inventory	0	88,378	88,378
Prepaid expenses	390,303	75,358	465,661
<b>Total assets</b>	<b>\$9,878,742</b>	<b>\$14,850,025</b>	<b>\$24,728,767</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities:</b>			
Accounts payable	\$246,418	\$351,058	\$597,476
Accrued interest payable	0	31,480	31,480
Accrued payroll expenses	260,446	60,540	320,986
Due to other funds	1,151,418	0	1,151,418
<b>Total liabilities</b>	<b>1,658,282</b>	<b>443,078</b>	<b>2,101,360</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
<b>Unavailable Revenue:</b>			
Property taxes	732,575	881	733,456
<b>Total deferred inflows of resources</b>	<b>732,575</b>	<b>881</b>	<b>733,456</b>
<b>Fund Balance:</b>			
Nonspendable			
Inventory	0	88,378	88,378
Prepaid expenses	390,303	19,610	409,913
Spendable			
Restricted for:			
General county operations	0	765,921	765,921
Maintenance of roads	0	321,348	321,348
Environment	0	274,688	274,688
Recreation	0	3,465	3,465
Public safety	0	3,935,530	3,935,530
Healthcare/health services	0	1,133,168	1,133,168
Debt service expenditures	0	4,949,212	4,949,212
Capital projects	0	2,914,746	2,914,746
Committed to:			
Minimum fund balance	4,458,792	0	4,458,792
Unassigned	2,638,790	0	2,638,790
<b>Total fund balance</b>	<b>7,487,885</b>	<b>14,406,066</b>	<b>21,893,951</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$9,878,742</b>	<b>\$14,850,025</b>	<b>\$24,728,767</b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
**RECONCILIATION OF THE FUND BALANCE OF GOVERNMENTAL FUNDS**  
**TO GOVERNMENTAL ACTIVITIES NET POSITION**  
**JUNE 30, 2016**

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

<b>FUND BALANCE of Governmental Funds</b>	<b>\$21,893,951</b>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	77,597,436
Residual balances of the internal service funds are included within the governmental activities and are not reported within the governmental funds.	(32,285)
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenue and are considered to be unavailable revenue in the fund financial statements, but are considered revenue in the Statement of Activities.	733,456
Deferred outflow and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in funds.	
Deferred outflows of resources	841,946
Deferred inflows of resources	(384,266)
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 compensated absences not due and payable	(475,452)
Bond discounts	43,810
Bond premiums	(71,422)
Bonds payable	(4,665,000)
Loans and capital leases payable	(3,153,181)
Net pension liability	(11,998,726)
<b><i>Net position of governmental activities</i></b>	<b>\$80,330,267</b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
**GOVERNMENTAL FUNDS**  
**STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Taxes:			
Property	\$9,886,596	\$257,582	\$10,144,178
Gross receipts	4,102,342	5,929,554	10,031,896
Gasoline and motor vehicle	333,412	1,096,109	1,429,521
Intergovernmental:			
Federal operating grants	219,112	291,507	510,619
Federal capital grants	0	40,542	40,542
State operating grants	501,141	3,200,425	3,701,566
State capital grants	0	397,010	397,010
Payment in lieu of taxes	3,410,558	0	3,410,558
Franchise Fees	175,078	0	175,078
Charges for services	394,827	227,709	622,536
Investment income (loss)	106,064	33,889	139,953
Miscellaneous	302,802	165,968	468,770
<i>Total revenues</i>	<b>19,431,932</b>	<b>11,640,295</b>	<b>31,072,227</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
General government	4,278,126	326,281	4,604,407
Public safety	10,905,465	1,636,682	12,542,147
Public works	787,205	3,165,829	3,953,034
Health and welfare	925,686	1,865,037	2,790,723
Culture and recreation	324,859	444,163	769,022
Debt Service			
Lease payments	25,000	0	25,000
Principal	60,400	607,660	668,060
Interest	1,965	315,289	317,254
Capital outlay	526,465	3,100,774	3,627,239
<i>Total expenditures</i>	<b>17,835,171</b>	<b>11,461,715</b>	<b>29,296,886</b>
<i>Excess (deficiency) of revenues over expenditures</i>	<b>1,596,761</b>	<b>178,580</b>	<b>1,775,341</b>
<b>Other Financing Sources (Uses):</b>			
Proceeds from debt	0	161,210	161,210
Transfers in	607,000	2,076,478	2,683,478
Transfers (out)	(1,436,578)	(1,496,900)	(2,933,478)
<i>Total other financing sources (uses)</i>	<b>(829,578)</b>	<b>740,788</b>	<b>(88,790)</b>
<i>Net changes in fund balances</i>	<b>767,183</b>	<b>919,368</b>	<b>1,686,551</b>
Fund balance - beginning of year	6,720,702	13,486,698	20,207,400
<b><i>Fund balance - end of year</i></b>	<b>\$7,487,885</b>	<b>\$14,406,066</b>	<b>\$21,893,951</b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

**Net change in fund balances - Governmental Funds** **\$1,686,551**

Change in net position of internal service funds (155,234)

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	3,427,434
Depreciation expense	(5,212,826)

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	(121,473)
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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/pension expense	507,224
Pension expense	

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:

Decrease in accrued interest	125,830
Decrease in accrued compensated absences	46,838
Proceeds from issuance of debt	(161,210)
Principal payments on bonds and leases payable	693,060
Amortization expense for debt discount	(3,420)
Amortization expense for debt premium	5,575

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***Change in net position of governmental activities*** **\$838,349**

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# OTERO COUNTY

## GENERAL FUND

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

#### BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes:				
Property	\$9,433,660	\$9,433,660	\$9,912,143	\$478,483
Gross receipts	3,350,000	3,350,000	3,812,682	462,682
Gasoline and motor vehicle	150,000	150,000	286,398	136,398
Intergovernmental:				
Federal operating grants	347,944	547,944	223,094	(324,850)
Federal capital grants	0	0	0	0
State operating grants	410,275	410,275	444,038	33,763
Other	5,000	5,000	0	(5,000)
Payment in lieu of taxes	2,360,000	3,410,558	3,410,558	0
Franchise fees	175,000	175,000	174,592	(408)
Charges for services	442,300	442,300	394,874	(47,426)
Investment income (loss)	42,000	42,000	127,996	85,996
Miscellaneous	467,322	515,661	457,237	(58,424)
<i>Total revenues</i>	<u>17,183,501</u>	<u>18,482,398</u>	<u>19,243,612</u>	<u>761,214</u>
<b>EXPENDITURES</b>				
Current:				
General government	4,693,984	4,784,111	4,373,380	410,731
Public safety	12,526,080	12,721,107	11,063,225	1,657,882
Public works	863,861	863,861	786,862	76,999
Culture and recreation	434,791	434,791	327,417	107,374
Health and welfare	1,102,977	1,116,023	892,791	223,232
Capital outlay	613,301	644,228	526,465	117,763
Debt Service:				
Lease payments	87,366	87,366	87,365	1
Principal	0	0	0	0
Interest	0	0	0	0
<i>Total expenditures</i>	<u>20,322,360</u>	<u>20,651,487</u>	<u>18,057,505</u>	<u>2,593,982</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(3,138,859)	(2,169,089)	1,186,107	3,355,196
<b>Other Financing Sources (Uses):</b>				
Proceeds from debt	0	0	0	0
Transfers in	3,786,858	3,825,508	607,000	(3,218,508)
Transfers (out)	(1,664,578)	(1,664,578)	(1,436,578)	228,000
<i>Total other financing sources (uses)</i>	<u>2,122,280</u>	<u>2,160,930</u>	<u>(829,578)</u>	<u>(2,990,508)</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	(1,016,579)	(8,159)	<u>\$356,529</u>	<u>\$364,688</u>
<b>Budgeted cash carryover</b>	<u>1,016,579</u>	<u>8,159</u>		
	<u>\$0</u>	<u>\$0</u>		
Budgetary - GAAP Reporting Reconciliation:				
Excess (deficiency) of revenues over expenditures and other financing sources (uses)			\$356,529	
Adjustments for revenue accruals			188,320	
Adjustments for expenditures accruals			222,334	
<b>Net changes in fund balance (GAAP basis)</b>			<u>\$767,183</u>	

The Notes to Financial Statements are an integral part of these statements.



**OTERO COUNTY**  
**PROPRIETARY FUNDS**  
**STATEMENTS OF FUND NET POSITION**  
**JUNE 30, 2016**

	Enterprise Funds		Total	Governmental Activities
	Detention Center	Processing Center		Self-Insurance Internal Service Fund
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$0	\$0	\$0	\$48,983
Customer receivables	3,065,192	2,537,179	5,602,371	0
Due from general fund	709,459	441,959	1,151,418	0
<i>Total current assets</i>	3,774,651	2,979,138	6,753,789	48,983
<b>Non-Current Assets</b>				
Restricted cash and cash equivalents	15,406,302	10,874,245	26,280,547	0
Bond discounts, net of accumulated amortization of \$6,487 and \$18,429, respectively	35,563	216,536	252,099	0
Capital assets	31,983,032	45,131,418	77,114,450	0
Less: accumulated depreciation	(9,029,821)	(8,444,566)	(17,474,387)	0
<i>Total non-current assets</i>	38,395,076	47,777,633	86,172,709	0
<b>Total assets</b>	<b>\$42,169,727</b>	<b>\$50,756,771</b>	<b>\$92,926,498</b>	<b>\$48,983</b>
<b>LIABILITIES AND FUND NET POSITION</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts payable	\$9,998,077	\$5,971,957	\$15,970,034	\$33,047
Claims payable	0	0	0	48,221
Accrued interest payable	444,057	698,075	1,142,132	0
Current portion of bonds payable	1,800,000	2,470,000	4,270,000	0
<i>Total current liabilities</i>	12,242,134	9,140,032	21,382,166	81,268
<b>Noncurrent Liabilities:</b>				
Bonds payable	29,850,000	44,280,000	74,130,000	0
<i>Total noncurrent liabilities</i>	29,850,000	44,280,000	74,130,000	0
<i>Total liabilities</i>	42,092,134	53,420,032	95,512,166	81,268
<b>Fund Net Position:</b>				
Net investment in capital assets	(8,661,226)	(9,846,612)	(18,507,838)	0
Restricted for:				
Detention Center	8,738,819	0	8,738,819	0
Processing Center	0	7,183,351	7,183,351	0
Unrestricted	0	0	0	(32,285)
<i>Total fund net position</i>	77,593	(2,663,261)	(2,585,668)	(32,285)
<b>Total liabilities and fund net position</b>	<b>\$42,169,727</b>	<b>\$50,756,771</b>	<b>\$92,926,498</b>	<b>\$48,983</b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
**PROPRIETARY FUNDS**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Enterprise Funds		Total	Governmental Activities
	Detention Center	Processing Center		Self-Insurance Internal Service Fund
<b>OPERATING REVENUES</b>				
Charges for services	\$34,357,000	\$29,701,261	\$64,058,261	\$1,689,435
Insurance premiums	0	0	0	0
<i>Total operating revenues</i>	34,357,000	29,701,261	64,058,261	1,689,435
<b>OPERATING EXPENDITURES</b>				
Contractual services	31,701,969	25,392,985	57,094,954	2,094,829
Depreciation	832,955	1,209,799	2,042,754	0
Claims and judgements	0	0	0	0
<i>Total operating expenditures</i>	32,534,924	26,602,784	59,137,708	2,094,829
<i>Operating income (loss)</i>	1,822,076	3,098,477	4,920,553	(405,394)
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest expense	(1,261,941)	(1,429,714)	(2,691,655)	0
Amortization expenses	(2,883)	(18,429)	(21,312)	0
Interest income (loss)	778	0	778	160
<i>Total non-operating revenues (expenses)</i>	(1,264,046)	(1,448,143)	(2,712,189)	160
<i>Net income (loss) before contributions and transfers</i>	558,030	1,650,334	2,208,364	(405,234)
<b>Other Financing Sources (Uses):</b>				
Transfers in	0	0	0	250,000
Transfers (out)	0	0	0	0
<i>Total other financing sources (uses)</i>	0	0	0	250,000
<i>Change in fund net position</i>	558,030	1,650,334	2,208,364	(155,234)
Total fund net position, beginning of year	(480,437)	(4,313,595)	(4,794,032)	122,949
<b><i>Total fund net position, end of year</i></b>	<b>\$77,593</b>	<b>(\$2,663,261)</b>	<b>(\$2,585,668)</b>	<b>(\$32,285)</b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
**PROPRIETARY FUND TYPES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Enterprise Funds		Total	Governmental Activities
	Detention Center	Processing Center		Self-Insurance Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers	\$34,264,270	\$31,901,577	\$66,165,847	\$1,689,435
Cash payments to suppliers for goods and services	(29,592,829)	(27,816,511)	(57,409,340)	(2,145,561)
<i>Net cash provided (used) by operating activities</i>	4,671,441	4,085,066	8,756,507	(456,126)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>				
Interfund advances (payments)	0	0	0	250,000
<i>Net cash provided (used) by non-capital financing activities</i>	0	0	0	250,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Interest paid	(1,264,280)	(1,463,280)	(2,727,560)	0
Principal payments on issuance of long-term debt	(1,800,000)	(2,470,000)	(4,270,000)	0
<i>Net cash provided (used) by capital and related financing activities</i>	(3,064,280)	(3,933,280)	(6,997,560)	0
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchases of investments	0	0	0	0
Interest on investments	778	0	778	160
<i>Net cash provided (used) by investing activities</i>	778	0	778	160
<i>Net increase (decrease) in cash and cash equivalents</i>	1,607,939	151,786	1,759,725	(205,966)
Cash and cash equivalents, beginning of year	13,798,363	10,722,459	24,520,822	254,949
<b><i>Cash and cash equivalents, end of year</i></b>	<b>\$15,406,302</b>	<b>\$10,874,245</b>	<b>\$26,280,547</b>	<b>\$48,983</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>				
Operating income (loss)	\$1,822,076	\$3,098,477	\$4,920,553	(\$405,394)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	832,955	1,209,799	2,042,754	0
Changes in assets and liabilities				
Receivables	616,729	2,642,275	3,259,004	0
Due from general fund	(709,459)	(441,959)	(1,151,418)	0
Current portion of long-term Debt	70,000	135,000	205,000	0
Accounts payable	2,039,140	(2,558,526)	(519,386)	33,047
Claims payable	0	0	0	(83,779)
<b><i>Net cash provided (used) by operating activities</i></b>	<b>\$4,671,441</b>	<b>\$4,085,066</b>	<b>\$8,756,507</b>	<b>(\$456,126)</b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS  
JUNE 30, 2016

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash	\$368,428
Property taxes receivable	1,517,621
<b><i>Total assets</i></b>	<b><i>\$1,886,049</i></b>
<b>LIABILITIES</b>	
Deposits held in trust	\$368,428
Due to other taxing units	1,517,621
<b><i>Total liabilities</i></b>	<b><i>\$1,886,049</i></b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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.

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**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.

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, receivables, and deferred outflows of resources as well as long-term debt obligations and deferred inflows of resources. The County's net position are reported in three parts - net investment in capital assets; restricted net position; and unrestricted net position.

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.

**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 judgements, 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.

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.

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.

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.



**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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, 2016, along with applicable FICA and Medicare liabilities.

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***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.

***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.

***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 reports unavailable revenue - property taxes, only in the governmental funds balance sheet as deferred inflows of resources. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. In addition, the County reports items presented on the Statement of Net Position which arose due to the implementation of GASB Statement No. 68 and the related net pension liability.

***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.

**OTERO COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***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.

***Nonspendable Fund Balance***

At June 30, 2016, the nonspendable fund balance in the governmental funds consists of amounts associated with inventory and prepaid expense contracts.

***Restricted and Committed Fund Balance***

At June 30, 2016, the County has presented restricted fund balance on the governmental funds balance sheet for various County operations as restricted by enabling legislation or various funding/grantor agencies. The County has also presented committed fund balance on the governmental funds balance sheet to meet minimum fund balance requirements for the General Fund.

***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.

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***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.
- 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.
- 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.

***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.

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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.

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.

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, 2016 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.

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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, 2016.

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.

**Cash Deposited with Financial Institutions**

The County maintains cash in two financial institutions. The County's deposits are carried at cost.

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.

As of June 30, 2016, the amount of cash reported on the financial statements differs from the amount on deposits with the various institutions because of transactions in transit and outstanding checks. The locations and amounts deposited are as follows:

	Per Institution	Reconciling Items	Per Financial Statements
First National Bank of Alamogordo	\$1,220,406	(\$358,728)	\$861,678
US Bank	26,280,546	0	26,280,546
<i>Total cash deposits</i>	<i>\$27,500,952</i>	<i>(\$358,728)</i>	<i>27,142,224</i>
Cash on hand			3,229
Cash held with Trustee – State Treasurer			908,452
Investments - cash equivalents			6,163,564
			<u>\$34,217,469</u>

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)**

The amounts reported as cash for the primary government within the financial statement is displayed as:

Cash and cash equivalents	\$5,499,064
Restricted cash and cash equivalents	28,349,977
Agency funds	368,428
<hr/>	
<i>Statement of net position</i>	<b>\$34,217,469</b>
<hr/>	

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, 2016, \$12,771,003 of the County's bank balance of \$14,271,003 was exposed to custodial credit risk. Although the \$12,771,003 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, 2016.

	Bank 34	First National Bank of Alamogordo	First Savings Bank	Washington Federal Bank	First American Bank	Western Bank	Total
Amount of deposits	\$4,100,000	\$5,510,569	\$2,860,434	\$250,000	\$250,000	\$1,300,000	\$14,271,003
FDIC coverage	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(1,500,000)
<i>Total uninsured public funds</i>	3,850,000	5,260,569	2,610,434	0	0	1,050,000	12,771,003
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the County's name	4,249,486	6,698,425	3,617,026	47,822	0	1,593,389	16,206,148
Uninsured and uncollateralized (over)	(\$399,486)	(\$1,437,856)	(\$1,006,592)	(\$47,822)	\$0	(\$543,389)	(3,435,145)
Collateral requirement (50%)	\$1,925,000	\$2,630,285	\$1,305,217	\$0	\$0	\$525,000	\$6,385,502
Pledged securities	4,249,486	6,698,425	3,617,026	47,822	0	1,593,389	16,206,148
Over (under) collateralized	\$2,324,486	\$4,068,140	\$2,311,809	\$47,822	\$0	\$1,068,389	\$9,820,646

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.



**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)**

**Investments**

As of June 30, 2016, the County's investments and related maturities were as follows:

Investment Type	Credit Risk Rating	Fair Value	Weighted Average Maturity	Percent of Portfolio
Certificates of Deposit	N/A	\$8,150,000	Less than 1 year	40.6%
US Government Securities	AA+	5,778,767	1 to 10 years	28.7%
MMKT Acct - US Securities	N/A	1,262,967	Less than 1 year	6.3%
Money Market Accounts - Other	N/A	4,900,597	Less than 1 year	24.4%
<i>Total fair value</i>		20,092,331		
<u>Less cash equivalents – shown as cash</u>		<u>(6,163,564)</u>		
		<u>\$13,928,767</u>		

The County has presented certificates of deposits of \$8,150,000 in the Statement of Net Position; however they 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 \$7,041,735 at June 30, 2016.

*Interest Rate Risk.* The County's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The fair value of the securities exposed to interest rate risk is \$5,778,768. 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 five or more of the investment portfolio of the County. Since the County only purchases investments with high grade credit rating, the 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).

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)**

**Fair Value Measurement**

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The County has the following recurring fair value measurement as of June 30, 2016.

<u>Investment Type</u>	<u>Amount</u>	
Certificates of Deposit	\$8,150,000	valued using quoted market prices (Level 1 inputs)
US Government Securities	\$5,778,768	valued using quoted market prices (Level 1 inputs)
MMKT Acct - US Securities	\$1,262,967	valued using quoted market prices (Level 1 inputs)
Money Market Accounts - Other	\$4,900,957	valued using quoted market prices (Level 1 inputs)

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 4. RECEIVABLES**

Receivables as of June 30, 2016, are as follows:

**Governmental Activities:**

	General Fund	Other Governmental Funds	Total
Property taxes	\$857,619	\$914	\$858,533
Other taxes:			
Gross receipts taxes	689,919	874,489	1,564,408
Gasoline and oil taxes	50,202	148,567	198,769
Other receivables:			
Charges for services	98,969	0	98,969
Intergovernmental-grants:			
State	5,771	0	5,771
Federal	0	0	0
Miscellaneous	0	0	0
<i>Total</i>	<u>\$1,702,480</u>	<u>\$1,023,970</u>	<u>\$2,726,450</u>

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$733,456 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.

Receivables as of June 30, 2016, are as follows:

**Business-Type Activities:**

	Detention Center Fund	Processing Center Fund	Total
Customer receivables	\$3,065,192	\$2,537,179	\$5,602,371
<i>Total</i>	<u>\$3,065,192</u>	<u>\$2,537,179</u>	<u>\$5,602,371</u>

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

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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:

<u>Interfund Transfers In (Out)</u>	<u>Operating Transfers Out</u>			Totals
	General Fund	Other Governmental Funds	Self- Insurance Fund	
<b>Operating Transfers In:</b>				
General Fund	\$0	\$607,000	\$0	\$607,000
Other Governmental Funds	1,186,578	889,900	0	2,076,478
Self Insurance Fund	250,000	0	0	250,000
	<u>\$1,436,578</u>	<u>\$1,496,900</u>	<u>\$0</u>	<u>\$2,933,478</u>

<u>Due From (to) Other Funds</u>	<u>Due To:</u>	
	General Fund	Totals
<b>Due From:</b>		
Detention Center	\$709,459	\$709,459
Processing Center	441,959	441,959
	<u>\$1,151,418</u>	<u>\$1,151,418</u>

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 6. CAPITAL ASSETS**

The following is a summary of capital assets and changes occurring during the year ended June 30, 2016. Land and construction in progress are not subject to depreciation.

	Balance June 30, 2015	Restatements	Additions	Retirements	Transfers	Balance June 30, 2016
<b>Governmental Activities:</b>						
Capital assets not being depreciated						
Land	\$22,366,237	\$0	\$0	\$0	\$0	\$22,366,237
Construction in progress	1,152,036	81,380	2,062,169	0	(2,030,628)	1,264,957
<i>Total capital assets not being depreciated</i>	<i>23,518,273</i>	<i>81,380</i>	<i>2,062,169</i>	<i>0</i>	<i>(2,030,628)</i>	<i>23,631,194</i>
Capital assets being depreciated						
Infrastructure and land improvements	62,589,130	0	0	0	0	62,589,130
Buildings and building improvements	28,446,284	298,713	0	0	1,423,285	30,168,282
Equipment and furnishings	28,461,971	83,158	869,090	0	553,532	29,967,751
Vehicles	6,730,806	(83,158)	496,175	0	53,811	7,197,634
<i>Total capital assets being depreciated</i>	<i>126,228,191</i>	<i>298,713</i>	<i>1,365,265</i>	<i>0</i>	<i>2,030,628</i>	<i>129,922,797</i>
Less accumulated depreciation for:						
Infrastructure and land improvements	(32,005,173)	(1,218,126)	(2,507,170)	0	0	(35,730,469)
Buildings and building improvements	(14,025,110)	(44,014)	(709,677)	0	0	(14,778,801)
Equipment and furnishings	(18,257,068)	(114,241)	(1,517,436)	0	0	(19,888,745)
Vehicles	(5,086,924)	6,927	(478,543)	0	0	(5,558,540)
<i>Total accumulated depreciation</i>	<i>(69,374,275)</i>	<i>(1,369,454)</i>	<i>(5,212,826)</i>	<i>0</i>	<i>0</i>	<i>(75,956,555)</i>
<b>Governmental activities capital</b>	<b>\$80,372,189</b>	<b>(\$989,361)</b>	<b>(\$1,785,392)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$77,597,436</b>

Depreciation expense for the year ended June 30, 2016 was charged to governmental activities as follows:

General government	\$347,971
Public safety	1,847,118
Public works	2,926,555
Culture and recreation	88,908
Health and welfare	2,274
<b>Total</b>	<b>\$5,212,826</b>

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 6. CAPITAL ASSETS (CONTINUED)**

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$927,350	\$0	\$0	\$927,350
<i>Total capital assets not being depreciated</i>	927,350	0	0	927,350
Capital assets being depreciated:				
Buildings and building improvements	76,187,100	0	0	76,187,100
<i>Total capital assets being depreciated</i>	76,187,100	0	0	76,187,100
Less Accumulated Depreciation for:				
Buildings and building improvements	(15,431,633)	(2,042,754)	0	(17,474,387)
<i>Total accumulated depreciation</i>				
<b><i>Business-type activities capital assets, net</i></b>	<b>\$61,682,817</b>	<b>(\$2,042,754)</b>	<b>\$0</b>	<b>\$59,640,063</b>

Depreciation expense for the year ended June 30, 2016 was charged to business-type activities as follows:

Detention Center	\$832,955
Processing Center	1,209,799
<b><i>Total</i></b>	<b>\$2,042,754</b>

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 7. LONG-TERM DEBT**

**Governmental Activities:**

During the year ended June 30, 2016, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance June 30, 2015	Additions	Retirements	Balance June 30, 2016	Due in One Year
Bonds payable	\$4,845,000	\$0	(\$180,000)	\$4,665,000	\$185,000
Loans and capital leases	3,505,031	161,210	(513,060)	3,153,181	463,658
Compensated absences	522,290	331,031	(377,869)	475,452	0
<i>Total long-term debt</i>	<i>\$8,872,321</i>	<i>\$492,241</i>	<i>(\$1,070,929)</i>	<i>\$8,293,633</i>	<i>\$648,658</i>

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 is as follows:

Description	Date of Issue	Maturity Date	Interest Rate	Original Amount of Issue	Balance June 30, 2016
Hold Harmless GRT Bond	Apr-14	Dec-33	3.00-5.00%	\$5,065,000	\$4,665,000

The annual requirements to amortize the Bonds Payable as of June 30, 2016, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2017	\$185,000	\$179,800	\$364,800
2018	190,000	173,225	363,225
2019	195,000	165,525	360,525
2020	205,000	157,525	362,525
2021	215,000	148,050	363,050
2022 - 2026	1,215,000	601,269	1,816,269
2027 - 2031	1,450,000	361,544	1,811,544
2032 - 2034	1,010,000	65,450	1,075,450
<i>Total</i>	<i>\$4,665,000</i>	<i>\$1,852,388</i>	<i>\$6,517,388</i>

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

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 7. LONG-TERM DEBT (CONTINUED)**

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 NMF A and capital leases are as follows:

Description	Date of Issue	Maturity Date	Interest Rate	Original Amount of Issue	Balance June 30, 2016
NMFA Loan - Otero 8	Jan-07	May-17	3.00%	\$160,000	\$18,312
NMFA Loan - Otero 6	Aug-06	May-17	3.43%	91,109	10,659
NMFA Loan - Otero 11	Dec-07	May-28	3.41-4.56%	540,496	62,373
NMFA Loan - Otero 12	Dec-07	May-18	3.41-4.01%	268,889	379,989
NMFA Loan - Otero 10	Nov-07	May-18	3.41-4.01%	155,000	36,388
NMFA Loan - Otero 14	Sep-08	May-29	5.05%	162,400	124,433
NMFA Loan - Otero 15	Nov-08	May-29	3.00%	163,557	118,460
NMFA Loan - Otero 16	Jan-09	May-19	3.68%	293,712	99,912
NMFA Loan - Otero 17	Mar-09	May-19	3.21%	233,450	77,387
NMFA Loan - Otero 18	Mar-09	May-19	3.19%	189,783	62,913
NMFA Loan - Otero 19	Mar-09	May-19	3.23%	182,700	72,600
NMFA Loan - Otero 20	Sep-09	May-19	0.65-3.58%	135,559	46,213
NMFA Loan - Otero 21	Sep-09	May-20	1.03-3.78%	121,800	52,852
NMFA Loan - Otero 22	Nov-09	May-20	0.98-3.22%	144,130	61,465
NMFA Loan - Otero 23	Jul-10	May-21	2.78%	233,450	123,376
NMFA Loan - Otero 24	Jul-10	Jun-21	2.94%	279,125	184,749
NMFA Loan - Otero 25	Apr-11	May-26	3.58%	192,850	136,578
NMFA Loan - Otero 27	Oct-11	May-22	2.11%	213,049	161,825
NMFA Loan - Otero 28	Jan-12	May-22	0.01%	152,250	90,000
NMFA Loan - Otero 29	Jan-13	May-23	0.390-2.240%	166,247	118,963
NMFA Loan - Otero 30	Feb-13	May-18	0.400-1.330%	303,636	122,466
NMFA Loan - Otero 31	Mar-13	May-23	0.400-0.100%	161,210	115,608
NMFA Loan - Otero 32	Jul-13	May-33	1.290-4.340%	201,500	187,325
NMFA Loan - Otero 33	Jul-13	May-30	1.290-4.340%	226,688	205,280
NMFA Loan - Otero 34	May-14	May-25	1.170-3.100%	110,832	102,392
NMFA Loan - Otero 35	May-14	May-25	1.170-3.100%	110,832	102,392
NMFA Loan - Otero 38	Jun-15	May-34	0.00%	42,060	42,060
NMFA Loan - Otero 39	Jul-15	May-26	2.24%	120,000	120,907
NMFA Loan - Otero 40	Apr-16	May-26	1.45%	40,000	40,304
Grady Shelter Capital Lease	Jul-13	Sep-18	0.00%	150,000	75,000
<i>Total loans and capital leases</i>					<b>\$3,153,181</b>



**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 7. LONG-TERM DEBT (CONTINUED)**

The annual requirements to amortize the Loans and Capital Leases Payable as of June 30, 2016, including interest payments are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2017	\$518,658	\$86,291	\$604,949
2018	519,426	73,128	592,554
2019	437,079	60,312	497,391
2020	301,564	48,941	350,505
2021	278,226	41,551	319,777
2022 - 2026	747,628	124,691	872,319
2027 - 2031	316,700	28,036	344,736
2032 - 2036	33,900	1,544	35,444
<i>Total</i>	<u>\$3,153,181</u>	<u>\$464,494</u>	<u>\$3,617,675</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 during the year. During fiscal year 2016, compensated absences decreased \$46,838 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, 2016:

	Balance June 30, 2015	Additions	Retirements	Balance June 30, 2016	Due Within One Year
Revenue Bonds	\$82,465,000	\$0	(\$4,065,000)	\$78,400,000	\$4,270,000
<i>Total long-term debt</i>	<u>\$82,465,000</u>	<u>\$0</u>	<u>(\$4,065,000)</u>	<u>\$78,400,000</u>	<u>\$4,270,000</u>

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 7. LONG-TERM DEBT (CONTINUED)**

Revenue Bonds

At June 30, 2016, the County had the following revenue bonds outstanding:

Description	Date of Issue	Maturity Date	Interest Rate	Original Amount of Issue	Balance June 30, 2016
Jail Project Series 2007	May-07	Apr-28	5.50-6.00%	\$62,305,000	\$46,750,000
Jail Project Series 2012	Dec-12	Dec-27	3.10%	19,760,000	16,710,000
Jail Project Series 2014	Apr-14	Dec-28	4.60%	16,820,000	14,940,000
<i>Total revenue bonds</i>					<b>\$78,400,000</b>

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, 2016, including interest payments, are as follows:

**Revenue Bond Series 2007**

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2017	\$2,470,000	\$2,792,300	\$5,262,300
2018	2,610,000	2,650,275	5,260,275
2019	2,760,000	2,500,200	5,260,200
2020	2,930,000	2,334,600	5,264,600
2021	3,105,000	2,158,800	5,263,800
2022 - 2026	18,545,000	7,767,000	26,312,000
2027 - 2028	14,330,000	1,455,600	15,785,600
<i>Total</i>	<b>\$46,750,000</b>	<b>\$21,658,775</b>	<b>\$68,408,775</b>

**Revenue Bond Series 2012**

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2017	\$935,000	\$510,803	\$1,445,803
2018	960,000	481,662	1,441,662
2019	990,000	451,670	1,441,670
2020	1,020,000	420,748	1,440,748
2021	1,050,000	388,895	1,438,895
2022 - 2026	5,770,000	1,430,727	7,200,727
2027 - 2028	5,985,000	249,885	6,234,885
<i>Total</i>	<b>\$16,710,000</b>	<b>\$3,934,390</b>	<b>\$20,644,390</b>

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 7. LONG-TERM DEBT (CONTINUED)**

**Revenue Bond Series 2014**

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
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	1,035,000	516,810	1,551,810
2022 - 2026	5,940,000	1,823,670	7,763,670
2027 - 2028	4,260,000	397,900	4,657,900
<i>Total</i>	<u>\$14,940,000</u>	<u>\$5,241,240</u>	<u>\$20,181,240</u>

**Tax Revenue Bonds – Total**

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2017	\$4,270,000	\$3,990,343	\$8,260,343
2018	4,475,000	3,779,387	8,254,387
2019	4,695,000	3,557,690	8,252,690
2020	4,940,000	3,317,698	8,257,698
2021	5,190,000	3,064,505	8,254,505
2022 - 2026	30,255,000	11,021,397	41,276,397
2027 - 2028	24,575,000	2,103,385	26,678,385
<i>Total</i>	<u>\$78,400,000</u>	<u>\$30,834,405</u>	<u>\$109,234,405</u>

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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, 2016; such inter-fund premiums did not exceed reimbursable expenditures.

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	\$132,000	\$1,466,349	\$1,646,570	\$48,221

**OTERO COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

**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, 2016:

**Business-Type Funds**

Self Insurance Fund	\$32,285
Processing Center	2,663,261
<hr/>	<hr/>
Total Business-Type Funds	\$2,695,546
<hr/>	<hr/>

- 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, 2016.
- C. Designated cash appropriations in excess of available balances. There were not any funds with excess cash appropriations for the year ended June 30, 2016.

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 10. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**

**General Information about the Pension Plan**

**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, 2015 available at [http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366\\_Public\\_Employees\\_Retirement\\_Association\\_2015.pdf](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2015.pdf).

**Contributions.** The contribution requirements of defined benefit plan members and the 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 FY15 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 31 through 32 of the PERA FY15 annual audit report at [http://osanm.org/media/audits/366\\_Public\\_Employees\\_Retirement\\_Association\\_2014.pdf](http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2014.pdf). The PERA coverage options that apply to Otero County are: Municipal General and Municipal Police. Statutorily required contributions to the pension plan from the Otero County were \$946,046 for the year ended June 30, 2016.

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

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

**For PERA Fund Division Municipal General**, at June 30, 2016, the Otero County reported a liability of \$7,885,483 for its proportionate share of the net pension liability. At June 30, 2015, the Otero County’s proportion was .7734 percent, which was changed from its proportion measured as of June 30, 2014 of .8016 percent.

For the year ended June 30, 2016, the Otero County recognized PERA Fund Division municipal general pension expense of \$350,958. At June 30, 2016, the Otero County reported PERA Fund Division municipal general deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$0	\$174,667
Changes of assumptions	0	3,072
Net difference between projected and actual earnings on pension plan investments	0	24,944
Changes in proportion and differences between Otero County contributions and proportionate share of contributions	(167,983)	0
Otero County contributions subsequent to the measurement date	624,390	0
<b>Total</b>	<b>\$456,407</b>	<b>\$202,683</b>

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 10. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)**

\$624,390 reported as deferred outflows of resources related to pensions resulting from Otero County contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources, related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	(\$208,855)
2018	(208,855)
2019	(208,855)
2020	423,882
2021	0
	(\$202,683)
	(\$202,683)

**For PERA Fund Division Municipal Police**, at June 30, 2016, the Otero County reported a liability of \$4,113,243 for its proportionate share of the net pension liability. At June 30, 2015, the Otero County’s proportion was .8554 percent, which was a decrease of its proportion of .9452 percent measured as of June 30, 2014.

For the year ended June 30, 2016, the Otero County recognized PERA Fund Division municipal police pension expense of (\$87,864). At June 30, 2016, the Otero County reported PERA Fund Division municipal police deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$0	(\$287,416)
Changes of assumptions	0	170,173
Net difference between projected and actual earnings on pension plan investments	0	11,410
Changes in proportion and differences between Otero County contributions and proportionate share of contributions	(223,533)	0
Otero County contributions subsequent to the measurement date	321,656	0
<b>Total</b>	<b>\$98,123</b>	<b>(\$105,833)</b>



**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 10. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)**

\$321,656 reported as deferred outflows of resources related to pensions resulting from Otero County contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	(\$35,024)
2018	(35,024)
2019	(35,024)
2020	210,904
2021	1
	\$105,833

**Actuarial assumptions.** As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2014 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2016 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2015. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2015 actuarial valuation.

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair value
Actuarial assumptions:	
• Investment rate of return	7.75% annual rate, net of investment expense
• Payroll growth	3.50% annual rate
• Projected salary increases	3.50% to 14.25% annual rate
• Includes inflation at	3.00% annual rate

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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	21.1%	5.00%
International Equity	24.8	5.20
Private Equity	7.0	8.20
Core and Global Fixed Income	26.1	1.85
Fixed Income Plus Sectors	5.0	4.80
Real Estate	5.0	5.30
Real Assets	7.0	5.70
Absolute Return	4.0	4.15
Total	100.0%	

**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 Otero County’s proportionate share of the net pension liability to changes in the discount rate.** The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present the 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 Division Municipal General	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Otero County’s proportionate share of the net pension liability	\$13,425,849	\$7,885,483	\$3,279,046

PERA Fund Division Municipal Police	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Otero County’s proportionate share of the net pension liability	\$6,792,772	\$4,113,243	\$1,915,121

**OTERO COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 10. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)**

**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.** Otero County is legally required to make defined contribution to the cost sharing pension plan on behalf of its participant employees. At June 30, 2016, the County had paid all required contributions and therefore, there is no payable to the pension plan.

**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.

**OTERO COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 12. JOINT POWERS AGREEMENTS**

**Closure of the Dog Canyon Landfill**

Participants	Otero County City of Alamogordo
Responsible party	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

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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.	
Term of agreement	Perpetual	
Amount of project	Unknown	
County contributions	100 of Environmental Services Gross Receipts Tax	
Audit responsibility	City of Alamogordo	

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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:

<u>Otero County:</u>	<u>Otero County:</u>
City of Alamogordo	Otero County
Otero County	Town of Carrizozo
Village of Cloudcroft	Village of Capitan
Village of Tularosa	Village of Ruidoso
	Village of Ruidoso Downs
	Village of Corona

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;

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 14. OTERO/OTERO COUNTY REGIONAL LANDFILL (CONTINUED)**

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, 2016, 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.

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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 commitment as of June 30, 2016 is as follows:

<u>Contract</u>	<u>Year Ending</u>	<u>Amount</u>
Women's Club	2017	\$591
<u><i>Total commitment</i></u>		<u>\$591</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 \$30,205,789 of restricted net position, all of which is restricted by enabling legislation and third party grantors.



**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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 (\$989,361) for the correction of capital assets at June 30, 2015.

**NOTE 21. SUBSEQUENT EVENTS**

Subsequent to June 30, 2016, 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 date to which events occurring after June 30, 2016, the date of the most recent Statement of Net Position, have been evaluated for possible adjustment to the financial statements or disclosures is October 27, 2016, which is the date on which the which the financial statements were issued.

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE OTERO COUNTY'S PROPORATIONATE SHARE  
OF THE NET PENSION LIABILITY OF PERA FUND DIVISION  
MUNICIPAL GENERAL**

Public Employees Retirement Association (PERA) Plan

Last 10 Fiscal Years\*

	As of	
	Measurement Date	
	June 30, 2015	June 30, 2014
	<b>2016</b>	<b>2015</b>
Otero County's proportion of the net pension liability (asset)	0.7734%	0.8016%
Otero County's proportionate share of the net pension liability (asset)	\$7,885,483	\$6,253,340
Otero County's covered-employee payroll	\$6,413,158	\$6,507,077
Otero County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	122.96%	96.10%
Plan fiduciary net position as a percentage of the total pension liability	76.99%	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, the Otero County will present information for those years for which information is available.

**SCHEDULE OF THE OTERO COUNTY'S PROPORATIONATE SHARE  
OF THE NET PENSION LIABILITY OF PERA FUND DIVISION  
MUNICIPAL POLICE**

Public Employees Retirement Association (PERA) Plan

Last 10 Fiscal Years\*

	As of Measurement Date	
	June 30, 2015 <b>2016</b>	June 30, 2014 <b>2015</b>
Otero County's proportion of the net pension liability (asset)	0.8554%	0.9452%
Otero County's proportionate share of the net pension liability (asset)	\$4,113,243	\$3,081,249
Otero County's covered-employee payroll	\$1,677,786	\$1,820,248
Otero County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	245.16%	169.28%
Plan fiduciary net position as a percentage of the total pension liability	76.99%	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, the Otero County will present information for those years for which information is available.

# **SCHEDULE OF OTERO COUNTY'S CONTRIBUTIONS**

Public Employees Retirement Association (PERA) Plan

## **PERA FUND DIVISION - MUNICIPAL GENERAL**

Last 10 Fiscal Years\*

	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$624,390	\$798,859
Contributions in relation to the contractually required contribution	\$624,390	\$798,859
Contribution deficiency (excess)	\$0	\$0
Otero County's covered-employee payroll	\$6,538,115	\$6,413,158
Contributions as a percentage of covered-employee payroll	9.55%	12.46%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Otero County will present information for those years for which information is available.

# **SCHEDULE OF OTERO COUNTY'S CONTRIBUTIONS**

Public Employees Retirement Association (PERA) Plan

## **PERA FUND DIVISION MUNICIPAL POLICE**

Last 10 Fiscal Years\*

	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$321,656	\$334,217
Contributions in relation to the contractually required contribution	\$321,656	\$334,217
Contribution deficiency (excess)	\$0	\$0
Otero County's covered-employee payroll	\$1,701,884	\$1,677,786
Contributions as a percentage of covered-employee payroll	18.90%	19.92%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Otero County will present information for those years for which information is available.

**OTERO COUNTY**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2016

**Public Employee Retirement Association Plan (PERA)**

**Changes of benefit terms.** The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY15 audit available at [http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366\\_Public\\_Employees\\_Retirement\\_Association\\_2015.pdf](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2015.pdf).

**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](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.

## SUPPLEMENTARY INFORMATION



**OTERO COUNTY**  
**SPECIAL REVENUE FUNDS**  
JUNE 30, 2016

**Special Revenue Funds**

Special Revenue Funds are used to account for the proceeds of specific revenue sources, other than expendable trusts and major capital projects that are legally restricted to expenditures for specific purposes.

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.

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.

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

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.

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.

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.

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).

HIDTA Grant/Task Force Coordinator – 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.

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.

Indigent (Safety Net Care Pool) – 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 anyone 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.

**OTERO COUNTY**  
**SPECIAL REVENUE FUNDS**  
**JUNE 30, 2016**

**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.

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

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.

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.

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.

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.

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

**OTERO COUNTY**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEETS**  
**JUNE 30, 2016**

	CDBG Grants	Clerk's Equipment	DWI Grant	EMS	Environmental Gross Receipts Tax
<b>ASSETS</b>					
Cash and cash equivalents	\$99,709	\$29,069	\$54,424	\$11,351	\$52,680
Investments	0	73,209	137,064	0	0
Receivables:					
Property taxes	0	0	0	0	0
Other taxes	0	0	0	0	83,910
Other receivables	0	0	0	0	0
Inventory	0	0	0	0	0
Prepaid expenses	0	0	0	0	0
<b>Total assets</b>	<b>\$99,709</b>	<b>\$102,278</b>	<b>\$191,488</b>	<b>\$11,351</b>	<b>\$136,590</b>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>Liabilities:</b>					
Accounts payable	\$0	\$1,938	\$8,230	\$0	\$17,396
Accrued payroll expenses	0	0	9,288	0	12,821
<b>Total liabilities</b>	<b>0</b>	<b>1,938</b>	<b>17,518</b>	<b>0</b>	<b>30,217</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
<b>Unavailable Revenue:</b>					
Property taxes	0	0	0	0	0
<b>Total deferred inflows of resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balance:</b>					
<b>Nonspendable</b>					
Inventory	0	0	0	0	0
Prepaid expenses	0	0	0	0	0
<b>Spendable</b>					
<b>Restricted for:</b>					
General county operations	99,709	100,340	0	0	0
Maintenance of roads	0	0	0	0	0
Environment	0	0	0	0	106,373
Recreation	0	0	0	0	0
Public safety	0	0	0	11,351	0
Healthcare/health services	0	0	173,970	0	0
Debt service expenditures	0	0	0	0	0
<b>Total fund balance</b>	<b>99,709</b>	<b>100,340</b>	<b>173,970</b>	<b>11,351</b>	<b>106,373</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$99,709</b>	<b>\$102,278</b>	<b>\$191,488</b>	<b>\$11,351</b>	<b>\$136,590</b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEETS**  
**JUNE 30, 2016**

	Farm and Range	Fire	HIDTA/ Task Force Coordinator	Hold Harmless Revenue Bond (Revenue)	Indigent (Safety Net Care Pool)
<b>ASSETS</b>					
Cash and cash equivalents	\$84,044	\$1,354,387	\$62,062	\$588,670	\$273,340
Investments	0	2,139,645	0	1,482,538	688,395
Receivables:					
Property taxes	0	0	0	0	0
Other taxes	0	165,966	0	624,614	0
Other receivables	0	0	0	0	0
Inventory	0	0	0	0	0
Prepaid expenses	0	55,748	0	0	0
<b>Total assets</b>	<b>\$84,044</b>	<b>\$3,715,746</b>	<b>\$62,062</b>	<b>\$2,695,822</b>	<b>\$961,735</b>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>Liabilities:</b>					
Accounts payable	\$0	\$13,254	\$0	\$0	\$2,162
Accrued payroll expenses	0	0	0	0	375
<b>Total liabilities</b>	<b>0</b>	<b>13,254</b>	<b>0</b>	<b>0</b>	<b>2,537</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
<b>Unavailable Revenue:</b>					
Property taxes	0	0	0	0	0
<b>Total deferred inflows of resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balance:</b>					
<b>Nonspendable</b>					
Inventory	0	0	0	0	0
Prepaid expenses	0	0	0	0	0
<b>Spendable</b>					
<b>Restricted for:</b>					
General county operations	84,044	0	0	0	0
Maintenance of roads	0	0	0	0	0
Environment	0	0	0	0	0
Recreation	0	0	0	0	0
Public safety	0	3,702,492	62,062	0	0
Healthcare/health services	0	0	0	0	959,198
Debt service expenditures	0	0	0	2,695,822	0
<b>Total fund balance</b>	<b>84,044</b>	<b>3,702,492</b>	<b>62,062</b>	<b>2,695,822</b>	<b>959,198</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$84,044</b>	<b>\$3,715,746</b>	<b>\$62,062</b>	<b>\$2,695,822</b>	<b>\$961,735</b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEETS**  
**JUNE 30, 2016**

	Landfill Closure	Law Enforcement Protection	Property Valuation	Recreation	Road
<b>ASSETS</b>					
Cash and cash equivalents	\$52,552	\$273	\$123,714	\$3,465	\$61,416
Investments	0	0	311,568	0	154,672
Receivables:					
Property taxes	0	0	0	0	0
Other taxes	0	0	0	0	148,566
Other receivables	0	0	0	0	0
Inventory	0	0	0	0	88,378
Prepaid expenses	0	0	0	0	19,610
<b>Total assets</b>	<b>\$52,552</b>	<b>\$273</b>	<b>\$435,282</b>	<b>\$3,465</b>	<b>\$472,642</b>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>Liabilities:</b>					
Accounts payable	\$0	\$0	\$205	\$0	\$11,051
Accrued payroll expenses	0	0	5,801	0	32,255
<b>Total liabilities</b>	<b>0</b>	<b>0</b>	<b>6,006</b>	<b>0</b>	<b>43,306</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
<b>Unavailable Revenue:</b>					
Property taxes	0	0	0	0	0
<b>Total deferred inflows of resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balance:</b>					
<b>Nonspendable</b>					
Inventory	0	0	0	0	88,378
Prepaid expenses	0	0	0	0	19,610
<b>Spendable</b>					
<b>Restricted for:</b>					
General county operations	52,552	0	429,276	0	0
Maintenance of roads	0	0	0	0	321,348
Environment	0	0	0	0	0
Recreation	0	0	0	3,465	0
Public safety	0	273	0	0	0
Healthcare/health services	0	0	0	0	0
Debt service expenditures	0	0	0	0	0
<b>Total fund balance</b>	<b>52,552</b>	<b>273</b>	<b>429,276</b>	<b>3,465</b>	<b>429,336</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$52,552</b>	<b>\$273</b>	<b>\$435,282</b>	<b>\$3,465</b>	<b>\$472,642</b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEETS**  
**JUNE 30, 2016**

	Secure Rural Schools Grant	Sheriff's Covert Activity	Southwest Border Prosecution	State and Federal Grants	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$85,967	\$700	\$72,685	\$47,838	\$3,058,346
Investments	0	0	0	120,477	5,107,568
Receivables:					
Property taxes	0	0	0	0	0
Other taxes	0	0	0	0	1,023,056
Other receivables	0	0	0	0	0
Inventory	0	0	0	0	88,378
Prepaid expenses	0	0	0	0	75,358
<b>Total assets</b>	<b>\$85,967</b>	<b>\$700</b>	<b>\$72,685</b>	<b>\$168,315</b>	<b>\$9,352,706</b>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>Liabilities:</b>					
Accounts payable	\$0	\$0	\$0	\$0	\$54,236
Accrued payroll expenses	0	0	0	0	60,540
<i>Total liabilities</i>	0	0	0	0	114,776
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue:					
Property taxes	0	0	0	0	0
<i>Total deferred inflows of resources</i>	0	0	0	0	0
<b>Fund Balance:</b>					
Nonspendable					
Inventory	0	0	0	0	88,378
Prepaid expenses	0	0	0	0	19,610
Spendable					
Restricted for:					
General county operations	0	0	0	0	765,921
Maintenance of roads	0	0	0	0	321,348
Environment	0	0	0	168,315	274,688
Recreation	0	0	0	0	3,465
Public safety	85,967	700	72,685	0	3,935,530
Healthcare/health services	0	0	0	0	1,133,168
Debt service expenditures	0	0	0	0	2,695,822
<i>Total fund balance</i>	85,967	700	72,685	168,315	9,237,930
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$85,967</b>	<b>\$700</b>	<b>\$72,685</b>	<b>\$168,315</b>	<b>\$9,352,706</b>

The Notes to Financial Statements are an integral part of these statements.

# OTERO COUNTY

## NONMAJOR SPECIAL REVENUE FUNDS

### COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	CDBG Grants	Clerk's Equipment	DWI Grant	EMS	Environmental Gross Receipts Tax
<b>REVENUES</b>					
Taxes:					
Property	\$0	\$0	\$0	\$0	\$0
Gross receipts	0	0	0	0	437,031
Gasoline and motor vehicle	0	0	0	0	0
Intergovernmental:					
Federal operating grants	0	0	0	0	0
Federal capital grants	0	0	0	0	0
State operating grants	0	0	376,169	153,423	0
State capital grants	0	0	0	0	0
Charges for services	0	67,134	85,054	0	75,521
Investment income (loss)	0	(167)	(313)	0	146
Miscellaneous	0	0	0	0	4
<i>Total revenues</i>	<u>0</u>	<u>66,967</u>	<u>460,910</u>	<u>153,423</u>	<u>512,702</u>
<b>EXPENDITURES</b>					
<b>Current:</b>					
General government	0	35,306	0	0	0
Public works	0	0	0	0	849,010
Public safety	0	0	0	145,619	0
Health and welfare	0	0	462,921	0	0
Culture and recreation	0	0	0	0	0
Capital outlay	0	31,519	0	4,713	67,916
Debt Service:					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
<i>Total expenditures</i>	<u>0</u>	<u>66,825</u>	<u>462,921</u>	<u>150,332</u>	<u>916,926</u>
<i>Excess (deficiency) of revenues over expenditures</i>	0	142	(2,011)	3,091	(404,224)
<b>Other Financing Sources (Uses):</b>					
Proceeds from debt	0	0	0	0	0
Transfers in	0	0	0	0	420,000
Transfers (out)	0	0	0	0	0
<i>Total other financing sources (uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>420,000</u>
<i>Net changes in fund balances</i>	0	142	(2,011)	3,091	15,776
<i>Fund balance - beginning of year</i>	99,709	100,198	175,981	8,260	90,597
<b><i>Fund balance - end of year</i></b>	<b><u>\$99,709</u></b>	<b><u>\$100,340</u></b>	<b><u>\$173,970</u></b>	<b><u>\$11,351</u></b>	<b><u>\$106,373</u></b>

The Notes to Financial Statements are an integral part of these statements.

# OTERO COUNTY

## NONMAJOR SPECIAL REVENUE FUNDS

### COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Farm and Range	Fire	HIDTA/ Task Force Coordinator	Hold Harmless Revenue Bond (Revenue)	Indigent (Safety Net Care Pool)
<b>REVENUES</b>					
Taxes:					
Property	\$0	\$0	\$0	\$0	\$0
Gross receipts	0	866,666	0	2,899,737	1,726,120
Gasoline and motor vehicle	0	0	0	0	0
Intergovernmental:					
Federal operating grants	21,148	24,212	0	0	0
Federal capital grants	0	0	0	0	0
State operating grants	0	1,651,847	64,556	0	0
State capital grants	0	0	0	0	0
Charges for services	0	0	0	0	0
Investment income (loss)	219	21,526	0	1,894	2,623
Miscellaneous	0	105,875	0	0	2,668
<b>Total revenues</b>	<b>21,367</b>	<b>2,670,126</b>	<b>64,556</b>	<b>2,901,631</b>	<b>1,731,411</b>
<b>EXPENDITURES</b>					
<b>Current:</b>					
General government	30,000	0	0	0	0
Public works	0	0	0	0	0
Public safety	0	1,411,092	76,487	0	0
Health and welfare	0	0	0	0	1,402,116
Culture and recreation	0	0	0	0	0
Capital outlay	0	800,249	0	0	0
Debt Service:					
Principal	0	14,514	0	0	0
Interest	0	1,885	0	0	0
<b>Total expenditures</b>	<b>30,000</b>	<b>2,227,740</b>	<b>76,487</b>	<b>0</b>	<b>1,402,116</b>
<i>Excess (deficiency) of revenues over expenditures</i>	(8,633)	442,386	(11,931)	2,901,631	329,295
<b>Other Financing Sources (Uses):</b>					
Proceeds from debt	0	0	0	0	0
Transfers in	0	0	0	0	0
Transfers (out)	0	(25,000)	0	(1,471,900)	0
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>(25,000)</b>	<b>0</b>	<b>(1,471,900)</b>	<b>0</b>
<i>Net changes in fund balances</i>	(8,633)	417,386	(11,931)	1,429,731	329,295
<i>Fund balance - beginning of year</i>	92,677	3,285,106	73,993	1,266,091	629,903
<b>Fund balance - end of year</b>	<b>\$84,044</b>	<b>\$3,702,492</b>	<b>\$62,062</b>	<b>\$2,695,822</b>	<b>\$959,198</b>

The Notes to Financial Statements are an integral part of these statements.



# OTERO COUNTY

## NONMAJOR SPECIAL REVENUE FUNDS

### COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Landfill Closure	Law Enforcement Protection	Property Valuation	Recreation	Road
<b>REVENUES</b>					
Taxes:					
Property	\$0	\$0	\$257,449	\$0	\$0
Gross receipts	0	0	0	0	0
Gasoline and motor vehicle	0	0	0	0	1,096,109
Intergovernmental:					
Federal operating grants	0	0	0	0	246,147
Federal capital grants	0	0	0	0	0
State operating grants	0	54,000	0	0	410,984
State capital grants	0	0	0	0	0
Charges for services	0	0	0	0	0
Investment income (loss)	36	0	1,634	0	1,046
Miscellaneous	57,206	0	0	0	183
<b>Total revenues</b>	<b>57,242</b>	<b>54,000</b>	<b>259,083</b>	<b>0</b>	<b>1,754,469</b>
<b>EXPENDITURES</b>					
<b>Current:</b>					
General government	0	0	260,975	0	0
Public works	18,406	0	0	0	2,298,413
Public safety	0	3,480	0	0	0
Health and welfare	0	0	0	0	0
Culture and recreation	0	0	0	494	0
Capital outlay	0	50,247	78,354	0	90,312
Debt Service:					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
<b>Total expenditures</b>	<b>18,406</b>	<b>53,727</b>	<b>339,329</b>	<b>494</b>	<b>2,388,725</b>
<i>Excess (deficiency) of revenues over expenditures</i>	38,836	273	(80,246)	(494)	(634,256)
<b>Other Financing Sources (Uses):</b>					
Proceeds from debt	0	0	0	0	0
Transfers in	4,578	0	0	0	180,000
Transfers (out)	0	0	0	0	0
<b>Total other financing sources (uses)</b>	<b>4,578</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>180,000</b>
<i>Net changes in fund balances</i>	43,414	273	(80,246)	(494)	(454,256)
<i>Fund balance - beginning of year</i>	9,138	0	509,522	3,959	883,592
<b>Fund balance - end of year</b>	<b>\$52,552</b>	<b>\$273</b>	<b>\$429,276</b>	<b>\$3,465</b>	<b>\$429,336</b>

The Notes to Financial Statements are an integral part of these statements.

# OTERO COUNTY

## NONMAJOR SPECIAL REVENUE FUNDS

### COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Secure Rural Schools Grant	Sheriff's Covert Activity	Southwest Border Prosecution	State and Federal Grants	Total
<b>REVENUES</b>					
Taxes:					
Property	\$0	\$0	\$0	\$0	\$257,449
Gross receipts	0	0	0	0	5,929,554
Gasoline and motor vehicle	0	0	0	0	1,096,109
Intergovernmental:					
Federal operating grants	0	0	0	0	291,507
Federal capital grants	40,542	0	0	0	40,542
State operating grants	0	0	0	0	2,710,979
State capital grants	0	0	0	0	0
Charges for services	0	0	0	0	227,709
Investment income (loss)	0	0	0	(274)	28,370
Miscellaneous	0	32	0	0	165,968
<b>Total revenues</b>	<b>40,542</b>	<b>32</b>	<b>0</b>	<b>(274)</b>	<b>10,748,187</b>
<b>EXPENDITURES</b>					
<b>Current:</b>					
General government	0	0	0	0	326,281
Public works	0	0	0	0	3,165,829
Public safety	0	4	0	0	1,636,682
Health and welfare	0	0	0	0	1,865,037
Culture and recreation	0	0	0	0	494
Capital outlay	0	0	0	0	1,123,310
Debt Service:					
Principal	0	0	0	0	14,514
Interest	0	0	0	0	1,885
<b>Total expenditures</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>8,134,032</b>
<i>Excess (deficiency) of revenues over expenditures</i>	40,542	28	0	(274)	2,614,155
<b>Other Financing Sources (Uses):</b>					
Proceeds from debt	0	0	0	0	0
Transfers in	0	0	0	0	604,578
Transfers (out)	0	0	0	0	(1,496,900)
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(892,322)</b>
<i>Net changes in fund balances</i>	40,542	28	0	(274)	1,721,833
<i>Fund balance - beginning of year</i>	45,425	672	72,685	168,589	7,516,097
<b>Fund balance - end of year</b>	<b>\$85,967</b>	<b>\$700</b>	<b>\$72,685</b>	<b>\$168,315</b>	<b>\$9,237,930</b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
**CDBG GRANTS**  
**SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Intergovernmental:				
State operating grants	\$0	\$0	\$0	\$0
<i>Total revenues</i>	0	0	0	0
<b>EXPENDITURES</b>				
Current:				
Public safety	0	0	0	0
<i>Total expenditures</i>	0	0	0	0
<i>Excess (deficiency) of revenues over expenditures</i>	0	0	0	0
<b>Other Financing Sources (Uses):</b>				
Proceeds from debt	0	0	0	0
Transfers in	0	0	0	0
Transfers (out)	(99,709)	(99,709)	0	99,709
<i>Total other financing sources (uses)</i>	(99,709)	(99,709)	0	99,709
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	(99,709)	(99,709)	\$0	\$99,709
Budgeted cash carryover	99,709	99,709		
	\$0	\$0		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$0
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	0
<b>Net changes in fund balance</b>	<b>\$0</b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
**CLERK'S EQUIPMENT**  
**SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Charges for services	\$65,000	\$65,000	\$67,284	\$2,284
<i>Total revenues</i>	65,000	65,000	67,284	2,284
<b>EXPENDITURES</b>				
Current:				
General government	70,283	70,283	29,428	40,855
Capital outlay	33,000	33,000	31,519	1,481
<i>Total expenditures</i>	103,283	103,283	60,947	42,336
<i>Excess (deficiency) of revenues over expenditures</i>	(38,283)	(38,283)	6,337	44,620
<b>Other Financing Sources (Uses):</b>				
Proceeds from debt	0	0	0	0
Transfers in	0	0	0	0
Transfers (out)	0	0	0	0
<i>Total other financing sources (uses)</i>	0	0	0	0
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	(38,283)	(38,283)	<u>\$6,337</u>	<u>\$44,620</u>
Budgeted cash carryover	38,283	38,283		
	<u>\$0</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$6,337
Adjustments for revenue accruals	(317)
Adjustments for expenditures accruals	(5,878)
<b>Net changes in fund balance</b>	<u>\$142</u>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
**DWI GRANT**  
**SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Intergovernmental:				
State operating grants	\$362,289	\$362,289	\$384,932	\$22,643
Charges for services	115,600	115,600	85,369	(30,231)
Miscellaneous	2,500	2,500	0	(2,500)
<i>Total revenues</i>	<u>480,389</u>	<u>480,389</u>	<u>470,301</u>	<u>(10,088)</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	508,948	508,948	453,156	55,792
<i>Total expenditures</i>	<u>508,948</u>	<u>508,948</u>	<u>453,156</u>	<u>55,792</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(28,559)	(28,559)	17,145	45,704
<b>Other Financing Sources (Uses):</b>				
Proceeds from debt	0	0	0	0
Transfers in	0	0	0	0
Transfers (out)	0	0	0	0
<i>Total other financing sources (uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	(28,559)	(28,559)	<u>\$17,145</u>	<u>\$45,704</u>
Budgeted cash carryover	28,559	28,559		
	<u>\$0</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$17,145
Adjustments for revenue accruals	(9,391)
Adjustments for expenditures accruals	(9,765)
<b>Net changes in fund balance</b>	<b><u>(\$2,011)</u></b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
**EMS**  
**SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Intergovernmental:				
State operating grants	\$150,834	\$153,423	\$153,423	\$0
<i>Total revenues</i>	<u>150,834</u>	<u>153,423</u>	<u>153,423</u>	<u>0</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	156,554	154,552	147,079	7,473
Capital outlay	4,000	8,591	4,713	3,878
<i>Total expenditures</i>	<u>160,554</u>	<u>163,143</u>	<u>151,792</u>	<u>11,351</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(9,720)	(9,720)	1,631	11,351
<b>Other Financing Sources (Uses):</b>				
Proceeds from debt	0	0	0	0
Transfers in	0	0	0	0
Transfers (out)	0	0	0	0
<i>Total other financing sources (uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	(9,720)	(9,720)	<u>\$1,631</u>	<u>\$11,351</u>
Budgeted cash carryover	9,720	9,720		
	<u>\$0</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$1,631
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	1,460
<b>Net changes in fund balance</b>	<b><u>\$3,091</u></b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
**ENVIRONMENTAL GROSS RECEIPTS TAX (SOLID WASTE)**  
**SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Taxes:				
Gross receipts	\$435,000	\$435,000	\$416,221	(\$18,779)
Charges for services	77,200	77,200	79,654	2,454
Investment income (loss)	0	0	146	146
Miscellaneous	9,250	9,250	4	(9,246)
<i>Total revenues</i>	<u>521,450</u>	<u>521,450</u>	<u>496,025</u>	<u>(25,425)</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	1,005,166	1,005,166	844,813	160,353
Capital outlay	80,900	80,900	67,916	12,984
<i>Total expenditures</i>	<u>1,086,066</u>	<u>1,086,066</u>	<u>912,729</u>	<u>173,337</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(564,616)	(564,616)	(416,704)	147,912
<b>Other Financing Sources (Uses):</b>				
Proceeds from debt	0	0	0	0
Transfers in	520,000	520,000	420,000	(100,000)
Transfers (out)	0	0	0	0
<i>Total other financing sources (uses)</i>	<u>520,000</u>	<u>520,000</u>	<u>420,000</u>	<u>(100,000)</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	(44,616)	(44,616)	<u>\$3,296</u>	<u>\$47,912</u>
Budgeted cash carryover	44,616	44,616		
	<u>\$0</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$3,296
Adjustments for revenue accruals	16,677
Adjustments for expenditures accruals	(4,197)
<b>Net changes in fund balance</b>	<b>\$15,776</b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
**FARM AND RANGE**  
**SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Intergovernmental:				
Federal operating grants	\$16,000	\$21,148	\$21,148	\$0
Investment income (loss)	0	204	219	15
<i>Total revenues</i>	<u>16,000</u>	<u>21,352</u>	<u>21,367</u>	<u>15</u>
<b>EXPENDITURES</b>				
Current:				
General government	92,677	92,677	30,000	62,677
<i>Total expenditures</i>	<u>92,677</u>	<u>92,677</u>	<u>30,000</u>	<u>62,677</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(76,677)	(71,325)	(8,633)	62,692
<b>Other Financing Sources (Uses):</b>				
Proceeds from debt	0	0	0	0
Transfers in	0	0	0	0
Transfers (out)	0	0	0	0
<i>Total other financing sources (uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	(76,677)	(71,325)	<u>(\$8,633)</u>	<u>\$62,692</u>
Budgeted cash carryover	<u>76,677</u>	<u>71,325</u>		
	<u>\$0</u>	<u>\$0</u>		
 Budgetary - GAAP Reporting Reconciliation:				
Excess (deficiency) of revenues over expenditures and other financing sources (uses)			(\$8,633)	
Adjustments for revenue accruals			0	
Adjustments for expenditures accruals			0	
<b>Net changes in fund balance</b>			<u>(\$8,633)</u>	

The Notes to Financial Statements are an integral part of these statements.



**OTERO COUNTY**  
**FIRE**  
**SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Taxes:				
Gross receipts	\$625,000	\$625,000	\$0	(\$625,000)
Intergovernmental:				
Federal operating grants	38,429	38,429	38,676	247
State operating grants	1,609,921	1,614,921	1,651,847	36,926
Investment income (loss)	7,000	7,000	11,203	4,203
Miscellaneous	100,000	100,000	105,671	5,671
<i>Total revenues</i>	<u>2,380,350</u>	<u>2,385,350</u>	<u>1,807,397</u>	<u>(577,953)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	2,227,029	2,545,700	1,411,442	1,134,258
Capital outlay	2,694,088	2,586,999	800,249	1,786,750
Debt Service:				
Lease payments	82,476	98,875	27,603	71,272
<i>Total expenditures</i>	<u>5,003,593</u>	<u>5,231,574</u>	<u>2,239,294</u>	<u>2,992,280</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(2,623,243)	(2,846,224)	(431,897)	2,414,327
<b>Other Financing Sources (Uses):</b>				
Proceeds from debt	0	0	0	0
Transfers in	0	0	0	0
Transfers (out)	(25,000)	(25,000)	(25,000)	0
<i>Total other financing sources (uses)</i>	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	(2,648,243)	(2,871,224)	<u>(\$456,897)</u>	<u>\$2,414,327</u>
Budgeted cash carryover	2,648,243	2,871,224		
	<u>\$0</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$456,897)
Adjustments for revenue accruals	862,729
Adjustments for expenditures accruals	11,554
<b>Net changes in fund balance</b>	<b>\$417,386</b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
HIDTA GRANT/TASK FORCE COORDINATOR  
SPECIAL REVENUE FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Intergovernmental:				
State operating grants	\$115,000	\$115,000	\$86,050	(\$28,950)
<i>Total revenues</i>	115,000	115,000	86,050	(28,950)
<b>EXPENDITURES</b>				
Current:				
Public safety	135,601	135,601	79,316	56,285
<i>Total expenditures</i>	135,601	135,601	79,316	56,285
<i>Excess (deficiency) of revenues over expenditures</i>	(20,601)	(20,601)	6,734	27,335
<b>Other Financing Sources (Uses):</b>				
Proceeds from debt	0	0	0	0
Transfers in	0	0	0	0
Transfers (out)	(30,000)	(30,000)	0	30,000
<i>Total other financing sources (uses)</i>	(30,000)	(30,000)	0	30,000
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	(50,601)	(50,601)	<u>\$6,734</u>	<u>\$57,335</u>
Budgeted cash carryover	50,601	50,601		
	<u>\$0</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$6,734
Adjustments for revenue accruals	(21,494)
Adjustments for expenditures accruals	2,829
<b>Net changes in fund balance</b>	<b><u>(\$11,931)</u></b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
HOLD HARMLESS REVENUE BOND (REVENUE)  
SPECIAL REVENUE FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Taxes:				
Gross receipts	\$2,350,000	\$2,350,000	\$2,635,043	\$285,043
Investment income (loss)	0	0	5,277	5,277
<i>Total revenues</i>	<u>2,350,000</u>	<u>2,350,000</u>	<u>2,640,320</u>	<u>290,320</u>
<b>EXPENDITURES</b>				
<i>Total expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures</i>	2,350,000	2,350,000	2,640,320	290,320
<b>Other Financing Sources (Uses):</b>				
Proceeds from debt	0	0	0	0
Transfers in	0	0	0	0
Transfers (out)	(3,251,900)	(3,251,900)	(1,471,900)	1,780,000
<i>Total other financing sources (uses)</i>	<u>(3,251,900)</u>	<u>(3,251,900)</u>	<u>(1,471,900)</u>	<u>1,780,000</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	(901,900)	(901,900)	<u>\$1,168,420</u>	<u>\$2,070,320</u>
Budgeted cash carryover	901,900	901,900		
	<u>\$0</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$1,168,420
Adjustments for revenue accruals	261,311
Adjustments for expenditures accruals	0
<b>Net changes in fund balance</b>	<u>\$1,429,731</u>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
INDIGENT (SAFETY NET CARE POOL)  
SPECIAL REVENUE FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Taxes:				
Gross receipts	\$1,762,500	\$1,762,500	\$1,928,366	\$165,866
Investment income (loss)	0	0	2,187	2,187
Miscellaneous	0	0	2,668	2,668
<i>Total revenues</i>	<u>1,762,500</u>	<u>1,762,500</u>	<u>1,933,221</u>	<u>170,721</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	1,632,652	1,632,652	1,400,131	232,521
<i>Total expenditures</i>	<u>1,632,652</u>	<u>1,632,652</u>	<u>1,400,131</u>	<u>232,521</u>
<i>Excess (deficiency) of revenues over expenditures</i>	129,848	129,848	533,090	403,242
<b>Other Financing Sources (Uses):</b>				
Proceeds from debt	0	0	0	0
Transfers in	0	0	0	0
Transfers (out)	0	0	0	0
<i>Total other financing sources (uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	<u>\$129,848</u>	<u>\$129,848</u>	<u>\$533,090</u>	<u>\$403,242</u>
Budgetary - GAAP Reporting Reconciliation:				
Excess (deficiency) of revenues over expenditures and other financing sources (uses)			\$533,090	
Adjustments for revenue accruals			(\$201,810)	
Adjustments for expenditures accruals			(1,985)	
<b>Net changes in fund balance</b>			<u>\$329,295</u>	

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
**LANDFILL CLOSURE (DOG CANYON)**  
**SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Investment income (loss)	\$0	\$0	\$36	\$36
Miscellaneous	17,000	17,000	57,206	40,206
<i>Total revenues</i>	17,000	17,000	57,242	40,242
<b>EXPENDITURES</b>				
Current:				
Public works	17,000	18,406	18,406	0
<i>Total expenditures</i>	17,000	18,406	18,406	0
<i>Excess (deficiency) of revenues over expenditures</i>	0	(1,406)	38,836	40,242
<b>Other Financing Sources (Uses):</b>				
Proceeds from debt	0	0	0	0
Transfers in	0	4,578	4,578	0
Transfers (out)	0	0	0	0
<i>Total other financing sources (uses)</i>	0	4,578	4,578	0
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	\$0	\$3,172	\$43,414	\$40,242

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$43,414
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	0
<b>Net changes in fund balance</b>	<b>\$43,414</b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
**LAW ENFORCEMENT PROTECTION**  
**SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Intergovernmental:				
State operating grants	\$54,000	\$54,000	\$54,000	\$0
<i>Total revenues</i>	54,000	54,000	54,000	0
<b>EXPENDITURES</b>				
Current:				
Public safety	13,000	473	3,480	(3,007)
Capital outlay	41,000	53,527	50,247	3,280
<i>Total expenditures</i>	54,000	54,000	53,727	273
<i>Excess (deficiency) of revenues over expenditures</i>	0	0	273	273
<b>Other Financing Sources (Uses):</b>				
Proceeds from debt	0	0	0	0
Transfers in	0	0	0	0
Transfers (out)	0	0	0	0
<i>Total other financing sources (uses)</i>	0	0	0	0
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	\$0	\$0	\$273	\$273
Budgetary - GAAP Reporting Reconciliation:				
Excess (deficiency) of revenues over expenditures and other financing sources (uses)			\$273	
Adjustments for revenue accruals			0	
Adjustments for expenditures accruals			0	
<b>Net changes in fund balance</b>			<b>\$273</b>	

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
**PROPERTY VALUATION**  
**SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Taxes:				
Property	\$235,000	\$235,000	\$257,449	\$22,449
<i>Total revenues</i>	<u>235,000</u>	<u>235,000</u>	<u>257,449</u>	<u>22,449</u>
<b>EXPENDITURES</b>				
Current:				
General government	568,559	568,559	321,392	247,167
Capital outlay	3,050	3,050	2,290	760
<i>Total expenditures</i>	<u>571,609</u>	<u>571,609</u>	<u>323,682</u>	<u>247,927</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(336,609)	(336,609)	(66,233)	270,376
<b>Other Financing Sources (Uses):</b>				
Proceeds from debt	0	0	0	0
Transfers in	110,000	110,000	0	(110,000)
Transfers (out)	0	0	0	0
<i>Total other financing sources (uses)</i>	<u>110,000</u>	<u>110,000</u>	<u>0</u>	<u>(110,000)</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	(226,609)	(226,609)	<u>(\$66,233)</u>	<u>\$160,376</u>
Budgeted cash carryover	226,609	226,609		
	<u>\$0</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$66,233)
Adjustments for revenue accruals	1,634
Adjustments for expenditures accruals	(15,647)
<b>Net changes in fund balance</b>	<b><u>(\$80,246)</u></b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
**RECREATION**  
**SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>	\$0	\$0	\$0	\$0
<i>Total revenues</i>	0	0	0	0
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	3,000	3,000	494	2,506
<i>Total expenditures</i>	3,000	3,000	494	2,506
<i>Excess (deficiency) of revenues over expenditures</i>	(3,000)	(3,000)	(494)	2,506
<b>Other Financing Sources (Uses):</b>				
Proceeds from debt	0	0	0	0
Transfers in	0	0	0	0
Transfers (out)	0	0	0	0
<i>Total other financing sources (uses)</i>	0	0	0	0
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	(3,000)	(3,000)	( <u>\$494</u> )	<u>\$2,506</u>
Budgeted cash carryover	3,000	3,000		
	\$0	\$0		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$494)
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	0
<b>Net changes in fund balance</b>	<b>(\$494)</b>

The Notes to Financial Statements are an integral part of these statements.



**OTERO COUNTY**  
ROAD  
SPECIAL REVENUE FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Taxes:				
Gasoline and motor vehicle	\$1,107,500	\$1,107,500	\$1,063,913	(\$43,587)
Intergovernmental:				
Federal operating grants	60,000	60,000	246,147	186,147
State operating grants	1,040,035	1,040,035	890,049	(149,986)
Miscellaneous	0	0	183	183
<i>Total revenues</i>	<u>2,207,535</u>	<u>2,207,535</u>	<u>2,200,292</u>	<u>(7,243)</u>
<b>EXPENDITURES</b>				
Current:				
Public works	2,862,862	2,849,662	2,373,101	476,561
Capital outlay	169,500	182,700	99,312	83,388
<i>Total expenditures</i>	<u>3,032,362</u>	<u>3,032,362</u>	<u>2,472,413</u>	<u>559,949</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(824,827)	(824,827)	(272,121)	552,706
<b>Other Financing Sources (Uses):</b>				
Proceeds from debt	0	0	0	0
Transfers in	780,000	780,000	180,000	(600,000)
Transfers (out)	0	0	0	0
<i>Total other financing sources (uses)</i>	<u>780,000</u>	<u>780,000</u>	<u>180,000</u>	<u>(600,000)</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	(44,827)	(44,827)	<u>(\$92,121)</u>	<u>(\$47,294)</u>
Budgeted cash carryover	44,827	44,827		
	<u>\$0</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$92,121)
Adjustments for revenue accruals	(445,823)
Adjustments for expenditures accruals	83,688
<b>Net changes in fund balance</b>	<b>(\$454,256)</b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
SECURE RURAL SCHOOLS GRANT  
SPECIAL REVENUE FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Intergovernmental:				
Federal capital grants	\$0	\$0	\$40,542	\$40,542
<i>Total revenues</i>	<u>0</u>	<u>0</u>	<u>40,542</u>	<u>40,542</u>
<b>EXPENDITURES</b>				
Capital outlay	54,675	54,675	9,250	45,425
<i>Total expenditures</i>	<u>54,675</u>	<u>54,675</u>	<u>9,250</u>	<u>45,425</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(54,675)	(54,675)	31,292	85,967
<b>Other Financing Sources (Uses):</b>				
Proceeds from debt	0	0	0	0
Transfers in	0	0	0	0
Transfers (out)	0	0	0	0
<i>Total other financing sources (uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	(54,675)	(54,675)	<u>\$31,292</u>	<u>\$85,967</u>
Budgeted cash carryover	54,675	54,675		
	<u>\$0</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$31,292
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	9,250
<b>Net changes in fund balance</b>	<b>\$40,542</b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
**SHERIFF'S COVERT ACTIVITY**  
**SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Miscellaneous	\$5,000	\$5,000	\$32	(\$4,968)
<i>Total revenues</i>	5,000	5,000	32	(4,968)
<b>EXPENDITURES</b>				
Current:				
Public safety	5,000	5,000	4	4,996
<i>Total expenditures</i>	5,000	5,000	4	4,996
<i>Excess (deficiency) of revenues over expenditures</i>	0	0	28	28
<b>Other Financing Sources (Uses):</b>				
Proceeds from debt	0	0	0	0
Transfers in	0	0	0	0
Transfers (out)	0	0	0	0
<i>Total other financing sources (uses)</i>	0	0	0	0
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	\$0	\$0	\$28	\$28

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$28
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	0
<b>Net changes in fund balance</b>	<b>\$28</b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
**SOUTHWEST BORDER PROSECUTION**  
**SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>	\$0	\$0	\$0	\$0
<i>Total revenues</i>	0	0	0	0
<b>EXPENDITURES</b>	0	0	0	0
<i>Total expenditures</i>	0	0	0	0
<i>Excess (deficiency) of revenues over expenditures</i>	0	0	0	0
<b>Other Financing Sources (Uses):</b>				
Proceeds from debt	0	0	0	0
Transfers in	0	0	0	0
Transfers (out)	0	0	0	0
<i>Total other financing sources (uses)</i>	0	0	0	0
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	\$0	\$0	\$0	\$0

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$0
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	0
<b>Net changes in fund balance</b>	<b>\$0</b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
STATE AND FEDERAL GRANTS  
SPECIAL REVENUE FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>	\$0	\$0	\$0	\$0
<i>Total revenues</i>	0	0	0	0
<b>EXPENDITURES</b>	0	0	0	0
<i>Total expenditures</i>	0	0	0	0
<i>Excess (deficiency) of revenues over expenditures</i>	0	0	0	0
<b>Other Financing Sources (Uses):</b>				
Proceeds from debt	0	0	0	0
Transfers in	0	0	0	0
Transfers (out)	(150,000)	(150,000)	0	150,000
<i>Total other financing sources (uses)</i>	(150,000)	(150,000)	0	150,000
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	(150,000)	(150,000)	\$0	\$150,000
Budgeted cash carryover	150,000	150,000		
	\$0	\$0		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$0
Adjustments for revenue accruals	(274)
Adjustments for expenditures accruals	0
<b>Net changes in fund balance</b>	<b>(\$274)</b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
**CAPITAL PROJECT FUNDS**  
**JUNE 30, 2016**

**Capital Project Funds**

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

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.

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.

**OTERO COUNTY**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**COMBINING BALANCE SHEETS**  
**JUNE 30, 2016**

	Building Improvements	Hold Harmless Revenue Bond (Acquisition)	Legislative Grants	Totals
<b>ASSETS</b>				
Cash and cash equivalents	\$2,149	\$769,787	\$142,381	\$914,317
Investments	0	1,938,671	358,580	2,297,251
Receivables:				
Property taxes	0	0	0	0
Other taxes	0	0	0	0
Other receivables	0	0	0	0
Inventory	0	0	0	0
Prepaid expenses	0	0	0	0
<b>Total assets</b>	<b>\$2,149</b>	<b>\$2,708,458</b>	<b>\$500,961</b>	<b>\$3,211,568</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities:</b>				
Accounts payable	\$0	\$296,822	\$0	\$296,822
Accrued payroll expenses	0	0	0	0
<b>Total liabilities</b>	<b>0</b>	<b>296,822</b>	<b>0</b>	<b>296,822</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
<b>Unavailable Revenue:</b>				
Property taxes	0	0	0	0
<b>Total deferred inflows of resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balance:</b>				
<b>Nonspendable</b>				
Inventory	0	0	0	0
Prepaid expenses	0	0	0	0
<b>Spendable</b>				
<b>Restricted for:</b>				
General county operations	0	0	0	0
Maintenance of roads	0	0	0	0
Environment	0	0	0	0
Recreation	0	0	0	0
Public safety	0	0	0	0
Healthcare	0	0	0	0
Debt service expenditures	0	0	0	0
Capital projects	2,149	2,411,636	500,961	2,914,746
<b>Total fund balance</b>	<b>2,149</b>	<b>2,411,636</b>	<b>500,961</b>	<b>2,914,746</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$2,149</b>	<b>\$2,708,458</b>	<b>\$500,961</b>	<b>\$3,211,568</b>

The Notes to Financial Statements are an integral part of these statements.

# OTERO COUNTY

## NONMAJOR CAPITAL PROJECT FUND

### COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Building Improvements	Hold Harmless Revenue Bond (Acquisition)	Legislative Grants	Totals
<b>REVENUES</b>				
Taxes:				
Property	\$0	\$0	\$0	\$0
Gross receipts	0	0	0	0
Gasoline and motor vehicle	0	0	0	0
Intergovernmental:				
Federal operating grants	0	0	0	0
Federal capital grants	0	0	0	0
State operating grants	0	0	0	0
State capital grants	0	0	397,010	397,010
Charges for services	0	0	0	0
Investment income (loss)	0	4,918	(818)	4,100
Miscellaneous	0	0	0	0
<i>Total revenues</i>	0	4,918	396,192	401,110
<b>EXPENDITURES</b>				
<b>Current:</b>				
General government	0	0	0	0
Public works	0	0	0	0
Public safety	0	0	0	0
Health and welfare	0	0	0	0
Culture and recreation	0	0	0	0
Capital outlay	0	1,725,919	251,545	1,977,464
Debt Service:				
Principal	0	0	0	0
Interest	0	0	0	0
<i>Total expenditures</i>	0	1,725,919	251,545	1,977,464
<i>Excess (deficiency) of revenues over expenditures</i>	0	(1,721,001)	144,647	(1,576,354)
<b>Other Financing Sources (Uses):</b>				
Proceeds from debt	0	0	0	0
Transfers in	0	0	0	0
Transfers (out)	0	0	0	0
<i>Total other financing sources (uses)</i>	0	0	0	0
<i>Net changes in fund balances</i>	0	(1,721,001)	144,647	(1,576,354)
<i>Fund balance - beginning of year</i>	2,149	4,132,637	356,314	4,491,100
<b><i>Fund balance - end of year</i></b>	<b>\$2,149</b>	<b>\$2,411,636</b>	<b>\$500,961</b>	<b>\$2,914,746</b>

The Notes to Financial Statements are an integral part of these statements.



**OTERO COUNTY**  
**BUILDING IMPROVEMENTS**  
**CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>	\$0	\$0	\$0	\$0
<i>Total revenues</i>	0	0	0	0
<b>EXPENDITURES</b>	0	0	0	0
<i>Total expenditures</i>	0	0	0	0
<i>Excess (deficiency) of revenues over expenditures</i>	0	0	0	0
<b>Other Financing Sources (Uses):</b>				
Proceeds from debt	0	0	0	0
Transfers in	0	0	0	0
Transfers (out)	(2,149)	(2,149)	0	2,149
<i>Total other financing sources (uses)</i>	(2,149)	(2,149)	0	2,149
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	(2,149)	(2,149)	\$0	\$2,149
<b>Budgeted cash carryover</b>	2,149	2,149		
	\$0	\$0		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$0
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	0
<b>Net changes in fund balance</b>	<b>\$0</b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
HOLD HARMLESS REVENUE BOND (ACQUISITION)  
CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Investment income (loss)	\$0	\$0	\$9,342	\$9,342
<i>Total revenues</i>	0	0	9,342	9,342
<b>EXPENDITURES</b>				
Current:				
General government	14,550,000	14,550,000	0	14,550,000
Capital outlay	4,261,272	4,261,272	1,574,274	2,686,998
Cost of issuance	450,000	450,000	0	450,000
<i>Total expenditures</i>	19,261,272	19,261,272	1,574,274	17,686,998
<i>Excess (deficiency) of revenues over expenditures</i>	(19,261,272)	(19,261,272)	(1,564,932)	17,696,340
<b>Other Financing Sources (Uses):</b>				
Proceeds from debt	0	0	0	0
Transfers in	15,000,000	15,000,000	0	(15,000,000)
Transfers (out)	0	0	0	0
<i>Total other financing sources (uses)</i>	15,000,000	15,000,000	0	(15,000,000)
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	(4,261,272)	(4,261,272)	( <u>\$1,564,932</u> )	<u>\$2,696,340</u>
Budgeted cash carryover	4,261,272	4,261,272		
	\$0	\$0		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$1,564,932)
Adjustments for revenue accruals	(4,424)
Adjustments for expenditures accruals	(151,645)
<b>Net changes in fund balance</b>	<b>(<u>\$1,721,001</u>)</b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
**LEGISLATIVE GRANTS**  
**CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Intergovernmental:				
State capital grants	\$3,055,498	\$3,055,498	\$778,604	(\$2,276,894)
<i>Total revenues</i>	<u>3,055,498</u>	<u>3,055,498</u>	<u>778,604</u>	<u>(2,276,894)</u>
<b>EXPENDITURES</b>				
Capital outlay	2,561,130	2,551,530	282,456	2,269,074
<i>Total expenditures</i>	<u>2,561,130</u>	<u>2,551,530</u>	<u>282,456</u>	<u>2,269,074</u>
<i>Excess (deficiency) of revenues over expenditures</i>	494,368	503,968	496,148	(7,820)
<b>Other Financing Sources (Uses):</b>				
Proceeds from debt	0	0	0	0
Transfers in	0	0	0	0
Transfers (out)	(250,000)	(250,000)	0	250,000
<i>Total other financing sources (uses)</i>	<u>(250,000)</u>	<u>(250,000)</u>	<u>0</u>	<u>250,000</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	<u>\$244,368</u>	<u>\$253,968</u>	<u>\$496,148</u>	<u>\$242,180</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$496,148
Adjustments for revenue accruals	(382,412)
Adjustments for expenditures accruals	30,911
Net changes in fund balance	<u>\$144,647</u>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
**DEBT SERVICE FUNDS**  
JUNE 30, 2016

**Debt Service Funds**

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

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.

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.

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

**OTERO COUNTY**  
**NONMAJOR DEBT SERVICE FUNDS**  
**COMBINING BALANCE SHEETS**  
**JUNE 30, 2016**

	Debt Service	Hold Harmless Revenue Bond (Bond)	Other Debt Service (NMFA)	Totals
<b>ASSETS</b>				
Cash and cash equivalents	\$42,808	\$348,383	\$908,452	\$1,299,643
Investments	107,809	877,385	0	985,194
Receivables:				
Property taxes	914	0	0	914
Other taxes	0	0	0	0
Other receivables	0	0	0	0
Inventory	0	0	0	0
Prepaid expenses	0	0	0	0
<b>Total assets</b>	<b>\$151,531</b>	<b>\$1,225,768</b>	<b>\$908,452</b>	<b>\$2,285,751</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities:</b>				
Accounts payable	\$0	\$0	\$0	\$0
Accrued interest payable	0	15,214	16,266	31,480
Accrued payroll expenses	0	0	0	0
<b>Total liabilities</b>	<b>0</b>	<b>15,214</b>	<b>16,266</b>	<b>31,480</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue:				
Property taxes	881	0	0	881
<b>Total deferred inflows of resources</b>	<b>881</b>	<b>0</b>	<b>0</b>	<b>881</b>
<b>Fund Balance:</b>				
Nonspendable				
Inventory	0	0	0	0
Prepaid expenses	0	0	0	0
Spendable				
Restricted for:				
General county operations	0	0	0	0
Maintenance of roads	0	0	0	0
Environment	0	0	0	0
Recreation	0	0	0	0
Public safety	0	0	0	0
Healthcare	0	0	0	0
Debt service expenditures	150,650	1,210,554	892,186	2,253,390
<b>Total fund balance</b>	<b>150,650</b>	<b>1,210,554</b>	<b>892,186</b>	<b>2,253,390</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$151,531</b>	<b>\$1,225,768</b>	<b>\$908,452</b>	<b>\$2,285,751</b>

The Notes to Financial Statements are an integral part of these statements.

# OTERO COUNTY

## NONMAJOR DEBT SERVICE FUNDS

### COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Debt Service	Hold Harmless Revenue Bond (Bond)	Other Debt Service (NMFA)	Totals
<b>REVENUES</b>				
Taxes:				
Property	\$133	\$0	\$0	\$133
Gross receipts	0	0	0	0
Gasoline and motor vehicle	0	0	0	0
Intergovernmental:				
Federal operating grants	0	0	0	0
Federal capital grants	0	0	0	0
State operating grants	0	0	489,446	489,446
State capital grants	0	0	0	0
Charges for services	0	0	0	0
Investment income (loss)	153	(1,806)	3,072	1,419
Miscellaneous	0	0	0	0
<i>Total revenues</i>	286	(1,806)	492,518	490,998
<b>EXPENDITURES</b>				
<b>Current:</b>				
General government	0	0	0	0
Public works	0	0	0	0
Public safety	0	0	0	0
Health and welfare	0	0	0	0
Culture and recreation	0	0	443,669	443,669
Capital outlay	0	0	0	0
Debt Service:				
Principal	0	180,000	413,146	593,146
Interest	0	200,490	112,914	313,404
<i>Total expenditures</i>	0	380,490	969,729	1,350,219
<i>Excess (deficiency) of revenues over expenditures</i>	286	(382,296)	(477,211)	(859,221)
<b>Other Financing Sources (Uses):</b>				
Proceeds from debt	0	0	161,210	161,210
Transfers in	0	1,471,900	0	1,471,900
Transfers (out)	0	0	0	0
<i>Total other financing sources (uses)</i>	0	1,471,900	161,210	1,633,110
<i>Net changes in fund balances</i>	286	1,089,604	(316,001)	773,889
<i>Fund balance - beginning of year</i>	150,364	120,950	1,208,187	1,479,501
<b><i>Fund balance - end of year</i></b>	<b>\$150,650</b>	<b>\$1,210,554</b>	<b>\$892,186</b>	<b>\$2,253,390</b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
**DEBT SERVICE**  
**DEBT SERVICE FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Taxes:				
Property	\$300	\$300	\$133	(\$167)
Investment income (loss)	300	300	399	99
<i>Total revenues</i>	<u>600</u>	<u>600</u>	<u>532</u>	<u>(68)</u>
<b>EXPENDITURES</b>				
<i>Total expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures</i>	600	600	532	(68)
<b>Other Financing Sources (Uses):</b>				
Proceeds from debt	0	0	0	0
Transfers in	0	0	0	0
Transfers (out)	(150,000)	(150,000)	0	150,000
<i>Total other financing sources (uses)</i>	<u>(150,000)</u>	<u>(150,000)</u>	<u>0</u>	<u>150,000</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	(149,400)	(149,400)	<u>532</u>	<u>\$149,932</u>
Budgeted cash carryover	<u>149,400</u>	<u>149,400</u>		
	<u>\$0</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$532
Adjustments for revenue accruals	(246)
Adjustments for expenditures accruals	0
<b>Net changes in fund balance</b>	<b>\$286</b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
**HOLD HARMLESS REVENUE BOND (BOND)**  
**DEBT SERVICE FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Investment income (loss)	\$0	\$0	\$197	\$197
<i>Total revenues</i>	0	0	197	197
<b>EXPENDITURES</b>				
Debt Service:				
Principal	751,900	751,900	180,000	571,900
Interest	720,000	720,000	185,275	534,725
<i>Total expenditures</i>	1,471,900	1,471,900	365,275	1,106,625
<i>Excess (deficiency) of revenues over expenditures</i>	(1,471,900)	(1,471,900)	(365,078)	1,106,822
<b>Other Financing Sources (Uses):</b>				
Proceeds from debt	0	0	0	0
Transfers in	1,471,900	1,471,900	1,471,900	0
Transfers (out)	0	0	0	0
<i>Total other financing sources (uses)</i>	1,471,900	1,471,900	1,471,900	0
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	\$0	\$0	\$1,106,822	\$1,106,822

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$1,106,822
Adjustments for revenue accruals	(2,003)
Adjustments for expenditures accruals	(15,215)
<b>Net changes in fund balance</b>	<b>\$1,089,604</b>

The Notes to Financial Statements are an integral part of these statements.



**OTERO COUNTY**  
OTHER DEBT SERVICE (NMFA)  
DEBT SERVICE FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Intergovernmental:				
State operating grants	\$525,000	\$525,000	\$568,210	\$43,210
Investment income (loss)	3,200	3,200	3,072	(128)
Miscellaneous	150,000	150,000	0	(150,000)
<i>Total revenues</i>	<u>678,200</u>	<u>678,200</u>	<u>571,282</u>	<u>(106,918)</u>
<b>EXPENDITURES</b>				
Current:				
General government	25,000	25,000	0	25,000
Capital outlay	825,000	825,000	443,669	381,331
Debt Service:				
Principal	500,000	500,000	488,060	11,940
Interest and administrative expenses	153,200	153,200	100,497	52,703
<i>Total expenditures</i>	<u>1,503,200</u>	<u>1,503,200</u>	<u>1,032,226</u>	<u>470,974</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(825,000)	(825,000)	(460,944)	364,056
<b>Other Financing Sources (Uses):</b>				
Proceeds from debt	825,000	825,000	161,210	(663,790)
Transfers in	0	0	0	0
Transfers (out)	0	0	0	0
<i>Total other financing sources (uses)</i>	<u>825,000</u>	<u>825,000</u>	<u>161,210</u>	<u>(663,790)</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	\$0	\$0	(\$299,734)	(\$299,734)

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$299,734)
Adjustments for revenue accruals	(78,764)
Adjustments for expenditures accruals	62,497
<b>Net changes in fund balance</b>	<b>(\$316,001)</b>

The Notes to Financial Statements are an integral part of these statements.

# OTERO COUNTY

## TOTAL ALL NONMAJOR GOVERNMENTAL FUND TYPES COMBINING BALANCE SHEET JUNE 30, 2016

	Special Revenue	Capital Projects	Debt Service	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$3,058,346	\$914,317	\$1,299,643	\$5,272,306
Investments	5,107,568	2,297,251	985,194	8,390,013
Receivables:				
Property taxes	0	0	914	914
Other taxes	1,023,056	0	0	1,023,056
Other receivables	0	0	0	0
Inventory	88,378	0	0	88,378
Prepaid expenses	75,358	0	0	75,358
<b>Total assets</b>	<b>\$9,352,706</b>	<b>\$3,211,568</b>	<b>\$2,285,751</b>	<b>\$14,850,025</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities:</b>				
Accounts payable	\$54,236	\$296,822	\$0	\$351,058
Accrued interest payable	0	0	31,480	31,480
Accrued payroll expenses	60,540	0	0	60,540
<b>Total liabilities</b>	<b>114,776</b>	<b>296,822</b>	<b>31,480</b>	<b>443,078</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue:				
Property taxes	0	0	881	881
<b>Total deferred inflows of resources</b>	<b>0</b>	<b>0</b>	<b>881</b>	<b>881</b>
<b>Fund Balance:</b>				
Nonspendable				
Inventory	88,378	0	0	88,378
Prepaid expenses	19,610	0	0	19,610
Spendable				
Restricted for:				
General county operations	765,921	0	0	765,921
Maintenance of roads	321,348	0	0	321,348
Environment	274,688	0	0	274,688
Recreation	3,465	0	0	3,465
Public safety	3,935,530	0	0	3,935,530
Healthcare/health services	1,133,168	0	0	1,133,168
Debt service expenditures	2,695,822	0	2,253,390	4,949,212
Capital projects	0	2,914,746	0	2,914,746
<b>Total fund balance</b>	<b>9,237,930</b>	<b>2,914,746</b>	<b>2,253,390</b>	<b>14,406,066</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$9,352,706</b>	<b>\$3,211,568</b>	<b>\$2,285,751</b>	<b>\$14,850,025</b>

The Notes to Financial Statements are an integral part of these statements.

# OTERO COUNTY

## TOTAL ALL NONMAJOR GOVERNMENTAL FUND TYPES COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Special Revenue	Capital Projects	Debt Service	Total
<b>REVENUES</b>				
Taxes:				
Property	\$257,449	\$0	\$133	\$257,582
Gross receipts	5,929,554	0	0	5,929,554
Gasoline and motor vehicle	1,096,109	0	0	1,096,109
Intergovernmental:				
Federal operating grants	291,507	0	0	291,507
Federal capital grants	40,542	0	0	40,542
State operating grants	2,710,979	0	489,446	3,200,425
State capital grants	0	397,010	0	397,010
Charges for services	227,709	0	0	227,709
Investment income (loss)	28,370	4,100	1,419	33,889
Miscellaneous	165,968	0	0	165,968
<i>Total revenues</i>	10,748,187	401,110	490,998	11,640,295
<b>EXPENDITURES</b>				
<b>Current:</b>				
General government	326,281	0	0	326,281
Public works	3,165,829	0	0	3,165,829
Public safety	1,636,682	0	0	1,636,682
Health and welfare	1,865,037	0	0	1,865,037
Culture and recreation	494	0	443,669	444,163
Capital outlay	1,123,310	1,977,464	0	3,100,774
Debt Service:				
Principal	14,514	0	593,146	607,660
Interest	1,885	0	313,404	315,289
<i>Total expenditures</i>	8,134,032	1,977,464	1,350,219	11,461,715
<i>Excess (deficiency) of revenues over expenditures</i>	2,614,155	(1,576,354)	(859,221)	178,580
<b>Other Financing Sources (Uses):</b>				
Proceeds from debt	0	0	161,210	161,210
Transfers in	604,578	0	1,471,900	2,076,478
Transfers (out)	(1,496,900)	0	0	(1,496,900)
<i>Total other financing sources (uses)</i>	(892,322)	0	1,633,110	740,788
<i>Net changes in fund balances</i>	1,721,833	(1,576,354)	773,889	919,368
Fund balance - beginning of year	7,516,097	4,491,100	1,479,501	13,486,698
<b><i>Fund balance - end of year</i></b>	<b>\$9,237,930</b>	<b>\$2,914,746</b>	<b>\$2,253,390</b>	<b>\$14,406,066</b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**

## DETENTION CENTER

## ENTERPRISE FUNDS

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

## BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable)
<b>OPERATING REVENUES</b>				
Charges for services	\$40,000,000	\$40,000,000	\$34,264,269	(\$5,735,731)
<i>Total operating revenues</i>	40,000,000	40,000,000	34,264,269	(5,735,731)
<b>OPERATING EXPENSES</b>				
Contractual services	35,000,000	35,000,000	28,947,368	6,052,632
<i>Total operating expenses</i>	35,000,000	35,000,000	28,947,368	6,052,632
<i>Operating income (loss)</i>	5,000,000	5,000,000	5,316,901	316,901
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest expense and issuance costs	(1,840,000)	(1,840,000)	(1,264,280)	575,720
Principal expense	(2,800,000)	(2,800,000)	(1,730,000)	1,070,000
Interest income (loss)	85,000	85,000	37,871	(47,129)
Facilities rent	0	0	709,460	709,460
<i>Total non-operating revenues (expenses)</i>	(4,555,000)	(4,555,000)	(2,246,949)	2,308,051
<i>Income (loss) before contributions and transfers</i>	445,000	445,000	3,069,952	2,624,952
Transfers (out)	(750,000)	(788,650)	0	788,650
	(750,000)	(788,650)	0	788,650
<i>Change in net position</i>	(305,000)	(343,650)	\$3,069,952	\$3,413,602
Budgeted cash carryover	305,000	343,650		
	\$0	\$0		

## Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$3,069,952
Adjustments for revenue accruals	(653,822)
Adjustments for expenditures accruals	(1,858,100)
<b>Change in fund net position</b>	<b>\$558,030</b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
**PROCESSING CENTER**  
**ENTERPRISE FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable)
<b>OPERATING REVENUES</b>				
Charges for services	\$32,000,000	\$32,000,000	\$31,901,577	(\$98,423)
<i>Total operating revenues</i>	32,000,000	32,000,000	31,901,577	(98,423)
<b>OPERATING EXPENSES</b>				
Contractual services	30,000,000	30,000,000	30,000,000	0
<i>Total operating expenses</i>	30,000,000	30,000,000	30,000,000	0
<i>Operating income (loss)</i>	2,000,000	2,000,000	1,901,577	(98,423)
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest expense and issuance costs	(3,078,638)	(3,078,638)	(1,468,781)	1,609,857
Principal expense	(2,210,000)	(2,210,000)	(2,335,000)	(125,000)
Interest income (loss)	20,000	20,000	0	(20,000)
Facilities rent	0	0	441,959	441,959
<i>Total non-operating revenues (expenses)</i>	(5,268,638)	(5,268,638)	(3,361,822)	1,906,816
<i>Income (loss) before contributions and transfers</i>	(3,268,638)	(3,268,638)	(1,460,245)	1,808,393
Transfers (out)	(550,000)	(550,000)	0	550,000
	(550,000)	(550,000)	0	550,000
<i>Change in net position</i>	(3,818,638)	(3,818,638)	(\$1,460,245)	\$2,358,393
Budgeted cash carryover	3,818,638	3,818,638		
	\$0	\$0		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$1,460,245)
Adjustments for revenue accruals	(2,642,275)
Adjustments for expenditures accruals	5,752,854
<b>Change in fund net position</b>	<b>\$1,650,334</b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
**SELF-INSURANCE**  
**INTERNAL SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable)
<b>OPERATING REVENUES</b>				
Charges for services	\$2,215,000	\$2,215,000	\$1,689,435	(\$525,565)
<i>Total operating revenues</i>	2,215,000	2,215,000	1,689,435	(525,565)
<b>OPERATING EXPENSES</b>				
Contractual services	2,247,200	2,247,200	2,145,561	101,639
<i>Total operating expenses</i>	2,247,200	2,247,200	2,145,561	101,639
<i>Operating income (loss)</i>	(32,200)	(32,200)	(456,126)	(423,926)
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest income (loss)	500	500	160	(340)
<i>Total non-operating revenues (expenses)</i>	500	500	160	(340)
<i>Income (loss) before contributions and transfers</i>	(31,700)	(31,700)	(455,966)	(424,266)
Transfers in	250,000	250,000	250,000	0
	250,000	250,000	250,000	0
<i>Change in net position</i>	\$218,300	\$218,300	(\$205,966)	(\$424,266)

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$205,966)
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	50,732
<i>Change in fund net position</i>	(\$155,234)

The Notes to Financial Statements are an integral part of these statements.

## OTHER SUPPLEMENTARY INFORMATION

**OTERO COUNTY**  
**ALL AGENCY FUNDS**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Balance June 30, 2015	Increase	Decrease	Balance June 30, 2016
<b>ASSETS</b>				
Cash	\$306,402	\$16,969,508	\$16,907,482	\$368,428
Property taxes receivable	1,803,365	1,517,621	1,803,365	1,517,621
<b><i>Total assets</i></b>	<b>\$2,109,767</b>	<b>\$18,487,129</b>	<b>\$18,710,847</b>	<b>\$1,886,049</b>
<b>LIABILITIES</b>				
Deposits held in trust	\$306,402	\$16,969,508	\$16,907,482	\$368,428
Due to other taxing units	1,803,365	1,517,621	1,803,365	1,517,621
<b><i>Total liabilities</i></b>	<b>\$2,109,767</b>	<b>\$18,487,129</b>	<b>\$18,710,847</b>	<b>\$1,886,049</b>

The Notes to Financial Statements are an integral part of these statements.



**OTERO COUNTY**  
**SCHEDULE OF LEGISLATIVE GRANTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Project	Agency	Grant #	Effective Date	Reversion Date	Original Amount
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
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	235,000
Flickinger Center	DFA	15-0808	06/14/16	06/30/19	200,000
<b><i>Grand totals</i></b>					<b>\$1,869,850</b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
**SCHEDULE OF LEGISLATIVE GRANTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Project	Arts in Public Places	Net Amount	Expenditures to Date	Reverted	Remaining
Fairgrounds Grandstand	\$0	\$347,000	\$347,000	\$0	\$0
Mayhill Community Center	0	62,850	51,765	0	11,085
Tularosa Basin Historical Museum	5,250	519,750	519,750	0	0
Child Development Center	5,000	495,000	0	0	495,000
Slash Pit	0	235,000	0	0	235,000
Flickinger Center	0	200,000	0	0	200,000
<b>Grand totals</b>	<b>\$10,250</b>	<b>\$1,859,600</b>	<b>\$918,515</b>	<b>\$0</b>	<b>\$941,085</b>

The Notes to Financial Statements are an integral part of these statements.

# OTERO COUNTY

## SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY OF PUBLIC FUNDS

JUNE 30, 2016

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value June 30, 2016
<b>Bank 34</b>	FNMA 20YR	10/1/2032	31418ALCO	\$525,510
	FNMA 30YR	12/1/2040	31418AV27	1,200,320
	SBAP 2008-20E1	5/1/2028	83162CQG1	1,078,578
	FHLMC 20YR	4/1/2034	3128COX43	1,445,077
	<i>Total Bank 34</i>			

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

<b>First National Bank of Alamogordo</b>	FNMA Pool #709835	6/1/2018	31401JSY5	28,636	
	FHLMC Pool #B10680	11/1/2018	312962XH1	62,178	
	FHLMC Pool #G12358	5/1/2021	3128M1QK8	73,051	
	FHLMC Pool #J14944	4/1/2026	3128PUP55	543,620	
	FNMA Pool #AH8166	4/1/2026	3138AACC3	804,359	
	FNMA Pool #893271	8/1/2026	31410PMU4	22,387	
	FNMA Pool #AB3163	6/1/2031	31416YQR2	374,972	
	FNMA Pool #MA3894	9/1/2031	31418DKG6	989,065	
	FNMA Pool #AB4713	3/1/2032	31417BGX9	775,462	
	FNMA Pool #MA13338	2/1/2033	31418APY8	2,986,960	
	FNMA Pool #945117	8/1/2037	31413GPA2	37,735	
	<i>Total First National Bank of Alamogordo</i>				<u>6,698,425</u>

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

<b>First Savings Bank</b>	FHLB Agency	3/8/2019	3133782M2	1,014,350
	FNR 2012-145DC	1/25/2028	3136AA2L8	1,131,650
	FNMA 15YR	7/1/2029	31410LN57	1,471,026
	<i>Total First Savings Bank</i>			

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

<b>Washington Federal Bank</b>	GNMA2 G2895800	8/20/2061	3620E0NW2	47,822
	<i>Total Washington Federal Bank</i>			

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

The Notes to Financial Statements are an integral part of these statements.

# OTERO COUNTY

## SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY OF PUBLIC FUNDS

JUNE 30, 2016

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value June 30, 2016
<b>Western Bank</b>	FNMA Agency	9/27/2032	3138WQCF7	1,079,939
	SBA Agency	3/1/2036	83162CXR9	513,450
	<i>Total Western Bank</i>			<u>1,593,389</u>

*Name and location of safekeeper for above pledged collateral:*

*Federal Home Loan Bank, 8500 Freeport Parkway South, Irving, TX 75063*

**Total Pledged Collateral** \$16,206,147

**OTERO COUNTY**  
**SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS**  
**JUNE 30, 2016**

Bank Account Type/Name	Bank 34	First National Bank of Alamogordo	First Savings Bank	Washington Federal Bank
Checking Inmate Trust Fund - Non-Interest Bearing	\$ -	\$26,756	\$ -	\$ -
Checking Sheriff's Reserves- Non-Interest Bearing	-	7,140	-	-
Checking Sheriff's Trust- Non-Interest Bearing	-	700	-	-
Certificate of Deposit- Interest Bearing	1,000,000	1,000,000	1,000,000	250,000
Certificate of Deposit- Interest Bearing	500,000	-	250,000	-
Certificate of Deposit- Interest Bearing	1,500,000	-	-	-
Certificate of Deposit- Interest Bearing	100,000	-	-	-
Certificate of Deposit- Interest Bearing	1,000,000	-	-	-
Checking Operational- Interest Bearing	-	1,185,810	-	-
Money Market- Interest Bearing	-	3,290,163	1,610,434	-
Federal Home Loan Bank Bond	-	-	-	-
Federal Home Loan Bank Bond	-	-	-	-
Federal Home Loan Bank Bond	-	-	-	-
Federal Farm Credit Agency Bond	-	-	-	-
Freddie Mac Agency Step	-	-	-	-
Fannie Mae Agency Bond	-	-	-	-
Fannie Mae Agency Step	-	-	-	-
Fannie Mae Agency Step	-	-	-	-
Fannie Mae Agency Step	-	-	-	-
Fannie Mae Agency Step	-	-	-	-
Federal Farm Credit Bank Bond	-	-	-	-
Federal National Mtg Assn Bond	-	-	-	-
Federal National Mtg Assn Bond	-	-	-	-
Federal National Mtg Assn Bond	-	-	-	-
Federal National Mtg Assn Bond	-	-	-	-
Series 2007 Revenue Account	-	-	-	-
Series 2007 Bond Account	-	-	-	-
Series 2007 Reserve Account	-	-	-	-
Series 2012 Revenue Fund	-	-	-	-
Series 2012 Bond Fund	-	-	-	-
Series 2012 Principal Account	-	-	-	-
Series 2012 Redemption Account	-	-	-	-
Series 2012 Reserve Fund	-	-	-	-
Series 2012 Administration Account	-	-	-	-
Series 2012 Rebate Account	-	-	-	-
Series 2014 Bond Fund	-	-	-	-
Series 2014 Debt Service Reserve Fund	-	-	-	-
Series 2014 Redemption Account	-	-	-	-
Series 2014 Equity Account	-	-	-	-
Series 2014 Refunding Account	-	-	-	-
Series 2014 Cost of Issuance Account	-	-	-	-
NMFA Reserve Account	-	-	-	-
<b>Total</b>	<b>4,100,000</b>	<b>5,510,569</b>	<b>2,860,434</b>	<b>250,000</b>
Reconciling Items	-	(358,728)	-	-
<b>Reconciled Balance</b>	<b>\$4,100,000</b>	<b>\$5,151,841</b>	<b>\$2,860,434</b>	<b>\$250,000</b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
**SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS**  
**JUNE 30, 2016**

Bank Account Type/Name	Western Bank	First American Bank	Federal Home Loan Bank of Dallas	Moreton Capital Markets
Checking Inmate Trust Fund - Non-Interest Bearing	\$ -	\$ -	\$ -	\$ -
Checking Sheriff's Reserves- Non-Interest Bearing	-	-	-	-
Checking Sheriff's Trust- Non-Interest Bearing	-	-	-	-
Certificate of Deposit- Interest Bearing	1,000,000	250,000	-	-
Certificate of Deposit- Interest Bearing	300,000	-	-	-
Certificate of Deposit- Interest Bearing	-	-	-	-
Certificate of Deposit- Interest Bearing	-	-	-	-
Certificate of Deposit- Interest Bearing	-	-	-	-
Checking Operational- Interest Bearing	-	-	-	-
Money Market- Interest Bearing	-	-	-	1,262,967
Federal Home Loan Bank Bond	-	-	500,200	-
Federal Home Loan Bank Bond	-	-	500,100	-
Federal Home Loan Bank Bond	-	-	548,650	-
Federal Farm Credit Agency Bond	-	-	500,250	-
Freddie Mac Agency Step	-	-	500,150	-
Fannie Mae Agency Bond	-	-	308,220	-
Fannie Mae Agency Step	-	-	500,200	-
Fannie Mae Agency Step	-	-	500,050	-
Fannie Mae Agency Step	-	-	500,200	-
Federal Farm Credit Bank Bond	-	-	-	200,004
Federal National Mtg Assn Bond	-	-	-	250,047
Federal National Mtg Assn Bond	-	-	-	470,602
Federal National Mtg Assn Bond	-	-	-	250,038
Federal National Mtg Assn Bond	-	-	-	250,056
Series 2007 Revenue Account	-	-	-	-
Series 2007 Bond Account	-	-	-	-
Series 2007 Reserve Account	-	-	-	-
Series 2012 Revenue Fund	-	-	-	-
Series 2012 Bond Fund	-	-	-	-
Series 2012 Principal Account	-	-	-	-
Series 2012 Redemption Account	-	-	-	-
Series 2012 Reserve Fund	-	-	-	-
Series 2012 Administration Account	-	-	-	-
Series 2012 Rebate Account	-	-	-	-
Series 2014 Bond Fund	-	-	-	-
Series 2014 Debt Service Reserve Fund	-	-	-	-
Series 2014 Redemption Account	-	-	-	-
Series 2014 Equity Account	-	-	-	-
Series 2014 Refunding Account	-	-	-	-
Series 2014 Cost of Issuance Account	-	-	-	-
NMFA Reserve Account	-	-	-	-
<b>Total</b>	<b>1,300,000</b>	<b>250,000</b>	<b>4,358,020</b>	<b>2,683,714</b>
Reconciling Items	-	-	-	-
<b>Reconciled Balance</b>	<b>\$1,300,000</b>	<b>\$250,000</b>	<b>\$4,358,020</b>	<b>\$2,683,714</b>

The Notes to Financial Statements are an integral part of these statements.

**OTERO COUNTY**  
**SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS**  
**JUNE 30, 2016**

Bank Account Type/Name	US Bank	Bank of NY Mellon	Totals
Checking Inmate Trust Fund - Non-Interest Bearing	\$ -	\$ -	\$26,756
Checking Sheriff's Reserves- Non-Interest Bearing	-	-	7,140
Checking Sheriff's Trust- Non-Interest Bearing	-	-	700
Certificate of Deposit- Interest Bearing	-	-	4,500,000
Certificate of Deposit- Interest Bearing	-	-	1,050,000
Certificate of Deposit- Interest Bearing	-	-	1,500,000
Certificate of Deposit- Interest Bearing	-	-	100,000
Certificate of Deposit- Interest Bearing	-	-	1,000,000
Checking Operational- Interest Bearing	-	-	1,185,810
Money Market- Interest Bearing	-	-	6,163,564
Federal Home Loan Bank Bond	-	-	500,200
Federal Home Loan Bank Bond	-	-	500,100
Federal Home Loan Bank Bond	-	-	548,650
Federal Farm Credit Agency Bond	-	-	500,250
Freddie Mac Agency Step	-	-	500,150
Fannie Mae Agency Bond	-	-	308,220
Fannie Mae Agency Step	-	-	500,200
Fannie Mae Agency Step	-	-	500,050
Fannie Mae Agency Step	-	-	500,200
Federal Farm Credit Bank Bond	-	-	200,004
Federal National Mtg Assn Bond	-	-	250,047
Federal National Mtg Assn Bond	-	-	470,602
Federal National Mtg Assn Bond	-	-	250,038
Federal National Mtg Assn Bond	-	-	250,056
Series 2007 Revenue Account	4,304,029	-	4,304,029
Series 2007 Bond Account	1,370,098	-	1,370,098
Series 2007 Reserve Account	5,200,118	-	5,200,118
Series 2012 Revenue Fund	4,820,918	-	4,820,918
Series 2012 Bond Fund	935,613	-	935,613
Series 2012 Principal Account	1	-	1
Series 2012 Redemption Account	4,146,255	-	4,146,255
Series 2012 Reserve Fund	1,445,070	-	1,445,070
Series 2012 Administration Account	9,129	-	9,129
Series 2012 Rebate Account	48	-	48
Series 2014 Bond Fund	905,491	-	905,491
Series 2014 Debt Service Reserve Fund	1,554,399	-	1,554,399
Series 2014 Redemption Account	1,397,942	-	1,397,942
Series 2014 Equity Account	173,953	-	173,953
Series 2014 Refunding Account	131	-	131
Series 2014 Cost of Issuance Account	17,351	-	17,351
NMFA Reserve Account	-	908,452	908,452
<b>Total</b>	<b>26,280,546</b>	<b>908,452</b>	<b>48,501,735</b>
Reconciling Items	-	-	(358,728)
<b>Reconciled Balance</b>	<b>\$26,280,546</b>	<b>\$908,452</b>	<b>48,143,007</b>
Cash on Hand			3,229
			<b>\$48,146,236</b>

The Notes to Financial Statements are an integral part of these statements.

# OTERO COUNTY

## SCHEDULE OF TAX ROLL RECONCILIATION - PROPERTY TAXES RECEIVABLE

JUNE 30, 2016

Uncollected taxes, July 1, 2015	\$2,808,919
Net taxes charged to treasurer for fiscal year	26,037,611
Current year tax collections	(26,491,329)
Adjustments	20,039

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Uncollected taxes, June 30, 2016 \$2,375,240

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

Statement of net position	857,619
Statement of fiduciary assets and liabilities - agency funds	1,517,621

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Total property taxes receivable \$2,375,240

Property taxes receivable by year:

2006 - 2014	\$909,098
2015	1,466,142

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Total property taxes receivable \$2,375,240

The Notes to Financial Statements are an integral part of these statements.



**OTERO COUNTY**  
**COUNTY TREASURER'S PROPERTY TAX SCHEDULE**  
**JUNE 30, 2016**

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Current Amount Uncollectible	To-Date Amount Uncollectible	Undistributed at Year End	County Receivable at Year End
<b>OTERO COUNTY</b>									
General Advalorem									
2006 - 2014	\$69,963,861	\$693,430	\$69,641,412	\$675,237	\$69,623,219	\$2	\$9	\$18,193	\$322,440
2015	9,362,855	8,828,261	8,828,261	8,710,521	8,710,521	26	26	117,740	534,568
<i>Total General Advalorem</i>	79,326,716	9,521,691	78,469,673	9,385,758	78,333,740	28	35	135,933	857,008
Debt Service P & I									
2006 - 2014	1,687,337	129	1,686,726	121	1,686,718	0	0	8	611
2015	0	0	0	0	0	0	0	0	0
<i>Total Debt Service</i>	1,687,337	129	1,686,726	121	1,686,718	0	0	8	611
<b>Total Otero County</b>	<b>\$81,014,053</b>	<b>\$9,521,820</b>	<b>\$80,156,399</b>	<b>\$9,385,879</b>	<b>\$80,020,458</b>	<b>\$28</b>	<b>\$35</b>	<b>\$135,941</b>	<b>\$857,619</b>
<b>STATE OF NEW MEXICO</b>									
P & I on Bonds									
2006 - 2014	\$10,758,374	\$99,811	\$10,708,318	\$97,460	\$10,705,967	\$0	\$1	\$2,351	\$50,055
2015	1,502,827	1,420,264	1,420,264	1,401,813	1,401,813	5	5	18,451	82,558
<i>Total P &amp; I on Bonds</i>	12,261,201	1,520,075	12,128,582	1,499,273	12,107,780	5	6	20,802	132,613
State Special Levies									
2006 - 2014	223,337	1,947	221,509	1,947	221,509	0	0	0	1,828
2015	35,751	34,116	34,116	32,815	32,815	0	0	1,301	1,635
<i>Total State Special Levies</i>	259,088	36,063	255,625	34,762	254,324	0	0	1,301	3,463
<b>Total State of New Mexico</b>	<b>\$12,520,289</b>	<b>\$1,556,138</b>	<b>\$12,384,207</b>	<b>\$1,534,035</b>	<b>\$12,362,104</b>	<b>\$5</b>	<b>\$6</b>	<b>\$22,103</b>	<b>\$136,076</b>
<b>SCHOOL DISTRICTS</b>									
<b>Alamogordo Public Schools</b>									
General Advalorem									
2006 - 2014	\$2,199,717	\$13,823	\$2,192,011	\$13,301	\$2,191,489	\$0	\$0	\$522	\$7,706
2015	289,257	276,632	276,632	273,626	273,626	1	1	3,006	12,624
<i>Total General Advalorem</i>	2,488,974	290,455	2,468,643	286,927	2,465,115	1	1	3,528	20,330
Debt Service P & I									
2006 - 2014	29,212,060	195,539	29,101,464	189,288	29,095,213	0	3	6,251	110,593
2015	4,459,682	4,271,292	4,271,292	4,225,482	4,225,482	22	22	45,810	188,368
<i>Total Debt Service</i>	33,671,742	4,466,831	33,372,756	4,414,770	33,320,695	22	25	52,061	298,961
Capital Improvements									
2006 - 2014	11,259,345	67,166	11,221,114	64,918	11,218,866	0	1	2,248	38,230
2015	1,463,755	1,401,586	1,401,586	1,386,521	1,386,521	7	7	15,065	62,162
<i>Total Capital Improvements</i>	12,723,100	1,468,752	12,622,700	1,451,439	12,605,387	7	8	17,313	100,392
Tech Debt									
2006 - 2014	6,082,220	16,384	6,071,931	15,716	6,071,263	0	0	668	10,289
2015	367,395	351,875	351,875	348,101	348,101	2	2	3,774	15,518
<i>Total Tech Debt</i>	6,449,615	368,259	6,423,806	363,817	6,419,364	2	2	4,442	25,807
<b>Total Alamogordo Public Schools</b>	<b>\$55,333,431</b>	<b>\$6,594,297</b>	<b>\$54,887,905</b>	<b>\$6,516,953</b>	<b>\$54,810,561</b>	<b>\$32</b>	<b>\$36</b>	<b>\$77,344</b>	<b>\$445,491</b>

**OTERO COUNTY**  
**COUNTY TREASURER'S PROPERTY TAX SCHEDULE**  
**JUNE 30, 2016**

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Current Amount Uncollectible	To-Date Amount Uncollectible	Undistributed at Year End	County Receivable at Year End
<b>SCHOOL DISTRICTS (CONTINUED)</b>									
<b>Cloudcroft Public Schools</b>									
General Advalorem									
2006 - 2014	\$375,466	\$2,964	\$373,707	\$2,735	\$373,478	\$0	\$0	\$229	\$1,759
2015	50,574	47,001	47,001	46,023	46,023	0	0	978	3,573
<i>Total General Advalorem</i>	426,040	49,965	420,708	48,758	419,501	0	0	1,207	5,332
Debt Service P & I									
2006 - 2014	7,718,685	48,859	7,689,308	46,213	7,686,662	1	1	2,646	29,376
2015	1,032,511	969,387	969,387	951,359	951,359	0	0	18,028	63,124
<i>Total Debt Service</i>	8,751,196	1,018,246	8,658,695	997,572	8,638,021	1	1	20,674	92,500
Capital Improvements									
2006 - 2014	2,644,899	18,810	2,633,913	17,634	2,632,737	0	0	1,176	10,986
2015	358,627	336,608	336,608	330,328	330,328	0	0	6,280	22,019
<i>Total Capital Improvements</i>	3,003,526	355,418	2,970,521	347,962	2,963,065	0	0	7,456	33,005
<b>Total Cloudcroft Public Schools</b>	<b>\$12,180,762</b>	<b>\$1,423,629</b>	<b>\$12,049,924</b>	<b>\$1,394,292</b>	<b>\$12,020,587</b>	<b>\$1</b>	<b>\$1</b>	<b>\$29,337</b>	<b>\$130,837</b>
<b>Tularosa Public Schools</b>									
General Advalorem									
2006 - 2014	\$266,770	\$2,362	\$265,436	\$2,270	\$265,344	\$0	\$0	\$92	\$1,334
2015	36,693	34,082	34,082	33,544	33,544	0	0	538	2,611
<i>Total General Advalorem</i>	303,463	36,444	299,518	35,814	298,888	0	0	630	3,945
Debt Service P & I									
2006 - 2014	5,841,024	56,157	5,809,037	53,616	5,806,496	0	0	2,541	31,987
2015	857,647	794,317	794,317	782,038	782,038	0	0	12,279	63,330
<i>Total Debt Service</i>	6,698,671	850,474	6,603,354	835,654	6,588,534	0	0	14,820	95,317
Capital Improvements									
2006 - 2014	1,318,449	11,958	1,311,577	11,440	1,311,059	0	0	518	6,872
2015	186,769	172,978	172,978	170,304	170,304	0	0	2,674	13,791
<i>Total Capital Improvements</i>	1,505,218	184,936	1,484,555	181,744	1,481,363	0	0	3,192	20,663
<b>Total Tularosa Public Schools</b>	<b>\$8,507,352</b>	<b>\$1,071,854</b>	<b>\$8,387,427</b>	<b>\$1,053,212</b>	<b>\$8,368,785</b>	<b>\$0</b>	<b>\$0</b>	<b>\$18,642</b>	<b>\$119,925</b>
<b>Gadsden School District</b>									
General Advalorem									
2006 - 2014	\$120,485	\$10,261	\$117,559	\$10,261	\$117,559	\$0	\$0	\$0	\$2,926
2015	21,742	17,946	17,946	17,549	17,549	0	0	397	3,796
<i>Total General Advalorem</i>	142,227	28,207	135,505	27,810	135,108	0	0	397	6,722
Debt Service P & I									
2006 - 2014	3,883,295	276,755	3,788,646	276,711	3,788,602	2	2	44	94,647
2015	526,759	430,839	430,839	420,527	420,527	0	0	10,312	95,920
<i>Total Debt Service</i>	4,410,054	707,594	4,219,485	697,238	4,209,129	2	2	10,356	190,567
Capital Improvements									
2006 - 2014	651,098	45,644	635,295	45,637	635,288	0	0	7	15,803
2015	107,551	87,988	87,988	85,887	85,887	0	0	2,101	19,563
<i>Total Capital Improvements</i>	758,649	133,632	723,283	131,524	721,175	0	0	2,108	35,366
Tech Debt									
2006 - 2014	765,503	50,155	746,895	50,152	746,892	0	0	3	18,608
2015	247,845	202,714	202,714	197,862	197,862	0	0	4,852	45,131
<i>Total Tech Debt</i>	1,013,348	252,869	949,609	248,014	944,754	0	0	4,855	63,739
<b>Total Gadsden School District</b>	<b>\$6,324,278</b>	<b>\$1,122,302</b>	<b>\$6,027,882</b>	<b>\$1,104,586</b>	<b>\$6,010,166</b>	<b>\$2</b>	<b>\$2</b>	<b>\$17,716</b>	<b>\$296,394</b>

**OTERO COUNTY**  
**COUNTY TREASURER'S PROPERTY TAX SCHEDULE**  
**JUNE 30, 2016**

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Current Amount Uncollectible	To-Date Amount Uncollectible	Undistributed at Year End	County Receivable at Year End
<b>MUNICIPALITIES</b>									
<b>City of Alamogordo</b>									
General Advalorem									
2006 - 2014	\$22,936,290	\$145,892	\$22,868,171	\$140,656	\$25,684,564	\$0	\$0	\$5,236	\$68,119
2015	2,998,124	2,878,579	2,878,579	2,850,104	28,475	19	19	28,475	119,526
<b>Total General Advalorem</b>	<b>25,934,414</b>	<b>3,024,471</b>	<b>25,746,750</b>	<b>2,990,760</b>	<b>25,713,039</b>	<b>19</b>	<b>19</b>	<b>33,711</b>	<b>187,645</b>
Debt Service P & I									
2006 - 2014	6,962,701	44,096	6,940,970	42,984	6,939,858	0	0	1,112	21,731
2015	1,018,701	979,918	979,918	970,196	970,196	7	7	9,722	38,776
<b>Total Debt Service</b>	<b>7,981,402</b>	<b>1,024,014</b>	<b>7,920,888</b>	<b>1,013,180</b>	<b>7,910,054</b>	<b>7</b>	<b>7</b>	<b>10,834</b>	<b>60,507</b>
<b>Total City of Alamogordo</b>	<b>\$33,915,816</b>	<b>\$4,048,485</b>	<b>\$33,667,638</b>	<b>\$4,003,940</b>	<b>\$33,623,093</b>	<b>\$26</b>	<b>\$26</b>	<b>\$44,545</b>	<b>\$248,152</b>
<b>Village of Cloudcroft</b>									
General Advalorem									
2006 - 2014	\$449,542	\$1,823	\$448,031	\$1,549	\$447,757	\$0	\$0	\$274	\$1,511
2015	59,285	53,937	53,937	53,192	53,192	0	0	745	5,348
<b>Total General Advalorem</b>	<b>508,827</b>	<b>55,760</b>	<b>501,968</b>	<b>54,741</b>	<b>500,949</b>	<b>0</b>	<b>0</b>	<b>1,019</b>	<b>6,859</b>
Debt Service P & I									
2006 - 2014	0	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0	0
<b>Total Debt Service</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Village of Cloudcroft</b>	<b>\$508,827</b>	<b>\$55,760</b>	<b>\$501,968</b>	<b>\$54,741</b>	<b>\$500,949</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,019</b>	<b>\$6,859</b>
<b>Village of Tularosa</b>									
General Advalorem									
2006 - 2014	\$1,505,969	\$15,477	\$1,500,252	\$15,307	\$1,500,082	\$0	\$0	\$170	\$5,717
2015	192,698	177,261	177,261	172,961	172,961	0	0	4,300	15,437
<b>Total General Advalorem</b>	<b>1,698,667</b>	<b>192,738</b>	<b>1,677,513</b>	<b>188,268</b>	<b>1,673,043</b>	<b>0</b>	<b>0</b>	<b>4,470</b>	<b>21,154</b>
Debt Service P & I									
2006 - 2014	0	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0	0
<b>Total Debt Service</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Village of Tularosa</b>	<b>\$1,698,667</b>	<b>\$192,738</b>	<b>\$1,677,513</b>	<b>\$188,268</b>	<b>\$1,673,043</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,470</b>	<b>\$21,154</b>
<b>OTHER</b>									
<b>NMSU - Alamogordo</b>									
General Advalorem									
2006 - 2014	\$4,863,901	\$29,923	\$4,847,070	\$28,846	\$4,845,993	\$0	\$0	\$1,077	\$16,831
2015	637,915	610,405	610,405	603,805	603,805	3	3	6,600	27,507
<b>Total General Advalorem</b>	<b>5,501,816</b>	<b>640,328</b>	<b>5,457,475</b>	<b>632,651</b>	<b>5,449,798</b>	<b>3</b>	<b>3</b>	<b>7,677</b>	<b>44,338</b>
Debt Service P & I									
2006 - 2014	4,299,913	27,865	4,284,098	26,955	4,283,188	0	0	910	15,815
2015	0	0	0	0	0	0	0	0	0
<b>Total Debt Service</b>	<b>4,299,913</b>	<b>27,865</b>	<b>4,284,098</b>	<b>26,955</b>	<b>4,283,188</b>	<b>0</b>	<b>0</b>	<b>910</b>	<b>15,815</b>
<b>Total NMSU - Alamogordo</b>	<b>\$9,801,729</b>	<b>\$668,193</b>	<b>\$9,741,573</b>	<b>\$659,606</b>	<b>\$9,732,986</b>	<b>\$3</b>	<b>\$3</b>	<b>\$8,587</b>	<b>\$60,153</b>

**OTERO COUNTY**  
**COUNTY TREASURER'S PROPERTY TAX SCHEDULE**  
**JUNE 30, 2016**

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Current Amount Uncollectible	To-Date Amount Uncollectible	Undistributed at Year End	County Receivable at Year End
<b>OTHER (CONTINUED)</b>									
<b>NMSU - Dona Ana</b>									
General Advalorem									
2006 - 2014	\$320,386	\$22,823	\$312,509	\$22,820	\$312,506	\$0	\$0	\$3	\$7,877
2015	67,600	55,292	55,292	53,969	53,969	0	0	1,323	12,308
<i>Total General Advalorem</i>	387,986	78,115	367,801	76,789	366,475	0	0	1,326	20,185
<b>Total NMSU - Dona Ana</b>	<b>\$387,986</b>	<b>\$78,115</b>	<b>\$367,801</b>	<b>\$76,789</b>	<b>\$366,475</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,326</b>	<b>\$20,185</b>
<b>LOCAL SPECIAL LEVIES</b>									
<b>Timberon Water &amp; Sanitation District</b>									
Timberon Special Levies									
2006 - 2014	\$1,424,247	\$19,898	\$1,408,799	\$19,480	\$1,408,381	\$1	\$1	\$418	\$15,447
2015	154,959	138,010	138,010	134,921	134,921	0	0	3,089	16,949
<i>Total Timberon Water &amp; Sanitation District</i>	1,579,206	157,908	1,546,809	154,401	1,543,302	1	1	3,507	32,396
<b>Penasco Soil &amp; Water Conservation District</b>									
Penasco Special Levies									
2006 - 2014	511	1	511	1	511	0	0	0	0
2015	59	59	59	59	59	0	0	0	0
<i>Total Pensasco Soil &amp; Water Conservation District</i>	570	60	570	60	570	0	0	0	0
<b>Carlsbad Soil &amp; Water Conservation District</b>									
Carlsbad Special Levies									
2006 - 2014	261	0	261	0	261	0	0	0	0
2015	30	30	30	30	30	0	0	0	0
<i>Total Carlsbad Soil &amp; Water Conservation District</i>	291	30	291	30	291	0	0	0	0
<b>Total Local Special Levies</b>	<b>\$1,580,067</b>	<b>\$157,998</b>	<b>\$1,547,670</b>	<b>\$154,491</b>	<b>\$1,544,163</b>	<b>\$1</b>	<b>\$1</b>	<b>\$3,507</b>	<b>\$32,396</b>
<b>Grand Totals</b>	<b>\$223,773,257</b>	<b>\$26,491,329</b>	<b>\$221,397,907</b>	<b>\$26,126,792</b>	<b>\$221,033,370</b>	<b>\$98</b>	<b>\$110</b>	<b>\$364,537</b>	<b>\$2,375,240</b>
<b>Recap By Tax Year</b>									
2006 - 2014	\$197,735,646	\$1,919,952	\$196,826,530	\$1,873,255	\$196,779,833	\$6	\$18	\$46,697	\$909,098
2015	26,037,611	24,571,377	24,571,377	24,253,537	24,253,537	92	92	317,840	1,466,142
<b>Total Recap By Tax Year</b>	<b>\$223,773,257</b>	<b>\$26,491,329</b>	<b>\$221,397,907</b>	<b>\$26,126,792</b>	<b>\$221,033,370</b>	<b>\$98</b>	<b>\$110</b>	<b>\$364,537</b>	<b>\$2,375,240</b>



**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 Auditor's Report**

Mr. Tim Keller, State Auditor and  
The Board of 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 comparisons of the general fund of the Otero County as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Otero County's basic financial statements, and the combining and individual fund and related budgetary comparisons of the Otero County, presented as supplemental information, and have issued our report thereon dated October 27, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Otero 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 Otero County's internal control. Accordingly, we do not express an opinion on the effectiveness of the Otero County's internal control.

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

Mr. Tim Keller, State Auditor and  
The Board of County Commissioners  
Otero County  
Alamogordo, New Mexico  
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Our consideration of internal control was for the limited purpose described in the first paragraph 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses, that we consider to be significant deficiencies. See item 2016-001.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Otero 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2016-002 and 2016-003.

### **The Otero County's Response to Findings**

The Otero County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Otero 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Otero County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Kriegel/Gray/Shaw & Co., P.C.  
Las Cruces, New Mexico  
October 27, 2016

**OTERO COUNTY**  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**CURRENT YEAR FINDINGS:**

**2016-001 Large Purchases Not Properly Procured – Significant Deficiency**

**Statement of Condition** – During test work, we noted the following procurement exceptions:

- Purchases for equipment and communication totaling \$122,369.50 during the FY 2016 were quoted but not bid through competitive sealed bid requirements.
- Purchases for the road department material and equipment totaling \$178,806.73 during the FY 2016 were quoted but not bid through competitive sealed bid requirements.

**Criteria-** Per NMSA 13-1-125, any purchase not exceeding sixty thousand dollars (\$60,000) is constituted as a small purchase- any purchase greater than this amount must be procured and, “procurement requirements shall not be artificially divided as to constitute a small purchase.”

**Cause** – Fail to recognize FY 2016 procurement purchases over \$60,000 requiring competitive sealed bids.

**Effect** – Client potentially did not get the lowest price because the purchases were not bid.

**Recommendation** – Develop procedures to identify purchases subject to competitive sealed bid requirements during the fiscal year.

**Management’s Response** – The communication and departmental findings by auditor were procured, the items were quoted before each were purchased through the entire year these purchases were not artificially divided as to keep from doing a sealed bid. Each time the purchase occurred, the Purchasing Office did get the lowest price from the applicable vendors.

Otero County Purchasing office will fix the finding by way of keeping track of all expenditures that will exceed \$60,000 per year to one vendor. The product or services that may exceed that amount will do a sealed bid and put on a county contract. The new processes will be implemented by the purchasing agent by November 1, 2016.



**OTERO COUNTY**  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**CURRENT YEAR FINDINGS (CONTINUED):**

**2016-002 Incidence of Fraud Not Reported to New Mexico State Auditor's Office – Other Matters**

**Statement of Condition** – A volunteer with the fire department took gift cards (totaling approximately \$200) that were intended for volunteers who obtain training/certifications as an incentive. Although the incident was investigated by the state police and the individual plead guilty in magistrate court, the County failed to report the incident to the New Mexico State Auditor's office.

**Criteria** – Under 2.2.10 K NMAC Requirements for Contracting and Conducting Audits of Agencies requires notification of the state auditor immediately, in writing, upon discovery of any violation of a criminal statute in connection with financial affairs.

**Cause** – Unaware of the requirement to notify the New Mexico State Auditor's office when appropriate law enforcement investigated.

**Effect** – Additional investigative steps may have been performed through or by the New Mexico State Auditor's office.

**Recommendation** – Written notification to the New Mexico State Auditor's office upon any future discovery of fraud.

**Management's Response** – The Finance Director is currently drafting a letter to be submitted by November 30, 2016 to the New Mexico State Auditor detailing the discovery of the fraud, subsequent investigation and internal controls put into place involving the volunteer fire department.

**OTERO COUNTY**  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**CURRENT YEAR FINDINGS (CONTINUED):**

**2016-003 Over Reimbursement of Travel Expense – Other Matters**

**Statement of Condition** – During test work, we noted the following travel exceptions:

- Meal expenses were reimbursed in excess of the \$30 limit per day (reimbursed \$68 rather than \$30), and the actual receipts for the reimbursement were not provided by the employee (no affidavit provided).

**Criteria** – Per NMAC 2.42.2.9

(2) **Actual reimbursement for meals:** Actual expenses for meals are limited by Section 10-8-4(K)(2) NMSA 1978 to a maximum of \$30.00 for in-state travel and \$45.00 for out-of-state travel for a 24-hour period.

(3) **Receipts required:** The public officer or employee must submit receipts for the actual meal and lodging expenses incurred. Under circumstances where the loss of receipts would create a hardship, an affidavit from the officer or employee attesting to the expenses may be substituted for actual receipts.

**Cause** – Lack of due diligence

**Effect** – Employee in effect received compensation for \$38, amount in excess of allowed reimbursement of \$30.

**Recommendation** – The approval of the travel per diem requests need to be evaluated in accordance with Section 10-8-1 to 10-8-8 NMSA 1978. Proper documentation such as receipts needs to be provided by the employee for actual expenses. If the employee fails to provide the proper documentation the reimbursement should not be approved.

**Management's Response** – Management will propose to the commission a change in the travel policy to include a flat per diem rate of \$30 for food while on county business. When approved, the Finance Director will implement the new policy by February 1, 2017.

**OTERO COUNTY**  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**CURRENT STATUS ON PRIOR YEAR FINDINGS:**

**2015-001 Preparation of Accounts Receivable and Accounts Payable - Material Weakness**

Resolved and not repeated.

**PRIOR YEAR FINDINGS AND QUESTIONED COSTS –  
MAJOR FEDERAL AWARD PROGRAM AUDIT:**

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

Resolved and not repeated.

**OTERO COUNTY**  
**EXIT CONFERENCE**  
**JUNE 30, 2016**

**EXIT CONFERENCE:**

The exit conference was held October 27, 2016 and was attended by the following:

**From Otero County:**

Susan Flores, Chairperson County Commission  
Pamela Heltner, County Manager  
Ginger Herndon, Purchasing Agent  
Tim Mills, County Finance Director  
Cathe Prather, County Treasurer  
Laura Whiteside, County Deputy Treasurer

**From Kriegel/Gray/Shaw & Co., P.C.:**

Debbie Gray, CPA/Shareholder  
Rebecca Pott, Staff Auditor

**FINANCIAL STATEMENTS PREPARATION**

Preparation of financial statements is the responsibility of management. Although, the Otero County's personnel provided significant assistance in the preparation, the statements and related footnotes were prepared by Kriegel/Gray/Shaw & Co., P.C.