Otero County

State of New Mexico
Otero County
Annual Financial Report
For the Year Ended June 30, 2014

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INTRODUCTORY SECTION

STATE OF NEW MEXICO
Otero County
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STATE OF NEW MEXICO
Otero County
Official Roster
June 30, 2014

Name	Title
Board of County Commissioners	
Susan Flores	Chairman
Tommie Herrell	Vice-Chairperson
Ronny Rardin	Commissioner
Elected Officials	
Donald Yee	County Assessor
Denise Guerra	County Clerk
Benny House	County Sheriff
Cathe Prather	County Treasurer
Chris Tenski	County Probate Judge
Administrative Officials	
Pamela Heltner	County Manager
Donna Brandon	County Finance Director
Laura Whiteside	County Deputy Treasurer

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FINANCIAL SECTION

Accounting & Consulting Group, LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget and
To the County Manager and County Commissioners
Otero County
Alamogordo, New Mexico

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison for the general fund of Otero County (the "County"), as of and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the County's nonmajor governmental funds and the budgetary comparisons for the major proprietary funds and all nonmajor funds presented as supplementary information, as defined by the Governmental Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2014, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion.

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

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

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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 Otero County, as of June 30, 2014, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the County as of June 30, 2014, and the respective changes in financial position thereof and the respective budgetary comparisons for the major proprietary funds 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the County's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The *Schedule of Expenditures of Federal Awards* as required by Office of Management and Budget *Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations and Supporting Schedules I through VI required by 2.2.2 NMAC* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory section 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 November 6, 2014, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, New Mexico
November 6, 2014

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BASIC

FINANCIAL STATEMENTS

STATE OF NEW MEXICO
Otero County
Statement of Net Position
June 30, 2014

	Primary-Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current assets			
Cash and cash equivalents	$ 2,537,828	$ -	$ 2,537,828
Investments	10,004,071	-	10,004,071
Receivables:			
Property taxes	900,684	-	900,684
Other taxes	941,437	-	941,437
Other receivables	377,145	11,305,970	11,683,115
Inventory	15,751	-	15,751
Prepaid expenses	377,155	-	377,155
Total current assets	15,154,071	11,305,970	26,460,041
Noncurrent assets			
Restricted cash and cash equivalents	5,451,251	-	5,451,251
Restricted investments	361,614	17,247,973	17,609,587
Bond discounts, net of accumulated amortization of $855 and $131,318, respectively	49,795	294,723	344,518
Capital assets	146,265,395	77,114,450	223,379,845
Less: accumulated depreciation	(64,262,930)	(13,528,259)	(77,791,189)
Total noncurrent assets	87,865,125	81,128,887	168,994,012
Total assets	$ 103,019,196	$ 92,434,857	$ 195,454,053

The accompanying notes are an integral part of these financial statements

	Primary-Government		
	Governmental Activities	Business-type Activities	Total
Liabilities			
Current liabilities			
Accounts payable	$ 798,413	$ 20,003,403	$ 20,801,816
Accrued payroll expenses	255,424	-	255,424
Accrued interest	92,313	949,954	1,042,267
Current portion of accrued compensated absences	376,584	-	376,584
Current portion of loans and capital leases payables	473,172	-	473,172
Current portion of bonds payable	220,000	4,140,000	4,360,000
Total current liabilities	2,215,906	25,093,357	27,309,263
Noncurrent liabilities			
Accrued compensated absences	139,284	-	139,284
Loans and capital leases payable	3,466,658	-	3,466,658
Bond premiums, net of accumulated amortization of $1,394 and $0, respectively	81,178	-	81,178
Bonds payable	4,845,000	82,465,000	87,310,000
Total noncurrent liabilities	8,532,120	82,465,000	90,997,120
Total liabilities	10,748,026	107,558,357	118,306,383
Net Position			
Net investment in capital assets	77,966,665	(20,517,322)	57,449,343
Restricted for:			
Debt service	902,788	-	902,788
Capital projects	207,907	-	207,907
Other purposes - special revenue	5,823,616	-	5,823,616
Otero County detention center	-	3,501,044	3,501,044
Otero County processing center	-	1,892,778	1,892,778
Unrestricted	7,370,194	-	7,370,194
Total net position	92,271,170	(15,123,500)	77,147,670
Total liabilities and net position	$ 103,019,196	$ 92,434,857	$ 195,454,053

STATE OF NEW MEXICO
Otero County
Statement of Activities
For the Year Ended June 30, 2014

Functions/Programs:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities:				
General government	$ 5,080,458	$ 395,197	$ 1,342,133	$ 7,504
Public safety	15,237,240	860,493	2,802,070	79,068
Public works	6,414,680	-	284,318	10,980
Culture and recreation	187,157	-	-	-
Health and welfare	3,656,609	47,270	333,493	-
Interest on long-term debt	175,802	-	-	-
Issuance costs on long-term debt	96,838	-	-	-
Total governmental activities	30,848,784	1,302,960	4,762,014	97,552
Business-Type Activities:				
Otero County Detention Center	33,421,528	30,705,105	-	-
Otero County Processing Center	29,518,659	29,870,145	-	-
Total business-type activities	62,940,187	60,575,250	-	-
Total primary government	$ 93,788,971	$ 61,878,210	$ 4,762,014	$ 97,552

General revenues:
Taxes
Property
Gross receipts
Gasoline and motor vehicle
Payment in lieu of taxes
Investment income (loss)
Miscellaneous income
(Loss) on sale of capital assets
Transfers in (out)

Total general revenues

Change in net position

Net position - beginning, as originally stated

Net position - restatement (note 20)

Net position - beginning, as restated

Net position, ending

The accompanying notes are an integral part of these financial statements

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	**Business-Type Activities**	**Total**
$ (3,335,624)	$ -	$ (3,335,624)
(11,495,609)	-	(11,495,609)
(6,119,382)	-	(6,119,382)
(187,157)	-	(187,157)
(3,275,846)	-	(3,275,846)
(175,802)	-	(175,802)
(96,838)	-	(96,838)
(24,686,258)	-	(24,686,258)
-	(2,716,423)	(2,716,423)
-	351,486	351,486
-	(2,364,937)	(2,364,937)
(24,686,258)	(2,364,937)	(27,051,195)
9,431,886	-	9,431,886
5,163,585	-	5,163,585
1,269,762	-	1,269,762
3,121,124	-	3,121,124
109,240	28,643	137,883
487,595	-	487,595
(454,076)	-	(454,076)
1,023,426	(1,023,426)	-
20,152,542	(994,783)	19,157,759
(4,533,716)	(3,359,720)	(7,893,436)
96,804,886	(7,185,742)	89,619,144
-	(4,578,038)	(4,578,038)
96,804,886	(11,763,780)	85,041,106
$ 92,271,170	$ (15,123,500)	$ 77,147,670

STATE OF NEW MEXICO
Otero County
Balance Sheet
Governmental Funds
June 30, 2014

	General Fund	Other Governmental Funds	Total
Assets			
Cash and cash equivalents	$ 632,346	$ 7,356,733	$ 7,989,079
Investments	5,957,778	4,407,907	10,365,685
Receivables:			
Property taxes	898,999	1,685	900,684
Other taxes	393,716	547,721	941,437
Other receivables	188,968	188,177	377,145
Inventory	-	15,751	15,751
Prepaid expenses	309,936	67,219	377,155
Total assets	$ 8,381,743	$ 12,585,193	$ 20,966,936
Liabilities			
Accounts payable	$ 297,866	$ 500,547	$ 798,413
Accrued payroll expenses	197,815	57,609	255,424
Total liabilities	495,681	558,156	1,053,837
Deferred inflows of resources			
Unavailable revenue:			
Property taxes	805,960	1,673	807,633
Total deferred inflows of resources	805,960	1,673	807,633
Fund balances			
Nonspendable			
Inventory	-	15,751	15,751
Prepaid expenses	309,936	67,219	377,155
Spendable			
Restricted for:			
General county operations	-	565,368	565,368
Maintenance of roads	-	502,288	502,288
Environment	-	380,840	380,840
Recreation	-	4,951	4,951
Public safety	-	4,008,369	4,008,369
Healthcare	-	278,830	278,830
Debt service expenditures	-	993,428	993,428
Capital projects	-	5,218,472	5,218,472
Committed to:			
Minimum fund balance	4,298,292	-	4,298,292
Unassigned	2,471,874	(10,152)	2,461,722
Total fund balances	7,080,102	12,025,364	19,105,466
Total liabilities, deferred inflows of resources, and fund balances	$ 8,381,743	$ 12,585,193	$ 20,966,936

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO Exhibit B-1

Otero County

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2014

Amounts reported for governmental activities in the Statement of Net Position are different because:		
Fund balances - total governmental funds	$	19,105,466
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		82,002,465
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be unavailable revenue in the fund financial statements, but are considered revenue in the Statement of Activities		807,633
Certain liabilities, including bonds payable, and current and long-term portions of accrued compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued interest payable		(92,313)
Accrued compensated absences not due and payable		(515,868)
Bond discounts		49,795
Bond premiums		(81,178)
Bonds payable		(5,065,000)
Loans and capital leases payable		(3,939,830)
Net position of governmental activities	$	92,271,170

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Otero County
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	General Fund	Other Governmental Funds	Total
Revenues:			
Taxes:			
Property	$ 9,207,951	$ 239,565	$ 9,447,516
Gross receipts	2,296,560	2,867,025	5,163,585
Gasoline and motor vehicle	146,136	1,123,626	1,269,762
Payment in lieu of taxes	3,121,124	-	3,121,124
Intergovernmental:			
Federal operating grants	333,420	795,263	1,128,683
Federal capital grants	-	10,980	10,980
State operating grants	1,378,108	2,255,223	3,633,331
State capital grants	-	86,572	86,572
Charges for services	845,528	457,432	1,302,960
Investment income (loss)	86,594	22,646	109,240
Miscellaneous	182,844	304,751	487,595
Total revenues	17,598,265	8,163,083	25,761,348
Expenditures:			
Current:			
General government	4,196,866	566,423	4,763,289
Public safety	10,588,829	2,759,945	13,348,774
Public works	1,302,129	2,243,763	3,545,892
Culture and recreation	96,790	494	97,284
Health and welfare	530,326	3,124,045	3,654,371
Capital outlay	453,226	1,918,139	2,371,365
Debt service:			
Principal	25,000	446,674	471,674
Interest	-	100,741	100,741
Issuance costs	-	96,838	96,838
Total expenditures	17,193,166	11,257,062	28,450,228
Excess (deficiency) of revenues over expenditures	405,099	(3,093,979)	(2,688,880)
Other financing sources (uses)			
Proceeds from debt	150,000	5,714,852	5,864,852
Premium on debt issuance	-	82,572	82,572
Discount on debt issuance	-	(50,650)	(50,650)
Proceeds from sale of equipment	22,750	32,685	55,435
Transfers in	1,155,426	2,248,918	3,404,344
Transfers (out)	(2,217,665)	(163,253)	(2,380,918)
Total other financing sources (uses)	(889,489)	7,865,124	6,975,635
Net change in fund balance	(484,390)	4,771,145	4,286,755
Fund balance - beginning of year	7,564,492	7,254,219	14,818,711
Fund balance - end of year	$ 7,080,102	$ 12,025,364	$ 19,105,466

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO Exhibit B-2

Otero County

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2014

Amounts reported for governmental activities in the Statement of Activities are different because:		
Net change in fund balances - total governmental funds	$	4,286,755
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		2,371,365
Depreciation expense		(5,158,627)
In the Statement of Activities, only the gain on the sale of equipment is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the equipment sold.		
Loss on disposition of assets		(454,076)
Cash proceeds from sale of assets		(55,435)
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		(15,630)
The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:		
Increase in accrued interest		(75,600)
Increase in accrued compensated absences not paid within 60 days of year-end		(7,907)
Proceeds from issuance of debt		(5,864,852)
Principal payments on bonds payable		471,674
Discount on debt issuance		50,650
Amortization expense for debt discount		(855)
Premium on debt issuance		(82,572)
Amortization expense for debt premium		1,394
Change in net position of governmental activities	$	(4,533,716)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO Exhibit C-1

Otero County

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
Revenues:				
Taxes:				
Property	$ 8,795,526	$ 8,795,526	$ 9,245,317	$ 449,791
Gross receipts	2,520,000	2,520,000	2,320,519	(199,481)
Gasoline and motor vehicle	140,800	140,800	145,709	4,909
Intergovernmental:				
Federal operating grants	339,557	549,672	333,420	(216,252)
Federal capital grants	-	-	-	-
State operating grants	1,281,747	1,302,639	1,366,021	63,382
State capital grants	-	-	-	-
Payment in lieu of taxes	1,860,000	3,121,124	3,121,124	-
Charges for services	963,228	968,478	974,465	5,987
Investment income (loss)	34,900	34,900	86,594	51,694
Miscellaneous	343,834	343,834	238,983	(104,851)
Total revenues	16,279,592	17,776,973	17,832,152	55,179
Expenditures:				
Current:				
General government	4,512,948	4,591,192	4,196,590	394,602
Public safety	10,272,706	11,270,609	10,672,108	598,501
Public works	1,172,535	1,321,330	1,289,910	31,420
Culture and recreation	96,684	96,684	96,611	73
Health and welfare	522,598	522,598	506,326	16,272
Capital outlay	464,145	464,558	305,344	159,214
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	17,041,616	18,266,971	17,066,889	1,200,082
Excess (deficiency) of revenues over expenditures	(762,024)	(489,998)	765,263	1,255,261
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	2,068,104	1,898,783	-	(1,898,783)
Proceeds from sale of equipment	-	-	22,750	22,750
Transfers in	1,413,000	1,684,000	1,155,426	(528,574)
Transfers (out)	(2,719,080)	(3,092,785)	(2,217,665)	875,120
Total other financing sources (uses)	762,024	489,998	(1,039,489)	(1,529,487)
Net change in fund balance	-	-	(274,226)	(274,226)
Fund balance - beginning of year	-	-	6,864,350	6,864,350
Fund balance - end of year	$ -	$ -	$ 6,590,124	$ 6,590,124

Net change in fund balance (non-GAAP budgetary basis)	$ (274,226)
Adjustments to revenue for property and other taxes, state and federal grants and investment income	(83,887)
Adjustments to expenditures for payroll, insurance, supplies, and maintenance and repair expenditures	(126,277)
Net change in fund balance (GAAP)	$ (484,390)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit D-1

Otero County
Statement of Net Position
Proprietary Funds
June 30, 2014

	Enterprise Funds		
	Otero County Detention Center	Otero County Processing Center	Total
Assets			
Current assets			
Customer receivables	$ 3,617,193	$ 7,688,777	$ 11,305,970
Total current assets	3,617,193	7,688,777	11,305,970
Noncurrent assets			
Restricted investments	10,285,150	6,962,823	17,247,973
Bond discounts, net of accumulated amortization of $781 and $130,537, respectively	41,329	253,394	294,723
Capital assets	31,983,032	45,131,418	77,114,450
Less: accumulated depreciation	(7,406,298)	(6,121,961)	(13,528,259)
Total noncurrent assets	34,903,213	46,225,674	81,128,887
Total assets	$ 38,520,406	$ 53,914,451	$ 92,434,857
Liabilities and net position			
Liabilities			
Current liabilities			
Accounts payable	$ 9,509,157	$ 10,494,246	$ 20,003,403
Accrued interest payable	186,544	763,410	949,954
Current portion of bonds payable	1,930,000	2,210,000	4,140,000
Total current liabilities	11,625,701	13,467,656	25,093,357
Noncurrent liabilities			
Bonds payable	33,380,000	49,085,000	82,465,000
Total noncurrent liabilities	33,380,000	49,085,000	82,465,000
Total liabilities	45,005,701	62,552,656	107,558,357
Net position			
Net investment in capital assets	(9,986,339)	(10,530,983)	(20,517,322)
Restricted for:			
Otero County detention center	3,501,044	-	3,501,044
Otero County processing center	-	1,892,778	1,892,778
Total net position	(6,485,295)	(8,638,205)	(15,123,500)
Total liabilities and net position	$ 38,520,406	$ 53,914,451	$ 92,434,857

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO Exhibit D-2

Otero County

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

For the Year Ended June 30, 2014

	Enterprise Funds		
	Otero County Detention Center	Otero County Processing Center	Total
Operating revenues			
Charges for services	$ 30,705,105	$ 29,870,145	$ 60,575,250
Total operating revenues	30,705,105	29,870,145	60,575,250
Operating expenses			
Contractual services	30,588,271	25,243,654	55,831,925
Depreciation	790,568	1,112,806	1,903,374
Total operating expenses	31,378,839	26,356,460	57,735,299
Operating income (loss)	(673,734)	3,513,685	2,839,951
Non-operating revenues (expenses)			
Interest expense	(1,318,374)	(3,143,770)	(4,462,144)
Amortization expense	(261,765)	(18,429)	(280,194)
Interest income (loss)	28,643	-	28,643
Bond issuance costs	(462,550)	-	(462,550)
Total non-operating revenues (expenses)	(2,014,046)	(3,162,199)	(5,176,245)
Income (loss) before contributions and transfers	(2,687,780)	351,486	(2,336,294)
Transfers in	5,532	-	5,532
Transfers (out)	(566,144)	(462,814)	(1,028,958)
Change in net position	(3,248,392)	(111,328)	(3,359,720)
Net position - beginning	(1,914,547)	(5,271,195)	(7,185,742)
Net position - restatement (note 20)	(1,322,356)	(3,255,682)	(4,578,038)
Net position - as restated	(3,236,903)	(8,526,877)	(11,763,780)
Net position - end of year	$ (6,485,295)	$ (8,638,205)	$ (15,123,500)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit D-3

Otero County
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014

	Enterprise Funds		
	Otero County Detention Center	Otero County Processing Center	Total
Cash flows from operating activities			
Cash received from user charges	$ 34,221,537	$ 28,010,838	$ 62,232,375
Cash payments to suppliers for goods and services	(28,650,113)	(25,942,981)	(54,593,094)
Net cash provided by operating activities	5,571,424	2,067,857	7,639,281
Cash flows from noncapital financing activities			
Interfund advances (payments)	(560,612)	(462,814)	(1,023,426)
Net cash (used) by noncapital financing activities	(560,612)	(462,814)	(1,023,426)
Cash flows from capital and related financing activities			
Interest paid	(1,287,464)	(3,173,813)	(4,461,277)
Proceeds from refunding issuance of long-term debt	16,820,000	-	16,820,000
Principal payments and refundings on long-term debt	(17,930,000)	(2,090,000)	(20,020,000)
Payments on issuance of long-term debt	(462,550)	-	(462,550)
Payments on discount of long-term debt	(42,050)	-	(42,050)
Net cash (used) by capital and related financing activities	(2,902,064)	(5,263,813)	(8,165,877)
Cash flows from investing activities			
Proceeds from sales and maturities	-	3,658,770	3,658,770
Purchases of investments	(2,137,391)	-	(2,137,391)
Interest on investments	28,643	-	28,643
Net cash (used) provided by investing activities	(2,108,748)	3,658,770	1,550,022
Net increase in cash and cash equivalents	-	-	-
Cash and cash equivalents - beginning of year	-	-	-
Cash and cash equivalents - end of year	$ -	$ -	$ -
Reconciliation of operating (loss) income to net cash provided by operating activities:			
Operating (loss) income	$ (673,734)	$ 3,513,685	$ 2,839,951
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	790,568	1,112,806	1,903,374
Changes in assets and liabilities			
Receivables	3,516,432	(1,859,307)	1,657,125
Accounts payable	1,938,158	(699,327)	1,238,831
Net cash provided by operating activities	$ 5,571,424	$ 2,067,857	$ 7,639,281

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO Exhibit E-1

Otero County

Statement of Fiduciary Assets and Liabilities

Agency Funds

June 30, 2014

Assets		
Cash	$	395,201
Property taxes receivable		1,589,651
Total assets	$	1,984,852
Liabilities		
Deposits held in trust	$	395,201
Due to other taxing units		1,589,651
Total liabilities	$	1,984,852

The accompanying notes are an integral part of these financial statements

NOTE 1. Summary of Significant Accounting Policies

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

During the year ended June 30, 2014, the County adopted GASB Statement No. 65 ("GASB 65"), Items Previously Reported as Assets and Liabilities. GASB 65 established accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. The effect of GASB 65 is reflected in the Business-Type Activities Statement of Activities as restatement in the amount of $4,578,038 due to the accounting treatment of the unamortized amount of bond issuance costs at July 1, 2013**.**

A. Financial Reporting Entity

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

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

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

NOTE 1. Summary of Significant Accounting Policies (continued)

A. Financial Reporting Entity (continued)

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

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

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

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

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

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

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

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenue of the County's enterprise funds are charges for services for the housing of inmates in the County's Detention and Processing Centers. 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.

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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.

Additionally, the government reports the following agency fund:

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

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

D. Assets, 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.

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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.

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:

Assets	Years
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, 2014, along with applicable FICA and Medicare liabilities.

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Deferred Inflows of Resources: In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measureable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources. The County has one item, which arises under the modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue – property taxes, is reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The County has recorded $807,633 related to property taxes considered "unavailable".

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

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

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

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

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

Nonspendable Fund Balance: At June 30, 2014, the nonspendable fund balance in the governmental funds consists of amounts associated with inventory and prepaid expense contracts in the amount of $392,906 that is not in spendable form.

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Restricted and Committed Fund Balance: At June 30, 2014, the County has presented restricted fund balance on the governmental funds balance sheet in the amount of $11,952,546 for various County operations as restricted by enabling legislation. The County has also presented committed fund balance on the governmental funds balance sheet in the amount of $4,298,292 to meet minimum fund balance requirements for the General Fund. The details of these fund balance items are located on the governmental funds balance sheet as detailed on page 18.

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

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

a. Net investment in capital assets: Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The County includes unspent debt proceeds in the amounts of $4,969,030 487 in the calculation of net investment in capital assets in the governmental activities and $2,501,487 ($746,927 in the Otero County Detention Center, and $1,754,560 in the Otero County Processing Center) in the calculation of net investment in capital assets in the and business-type activities.

b. Restricted net position: Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position restricted for "special revenue, debt service, and capital projects" are described on pages 29-30, and 56-57.

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.

NOTE 2. Stewardship, Compliance and Accountability

Budgetary Information

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

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

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

	Excess (deficiency) of revenues over expenditures	
	Original Budget	Final Budget
Budgeted Funds:		
General Fund	$ (762,024)	$ (489,998)
Other Governmental Funds	$ (7,392,458)	$ (12,574,165)

	Change in net position	
Budgeted Funds:		
Otero County Detention Center	$ (305,000)	$ (305,000)
Otero County Processing Center	$ (819,000)	$ (819,000)

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, 2014 is presented. Reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund can be found on each individual budgetary statement.

NOTE 3. Deposits and Investments

State statutes authorize the investment of County funds in a wide variety of instruments including certificates of deposit and other similar obligations, the state investment pool, money market accounts, and United States Government obligations. All invested funds of the County properly followed State investment requirements as of June 30, 2014.

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

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

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

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

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2014, $10,089,502 of the County's bank balances of $12,203,226 was exposed to custodial credit risk. $8,355,785 was uninsured and collateralized by collateral held by the pledging bank's trust department not in the County's name and $1,733,717 was uninsured and uncollateralized.

NOTE 3. Deposits and Investments (continued)

	Bank 34	First American Bank	First National Bank of Alamogordo	First Savings Bank
Amount of deposits	$ 600,000	$ 100,000	$ 5,687,561	$ 250,000
FDIC coverage	(250,000)	(100,000)	(500,000)	(250,000)
Total uninsured public funds	350,000	-	5,187,561	-
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the County's name	350,000	-	5,187,561	-
Uninsured and uncollateralized	$ -	$ -	$ -	$ -
Collateral requirement (50%)	$ 175,000	$ -	$ 2,593,781	$ -
Pledged securities	525,202	400,000	9,426,038	-
Over (under) collateralized	$ 350,202	$ 400,000	$ 6,832,257	$ -

	Washington Federal Bank	Wells Fargo Bank	Western Bank	Total
Amount of deposits	$ 250,000	$ 4,001,941	$ 1,313,724	$ 12,203,226
FDIC coverage	(250,000)	(500,000)	(263,724)	(2,113,724)
Total uninsured public funds	-	3,501,941	1,050,000	10,089,502
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the County's name	-	1,768,224	1,050,000	8,355,785
Uninsured and uncollateralized	$ -	$ 1,733,717	$ -	$ 1,733,717
Collateral requirement (50%)	$ -	$ 1,750,971	$ 525,000	$ 5,044,752
Pledged securities	60,830	1,768,224	1,402,500	13,582,794
Over (under) collateralized	$ 60,830	$ 17,253	$ 877,500	$ 8,538,042

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

NOTE 3. Deposits and Investments (continued)

Investments

As of June 30, 2014, the County's investments and related maturities were as follows:

Investment Type	Weighted Average Maturities	Fair Value	Rating***
Federal Home Loan Bank Bond	1 to 10 years	$ 6,476,430	A-1+
Wells Fargo Money Market Mutual Fund*	<1 year	27,641	AA+
U.S. Treasury Money Market Mutual Fund**	<1 year	843,835	AA+
U.S. Treasury and Agency Notes	<1 year	17,247,973	AA+
		$ 24,595,879	

* Wells Fargo Money Market Mutual Fund Account is guaranteed by US Securities
** Restricted Cash in the amount of $482,221 and Restricted Investments of $361,614 per Exhibit A-1
*** Based off Standard & Poor's rating

The investments are listed on Schedule II of this report.

The County has presented certificates of deposits of $3,500,000 in the Statement of Net Position, however there are classified as deposits for disclosure purposes.

Custodial Credit Risk - Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's policy related to investments is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). The securities are not subject to custodial credit risk as they are registered and held in the name of Otero County. The fair value of the County's Federal Home Loan Bank Bonds and U.S. Treasury and Agency notes listed above is $23,724,403 at June 30, 2014.

Interest Rate Risk – Investments. The County has ten investments in which the maturity date is greater than one year. Schedule II in this report specifically identifies the investment type and amount of investment for these securities. The fair value of the securities exposed to interest rate risk is $6,476,430. These securities do not have call options. The County's policy related to interest rate risk with investments is to comply with the statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

Concentration Credit Risk – Investments. For an investment, concentration credit risk is when any one issuer is 5% or more of the investment portfolio of the County. The investments in the Federal Home Loan Bank Bond and US Treasury and Agency Notes represent 26% and 70%, respectively, of the investment portfolio. Since the County only purchases investments with high grade credit rating, the additional concentration is not viewed to be an additional risk by the County. The County's policy related to concentration credit risk is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

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

NOTE 3. Deposits and Investments (continued)

Reconciliation of Cash and Cash Equivalents

Primary Government

Reconciliation to the Statement of Net Position:

Cash and cash equivalents per Exhibit A-1	$ 2,537,828
Restricted cash and cash equivalents per Exhibit A-1	5,451,251
Investments per Exhibit A-1	10,004,071
Restricted investments per Exhibit A-1	17,609,587
Cash - Statement of Fiduciary Assets and Liabilities per Exhibit D-1	395,201
Total cash, cash equivalents, and investments	35,997,938
Add: outstanding checks and other reconciling items	33,990
Add: outstanding warrants per Treasurer's Report	848,755
Less: investments in Federal Home Loan Bank Bonds	(6,476,430)
Less: investments in Wells Fargo MM Mutual Fund	(27,641)
Less: investments in US Treasury MM mutal fund	(843,835)
Less: investments in U.S. Government and U. S. Agency securities	(17,247,973)
Less: deposits in transit and other reconciling items	(80,403)
Less: petty cash	(1,175)
Bank balance of deposits	$ 12,203,226

NOTE 4. Receivables

Receivables as of June 30, 2014, are as follows:

Governmental Activities:

	General Fund	Other Governmental Funds	Total
Property taxes	$ 898,999	$ 1,685	$ 900,684
Other taxes:			
Gross receipts taxes	367,682	350,532	718,214
Gasoline and oil taxes	26,034	197,189	223,223
Other receivables:			-
Charges for services	125,223	-	125,223
Intergovernmental-grants:			
State	20,068	115,362	135,430
Federal	39,176	64,641	103,817
Miscellaneous	4,501	8,174	12,675
Total	$ 1,481,683	$ 737,583	$ 2,219,266

In accordance with GASB Statement No. 33, property tax revenues in the amount of $807,633 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.

NOTE 4. Receivables (continued)

Receivables as of June 30, 2014, are as follows:

Business-Type Activities:

	Otero County Detention Center Fund	Otero County Processing Center Fund	Total
Customer receivables	$ 3,617,193	$ 7,688,777	$ 11,305,970
Total	$ 3,617,193	$ 7,688,777	$ 11,305,970

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

NOTE 5. Interfund Transfers

Net operating transfers, made to close out funds and to supplement other funding sources, were as follows:

Transfers Out	Transfers In	Amount
Primary Government		
General Fund	DWI Grant Special Revenue Fund	$ 17,705
General Fund	Property Valuation Special Revenue Fund	111,070
General Fund	Road Special Revenue Fund	1,339,000
General Fund	HIDTA Grant Special Revenue Fund	30,000
General Fund	Environmental Gross Receipts Tax Special Revenue Fund	448,000
General Fund	CDBG Grants Special Revenue Fund	30,000
General Fund	Other Debt Service Debt Service Fund	62,365
General Fund	Building Improvements Capital Projects Fund	179,525
Fire Funds Special Revenue Fund	General Fund	34,000
Fire Funds Special Revenue Fund	Other Debt Service Debt Service Fund	31,253
Hazard Mitigation 2002 Special Revenue Fund	General Fund	98,000
Otero County Detention Center Fund	General Fund	566,144
Otero County Processing Center Fund	Otero County Detention Center Fund	5,532
Otero County Processing Center Fund	General Fund	457,282
Total		$ 3,409,876

NOTE 6. Capital Assets

The following is a summary of capital assets and changes occurring during the year ended June 30, 2014. Land and construction in progress are not subject to depreciation.

	Balance June 30, 2013	Reclassification	Additions	Deletions	Balance June 30, 2014
Governmental activities:					
Capital Assets, not depreciated:					
Land	$ 22,477,749	$ -	$ 39,622	$ (151,134)	$ 22,366,237
Construction in progress	361,570	-	449,755		811,325
Total Capital Assets, not depreciated	22,839,319	-	489,377	(151,134)	23,177,562
Capital Assets, depreciated:					
Infrastructure and land improvements	62,036,925		192,667	(784)	62,228,808
Buildings and building improvements	27,885,585		86,521	(508,470)	27,463,636
Furniture and equipment	25,910,222	326,230	1,394,933	(477,520)	27,153,865
Vehicles	6,575,524	(326,230)	207,867	(215,637)	6,241,524
Total Capital Assets, depreciated	122,408,256	-	1,881,988	(1,202,411)	123,087,833
Accumulated Depreciation:					
Infrastructure and land improvements	26,835,320	-	2,653,688	(784)	29,488,224
Buildings and building improvements	13,060,011	-	504,835	(199,106)	13,365,740
Furniture and equipment	15,586,305	277,827	1,451,761	(474,388)	16,841,505
Vehicles	4,466,701	(277,827)	548,343	(169,756)	4,567,461
Total Accumulated Depreciation	59,948,337	-	5,158,627	(844,034)	64,262,930
Net Book Value	$ 85,299,238	$ -	$ (2,787,262)	$ (509,511)	$ 82,002,465

Depreciation expense for the year ended June 30, 2014 was charged to governmental activities as follows:

General government	$ 309,262
Public safety	1,888,466
Public works	2,868,788
Culture and recreation	89,873
Health and welfare	2,238
Total	$ 5,158,627

NOTE 6. Capital Assets (continued)

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
Business-Type activities:				
Capital Assets, not depreciated:				
Land	$ 927,350	$ -	$ -	$ 927,350
Total Capital Assets, not depreciated	927,350	-	-	927,350
Capital Assets, depreciated:				
Buildings and building improvements	76,187,100	-	-	76,187,100
Total Capital Assets, depreciated	76,187,100	-	-	76,187,100
Accumulated Depreciation:				
Buildings and building improvements	11,624,885	1,903,374	-	13,528,259
Total Accumulated Depreciation	11,624,885	1,903,374	-	13,528,259
Net Book Value	$ 65,489,565	$ (1,903,374)	$ -	$ 63,586,191

Depreciation expense for the year ended June 30, 2014 was charged to business-type activities as follows:

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

NOTE 7. Long-term Debt

Governmental Activities:

During the year ended June 30, 2014, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance June 30, 2013	Additions	Retirements	Balance June 30, 2014	Due Within One Year
Bonds Payable	$ -	$ 5,065,000	$ -	$ 5,065,000	$ 220,000
Loans and Capital Leases	3,611,652	799,852	471,674	3,939,830	473,172
Compensated Absences	512,401	380,051	376,584	515,868	376,584
Total Long-term Debt	$ 4,124,053	$ 6,244,903	$ 848,258	$ 9,520,698	$ 1,069,756

NOTE 7. **Long-term Debt** (continued)

Bonds Payable

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

Bonds Payable:

Description	Date of Issue	Maturity Date	Interest Rate	Original Amount of Issue	Balance June 30, 2014
Hold Harmless GRT Bond	Apr-14	Dec-33	3.00-5.00%	$ 5,065,000	$ 5,065,000
Total Bonds Payable					$ 5,065,000

The annual requirements to amortize the Bonds Payable as of June 30, 2014, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2015	$ 220,000	$ 144,310	$ 364,310
2016	180,000	187,975	367,975
2017	185,000	182,575	367,575
2018	190,000	177,025	367,025
2019	195,000	169,425	364,425
2020-2024	1,125,000	713,525	1,838,525
2025-2029	1,350,000	471,564	1,821,564
2030-2034	1,620,000	209,563	1,829,563
	$ 5,065,000	$ 2,255,962	$ 7,320,962

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

Loans and Capital Leases

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

NOTE 7. Long-term Debt (continued)

Loans and Capital Leases:

Description	Date of Issue	Maturity Date	Interest Rate	Original Amount of Issue	Balance June 30, 2014
NMFA Loan	Apr-06	May-16	3.14%	$ 187,778	$ 44,664
NMFA Loan	Jan-07	May-17	3.00%	160,000	53,348
NMFA Loan	Aug-06	May-17	3.43%	91,109	30,992
NMFA Loan	Oct-04	May-15	2.75%	52,000	6,015
NMFA Loan	Dec-07	May-28	3.41-4.56%	540,496	428,518
NMFA Loan	Dec-07	May-18	3.41-4.01%	268,889	120,406
NMFA Loan	Nov-07	May-18	3.41-4.01%	155,000	70,019
NMFA Loan	Sep-08	May-29	5.05%	162,400	137,736
NMFA Loan	Nov-08	May-29	3.00%	163,557	132,973
NMFA Loan	Jan-09	May-19	3.68%	293,712	160,672
NMFA Loan	Mar-09	May-19	3.21%	233,450	125,017
NMFA Loan	Mar-09	May-19	3.19%	189,783	101,661
NMFA Loan	Mar-09	May-19	3.23%	182,700	110,710
NMFA Loan	Sep-09	May-19	0.65-3.58%	135,559	74,845
NMFA Loan	Sep-09	May-20	1.03-3.78%	121,800	77,020
NMFA Loan	Nov-09	May-20	0.98-3.22%	144,130	89,959
NMFA Loan	Jul-10	May-21	2.78%	233,450	168,396
NMFA Loan	Aug-10	Jun-21	2.94%	279,125	223,349
NMFA Loan	Apr-11	May-26	3.58%	192,850	159,502
NMFA Loan	Oct-11	May-22	2.11%	213,049	187,580
NMFA Loan	Jan-12	May-22	0.01%	152,250	120,000
NMFA Loan	Jan-13	May-23	0.390%-2.240%	166,247	151,029
NMFA Loan	Feb-13	May-18	0.400%-1.330%	303,636	242,876
NMFA Loan	Mar-13	May-23	0.400%-0.100%	161,210	147,691
NMFA Loan	Jul-13	May-33	1.290%-4.340%	201,500	201,500
NMFA Loan	Jul-13	May-30	1.290%-4.340%	226,688	226,688
NMFA Loan	May-14	May-25	1.170%-3.100%	110,832	110,832
NMFA Loan	May-14	May-25	1.170%-3.100%	110,832	110,832
Grady Shelter Capital Lease	Jul-13	Sep-18	0.00%	150,000	125,000
Total Loans and Capital Leases					$ 3,939,830

NOTE 7. **Long-term Debt** (continued)

The annual requirements to amortize the Loans and Capital Leases Payable as of June 30, 2014, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2015	$ 473,172	$ 112,754	$ 585,926
2016	510,037	102,680	612,717
2017	504,275	85,740	590,015
2018	505,467	73,772	579,239
2019	423,225	59,314	482,539
2020-2024	997,572	180,469	1,178,041
2025-2029	452,457	64,122	516,579
2030-2033	73,625	6,762	80,387
	$ 3,939,830	$ 685,613	$ 4,625,443

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

Compensated Absences – Employees of the County are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year 2014, compensated absences increased $3,467 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, 2014:

	Balance June 30, 2013	Additions	Retirements	Balance June 30, 2014	Due Within One Year
Revenue Bonds	$89,805,000	$16,820,000	$20,020,000	$86,605,000	$ 4,140,000
Total Long-term Debt	$89,805,000	$16,820,000	$20,020,000	$86,605,000	$ 4,140,000

On April 15, 2014, the County issued the Jail Series 2014 revenue bonds in the amount of $16,820,000 with an annual interest rate of 4.6% as a current refunding of the Jail Series 2004 revenue bonds with annual interest rate of 6.75%-7.5%. The current refunding reduced total debt service payments over the next 15 years by $1,854,033. This results in an economic gain of $691,856 and a 4.113% on savings of refunding principal.

NOTE 7. **Long-term Debt** (continued)

Revenue Bonds

At June 30, 2014, the County had the following revenue bonds outstanding:

Description	Date of Issue	Maturity Date	Interest Rate	Original Amount of Issue	Balance June 30, 2014
Jail Project Series 2007	May-07	Apr-28	5.50-6.00%	62,305,000	$ 51,295,000
Jail Project Series 2012	Dec-12	Dec-27	3.10%	19,760,000	18,490,000
Jail Project Series 2014	Apr-14	Dec-28	4.60%	16,820,000	16,820,000
Total Revenue Bonds					$ 86,605,000

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, 2014, including interest payments, are as follows:

Revenue Bond Series 2007

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2015	$ 2,210,000	$ 3,053,638	$ 5,263,638
2016	2,335,000	2,926,562	5,261,562
2017	2,470,000	2,792,300	5,262,300
2018	2,610,000	2,650,276	5,260,276
2019	2,760,000	2,500,200	5,260,200
2020-2024	16,505,000	9,807,000	26,312,000
2025-2028	22,405,000	3,909,000	26,314,000
	$ 51,295,000	$ 27,638,976	$ 78,933,976

Revenue Bond Series 2012

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2015	$ 875,000	$ 566,448	$ 1,441,448
2016	905,000	539,090	1,444,090
2017	935,000	510,803	1,445,803
2018	960,000	481,663	1,441,663
2019	990,000	451,670	1,441,670
2020-2024	5,425,000	1,775,061	7,200,061
2025-2028	8,400,000	714,396	9,114,396
	$ 18,490,000	$ 5,039,131	$ 23,529,131

NOTE 7. Long-term Debt (continued)

Revenue Bond Series 2014

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2015	$ 1,055,000	$ 485,725	$ 1,540,725
2016	825,000	725,190	1,550,190
2017	865,000	687,240	1,552,240
2018	905,000	647,450	1,552,450
2019	945,000	605,820	1,550,820
2020-2024	5,430,000	2,334,730	7,764,730
2025-2029	6,795,000	966,000	7,761,000
	$ 16,820,000	$ 6,452,155	$ 23,272,155

Total Revenue Bonds

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2015	$ 4,140,000	$ 4,105,811	$ 8,245,811
2016	4,065,000	4,190,842	8,255,842
2017	4,270,000	3,990,343	8,260,343
2018	4,475,000	3,779,389	8,254,389
2019	4,695,000	3,557,690	8,252,690
2020-2024	27,360,000	13,916,791	41,276,791
2025-2029	37,600,000	5,589,396	43,189,396
	$ 86,605,000	$ 39,130,262	$ 125,735,262

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.

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.

At June 30, 2014, no unpaid claims have been filed which exceed the policy limits and to the best of management's knowledge and belief, all known and unknown claims will be covered by insurance. The County is not aware of any major lawsuits that have been filed.

NOTE 9. Other 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, 2014:

Governmental Funds	
Non Major Funds	
Building Improvements Capital Projects Fund	$ (10,152)
Total Governmental Funds	$ (10,152)
Business-Type Funds	
Major Funds	
Otero County Detention Center	$ (6,485,295)
Otero County Processing Center	(8,638,205)
Total Business-Type Funds	$ (15,123,500)

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, 2014.

C. Designated cash appropriations in excess of available balances. There were not any funds with excess cash appropriations for the year ended June 30, 2014.

NOTE 10. Pension Plan – Public Employees Retirement Association

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

Funding Policy. Plan members are required to contribute the following percentages of their gross salary: 5.55% for law enforcement and fire protection employees; and 4.05% for law enforcement and fire protection employees with annual pay of less than $20,000; 10.65% for County employees, and 9.15% for County employees with annual pay of less than $20,000. The County is required to contribute the following percentages of the gross covered salary: 30.75% for law enforcement and fire protection plan members; and 9.15% for county plan members. The contribution requirements of plan members and Otero County are established in State Statute under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The County's contributions to PERA for the fiscal years ended June 30, 2014, 2013 and 2012 were $1,155,122, 1,131,195, and $1,130,796 respectively, which equal the amount of the required contributions for each fiscal year.

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 to provide this benefit.

NOTE 12. Joint Powers Agreements

Closure of the Dog Canyon Landfill

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

Regional Emergency Communications Center and Dispatch Services

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

NOTE 12. Joint Powers Agreements (continued)

Otero/Lincoln County Regional Landfill

Participants	Otero County City of Alamogordo Village of Cloudcroft Village of Tularosa Village of Corona	Lincoln 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/Lincoln County Regional landfill.	
Terms of agreement	Perpetual	
Amount of project	Unknown	
County contributions	100% of Environmental Services Gross Receipts Tax	
Audit responsibility	City of Alamogordo	

NOTE 13. Landfill Closure Costs – Dog Canyon Landfill

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

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

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

Otero County:	Lincoln County:
City of Alamogordo	Lincoln 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/Lincoln 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 Lincoln County authorities have also agreed to a 50-50 joint ownership and operation of this enterprise.

NOTE 14. Otero/Lincoln County Regional Landfill

It was mutually agreed and covenanted between the entities that:

1. The facility shall be known as the Otero/Lincoln 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 Lincoln Solid Waste Authorities;
4. The entities, through their respective Otero or Lincoln County Authorities, shall be joint owners of a co-equal undivided one-half interest in the assets and also shall be equally responsible for the debt;
5. The entities each agree to maintain an irrevocable, first, but not exclusive, pledge of 100% of their environmental gross receipts tax revenues for the life of the bond issue used for permanent financing;
6. The entities agree that tipping fees collected shall be used to pay principal and interest on the bonds and that the fee established shall be adequate to meet operations, maintenance and financing requirements;
7. The entities agree that the City of Alamogordo shall annually prepare a budget that shall be approved by the Otero and Lincoln 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, 2014, 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.

NOTE 16. Contingent Liabilities

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

NOTE 17. Commitments

The County's commitments as of June 30, 2014 are as follows:

Contract	Year Ending	Amount
Aces Renovation	2015	$ 499,209
Burro Flats Building and Footings	2015	25,000
Financial Software	2015	66,180
Plaza Pub Remodel	2015	519,750
Software: Eagle	2015	63,225
Total commitments		$ 1,173,364

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 $12,328,133 of restricted net position, all of which is restricted by enabling legislation. For descriptions of the related enabling legislation for special revenue, debt service and capital project funds, see pages 29-30 and 56-57.

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:

Business-Type Activities:

The County has restated the statement of net position in the amount of ($4,578,038) in the business-type activities for the implementation of GASB Statement No. 65, which requires debt issuance costs to be recognized in the year of issuance rather than amortizing over the life of the debt instrument. As of June 30, 2013, the County maintained debt issuances costs of $2,019,500 with accumulated amortization of $697,144 in the Otero County Detention Center Fund and $4,346,930 with accumulated amortization of $1,091,248 in the Otero County Processing Center Fund.

NOTE 21. Subsequent Events

The date to which events occurring after June 30, 2014, the date of the most recent statement of net position, have been evaluated for possible adjustment to the financial statements or disclosures is November 6, 2014 which is the date on which the financial statements were issued.

NOTE 22. Subsequent Pronouncements

In June 2012, GASB Statement No. 68 *Accounting and Financial Reporting for Pensions—an amendment of GASB Statements No. 27,* was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014. Earlier application is encouraged. The County will implement this standard during fiscal year June 30, 2015 and will significantly impact the County.

In January 2013, GASB Statement No. 69 *Government Combinations and Disposals of Government Operations,* was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2013. Earlier application is encouraged. The provisions of this Statement generally are required to be applied prospectively. The County is still evaluating the possible effects of this standard.

In November 2013, Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68,* Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2014. The provisions of this Statement are required to be applied simultaneously with the provisions of GASB Statement No. 68. The County will implement this standard during the fiscal year June 30, 2015

SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
Otero County
Nonmajor Fund Descriptions
June 30, 2014

Special Revenue Funds:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Special Revenue Funds (continued):

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

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

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

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

Debt Service Funds:

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

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

Capital Projects Funds:

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

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

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

STATE OF NEW MEXICO
Otero County
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2014

	Special Revenue			
	DWI Grant	Property Valuation	Road	Clerk's Equipment
Assets				
Cash and cash equivalents	$ 129,993	$ 47,132	$ 308,527	$ 71,426
Investments	-	444,071	-	-
Receivables:				
Property taxes	-	-	-	-
Other taxes	-	-	197,189	-
Other receivables	43,344	4,838	-	-
Inventory	-	-	15,751	-
Prepaid expenses	-	2,489	15,206	3,924
Total assets	$ 173,337	$ 498,530	$ 536,673	$ 75,350
Liabilities				
Accounts payable	$ 16,444	$ 391	$ 41,321	$ -
Accrued payroll expenses	6,749	4,472	26,056	-
Total liabilities	23,193	4,863	67,377	-
Deferred inflows of resources				
Unavailable revenue:				
Property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable				
Inventory	-	-	15,751	-
Prepaid expenses	-	2,489	15,206	3,924
Spendable				
Restricted for:				
General county operations	-	491,178	-	71,426
Maintenance of roads	-	-	438,339	-
Environment	-	-	-	-
Recreation	-	-	-	-
Public safety	150,144	-	-	-
Healthcare	-	-	-	-
Debt service expenditures	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	150,144	493,667	469,296	75,350
Total liabilities, deferred inflows of resources, and fund balances	$ 173,337	$ 498,530	$ 536,673	$ 75,350

The accompanying notes are an integral part of these financial statements

Special Revenue				
Farm and Range	Recreation	HIDTA Grant	Fire	Indigent
$ 75,604	$ 4,951	$ 40,832	$ 338,654	$ 43,680
-	-	-	3,190,693	411,529
-	-	-	-	-
-	-	-	111,061	183,946
-	-	64,641	14,841	-
-	-	-	-	-
-	-	-	45,600	-
$ 75,604	$ 4,951	$ 105,473	$ 3,700,849	$ 639,155
$ -	$ -	$ -	$ 27,153	$ 375,862
-	-	8,262	-	1,187
-	-	8,262	27,153	377,049
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	45,600	-
-	-	-	-	-
-	-	-	-	-
75,604	-	-	-	-
-	4,951	-	-	-
-	-	97,211	3,628,096	-
-	-	-	-	262,106
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
75,604	4,951	97,211	3,673,696	262,106
$ 75,604	$ 4,951	$ 105,473	$ 3,700,849	$ 639,155

STATE OF NEW MEXICO
Otero County
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2014

	Special Revenue			
	EMS	Hazard Mitigation 2002	Law Enforcement Protection	Environmental Gross Receipts Tax
Assets				
Cash and cash equivalents	$ 25,717	$ 116,725	$ 45,809	$ 81,363
Investments	-	-	-	-
Receivables:				
Property taxes	-	-	-	-
Other taxes	-	-	-	55,525
Other receivables	-	58,839	-	1,674
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
Total assets	$ 25,717	$ 175,564	$ 45,809	$ 138,562
Liabilities				
Accounts payable	$ 8,993	$ 2,596	$ -	$ 15,993
Accrued payroll expenses	-	-	-	10,883
Total liabilities	8,993	2,596	-	26,876
Deferred inflows of resources				
Unavailable revenue:				
Property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable				
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
Spendable				
Restricted for:				
General county operations	-	-	-	-
Maintenance of roads	-	-	-	-
Environment	-	172,968	-	111,686
Recreation	-	-	-	-
Public safety	-	-	45,809	-
Healthcare	16,724	-	-	-
Debt service expenditures	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	16,724	172,968	45,809	111,686
Total liabilities, deferred inflows of resources, and fund balances	$ 25,717	$ 175,564	$ 45,809	$ 138,562

The accompanying notes are an integral part of these financial statements

Special Revenue				
Southwest Border Prosecution	Landfill Closure	CDBG Grants	Secure Rural Schools Grant	Sheriff's Covert Activity
$ 72,685	$ 20,582	$ 2,764	$ 63,959	$ 14,424
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
$ 72,685	$ 20,582	$ 2,764	$ 63,959	$ 14,424
$ -	$ -	$ -	$ 10	$ -
-	-	-	-	-
-	-	-	10	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	2,764	-	-
-	-	-	63,949	-
-	20,582	-	-	-
-	-	-	-	-
72,685	-	-	-	14,424
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
72,685	20,582	2,764	63,949	14,424
$ 72,685	$ 20,582	$ 2,764	$ 63,959	$ 14,424

STATE OF NEW MEXICO
Otero County
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2014

	Debt Service		Capital Projects	
	Debt Service	Other Debt Service	Legislative Grants	Building Improvements
Assets				
Cash and cash equivalents	$ 149,581	$ 482,221	$ 250,000	$ 1,074
Investments	-	361,614	-	-
Receivables:				
Property taxes	1,685	-	-	-
Other taxes	-	-	-	-
Other receivables	-	-	-	-
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
Total assets	$ 151,266	$ 843,835	$ 250,000	$ 1,074
Liabilities				
Accounts payable	$ -	$ -	$ -	$ 11,226
Accrued payroll expenses	-	-	-	-
Total liabilities	-	-	-	11,226
Deferred inflows of resources				
Unavailable revenue:				
Property taxes	1,673	-	-	-
Total deferred inflows of resources	1,673	-	-	-
Fund balances				
Nonspendable				
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
Spendable				
Restricted for:				
General county operations	-	-	-	-
Maintenance of roads	-	-	-	-
Environment	-	-	-	-
Recreation	-	-	-	-
Public safety	-	-	-	-
Healthcare	-	-	-	-
Debt service expenditures	149,593	843,835	-	
Capital projects	-	-	250,000	-
Unassigned	-	-	-	(10,152)
Total fund balances	149,593	843,835	250,000	(10,152)
Total liabilities, deferred inflows of resources, and fund balances	$ 151,266	$ 843,835	$ 250,000	$ 1,074

The accompanying notes are an integral part of these financial statements

Capital Projects Hold Harmless Revenue Bonds (Acquisition)	Total Nonmajor Governmental Funds
$ 4,969,030	$ 7,356,733
-	4,407,907
-	1,685
-	547,721
-	188,177
-	15,751
-	67,219
$ 4,969,030	$ 12,585,193
$ 558	$ 500,547
-	57,609
558	558,156
-	1,673
-	1,673
-	15,751
-	67,219
-	565,368
-	502,288
-	380,840
-	4,951
-	4,008,369
-	278,830
-	993,428
4,968,472	5,218,472
-	(10,152)
4,968,472	12,025,364
$ 4,969,030	$ 12,585,193

STATE OF NEW MEXICO
Otero County
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended June 30, 2014

	Special Revenue			
	DWI Grant	Property Valuation	Road	Clerk's Equipment
Revenues:				
Taxes:				
Property	$ -	$ 239,245	$ -	$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	1,123,626	-
Intergovernmental:				
Federal operating grants	-	-	280,604	-
Federal capital grants	-	-	-	-
State operating grants	131,555	-	-	-
State capital grants	-	-	-	-
Charges for services	345,398	-	-	64,764
Investment income (loss)	-	723	-	-
Miscellaneous	2,510	648	33,206	-
Total revenues	479,463	240,616	1,437,436	64,764
Expenditures:				
Current:				
General government	-	241,157	-	68,460
Public safety	471,004	-	-	-
Public works	-	-	2,243,763	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	66,314	536,410	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance costs	-	-	-	-
Total expenditures	471,004	307,471	2,780,173	68,460
Excess (deficiency) of revenues over expenditures	8,459	(66,855)	(1,342,737)	(3,696)
Other financing sources (uses)				
Proceeds from debt	-	-	-	-
Premium on debt issuance	-	-	-	-
Discount on debt issuance	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	17,705	111,070	1,339,000	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	17,705	111,070	1,339,000	-
Net change in fund balances	26,164	44,215	(3,737)	(3,696)
Fund balances - beginning of year	123,980	449,452	473,033	79,046
Fund balances - end of year	$ 150,144	$ 493,667	$ 469,296	$ 75,350

The accompanying notes are an integral part of these financial statements

Special Revenue				
Farm and Range	Recreation	HIDTA Grant	Fire	Indigent
$ -	$ -	$ -	$ -	$ -
-	-	-	882,767	1,612,832
-	-	-	-	-
15,594	-	224,914	45,543	-
-	-	-	-	-
-	-	-	1,537,159	-
-	-	-	24,468	-
-	-	-	-	-
142	-	-	19,055	(1,563)
-	-	114,687	11,338	8,165
15,736	-	339,601	2,520,330	1,619,434
-	-	-	-	-
-	-	410,944	1,815,244	-
-	-	-	-	-
-	494	-	-	-
30,000	-	-	-	1,837,806
-	-	-	618,911	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
30,000	494	410,944	2,434,155	1,837,806
(14,264)	(494)	(71,343)	86,175	(218,372)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	32,685	-
-	-	30,000	-	-
-	-	-	(65,253)	-
-	-	30,000	(32,568)	-
(14,264)	(494)	(41,343)	53,607	(218,372)
89,868	5,445	138,554	3,620,089	480,478
$ 75,604	$ 4,951	$ 97,211	$ 3,673,696	$ 262,106

STATE OF NEW MEXICO
Otero County
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended June 30, 2014

	Special Revenue			
	EMS	Hazard Mitigation 2002	Law Enforcement Protection	Environmental Gross Receipts Tax
Revenues:				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	371,426
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	182,391	-	-
Federal capital grants	-	-	-	-
State operating grants	132,521	2,987	-	-
State capital grants	-	-	54,600	-
Charges for services	-	-	-	47,270
Investment income (loss)	-	-	-	173
Miscellaneous	-	-	-	118,672
Total revenues	132,521	185,378	54,600	537,541
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	8,791	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	122,183	189,907	-	923,531
Capital outlay	2,692	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance costs	-	-	-	-
Total expenditures	124,875	189,907	8,791	923,531
Excess (deficiency) of revenues over expenditures	7,646	(4,529)	45,809	(385,990)
Other financing sources (uses)				
Proceeds from debt	-	-	-	-
Premium on debt issuance	-	-	-	-
Discount on debt issuance	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	448,000
Transfers (out)	-	(98,000)	-	-
Total other financing sources (uses)	-	(98,000)	-	448,000
Net change in fund balances	7,646	(102,529)	45,809	62,010
Fund balances - beginning of year	9,078	275,497	-	49,676
Fund balances - end of year	$ 16,724	$ 172,968	$ 45,809	$ 111,686

The accompanying notes are an integral part of these financial statements

Special Revenue				
Southwest Border Prosecution	Landfill Closure	CDBG Grants	Secure Rural Schools Grant	Sheriff's Covert Activity
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	46,217	-
-	-	10,980	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	84	-	-	16
-	-	-	-	15,525
-	84	10,980	46,217	15,541
-	-	40,127	216,679	-
-	-	-	-	49,111
-	-	-	-	-
-	-	-	-	-
-	20,618	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	20,618	40,127	216,679	49,111
-	(20,534)	(29,147)	(170,462)	(33,570)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	30,000	-	-
-	-	-	-	-
-	-	30,000	-	-
-	(20,534)	853	(170,462)	(33,570)
72,685	41,116	1,911	234,411	47,994
$ 72,685	$ 20,582	$ 2,764	$ 63,949	$ 14,424

STATE OF NEW MEXICO
Otero County
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended June 30, 2014

	Debt Service		Capital Projects	
	Debt Service	Other Debt Service	Legislative Grants	Building Improvements
Revenues:				
Taxes:				
Property	$ 320	$ -	$ -	$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	451,001	-	-
State capital grants	-	-	7,504	-
Charges for services	-	-	-	-
Investment income (loss)	405	1,234	-	-
Miscellaneous	-	-	-	-
Total revenues	725	452,235	7,504	-
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	4,851	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	449,671	-	210,152
Debt service:				
Principal	-	446,674	-	-
Interest	-	100,741	-	-
Issuance costs	-	-	-	-
Total expenditures	-	1,001,937	-	210,152
Excess (deficiency) of revenues over expenditures	725	(549,702)	7,504	(210,152)
Other financing sources (uses)				
Proceeds from debt	-	649,852	-	-
Premium on debt issuance	-	-	-	-
Discount on debt issuance	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	93,618	-	179,525
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	743,470	-	179,525
Net change in fund balances	725	193,768	7,504	(30,627)
Fund balances - beginning of year	148,868	650,067	242,496	20,475
Fund balances - end of year	$ 149,593	$ 843,835	$ 250,000	$ (10,152)

The accompanying notes are an integral part of these financial statements

Capital Projects Hold Harmless Revenue Bond (Acquisition)	Total Nonmajor Governmental Funds
$ -	$ 239,565
-	2,867,025
-	1,123,626
-	795,263
-	10,980
-	2,255,223
-	86,572
-	457,432
2,377	22,646
-	304,751
2,377	8,163,083
-	566,423
-	2,759,945
-	2,243,763
-	494
-	3,124,045
33,989	1,918,139
-	446,674
-	100,741
96,838	96,838
130,827	11,257,062
(128,450)	(3,093,979)
5,065,000	5,714,852
82,572	82,572
(50,650)	(50,650)
-	32,685
-	2,248,918
-	(163,253)
5,096,922	7,865,124
4,968,472	4,771,145
-	7,254,219
$ 4,968,472	$ 12,025,364

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STATE OF NEW MEXICO Statement B-1

Otero County

DWI Grant Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
Revenues:				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	131,125	153,792	117,559	(36,233)
State capital grants	-	-	-	-
Charges for services	328,995	328,995	344,958	15,963
Investment income (loss)	-	-	-	-
Miscellaneous	2,500	2,500	2,510	10
Total revenues	462,620	485,287	465,027	(20,260)
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	493,011	533,384	457,047	76,337
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	4,495	4,495	-	4,495
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	497,506	537,879	457,047	80,832
Excess (deficiency) of revenues over expenditures	(34,886)	(52,592)	7,980	60,572
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	34,886	34,887	-	(34,887)
Proceeds from debt	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	17,705	17,705	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	34,886	52,592	17,705	(34,887)
Net change in fund balance	-	-	25,685	25,685
Fund balance - beginning of year	-	-	104,308	104,308
Fund balance - end of year	$ -	$ -	$ 129,993	$ 129,993
Net change in fund balance (non-GAAP budgetary basis)				$ 25,685
Adjustments to revenue state grants				14,436
Adjustments to expenditures for payroll and other operating expenditures				(13,957)
Net change in fund balance (GAAP)				$ 26,164

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO Statement B-2

Otero County

Property Valuation Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
Revenues:				
Taxes:				
Property	$ 215,000	$ 215,000	$ 234,407	$ 19,407
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	723	723
Miscellaneous	-	-	648	648
Total revenues	215,000	215,000	235,778	20,778
Expenditures:				
Current:				
General government	304,996	304,996	241,092	63,904
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	264,642	264,642	66,314	198,328
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	569,638	569,638	307,406	262,232
Excess (deficiency) of revenues over expenditures	(354,638)	(354,638)	(71,628)	283,010
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	226,083	226,083	-	(226,083)
Proceeds from debt	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	128,555	128,555	111,070	(17,485)
Transfers (out)	-	-	-	-
Total other financing sources (uses)	354,638	354,638	111,070	(243,568)
Net change in fund balance	-	-	39,442	39,442
Fund balance - beginning of year	-	-	451,761	451,761
Fund balance - end of year	$ -	$ -	$ 491,203	$ 491,203
Net change in fund balance (non-GAAP budgetary basis)				$ 39,442
Adjustments to revenues for property taxes				4,838
Adjustments to expenditures for payroll and contract expenses				(65)
Net change in fund balance (GAAP)				$ 44,215

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO Statement B-3

Otero County

Road Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
Revenues:				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	1,107,500	1,107,500	1,116,912	9,412
Intergovernmental income:				
Federal operating grants	35,000	35,000	280,604	245,604
Federal capital grants	-	-	-	-
State operating grants	468,398	468,398	-	(468,398)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	-	-
Miscellaneous	-	-	33,206	33,206
Total revenues	1,610,898	1,610,898	1,430,722	(180,176)
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	3,168,426	3,168,426	2,526,513	641,913
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	495,842	495,842	259,647	236,195
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	3,664,268	3,664,268	2,786,160	878,108
Excess (deficiency) of revenues over expenditures	(2,053,370)	(2,053,370)	(1,355,438)	697,932
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	19,370	19,370	-	(19,370)
Proceeds from debt	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	2,034,000	2,034,000	1,339,000	(695,000)
Transfers (out)	-	-	-	-
Total other financing sources (uses)	2,053,370	2,053,370	1,339,000	(714,370)
Net change in fund balance	-	-	(16,438)	(16,438)
Fund balance - beginning of year	-	-	324,965	324,965
Fund balance - end of year	$ -	$ -	$ 308,527	$ 308,527

Net change in fund balance (non-GAAP budgetary basis)	$ (16,438)
Adjustments to revenues for gas and motor vehicle taxes	6,714
Adjustments to expenditures for salaries, maintenance, and insurance expenditures	5,987
Net change in fund balance (GAAP)	$ (3,737)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-4

Otero County
Clerk's Equipment Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
Revenues:				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	74,000	74,000	64,806	(9,194)
Investment income (loss)	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	74,000	74,000	64,806	(9,194)
Expenditures:				
Current:				
General government	79,353	79,353	72,733	6,620
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	79,353	79,353	72,733	6,620
Excess (deficiency) of revenues over expenditures	(5,353)	(5,353)	(7,927)	(2,574)
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	5,353	5,353	-	(5,353)
Proceeds from debt	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	5,353	5,353	-	(5,353)
Net change in fund balance	-	-	(7,927)	(7,927)
Fund balance - beginning of year	-	-	79,353	79,353
Fund balance - end of year	$ -	$ -	$ 71,426	$ 71,426

Net change in fund balance (non-GAAP budgetary basis)	$ (7,927)
Adjustments to revenues equipment fees	(42)
Adjustments to expenditures for equipment rentals and maintenance contract expenditures	4,273
Net change in fund balance (GAAP)	$ (3,696)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO Statement B-5

Otero County

Farm and Range Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
Revenues:				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental income:				
Federal operating grants	16,500	16,500	15,594	(906)
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	142	142
Miscellaneous	-	-	-	-
Total revenues	16,500	16,500	15,736	(764)
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	89,868	89,868	30,000	59,868
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	89,868	89,868	30,000	59,868
Excess (deficiency) of revenues over expenditures	(73,368)	(73,368)	(14,264)	59,104
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	73,368	73,368	-	(73,368)
Proceeds from debt	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	73,368	73,368	-	(73,368)
Net change in fund balance	-	-	(14,264)	(14,264)
Fund balance - beginning of year	-	-	89,868	89,868
Fund balance - end of year	$ -	$ -	$ 75,604	$ 75,604
Net change in fund balance (non-GAAP budgetary basis)				$ (14,264)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				$ (14,264)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO Statement B-6

Otero County

Recreation Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
Revenues:				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	3,000	3,000	494	2,506
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	3,000	3,000	494	2,506
Excess (deficiency) of revenues over expenditures	(3,000)	(3,000)	(494)	2,506
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	3,000	3,000	-	(3,000)
Proceeds from debt	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	3,000	3,000	-	(3,000)
Net change in fund balance	-	-	(494)	(494)
Fund balance - beginning of year	-	-	5,445	5,445
Fund balance - end of year	$ -	$ -	$ 4,951	$ 4,951
Net change in fund balance (non-GAAP budgetary basis)				$ (494)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				$ (494)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO Statement B-7

Otero County

HIDTA Grant Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
Revenues:				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental income:				
Federal operating grants	240,000	240,000	303,158	63,158
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	-	-
Miscellaneous	115,000	115,000	114,696	(304)
Total revenues	355,000	355,000	417,854	62,854
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	331,050	416,050	410,011	6,039
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	331,050	416,050	410,011	6,039
Excess (deficiency) of revenues over expenditures	23,950	(61,050)	7,843	68,893
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	(23,950)	(23,950)	-	23,950
Proceeds from debt	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	85,000	30,000	(55,000)
Transfers (out)	-	-	-	-
Total other financing sources (uses)	(23,950)	61,050	30,000	(31,050)
Net change in fund balance	-	-	37,843	37,843
Fund balance - beginning of year	-	-	2,989	2,989
Fund balance - end of year	$ -	$ -	$ 40,832	$ 40,832
Net change in fund balance (non-GAAP budgetary basis)				$ 37,843
Adjustments to revenue for federal grants				(78,253)
Adjustments to expenditures for payroll and supply expenditures				(933)
Net change in fund balance (GAAP)				$ (41,343)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO Statement B-8

Otero County

Fire Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
Revenues:				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	900,000	900,000	771,706	(128,294)
Gasoline and motor vehicle	-	-	-	-
Intergovernmental income:				
Federal operating grants	99,932	99,932	43,977	(55,955)
Federal capital grants	-	-	-	-
State operating grants	1,419,012	1,637,026	1,558,306	(78,720)
State capital grants	-	24,468	24,468	-
Charges for services	-	-	-	-
Investment income (loss)	7,000	7,000	19,055	12,055
Miscellaneous	-	4,152	8,002	3,850
Total revenues	2,425,944	2,672,578	2,425,514	(247,064)
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	3,439,894	3,966,725	1,822,247	2,144,478
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	1,538,246	1,323,595	613,254	710,341
Debt service:				
Principal	108,069	56,524	6,077	50,447
Interest	-	-	-	-
Total expenditures	5,086,209	5,346,844	2,441,578	2,905,266
Excess (deficiency) of revenues over expenditures	(2,660,265)	(2,674,266)	(16,064)	2,658,202
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	2,694,265	2,694,266	-	(2,694,266)
Proceeds from debt	-	-	-	-
Proceeds from sale of equipment	-	14,000	32,685	18,685
Transfers in	-	-	-	-
Transfers (out)	(34,000)	(34,000)	(65,253)	(31,253)
Total other financing sources (uses)	2,660,265	2,674,266	(32,568)	(2,706,834)
Net change in fund balance	-	-	(48,632)	(48,632)
Fund balance - beginning of year	-	-	3,577,979	3,577,979
Fund balance - end of year	$ -	$ -	$ 3,529,347	$ 3,529,347

Net change in fund balance (non-GAAP budgetary basis)	$ (48,632)
Adjustments to revenue for gross receipts taxes and state grants	94,816
Adjustments to expenditures for supplies, maintenance, and operating expenditures	7,423
Net change in fund balance (GAAP)	$ 53,607

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO Statement B-9

Otero County

Indigent Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
Revenues:				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	1,890,000	1,890,000	1,763,295	(126,705)
Gasoline and motor vehicle	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	(1,563)	(1,563)
Miscellaneous	-	-	8,165	8,165
Total revenues	1,890,000	1,890,000	1,769,897	(120,103)
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	2,088,781	2,088,781	1,549,529	539,252
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	2,088,781	2,088,781	1,549,529	539,252
Excess (deficiency) of revenues over expenditures	(198,781)	(198,781)	220,368	419,149
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	198,781	198,781	-	(198,781)
Proceeds from debt	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	198,781	198,781	-	(198,781)
Net change in fund balance	-	-	220,368	220,368
Fund balance - beginning of year	-	-	234,841	234,841
Fund balance - end of year	$ -	$ -	$ 455,209	$ 455,209

Net change in fund balance (non-GAAP budgetary basis)	$ 220,368
Adjustments to revenue for gross receipts taxes	(150,463)
Adjustments to expenditures for payroll and supply expenditures	(288,277)
Net change in fund balance (GAAP)	$ (218,372)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO Statement B-10

Otero County

EMS Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
Revenues:				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	132,521	132,521	132,521	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	132,521	132,521	132,521	-
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	148,065	148,065	122,354	25,711
Capital outlay	2,000	2,000	1,994	6
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	150,065	150,065	124,348	25,717
Excess (deficiency) of revenues over expenditures	(17,544)	(17,544)	8,173	25,717
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	17,544	17,544	-	(17,544)
Proceeds from debt	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	17,544	17,544	-	(17,544)
Net change in fund balance	-	-	8,173	8,173
Fund balance - beginning of year	-	-	17,544	17,544
Fund balance - end of year	$ -	$ -	$ 25,717	$ 25,717
Net change in fund balance (non-GAAP budgetary basis)				$ 8,173
No adjustments to revenues				-
Adjustments to expenditures for supply expenditures				(527)
Net change in fund balance (GAAP)				$ 7,646

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO Statement B-11

Otero County

Hazard Mitigation 2002 Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
Revenues:				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental income:				
Federal operating grants	224,932	285,932	123,552	(162,380)
Federal capital grants	-	-	-	-
State operating grants	-	10,000	2,987	(7,013)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	224,932	295,932	126,539	(169,393)
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	313,017	384,017	187,311	196,706
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	313,017	384,017	187,311	196,706
Excess (deficiency) of revenues over expenditures	(88,085)	(88,085)	(60,772)	27,313
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	188,085	188,085	-	(188,085)
Proceeds from debt	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	(100,000)	(100,000)	(98,000)	2,000
Total other financing sources (uses)	88,085	88,085	(98,000)	(186,085)
Net change in fund balance	-	-	(158,772)	(158,772)
Fund balance - beginning of year	-	-	275,497	275,497
Fund balance - end of year	$ -	$ -	$ 116,725	$ 116,725

Net change in fund balance (non-GAAP budgetary basis)	$ (158,772)
Adjustments to revenues for federal and state grants	58,839
Adjustments to expenditures for grant expenditures	(2,596)
Net change in fund balance (GAAP)	$ (102,529)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO Statement B-12

Otero County

Law Enforcement Protection Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
Revenues:				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	54,600	54,600	54,600	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	54,600	54,600	54,600	-
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	1,200	17,600	8,791	8,809
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	53,400	37,000	-	37,000
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	54,600	54,600	8,791	45,809
Excess (deficiency) of revenues over expenditures	-	-	45,809	45,809
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	-	-	-	-
Proceeds from debt	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	45,809	45,809
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	$ -	$ -	$ 45,809	$ 45,809
Net change in fund balance (non-GAAP budgetary basis)				$ 45,809
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				$ 45,809

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO Statement B-13

Otero County

Environmental Gross Receipts Tax Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
Revenues:				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	450,000	450,000	385,844	(64,156)
Gasoline and motor vehicle	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	33,000	33,000	49,601	16,601
Investment income (loss)	-	-	173	173
Miscellaneous	40,000	40,000	118,672	78,672
Total revenues	523,000	523,000	554,290	31,290
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	955,921	974,921	925,081	49,840
Capital outlay	19,000	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	974,921	974,921	925,081	49,840
Excess (deficiency) of revenues over expenditures	(451,921)	(451,921)	(370,791)	81,130
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	3,921	3,921	-	(3,921)
Proceeds from debt	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	448,000	448,000	448,000	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	451,921	451,921	448,000	(3,921)
Net change in fund balance	-	-	77,209	77,209
Fund balance - beginning of year	-	-	4,154	4,154
Fund balance - end of year	$ -	$ -	$ 81,363	$ 81,363

Net change in fund balance (non-GAAP budgetary basis)	$ 77,209
Adjustments to revenue for gross receipt taxes	(16,749)
Adjustments to expenditures for salaries, maintenance and repairs and insurance expenditures	1,550
Net change in fund balance (GAAP)	$ 62,010

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO Statement B-14

Otero County

Southwest Border Prosecution Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2014

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

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO Statement B-15

Otero County

Landfill Closure Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
Revenues:				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	84	84
Miscellaneous	-	-	-	-
Total revenues	-	-	84	84
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	30,000	30,000	20,833	9,167
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	30,000	30,000	20,833	9,167
Excess (deficiency) of revenues over expenditures	(30,000)	(30,000)	(20,749)	9,251
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	30,000	30,000	-	(30,000)
Proceeds from debt	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	30,000	30,000	-	(30,000)
Net change in fund balance	-	-	(20,749)	(20,749)
Fund balance - beginning of year	-	-	41,331	41,331
Fund balance - end of year	$ -	$ -	$ 20,582	$ 41,331
Net change in fund balance (non-GAAP budgetary basis)				$ (20,749)
No adjustments to revenues				-
Adjustments to expenditures for monitoring expenditures				215
Net change in fund balance (GAAP)				$ (20,534)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO Statement B-16

Otero County

CDBG Grants Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
Revenues:				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	497,564	497,564	10,980	(486,584)
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	497,564	497,564	10,980	(486,584)
Expenditures:				
Current:				
General government	58,546	58,546	43,432	15,114
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	474,525	474,525	-	474,525
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	533,071	533,071	43,432	489,639
Excess (deficiency) of revenues over expenditures	(35,507)	(35,507)	(32,452)	3,055
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	(164,493)	(164,493)	-	164,493
Proceeds from debt	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	200,000	200,000	30,000	(170,000)
Transfers (out)	-	-	-	-
Total other financing sources (uses)	35,507	35,507	30,000	(5,507)
Net change in fund balance	-	-	(2,452)	(2,452)
Fund balance - beginning of year	-	-	5,216	5,216
Fund balance - end of year	$ -	$ -	$ 2,764	$ 2,764
Net change in fund balance (non-GAAP budgetary basis)				$ (2,452)
No adjustments to revenues				-
Adjustments to expenditures for professional services expenditures				3,305
Net change in fund balance (GAAP)				$ 853

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO Statement B-17

Otero County

Secure Rural Schools Grant Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
Revenues:				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	46,217	46,217
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	46,217	46,217
Expenditures:				
Current:				
General government	234,411	234,411	216,669	17,742
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	234,411	234,411	216,669	17,742
Excess (deficiency) of revenues over expenditures	(234,411)	(234,411)	(170,452)	63,959
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	234,411	234,411	-	(234,411)
Proceeds from debt	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	234,411	234,411	-	(234,411)
Net change in fund balance	-	-	(170,452)	(170,452)
Fund balance - beginning of year	-	-	234,411	234,411
Fund balance - end of year	$ -	$ -	$ 63,959	$ 63,959
Net change in fund balance (non-GAAP budgetary basis)				$ (170,452)
No adjustments to revenues				-
Adjustments to expenditures for professional services expenditures				(10)
Net change in fund balance (GAAP)				$ (170,462)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO Statement B-18

Otero County

Sheriff's Covert Activity Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
Revenues:				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	16	16
Miscellaneous	255,000	255,000	15,525	(239,475)
Total revenues	255,000	255,000	15,541	(239,459)
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	255,000	255,000	49,111	205,889
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	255,000	255,000	49,111	205,889
Excess (deficiency) of revenues over expenditures	-	-	(33,570)	(33,570)
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	-	-	-	-
Proceeds from debt	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	(33,570)	(33,570)
Fund balance - beginning of year	-	-	47,994	47,994
Fund balance - end of year	$ -	$ -	$ 14,424	$ 14,424
Net change in fund balance (non-GAAP budgetary basis)				$ (33,570)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				$ (33,570)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO Statement B-19

Otero County

Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
Revenues:				
Taxes:				
Property	$ 300	$ 300	$ 393	$ 93
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	300	300	405	105
Miscellaneous	-	-	-	-
Total revenues	600	600	798	198
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	600	600	798	198
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	(600)	(600)	-	600
Proceeds from debt	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	(600)	(600)	-	600
Net change in fund balance	-	-	798	798
Fund balance - beginning of year	-	-	148,783	148,783
Fund balance - end of year	$ -	$ -	$ 149,581	$ 149,581
Net change in fund balance (non-GAAP budgetary basis)				$ 798
Adjustments to revenue for property taxes				(73)
No adjustments to expenditures				-
Net change in fund balance (GAAP)				$ 725

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO Statement B-20

Otero County

Other Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
Revenues:				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	525,000	525,000	451,001	(73,999)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	3,200	3,200	1,234	(1,966)
Miscellaneous	-	-	-	-
Total revenues	528,200	528,200	452,235	(75,965)
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	25,000	25,010	7,753	17,257
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	825,000	824,990	449,671	375,319
Debt service:				
Principal	475,000	475,000	446,674	28,326
Interest	150,000	150,000	97,839	52,161
Total expenditures	1,475,000	1,475,000	1,001,937	473,063
Excess (deficiency) of revenues over expenditures	(946,800)	(946,800)	(549,702)	397,098
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	(28,200)	(28,200)	-	28,200
Proceeds from debt	825,000	825,000	649,852	(175,148)
Proceeds from sale of equipment	-	-	-	-
Transfers in	150,000	150,000	93,618	(56,382)
Transfers (out)	-	-	-	-
Total other financing sources (uses)	946,800	946,800	743,470	(203,330)
Net change in fund balance	-	-	193,768	193,768
Fund balance - beginning of year	-	-	650,067	650,067
Fund balance - end of year	$ -	$ -	$ 843,835	$ 843,835
Net change in fund balance (non-GAAP budgetary basis)				$ 193,768
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				$ 193,768

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO Statement B-21

Otero County

Legislative Grants Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
Revenues:				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	984,850	984,850	50,000	(934,850)
Charges for services	-	-	-	-
Investment income (loss)	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	984,850	984,850	50,000	(934,850)
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	6,394	6,394	6,394	-
Health and welfare	-	-	-	-
Capital outlay	934,850	934,850	-	934,850
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	941,244	941,244	6,394	934,850
Excess (deficiency) of revenues over expenditures	43,606	43,606	43,606	-
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	206,394	206,394	-	(206,394)
Proceeds from debt	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	(250,000)	(250,000)	-	250,000
Total other financing sources (uses)	(43,606)	(43,606)	-	43,606
Net change in fund balance	-	-	43,606	43,606
Fund balance - beginning of year	-	-	206,394	206,394
Fund balance - end of year	$ -	$ -	$ 250,000	$ 250,000
Net change in fund balance (non-GAAP budgetary basis)				$ 43,606
Adjustments to revenue for state grants revenues				(42,496)
Adjustments to expenditures for supply expenditures				6,394
Net change in fund balance (GAAP)				$ 7,504

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO Statement B-22

Otero County

Building Improvements Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
Revenues:				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	200,000	200,000	198,926	1,074
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	200,000	200,000	198,926	1,074
Excess (deficiency) of revenues over expenditures	(200,000)	(200,000)	(198,926)	1,074
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	20,475	20,475	-	(20,475)
Proceeds from debt	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	179,525	179,525	179,525	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	200,000	200,000	179,525	(20,475)
Net change in fund balance	-	-	(19,401)	(19,401)
Fund balance - beginning of year	-	-	20,475	20,475
Fund balance - end of year	$ -	$ -	$ 1,074	$ 1,074
Net change in fund balance (non-GAAP budgetary basis)				$ (19,401)
No adjustments to revenues				-
Adjustments to expenditures for capital outlay expenditures				(11,226)
Net change in fund balance (GAAP)				$ (30,627)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO Statement B-23

Otero County

Hold Harmless Revenue Bonds (Acquisition) Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
Revenues:				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	2,377	2,377
Miscellaneous	-	82,572	-	(82,572)
Total revenues	-	82,572	2,377	(80,195)
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	5,000,084	33,431	4,966,653
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance costs	-	147,488	96,838	50,650
Total expenditures	-	5,147,572	130,269	5,017,303
Excess (deficiency) of revenues over expenditures	-	(5,065,000)	(127,892)	4,937,108
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	-	-	-	-
Proceeds from debt	-	5,065,000	5,065,000	-
Premium on debt issuance	-	-	82,572	82,572
Discount on debt issuance	-	-	(50,650)	(50,650)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	5,065,000	5,096,922	31,922
Net change in fund balance	-	-	4,969,030	4,969,030
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	$ -	$ -	$ 4,969,030	$ 4,969,030
Net change in fund balance (non-GAAP budgetary basis)				$ 4,969,030
No adjustments to revenues				-
Adjustments to expenditures for animal shelter expenses				(558)
Net change in fund balance (GAAP)				$ 4,968,472

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO Statement B-24

Otero County

Otero County Detention Center Proprietary Fund

Statement of Revenues, Expenses and Changes in Net Position

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2014

	Budget Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
Operating revenues				
Charges for services	$ 45,000,000	$ 45,000,000	$ 34,221,537	$ (10,778,463)
Total operating revenues	45,000,000	45,000,000	34,221,537	(10,778,463)
Operating expenses				
Contractual services	40,025,000	40,025,000	28,650,113	11,374,887
Total operating expenses	40,025,000	40,025,000	28,650,113	11,374,887
Operating income (loss)	4,975,000	4,975,000	5,571,424	596,424
Non-operating revenues (expenses)				
Proceeds from bonds	17,425,000	17,425,000	16,820,000	(605,000)
Interest expense	(1,815,000)	(1,815,000)	(1,287,464)	527,536
Principal expense	(20,225,000)	(20,225,000)	(17,930,000)	2,295,000
Interest income (loss)	85,000	85,000	28,643	(56,357)
Bond issuance costs	-	-	(462,550)	(462,550)
Bond discount	-	-	(42,050)	(42,050)
Total non-operating revenues (expenses)	(4,530,000)	(4,530,000)	(2,873,421)	1,656,579
Income (loss) before contributions and transfers	445,000	445,000	2,698,003	2,253,003
Transfers in	-	-	5,532	5,532
Transfers (out)	(750,000)	(750,000)	(566,144)	183,856
Change in net position	(305,000)	(305,000)	2,137,391	2,436,859
Designated cash (budgeted increase in cash)	305,000	305,000	-	(305,000)
Net position - beginning	-	-	8,147,759	8,147,759
Net position - end of year	$ -	$ -	$ 10,285,150	$ 10,279,618

Net change in net position (non-GAAP budgetary basis)	$ 2,137,391
Adjustments to revenues for charges for services	(3,516,432)
Adjustments to expenditures for contract services, interest, depreciation and amortization	(1,869,351)
Net change in net position (GAAP)	$ (3,248,392)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO Statement B-25

Otero County

Otero County Processing Center Proprietary Fund

Statement of Revenues, Expenses and Changes in Net Position

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2014

	Budget Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
Operating revenues				
Charges for services	$ 45,000,000	$ 45,000,000	$ 28,010,838	$ (16,989,162)
Total operating revenues	45,000,000	45,000,000	28,010,838	(16,989,162)
Operating expenses				
Contractual services	40,025,000	40,025,000	25,942,981	14,082,019
Total operating expenses	40,025,000	40,025,000	25,942,981	14,082,019
Operating income (loss)	4,975,000	4,975,000	2,067,857	(2,907,143)
Non-operating revenues (expenses)				
Proceeds from bonds	-	-	-	-
Interest expense	(3,174,000)	(3,174,000)	(3,173,813)	187
Principal expense	(2,090,000)	(2,090,000)	(2,090,000)	-
Interest income (loss)	20,000	20,000	-	(20,000)
Bond issuance costs	-	-	-	-
Total non-operating revenues (expenses)	(5,244,000)	(5,244,000)	(5,263,813)	(19,813)
Income (loss) before contributions and transfers	(269,000)	(269,000)	(3,195,956)	(2,926,956)
Transfers in	-	-	-	-
Transfers (out)	(550,000)	(550,000)	(462,814)	87,186
Change in net position	(819,000)	(819,000)	(3,658,770)	(2,839,770)
Designated cash (budgeted increase in cash)	819,000	819,000	-	(819,000)
Net position - beginning	-	-	10,621,593	10,621,593
Net position - end of year	$ -	$ -	$ 6,962,823	$ 6,962,823

Net change in net position (non-GAAP budgetary basis)	$ (3,658,770)
Adjustments to revenues for charges for services	1,859,307
Adjustments to expenditures for contract services, interest, depreciation and amortization	1,688,135
Net change in net position (GAAP)	$ (111,328)

The accompanying notes are an integral part of these financial statements

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SUPPORTING SCHEDULES

STATE OF NEW MEXICO
Otero County
Schedule of Collateral Pledged by Depository For Public Funds
June 30, 2014

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value/ Par Value June 30, 2014
Bank 34				
	MBS GNMA II	04/20/34	36225C6F8	$ 299,412
	MBS GNMA II	01/20/23	35202KAW5	225,790
	Total Bank 34			525,202
	Name and location of safekeeper for above pledged collateral: Federal Home Loan Bank of Dallas, 8500 Freeport Parkway South, Irving, Texas 75063			
First American Bank				
	Los Lunas NM SCH DIST***	07/15/16	545562PC8	400,000
	Total First American Bank			400,000
	Name and location of safekeeper for above pledged collateral: Federal Home Loan Bank of Dallas, 8500 Freeport Parkway South, Irving, Texas 75063			
First National Bank of Alamogordo				
	FNMA Pool #AH8166	04/01/26	3138AACC3	1,138,836
	FNMA Pool #709835	06/01/18	31401JSY5	78,666
	FHLMC Pool #B10680	11/01/18	312962XH1	190,544
	FHLMC Pool #G12358	05/01/21	3128M1QK8	153,797
	FHLMC Pool #J14944	04/01/26	3128PUP55	873,941
	FNMA Pool #AB3163	06/01/31	31416YQR2	550,518
	FNMA Pool #MA3894	09/01/31	31418DKG6	1,560,074
	FNMA Pool #893271	08/01/26	31410PMU4	45,108
	FNMA Pool #AB4713	03/01/32	31417BGX9	991,015
	FNMA Pool #MA1338	02/01/33	31418APY8	3,693,290
	FNMA Pool #945117	08/01/37	31413GPA2	150,249
	Total First National Bank of Alamogordo			9,426,038
	Name and location of safekeeper for above pledged collateral: Federal Home Loan Bank of Dallas, 8500 Freeport Parkway South, Irving, Texas 75063			
Washington Federal Bank				
	FHLMC Gold PC A94288	10/01/40	3620E0NW2	60,830
	Total Washington Federal Bank			60,830
	Name and location of safekeeper for above pledged collateral: Federal Home Loan Bank of Dallas, 8500 Freeport Parkway South, Irving, Texas 75063			

***As per NMSA 2.2.2.10 (N) (4), the value of collateral consisting of obligations of the State of New Mexico, its agencies, institutions, counties, municipalities or other subdivisions shall be par value.

See independent auditors' report

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value/ Par Value June 30, 2014
Wells Fargo Bank, N.A.				
	FNMA FNMS 4.000%	08/01/43	3138W9K66	1,763,686
	FNMA FNMS 3.000%	01/01/43	31417EKV2	4,538
	Total Wells Fargo Bank, N.A.			1,768,224
	Name and location of safekeeper for above pledged collateral: BNY Mellon One Wall Street, New York, NY 10286			
Western Bank				
	FNMA Agency	09/27/32	3136G0H61	1,402,500
	Total Western Bank			1,402,500
	Name and location of safekeeper for above pledged collateral: Federal Home Loan Bank of Dallas, 8500 Freeport Parkway South, Irving, Texas 75063			
	Total Pledged Collateral			$ 13,582,794

STATE OF NEW MEXICO
Otero County
Schedule of Deposit and Investment Accounts
June 30, 2014

Bank Account Type/Name	Bank 34	First American Bank	First National Bank of Alamogordo	First Savings Bank
Certificate of Deposit - Interest Bearing	$ 600,000	$ 100,000	$ 1,000,000	$ 250,000
Checking - Operational - Interest Bearing	-	-	1,028,806	-
Checking - Inmate Trust Fund - Non-interest Bearing	-	-	25,852	-
Money Market - Interest Bearing	-	-	3,632,203	-
Checking - Sheriff's Trust Fund - Non-interest Bearing	-	-	700	-
Federal Home Loan Bank Bond - Interest Bearing	-	-	500,110	-
Federal Home Loan Bank Bond - Interest Bearing	-	-	295,077	-
Federal Home Loan Bank Bond - Interest Bearing	-	-	489,673	-
Federal Home Loan Bank Bond - Interest Bearing	-	-	480,984	-
Federal Home Loan Bank Bond - Interest Bearing	-	-	497,663	-
Federal Home Loan Bank Bond - Interest Bearing	-	-	579,091	-
Federal Home Loan Bank Bond - Interest Bearing	-	-	497,760	-
Federal Home Loan Bank Bond - Interest Bearing	-	-	500,242	-
Analyzed Business Checking - PF	-	-	-	-
Business Market Rate Public Funds	-	-	-	-
Money Market Mutual Fund - Interest Bearing	-	-	-	-
Federal Home Loan Bank Bond - Interest Bearing	-	-	-	-
Federal Home Loan Bank Bond - Interest Bearing	-	-	-	-
Federal Home Loan Bank Bond - Interest Bearing	-	-	-	-
Federal Home Loan Bank Bond - Interest Bearing	-	-	-	-
Federal Home Loan Bank Bond - Interest Bearing	-	-	-	-
Federal Home Loan Bank Bond - Interest Bearing	-	-	-	-
Federal Home Loan Bank Bond - Interest Bearing	-	-	-	-
Checking - Sheriff's Covert Activities - Non-interest Bearing	-	-	-	-
Bond Account - Series 2007 - Interest Bearing**	-	-	-	-
Reserve Account - Series 2007 - Interest Bearing**	-	-	-	-
Revenue Account - Series 2012 - Interest Bearing**	-	-	-	-
Bond Account - Series 2012 - Interest Bearing**	-	-	-	-
Redemption Account - Series 2012 - Interest Bearing**	-	-	-	-
Reserve Account - Series 2012 - Interest Bearing**	-	-	-	-
Interest Account - Series 2012 - Interest Bearing**	-	-	-	-
Administration Account - Series 2012 - Interest Bearing**	-	-	-	-
Rebate Account - Series 2012 - Interest Bearing**	-	-	-	-
Bond Account - Series 2014 - Interest Bearing**	-	-	-	-
Reserve Account - Series 2014 - Interest Bearing**	-	-	-	-
Redemption Account - Series 2014 - Interest Bearing**	-	-	-	-
Equity Account - Series 2014 - Interest Bearing**	-	-	-	-
Cost of Issuance Account - Series 2014 - Interest Bearing**	-	-	-	-
NMFA Reserve Account***	-	-	-	-
Total	600,000	100,000	9,528,161	250,000
Reconciling items	-	-	46,413	-
Reconciled balance	$ 600,000	$ 100,000	$ 9,574,574	$ 250,000

**Accounts are U.S. Treasury and Agency Notes
***Accounts are U.S. Treasury MM Mutual Funds

See independent auditors' report.

Washington Federal Bank	Wells Fargo Bank	Western Bank	US Bank	Bank of NY Mellon	Totals
$ 250,000	$ -	$ 1,300,000	$ -	$ -	$ 3,500,000
-	-	-	-	-	1,028,806
-	-	-	-	-	25,852
-	-	-	-	-	3,632,203
-	-	-	-	-	700
-	-	-	-	-	500,110
-	-	-	-	-	295,077
-	-	-	-	-	489,673
-	-	-	-	-	480,984
-	-	-	-	-	497,663
-	-	-	-	-	579,091
-	-	-	-	-	497,760
-	-	-	-	-	500,242
-	1,000,000	-	-	-	1,000,000
-	3,001,941	-	-	-	3,001,941
-	27,641	-	-	-	27,641
-	199,289	-	-	-	199,289
-	495,149	-	-	-	495,149
-	497,359	-	-	-	497,359
-	197,625	-	-	-	197,625
-	248,570	-	-	-	248,570
-	501,209	-	-	-	501,209
-	496,629	-	-	-	496,629
-	-	13,724	-	-	13,724
-	-	-	1,754,560	-	1,754,560
-	-	-	5,208,263	-	5,208,263
-	-	-	3,786,059	-	3,786,059
-	-	-	120,277	-	120,277
-	-	-	1,844,100	-	1,844,100
-	-	-	1,445,070	-	1,445,070
-	-	-	3,000	-	3,000
-	-	-	1,607	-	1,607
-	-	-	16	-	16
-	-	-	626,650	-	626,650
-	-	-	1,554,306	-	1,554,306
-	-	-	136,711	-	136,711
-	-	-	750,005	-	750,005
-	-	-	17,349	-	17,349
-	-	-	-	843,835	843,835
250,000	6,665,412	1,313,724	17,247,973	843,835	36,799,105
-	-	-	-	-	46,413
$ 250,000	$ 6,665,412	$ 1,313,724	$ 17,247,973	$ 843,835	$ 36,845,518

Plus: petty cash	1,175
Less: restricted cash and cash equivalents per Exhibit A-1	(5,451,251)
Less: agency funds cash per Exhibit D-1	(395,201)
Less: investments per Exhibit A-1	(10,004,071)
Less: restricted investments per Exhibit A-1	(17,609,587)
Less: outstanding warrants	(848,755)
Cash and cash equivalents per Exhibit A-1	$ 2,537,828

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STATE OF NEW MEXICO Schedule III

Otero County

Tax Roll Reconciliation - Changes in Property Taxes Receivable

For the Year Ended June 30, 2014

Uncollected taxes, July 1, 2013	$ 2,625,411
Net taxes charged to treasurer for fiscal year	24,552,612
Current year tax collections	(24,681,952)
Adjustments	(5,736)
Uncollected taxes, June 30, 2014	$ 2,490,335

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

Statement of Net Position - Exhibit A-1	$ 900,684
Statement of Fiduciary Assets and Liabilities - Agency Funds - Exhibit E-1	1,589,651
Total property taxes receivable	$ 2,490,335

Property taxes receivable by year:

2004	$ 11,292
2005	4,712
2006	7,008
2007	14,088
2008	28,326
2009	45,052
2010	81,176
2011	137,796
2012	691,491
2013	1,069,394
Total property taxes receivable	$ 2,090,335

See independent auditors' report.

STATE OF NEW MEXICO
Otero County
County Treasurer's Property Tax Schedule
June 30, 2014

Agency	Net Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Current Amount Uncollectible	To-Date Amount Uncollectible	Undistributed at Year End	Treasurer's Receivable at Year End
State of New Mexico								
P&I on Bonds 2004	652,347	2	651,982	2	-	-	-	362
P&I on Bonds 2005	844,175	29	843,957	39	-	-	-	218
P&I on Bonds 2006	917,543	122	917,200	132	-	-	-	344
P&I on Bonds 2007	952,979	236	952,325	247	-	-	4	653
P&I on Bonds 2008	1,033,470	435	1,032,077	447	-	-	26	1,393
P&I on Bonds 2009	986,695	1,230	984,591	1,226	-	-	67	2,104
P&I on Bonds 2010	1,384,890	3,748	1,379,734	8,327	-	-	168	5,156
P&I on Bonds 2011	1,289,903	28,779	1,282,134	26,390	-	-	4,246	7,769
P&I on Bonds 2012	1,349,322	51,646	1,311,414	71,182	-	-	1,717	37,908
P&I on Bonds 2013	1,405,531	1,324,065	1,324,065	1,301,610	-	-	22,455	81,466
Total P&I on Bonds	**10,816,855**	**1,410,292**	**10,679,479**	**1,409,601**	**-**	**-**	**28,685**	**137,373**
State Special Levies 2004	15,302	-	15,302	-	-	-	-	-
State Special Levies 2005	20,709	-	20,709	-	-	-	-	-
State Special Levies 2006	21,878	63	21,878	63	-	-	-	-
State Special Levies 2007	26,007	111	26,007	111	-	-	-	-
State Special Levies 2008	21,801	91	21,801	91	-	-	-	-
State Special Levies 2009	23,611	109	23,573	109	-	-	-	38
State Special Levies 2010	20,092	106	20,051	100	-	-	6	41
State Special Levies 2011	23,461	64	23,303	58	-	-	7	157
State Special Levies 2012	27,315	1,120	26,711	1,670	-	-	7	604
State Special Levies 2013	29,702	28,749	28,749	28,157	-	-	592	953
Total State Special Levies	**229,878**	**30,412**	**228,083**	**30,357**	**-**	**-**	**613**	**1,794**
Total State of New Mexico	**11,046,733**	**1,440,704**	**10,907,562**	**1,439,958**	**-**	**-**	**29,297**	**139,168**
Otero County								
General Advalorem 2004	5,533,733	12	5,529,820	12	-	-	-	3,913
General Advalorem 2005	5,861,999	164	5,860,416	164	-	-	-	1,583
General Advalorem 2006	6,215,554	821	6,213,215	821	-	-	-	2,340
General Advalorem 2007	6,683,726	1,731	6,679,245	1,731	-	-	-	4,482
General Advalorem 2008	7,226,103	3,056	7,216,555	3,056	-	-	-	9,548
General Advalorem 2009	7,623,836	9,830	7,608,018	9,830	-	-	-	15,819
General Advalorem 2010	7,740,833	21,475	7,712,430	21,475	-	-	-	28,403
General Advalorem 2011	8,112,912	195,775	8,065,225	195,775	-	-	-	47,687
General Advalorem 2012	8,508,308	353,034	8,258,607	353,034	-	-	-	249,701
General Advalorem 2013	8,854,505	8,318,981	8,318,981	8,318,981	-	-	-	535,524
Total General Advalorem	**72,361,509**	**8,904,878**	**71,462,510**	**8,904,878**	**-**	**-**	**-**	**898,999**
Debt Service P&I 2004	792,589	2	792,145	2	-	-	-	445
Debt Service P&I 2005	757,236	26	757,041	26	-	-	-	196
Debt Service P&I 2006	723,683	96	723,412	96	-	-	-	271
Debt Service P&I 2007	794,862	197	794,317	197	-	-	-	545
Debt Service P&I 2008	170,311	72	170,082	72	-	-	-	230
Debt Service P&I 2009	-	-	-	-	-	-	-	-
Debt Service P&I 2010	-	-	-	-	-	-	-	-
Debt Service P&I 2011	-	-	-	-	-	-	-	-
Debt Service P&I 2012	-	-	-	-	-	-	-	-
Debt Service P&I 2013	-	-	-	-	-	-	-	-
Total Debt Service	**3,238,681**	**393**	**3,236,996**	**393**	**-**	**-**	**-**	**1,686**
Total Otero County	**75,600,191**	**8,905,270**	**74,699,507**	**8,905,270**	**-**	**-**	**-**	**900,684**

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City of Alamogordo								
General Advalorem 2004	1,800,689	-	1,799,312	-	-	-	-	1,376
General Advalorem 2005	1,912,775	5	1,912,672	5	-	-	-	103
General Advalorem 2006	2,066,876	38	2,066,591	38	-	-	-	285
General Advalorem 2007	2,224,385	345	2,223,666	354	-	-	-	720
General Advalorem 2008	2,404,222	818	2,403,032	800	-	-	19	1,191
General Advalorem 2009	2,512,648	1,572	2,510,813	1,652	-	-	81	1,836
General Advalorem 2010	2,526,423	3,874	2,522,784	12,301	-	-	180	3,639
General Advalorem 2011	2,665,281	46,382	2,656,749	39,939	-	-	8,930	8,532
General Advalorem 2012	2,801,437	85,619	2,740,411	113,231	-	-	2,730	61,026
General Advalorem 2013	2,862,190	2,728,763	2,728,763	2,695,087	-	-	33,677	133,426
Total General Advalorem	**23,776,927**	**2,867,415**	**23,564,793**	**2,863,406**	**-**	**-**	**45,617**	**212,134**
Debt Service P&I 2004	815,945	-	815,428	-	-	-	-	517
Debt Service P&I 2005	794,057	2	794,010	2	-	-	-	48
Debt Service P&I 2006	792,407	16	792,295	16	-	-	-	112
Debt Service P&I 2007	895,446	129	895,150	133	-	-	-	297
Debt Service P&I 2008	722,864	239	722,491	233	-	-	6	373
Debt Service P&I 2009	642,875	413	642,386	456	-	-	-	489
Debt Service P&I 2010	688,906	1,042	687,852	3,151	-	-	53	1,054
Debt Service P&I 2011	713,140	11,527	710,799	9,963	-	-	2,155	2,341
Debt Service P&I 2012	726,825	20,686	711,623	27,435	-	-	653	15,202
Debt Service P&I 2013	750,781	717,659	717,659	709,278	-	-	8,380	33,122
Total Debt Service	**7,543,247**	**751,714**	**7,489,692**	**750,668**	**-**	**-**	**11,248**	**53,555**
Total City of Alamogordo	**31,320,174**	**3,619,129**	**31,054,485**	**3,614,074**	**-**	**-**	**56,865**	**265,688**
Alamogordo Public Schools								
General Advalorem 2004	175,975	-	175,876	-	-	-	-	99
General Advalorem 2005	186,441	-	186,429	0	-	-	-	12
General Advalorem 2006	198,279	16	198,252	16	-	-	-	27
General Advalorem 2007	212,641	43	212,567	43	-	-	-	74
General Advalorem 2008	229,003	81	228,857	86	-	-	2	146
General Advalorem 2009	239,135	191	238,858	201	-	-	6	277
General Advalorem 2010	241,256	475	240,764	1,368	-	-	17	493
General Advalorem 2011	254,141	4,935	253,140	4,480	-	-	787	1,002
General Advalorem 2012	265,839	8,024	259,616	10,911	-	-	262	6,223
General Advalorem 2013	272,269	259,128	259,128	255,410	-	-	3,718	13,141
Total General Advalorem	**2,274,979**	**272,893**	**2,253,485**	**272,515**	**-**	**-**	**4,791**	**21,494**
Debt Service P&I 2004	2,204,044	-	2,203,054	-	-	-	-	990
Debt Service P&I 2005	2,197,858	5	2,197,698	5	-	-	-	160
Debt Service P&I 2006	2,284,615	187	2,284,276	187	-	-	-	339
Debt Service P&I 2007	3,432,149	673	3,430,862	685	-	-	-	1,286
Debt Service P&I 2008	2,440,517	864	2,438,841	919	-	-	19	1,676
Debt Service P&I 2009	2,612,211	2,109	2,609,070	2,218	-	-	69	3,141
Debt Service P&I 2010	2,849,485	5,547	2,843,232	15,142	-	-	215	6,253
Debt Service P&I 2011	3,245,129	58,522	3,231,709	53,386	-	-	8,948	13,420
Debt Service P&I 2012	4,049,743	115,001	3,958,789	155,525	-	-	3,780	90,954
Debt Service P&I 2013	3,949,005	3,767,757	3,767,757	3,717,586	-	-	50,170	181,248
Total Debt Service	**29,264,755**	**3,950,664**	**28,965,287**	**3,945,653**	**-**	**-**	**63,202**	**299,468**

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Capital Improvements 2004	908,884	-	908,476	-	-	-	-	408
Capital Improvements 2005	964,991	2	964,921	2	-	-	-	70
Capital Improvements 2006	1,024,951	84	1,024,799	84	-	-	-	152
Capital Improvements 2007	1,121,983	220	1,121,562	224	-	-	-	421
Capital Improvements 2008	1,185,573	420	1,184,759	446	-	-	9	814
Capital Improvements 2009	1,216,678	982	1,215,215	1,033	-	-	32	1,463
Capital Improvements 2010	1,227,929	2,390	1,225,231	6,516	-	-	93	2,699
Capital Improvements 2011	1,289,887	23,486	1,284,585	21,411	-	-	3,612	5,302
Capital Improvements 2012	1,347,389	38,568	1,316,965	52,197	-	-	1,267	30,424
Capital Improvements 2013	1,383,721	1,319,798	1,319,798	1,302,052	-	-	17,746	63,923
Total Capital Improvements	**11,671,987**	**1,385,950**	**11,566,311**	**1,383,966**	**-**	**-**	**22,759**	**105,676**
Tech Debt 2004	725,289	-	724,963	-	-	-	-	326
Tech Debt 2005	853,194	2	853,132	2	-	-	-	62
Tech Debt 2006	871,207	71	871,078	71	-	-	-	129
Tech Debt 2007	-	-	-	-	-	-	-	
Tech Debt 2008	1,153,558	408	1,152,766	434	-	-	9	792
Tech Debt 2009	1,134,556	916	1,133,191	963	-	-	30	1,364
Tech Debt 2010	1,092,566	2,127	1,090,168	5,806	-	-	82	2,398
Tech Debt 2011	857,905	15,471	854,357	14,114	-	-	2,366	3,548
Tech Debt 2012	237,643	6,748	232,306	9,126	-	-	222	5,337
Tech Debt 2013	423,415	403,981	403,981	398,602	-	-	5,379	19,434
Total Tech debt	**7,349,333**	**429,725**	**7,315,942**	**429,118**	**-**	**-**	**8,088**	**33,390**
Total Alamogordo Public Schools	**50,561,054**	**6,039,232**	**50,101,025**	**6,031,253**	**-**	**-**	**98,840**	**460,029**
Village of Cloudcroft								
General Advalorem 2004	33,594	2	33,594	2	-	-	-	-
General Advalorem 2005	35,807	-	35,807	-	-	-	-	-
General Advalorem 2006	38,664	-	38,664	-	-	-	-	-
General Advalorem 2007	42,695	-	42,695	-	-	-	-	-
General Advalorem 2008	47,293	-	47,290	-	-	-	-	3
General Advalorem 2009	50,159	27	50,159	27	-	-	-	-
General Advalorem 2010	51,745	43	51,738	55	-	-	-	6
General Advalorem 2011	52,861	2,300	52,853	2,300	-	-	-	8
General Advalorem 2012	54,322	2,346	51,917	4,108	-	-	1	2,405
General Advalorem 2013	55,583	51,636	51,636	49,705	-	-	1,931	3,947
Total General Advalorem	**462,722**	**56,353**	**456,351**	**56,197**	**-**	**-**	**1,932**	**6,370**
Debt Service P&I 2004	-	-	-	-	-	-	-	-
Debt Service P&I 2005	-	-	-	-	-	-	-	-
Debt Service P&I 2006	-	-	-	-	-	-	-	-
Debt Service P&I 2007	-	-	-	-	-	-	-	-
Debt Service P&I 2008	-	-	-	-	-	-	-	-
Debt Service P&I 2009	-	-	-	-	-	-	-	-
Debt Service P&I 2010	-	-	-	-	-	-	-	-
Debt Service P&I 2011	-	-	-	-	-	-	-	-
Debt Service P&I 2012	-	-	-	-	-	-	-	-
Debt Service P&I 2013	-	-	-	-	-	-	-	-
Total Debt Service	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Village of Cloudcroft	**462,722**	**56,353**	**456,351**	**56,197**	**-**	**-**	**1,932**	**6,370**

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Cloudcroft Public Schools								
General Advalorem 2004	28,845	-	28,833	-	-	-	-	12
General Advalorem 2005	30,707	3	30,695	3	-	-	-	12
General Advalorem 2006	32,961	4	32,943	4	-	-	-	18
General Advalorem 2007	35,846	10	35,813	8	-	-	1	33
General Advalorem 2008	38,747	13	38,686	12	-	-	2	61
General Advalorem 2009	41,445	92	41,342	91	-	-	2	103
General Advalorem 2010	42,777	184	42,611	263	-	-	3	166
General Advalorem 2011	44,340	1,214	44,015	1,115	-	-	118	324
General Advalorem 2012	46,425	1,859	44,961	3,175	-	-	53	1,464
General Advalorem 2013	47,840	44,522	44,522	43,142	-	-	1,380	3,318
Total General Advalorem	**389,932**	**47,900**	**384,420**	**47,812**	**-**	**-**	**1,559**	**5,512**
Debt Service P&I 2004	540,964	8	540,767	8	-	-	-	197
Debt Service P&I 2005	536,996	56	536,802	56	-	-	-	193
Debt Service P&I 2006	514,578	72	514,331	72	-	-	-	247
Debt Service P&I 2007	913,530	211	912,852	186	-	-	25	678
Debt Service P&I 2008	943,562	260	942,374	234	-	-	26	1,188
Debt Service P&I 2009	956,983	1,682	955,014	1,667	-	-	26	1,969
Debt Service P&I 2010	1,027,862	3,519	1,024,509	5,284	-	-	42	3,354
Debt Service P&I 2011	1,013,714	22,965	1,007,537	21,040	-	-	2,430	6,177
Debt Service P&I 2012	768,393	29,320	748,303	47,046	-	-	817	20,089
Debt Service P&I 2013	645,575	605,492	605,492	588,466	-	-	17,026	40,082
Total Debt Service	**7,862,156**	**663,585**	**7,787,982**	**664,061**	**-**	**-**	**20,393**	**74,174**
Capital Improvements 2004	215,138	3	215,060	3	-	-	-	78
Capital Improvements 2005	227,495	24	227,413	24	-	-	-	82
Capital Improvements 2006	237,187	33	237,074	33	-	-	-	114
Capital Improvements 2007	264,599	61	264,403	54	-	-	7	196
Capital Improvements 2008	274,730	76	274,384	68	-	-	8	346
Capital Improvements 2009	286,693	504	286,103	500	-	-	8	590
Capital Improvements 2010	293,635	1,021	292,666	1,528	-	-	12	969
Capital Improvements 2011	302,191	6,967	300,318	6,385	-	-	732	1,873
Capital Improvements 2012	313,813	12,022	305,472	19,395	-	-	336	8,341
Capital Improvements 2013	341,754	320,536	320,536	311,522	-	-	9,013	21,219
Total Capital Improvements	**2,757,237**	**341,247**	**2,723,428**	**339,512**	**-**	**-**	**10,116**	**33,809**
Total Cloudcroft Public Schools	**11,009,324**	**1,052,732**	**10,895,830**	**1,051,385**	**-**	**-**	**32,067**	**113,494**
Village of Tularosa								
General Advalorem 2004	113,554	-	113,546	-	-	-	-	9
General Advalorem 2005	119,118	-	119,086	-	-	-	-	31
General Advalorem 2006	128,053	-	128,030	-	-	-	-	23
General Advalorem 2007	141,093	-	141,048	-	-	-	-	45
General Advalorem 2008	152,083	6	151,973	6	-	-	-	111
General Advalorem 2009	166,300	359	165,827	313	-	-	46	472
General Advalorem 2010	169,204	489	168,172	1,384	-	-	54	1,032
General Advalorem 2011	179,091	6,659	177,185	5,852	-	-	1,320	1,907
General Advalorem 2012	182,067	9,830	174,180	19,779	-	-	224	7,887
General Advalorem 2013	187,127	169,722	169,722	166,785	-	-	2,936	17,406
Total General Advalorem	**1,537,692**	**187,064**	**1,508,768**	**194,118**	**-**	**-**	**4,581**	**28,924**

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Debt Service P&I 2004	-	-	-	-	-	-	-	-
Debt Service P&I 2005	-	-	-	-	-	-	-	-
Debt Service P&I 2006	-	-	-	-	-	-	-	-
Debt Service P&I 2007	-	-	-	-	-	-	-	-
Debt Service P&I 2008	-	-	-	-	-	-	-	-
Debt Service P&I 2009	-	-	-	-	-	-	-	-
Debt Service P&I 2010	-	-	-	-	-	-	-	-
Debt Service P&I 2011	-	-	-	-	-	-	-	-
Debt Service P&I 2012	-	-	-	-	-	-	-	-
Debt Service P&I 2013	-	-	-	-	-	-	-	-
Total Debt Service	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Village of Tularosa	**1,537,692**	**187,064**	**1,508,768**	**194,118**	**-**	**-**	**4,581**	**28,924**
Tularosa Public Schools								
General Advalorem 2004	18,948	-	18,946	-	-	-	-	2
General Advalorem 2005	20,262	2	20,258	2	-	-	-	4
General Advalorem 2006	21,631	3	21,625	3	-	-	-	6
General Advalorem 2007	23,505	8	23,496	9	-	-	-	9
General Advalorem 2008	26,742	9	26,716	8	-	-	1	27
General Advalorem 2009	30,901	55	30,825	54	-	-	3	76
General Advalorem 2010	32,001	91	31,709	200	-	-	3	292
General Advalorem 2011	33,191	944	32,916	844	-	-	156	276
General Advalorem 2012	34,270	1,618	33,192	2,902	-	-	58	1,077
General Advalorem 2013	35,393	32,886	32,886	32,448	-	-	439	2,507
Total General Advalorem	**276,845**	**35,616**	**272,569**	**36,469**	**-**	**-**	**660**	**4,276**
Debt Service P&I 2004	459,160	-	459,110	-	-	-	-	50
Debt Service P&I 2005	476,228	47	476,104	47	-	-	-	124
Debt Service P&I 2006	523,964	98	523,779	98	-	-	-	185
Debt Service P&I 2007	520,061	197	519,823	217	-	-	-	238
Debt Service P&I 2008	569,578	224	568,952	204	-	-	21	626
Debt Service P&I 2009	637,168	1,185	635,382	1,143	-	-	69	1,786
Debt Service P&I 2010	649,721	2,002	644,131	4,621	-	-	85	5,590
Debt Service P&I 2011	686,680	19,978	680,718	17,818	-	-	3,500	5,962
Debt Service P&I 2012	767,520	35,780	741,795	61,305	-	-	1,442	25,724
Debt Service P&I 2013	845,972	783,933	783,933	772,420	-	-	11,513	62,040
Total Debt Service	**6,136,052**	**843,444**	**6,033,727**	**857,873**	**-**	**-**	**16,630**	**102,325**
Capital Improvements 2004	99,959	-	99,948	-	-	-	-	11
Capital Improvements 2005	107,016	10	106,989	10	-	-	-	28
Capital Improvements 2006	111,910	21	111,871	21	-	-	-	40
Capital Improvements 2007	122,019	46	121,963	51	-	-	-	56
Capital Improvements 2008	136,246	54	136,096	49	-	-	5	150
Capital Improvements 2009	152,105	283	151,678	273	-	-	16	426
Capital Improvements 2010	156,975	482	155,622	1,111	-	-	20	1,354
Capital Improvements 2011	162,749	4,727	161,340	4,217	-	-	825	1,408
Capital Improvements 2012	168,159	7,845	162,544	13,479	-	-	314	5,615
Capital Improvements 2013	173,715	161,006	161,006	158,657	-	-	2,349	12,709
Total Capital Improvements	**1,390,853**	**174,474**	**1,369,056**	**177,868**	**-**	**-**	**3,530**	**21,796**
Total Tularosa Public Schools	**7,803,750**	**1,053,535**	**7,675,353**	**1,072,210**	**-**	**-**	**20,819**	**128,397**

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Gadsden School Dist								
General Advalorem 2004	7,276	-	7,230	-	-	-	-	46
General Advalorem 2005	7,474	1	7,441	3	-	-	-	33
General Advalorem 2006	7,875	10	7,834	13	-	-	-	40
General Advalorem 2007	8,756	12	8,686	16	-	-	-	69
General Advalorem 2008	9,722	25	9,570	27	-	-	3	151
General Advalorem 2009	10,337	63	10,149	58	-	-	8	188
General Advalorem 2010	11,769	147	11,514	235	-	-	13	255
General Advalorem 2011	12,472	1,137	12,050	1,091	-	-	166	423
General Advalorem 2012	15,667	3,355	13,798	3,616	-	-	102	1,869
General Advalorem 2013	22,072	18,345	18,345	17,702	-	-	644	3,727
Total General Advalorem	**113,420**	**23,096**	**106,618**	**22,760**	**-**	**-**	**936**	**6,803**
Debt Service P&I 2004	323,453	-	321,924	-	-	-	-	1,528
Debt Service P&I 2005	307,277	65	306,155	173	-	-	-	1,122
Debt Service P&I 2006	322,554	345	321,018	448	-	-	-	1,536
Debt Service P&I 2007	376,759	427	373,906	542	-	-	-	2,853
Debt Service P&I 2008	334,830	863	329,431	888	-	-	118	5,399
Debt Service P&I 2009	323,000	1,976	316,703	1,740	-	-	322	6,297
Debt Service P&I 2010	341,866	4,505	333,819	7,123	-	-	464	8,047
Debt Service P&I 2011	363,787	31,726	350,756	30,359	-	-	4,875	13,030
Debt Service P&I 2012	516,779	98,161	454,364	107,120	-	-	3,434	62,416
Debt Service P&I 2013	671,134	550,106	550,106	529,610	-	-	20,496	121,029
Total Debt Service	**3,881,440**	**688,173**	**3,658,183**	**678,003**	**-**	**-**	**29,708**	**223,257**
Capital Improvements 2004	45,175	-	44,962	-	-	-	-	213
Capital Improvements 2005	45,630	10	45,462	25	-	-	-	168
Capital Improvements 2006	47,733	51	47,505	66	-	-	-	227
Capital Improvements 2007	52,528	60	52,131	76	-	-	-	398
Capital Improvements 2008	56,982	147	56,064	151	-	-	20	919
Capital Improvements 2009	60,510	370	59,330	326	-	-	60	1,180
Capital Improvements 2010	66,330	874	64,769	1,382	-	-	90	1,561
Capital Improvements 2011	69,424	6,054	66,937	5,794	-	-	930	2,487
Capital Improvements 2012	82,192	15,612	72,265	17,037	-	-	546	9,927
Capital Improvements 2013	108,247	88,727	88,727	85,421	-	-	3,306	19,521
Total Capital Improvements	**634,752**	**111,904**	**598,151**	**110,278**	**-**	**-**	**4,953**	**36,601**
Tech Debt 2004	-	-	-	-	-	-	-	-
Tech Debt 2005	27,994	6	27,891	16	-	-	-	102
Tech Debt 2006	19,738	21	19,644	27	-	-	-	94
Tech Debt 2007	-	-	-	-	-	-	-	-
Tech Debt 2008	73,707	190	72,518	196	-	-	26	1,188
Tech Debt 2009	111,216	680	109,048	599	-	-	111	2,168
Tech Debt 2010	134,120	1,767	130,963	2,794	-	-	182	3,157
Tech Debt 2011	133,902	11,678	129,106	11,175	-	-	1,794	4,796
Tech Debt 2012	72,164	13,707	63,448	14,958	-	-	479	8,716
Tech Debt 2013	104,243	85,444	85,444	82,261	-	-	3,183	18,799
Total Tech Debt	**677,083**	**113,494**	**638,062**	**112,026**	**-**	**-**	**5,776**	**39,021**
Total Gadsden School District	**5,306,695**	**936,666**	**5,001,014**	**923,066**	**-**	**-**	**41,373**	**305,681**

See independent auditors' report.

STATE OF NEW MEXICO
Otero County
County Treasurer's Property Tax Schedule
June 30, 2014

Agency	Net Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Current Amount Uncollectible	To-Date Amount Uncollectible	Undistributed at Year End	Treasurer's Receivable at Year End
NMSU - Alamogordo								
General Advalorem 2004	390,555	-	390,355	-	-	-	-	200
General Advalorem 2005	412,410	1	412,383	1	-	-	-	28
General Advalorem 2006	441,715	36	441,652	36	-	-	-	63
General Advalorem 2007	473,802	94	473,632	96	-	-	-	170
General Advalorem 2008	510,103	181	509,767	192	-	-	4	336
General Advalorem 2009	532,982	428	532,353	451	-	-	13	629
General Advalorem 2010	537,968	1,054	536,829	2,956	-	-	40	1,139
General Advalorem 2011	560,924	10,570	558,668	9,613	-	-	1,658	2,256
General Advalorem 2012	587,306	17,315	573,776	23,497	-	-	567	13,530
General Advalorem 2013	601,562	573,083	573,083	565,091	-	-	7,992	28,479
Total General Advalorem	**5,049,328**	**602,761**	**5,002,497**	**601,932**	**-**	**-**	**10,273**	**46,830**
Debt Service P&I 2004	369,219	-	368,979	-	-	-	-	241
Debt Service P&I 2005	379,438	4	379,349	10	-	-	-	89
Debt Service P&I 2006	407,617	51	407,473	57	-	-	-	144
Debt Service P&I 2007	187,598	55	187,389	61	-	-	-	209
Debt Service P&I 2008	474,226	168	473,900	179	-	-	4	326
Debt Service P&I 2009	486,674	393	486,089	413	-	-	13	585
Debt Service P&I 2010	512,035	997	510,912	2,721	-	-	39	1,124
Debt Service P&I 2011	536,675	9,678	534,456	8,829	-	-	1,480	2,219
Debt Service P&I 2012	560,806	15,925	548,211	21,537	-	-	523	12,595
Debt Service P&I 2013	576,079	549,639	549,639	542,320	-	-	7,319	26,440
Total Debt Service	**4,490,369**	**576,910**	**4,446,396**	**576,128**	**-**	**-**	**9,377**	**43,973**
Total NMSU - Alamogordo	**9,539,696**	**1,179,671**	**9,448,893**	**1,178,059**	**-**	**-**	**19,650**	**90,803**
NMSU - Dona Ana								
General Advalorem 2004	20,909	-	20,805	-	-	-	-	104
General Advalorem 2005	21,624	4	21,543	12	-	-	-	81
General Advalorem 2006	22,640	25	22,532	32	-	-	-	109
General Advalorem 2007	24,893	29	24,703	37	-	-	-	189
General Advalorem 2008	27,243	70	26,805	72	-	-	9	438
General Advalorem 2009	29,421	180	28,849	159	-	-	29	571
General Advalorem 2010	32,617	429	31,852	678	-	-	44	765
General Advalorem 2011	34,712	3,027	33,468	2,897	-	-	465	1,243
General Advalorem 2012	41,096	7,806	36,133	8,519	-	-	273	4,964
General Advalorem 2013	54,124	44,364	44,364	42,711	-	-	1,653	9,760
Total General Advalorem	**309,279**	**55,934**	**291,054**	**55,117**	**-**	**-**	**2,473**	**18,225**
Total NMSU - Dona Ana	**309,279**	**55,934**	**291,054**	**55,117**	**-**	**-**	**2,473**	**18,225**

See independent auditors' report.

STATE OF NEW MEXICO
Otero County
County Treasurer's Property Tax Schedule
June 30, 2014

Agency	Net Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Current Amount Uncollectible	To-Date Amount Uncollectible	Undistributed at Year End	Treasurer's Receivable at Year End
Local Special Levies								
Timberon Water & Sanitation District								
Timberon Special Levy 2004	304,554	-	304,393	-	-	-	-	161
Timberon Special Levy 2005	311,237	247	311,076	247	-	-	-	161
Timberon Special Levy 2006	120,142	144	119,981	144	-	-	-	161
Timberon Special Levy 2007	128,332	289	127,865	253	-	-	36	467
Timberon Special Levy 2008	130,822	362	129,929	324	-	-	38	893
Timberon Special Levy 2009	134,725	683	133,244	643	-	-	40	1,482
Timberon Special Levy 2010	135,940	2,101	133,712	2,160	-	-	52	2,228
Timberon Special Levy 2011	138,452	5,344	134,803	5,227	-	-	453	3,649
Timberon Special Levy 2012	145,408	11,592	137,950	14,257	-	-	601	7,458
Timberon Special Levy 2013	150,974	134,834	134,834	129,184	-	-	5,650	16,140
Total Timberon Water & Sanitation	**1,700,587**	**155,597**	**1,667,787**	**152,439**	**-**	**-**	**6,870**	**32,801**
Penasco S&W Conservation District								
Penasco Special Levy 2004	28	-	28	-	-	-	-	-
Penasco Special Levy 2005	28	-	28	-	-	-	-	-
Penasco Special Levy 2006	27	-	27	-	-	-	-	-
Penasco Special Levy 2007	28	-	28	-	-	-	-	-
Penasco Special Levy 2008	29	-	29	-	-	-	-	-
Penasco Special Levy 2009	29	-	29	-	-	-	-	-
Penasco Special Levy 2010	29	-	29	-	-	-	-	-
Penasco Special Levy 2011	30	-	30	-	-	-	-	-
Penasco Special Levy 2012	30	-	(2)	-	-	-	-	32
Penasco Special Levy 2013	30	35	(3)	35	-	-	-	33
Total Penasco S&W Conservation Dist	**286**	**35**	**221**	**35**	**-**	**-**	**-**	**65**
Carlsbad Soil & Water Conservation District								
Carlsbad Special Levy 2004	52	-	52	-	-	-	-	-
Carlsbad Special Levy 2005	52	-	52	-	-	-	-	-
Carlsbad Special Levy 2006	52	-	52	-	-	-	-	-
Carlsbad Special Levy 2007	93	-	93	-	-	-	-	-
Carlsbad Special Levy 2008	2	-	2	-	-	-	-	-
Carlsbad Special Levy 2009	62	-	62	-	-	-	-	-
Carlsbad Special Levy 2010	64	-	64	-	-	-	-	-
Carlsbad Special Levy 2011	65	-	65	-	-	-	-	-
Carlsbad Special Levy 2012	66	-	66	-	-	-	-	-
Carlsbad Special Levy 2013	68	29	68	29	-	-	1	1
Total Carlsbad S&W Conservation Distric	**576**	**29**	**575**	**29**	**-**	**-**	**1**	**1**
Total Local Special Levies	**1,701,450**	**155,661**	**1,668,583**	**152,503**	**-**	**-**	**6,871**	**32,867**
Grand Totals	**$ 206,198,760**	**$ 24,681,952**	**$ 203,708,425**	**$ 24,673,211**	**$ -**	**$ -**	**$ 314,769**	**$ 2,490,335**

See independent auditors' report.

STATE OF NEW MEXICO
Otero County
County Treasurer's Property Tax Schedule
June 30, 2014

Agency	Net Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Current Amount Uncollectible	To-Date Amount Uncollectible	Undistributed at Year End	Treasurer's Receivable at Year End
Recap By Tax Year								
2004	16,596,179	29	16,584,887	29	-	-	-	11,292
2005	17,460,229	714	17,455,517	874	-	-	-	4,712
2006	18,116,037	2,427	18,109,029	2,579	-		-	7,008
2007	19,660,315	5,183	19,646,227	5,329	-	-	74	14,088
2008	20,394,072	9,132	20,365,746	9,193	-	-	373	28,326
2009	21,002,954	26,311	20,957,902	26,144	-	-	1,052	45,052
2010	21,969,040	60,490	21,887,864	108,683	-	-	1,960	81,176
2011	22,777,018	529,910	22,639,222	500,070	-	-	51,954	137,796
2012	23,670,305	964,540	22,978,813	1,176,042	-	-	20,409	691,491
2013	24,552,611	23,083,217	23,083,217	22,844,269	-	-	238,949	1,469,394
Grand Totals	**206,198,760**	**24,681,952**	**203,708,425**	**24,673,211**	**-**	**-**	**314,769**	**2,490,335**

See independent auditors' report.

STATE OF NEW MEXICO Schedule V

Otero County

Agency Funds

Schedule of Changes in Fiduciary Assets and Liabilities

For the Year Ended June 30, 2014

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
ASSETS				
Cash	$ 339,240	$ 17,763,259	$ 17,707,298	$ 395,201
Property taxes receivable	1,671,658	15,698,106	15,780,113	1,589,651
Total assets	$ 2,010,898	$ 33,461,365	$ 33,487,411	$ 1,984,852
LIABILITIES				
Deposits held in trust	$ 339,240	$ 17,763,259	$ 17,707,298	$ 395,201
Due to other taxing units	1,671,658	15,698,106	15,780,113	1,589,651
Total liabilities	$ 2,010,898	$ 33,461,365	$ 33,487,411	$ 1,984,852

See independent auditors' report.

STATE OF NEW MEXICO
Otero County
Schedule of Legislative Grants
For the year ended June 30, 2014

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
12th Judicial Dist Courthouse Remodel	DFA	14-1961	N/A	06/30/18	77,500
Child Development Center	DFA	14-1962	N/A	06/30/18	500,000
Slash Pit	Energy, Minerals & Natural Resources	14-1581	N/A	06/30/18	235,500
Grand Totals					$ 1,747,850

See independent auditors' report.

Arts in Public Places	Net Amount	Expenditures to Date	Reverted	Remaining
$ -	$ 347,000	$ -	$ -	$ 347,000
-	62,850	-	-	62,850
5,250	519,750	-	-	519,750
-	77,500	-	-	77,500
5,000	495,000	-	-	495,000
-	235,500	-	-	235,500
$ 10,250	$ 1,737,600	$ -	$ -	$1,737,600

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COMPLIANCE SECTION

Accounting & Consulting Group, LLP
Certified Public Accountants

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITORS' REPORT

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget
To the County Manager and County Commissioners
Otero County
Alamogordo, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison for the general fund of Otero County (the "County"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and the combining and individual funds and related budgetary comparisons of the County, presented as supplementary information, and have issued our report thereon dated November 6, 2014.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item FS 2014-001 that we consider to be a significant deficiency.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 questioned costs as items FS 2014-002 and FS 2014-003.

County's Response to Findings

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

Purpose of this Report

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

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, New Mexico
November 6, 2014

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FEDERAL FINANCIAL ASSISTANCE

Accounting & Consulting Group, LLP
Certified Public Accountants

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE

INDEPENDENT AUDITORS' REPORT

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget
To the County Manager and County Commissioners
Otero County
Alamogordo, New Mexico

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

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

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Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as items FA 2013-001 and FA 2014-001. Our opinion on each major federal program is not modified with respect to this matter.

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

Report on Internal Control Over Compliance

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

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

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

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

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, New Mexico
November 6, 2014

STATE OF NEW MEXICO
Otero County
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

Federal Grantor/ Passthrough Grantor/ Program Title		Grant Number	Federal CFDA Number	Federal Expenditures
U.S. Department of Agriculture				
Schools and Roads - Grants to States - Title III**	(1)	N/A	10.665	$ 216,669
Schools and Roads - Grants to Counties - Title I**	(1)	N/A	10.666	280,604
Schools and Roads - Grants to Counties - Title II**	(1)	12-CA-11030800-012	10.666	10,436
Total U.S. Department of Agriculture				507,709
Executive Office of the President				
High Intensity Drug Trafficking Area		G12SN0017A	16.579	3,000
High Intensity Drug Trafficking Area		G13SN0017A	16.579	221,785
Total Executive Office of the President				224,785
U.S. Department of Justice				
FY 2011 Justice Assistance Grant		2011-DJ-BX-3087	16.738	11,026
FY 2013 Justice Assistance Grant		2013-DJ-BX-0863	16.738	4,827
Total U.S. Department of Justice				15,853
U.S. Department of Homeland Security				
Assistance to Firefighters		EMW-2010-FF-001-46	97.044	45,543
(Passed through the New Mexico Department of Public Safety)				
State Homeland Security Grant Program				
Operation Stonegarden**		2010-SS-T0-0011-OPSG	97.067	126,741
Operation Stonegarden**		EMW-2011-SS-00094-S01	97.067	131,291
Operation Stonegarden**		EMW-2012-SS-00094-S01	97.067	149,126
Operation Stonegarden**		2011-SS-00094-S01	97.067	123,921
Operation Stonegarden**		2012-SS-00097-S01	97.067	58,471
Total U.S. Department of Homeland Security				635,093
U.S. Department of Housing and Urban Development				
Home Investment Partnership Program		12-C-NR-I-03-G-26	14.239	43,432
Total U.S. Department of Housing and Urban Development				43,432
Total Federal Financial Assistance				$ 1,426,872

( ) Denotes Cluster
** Denotes Major Federal Financial Assistance Program

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

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

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

2. Subrecipients

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

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	$ 1,426,872
Total expenditures funded by other sources	87,317,425
Total expenditures	$ 88,744,297

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STATE OF NEW MEXICO
Otero County
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

StateSection I – Summary of Audit Results

Financial Statements:

1. Type of auditors' report issued — Unmodified
2. Internal control over financial reporting:
   a. Material weaknesses identified? — No
   b. Significant deficiencies identified not considered to be material weaknesses? — Yes
   c. Noncompliance material to the financial statements noted? — No

Federal Awards:

1. Internal control over major programs:
   a. Material weaknesses identified? — No
   b. Significant deficiencies identified not considered to be material weaknesses? — No
2. Type of auditors' report issued on compliance for major programs — Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? — No
4. Identification of major programs:

CFDA Number	Federal Program
10.665	Secure Payments for Counties Containing Federal Land
10.666	Secure Rural Schools – Title III
97.067	State Homeland Security Grant Program

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

Section II – Financial Statement Findings

FS 2014-001 Design Deficiencies in Internal Control over Cash Disbursements (Significant Deficiency)

Condition: During tests of disbursement transactions performed in our audit, we noted the following:

- In 11 disbursements (totaling $75,038.58) out of 34 tested (totaling $382,902.54), a key document – the Audit Report used in the disbursement process to document approval to print checks – was disposed of and not available for auditors to review during fieldwork.

Criteria: The COSO Internal Control Integrated Framework consists of five critical elements that must be present in carrying out the achievement objectives of an organization. These elements are known as the control environment, risk assessment, control activities, information and communication and monitoring. With these elements in place, the County can maximize its potential for achieving its performance targets and reduce the risk of loss of resources.

Effect: Without all of the five elements of the COSO Internal Control Integrated Framework present, the County is exposing itself to the risk of misappropriation of asset.

Cause: Records were inadvertently disposed of during the year. County staff did not fully follow the procurement policies of the County.

Auditors' Recommendations: Management should continue to implement and enforce their policies and procedures as well as to provide effective and adequate training and monitoring.

Agency's Response: Management has implemented an additional tier of internal control over the Accounts Payable disbursement process by adopting the policy that the Audit Reports will now be filed in the Finance Director's office in binders to ensure that they are organized, secured and properly approved.

Section II – Financial Statement Findings

FS 2014-002 – Disposition of Capital Assets and Electronic Information (Other Matter)

Condition: During our testwork over Capital Assets we noted that the County properly disposed of Capital Assets as well as Digital Storage Equipment during the year ended June 30, 2014; however the County did not properly notify the Office of the State Auditor.

Criteria: NMAC 2.2.2.10 T requires that, at least thirty days prior to any disposition of property on the inventory listing, written notification of the official finding and proposed disposition duly sworn and subscribed under oath by each member of the authority approving the action must be sent to the State Auditor. In addition, agencies and local governments disposing of any digital equipment with storage capabilities should take care to properly erase stored data to the intended disposition and the agency must certify in writing the proper erasure or destruction of the hard drive and submit the written certification along with the notification of the proposed disposition of properly to the State Auditor at least thirty days prior to taking action to dispose of the asset.

Effect: The County did not properly notify the Office of the State Auditor.

Cause: The County disposed of assets and digital items in the course of operations and did not properly notify the State Auditor.

Auditors' Recommendations: We recommend that the County implement a process within their dispositions that includes notifying the State Auditor of their asset disposition.

Agency's Response: The County will work toward improving the timing of the disposals in order for the Board of Commissioners to make their approval and to notify the State Auditor prior to the end of the fiscal year when the disposals are actually made.

Section II – Financial Statement Findings (continued)

FS 2014-003 – Improper Reporting of Payments to Volunteer Firefighters (Other Matter)

Condition: During our testwork, we noted that the County had volunteer firefighters who were reimbursed for services provided on State or Federal Land which was not reported on a W-2.

Criteria: NMAC 2.2.2.10 H states that "volunteer firefighters" who are reimbursed when they provide firefighting services on State or Federal land have been determined by the IRS to be employees of the County.

Effect: The County did not withhold nor pay payroll taxes on these "volunteer firefighters" during the year.

Cause: The County was unaware of the IRS classification requiring these "volunteer firefighters" to be classified as employees.

Auditors' Recommendations: We recommend that the County implement a process in order to properly classify "volunteer firefighters" based on the services provided to the County.

Agency's Response: Management will take immediate steps to properly classify volunteer firefighters as employees to ensure they are treated as W2 employees instead of contractors.

Section III – Federal Awards Findings

FA 2013-001 – Compliance with Special Provision for Public Comment – (Repeated) – (Noncompliance)

Federal Program Information:

Funding Agency: U.S. Department of Agriculture
Title: Secure Payments for Counties Containing Federal Land and Secure Rural Schools Title III
CFDA Number: 10.665 & 10.666
Award Number: Forest Reserve
Award Period: Various

Condition: During our audit of the County's compliance with grants and applicable compliance requirements, we noted that the County did not allow for a 45-day public comment period prior to expending Title III County funds under the Forest Service Schools and Roads programs.

Criteria: The 2014 A-133 Compliance Supplement, released in March, 2014, stipulates the following:

1. A participating county may use Title III County funds only after a 45-day public comment period, at the beginning of which the participating County must –

    a. Publish in any publications of local record a proposal that describes the proposed use of the County funds; and

    b. Submit the proposal to any resource advisory committee established under 16 USC 7125 for the participating County (16 USC 7142(b)).

Questioned Costs: None

Effect: The County is not in compliance with this requirement and could be penalized by the United States Department of Agriculture.

Cause: Management was not aware of the requirement in order to observe a 45-day public comment period prior to expending Title III Funds.

Auditors' Recommendation: We recommend that the County implement internal controls in order to review all requirements of grants and agreements received to ensure County compliance with the applicable grants.

Agency's Response: The scheduling of the public comment period has been added to the County's perpetual calendar to insure that this requirement is met annually.

Section III – Federal Awards Findings (continued)

FA 2014-001 – Unallowable Cost – (Noncompliance)

Federal Program Information:

Funding Agency: U.S. Department of Homeland Security
Title: Homeland Security
CFDA Number: 97.067
Award Period: 2010, 2011, 2012

Condition: During testwork performed on federal program disbursements, we discovered one disbursement made from grant funds that did not have adequate support for $8.49 of the purchase.

Criteria: Per OMB Circular A-87 *Cost Principles for State, Local and Indian Tribal Governments*, Attachment A, Section C.1.j, costs must be adequately documented to be considered to be allowable for federal programs.

Questioned Costs: $8.49

Effect: An improper payment was made to a vendor using federal funds. The County may be required to reimburse the federal program for the amount of the improper payment from general County funds.

Cause: The County paid the quoted freight on the Purchase Order of $33.49 and not the actual invoiced freight of $25.

Auditors' Recommendation: The County should ensure that all supporting documentation for expenditures is retained and reconciled to the invoice in order to verify proper payment is made.

Agency's Response: Management will ensure that staff is properly reconciling purchase orders to invoices to ensure that the correct and proper remittances are being made.

Section IV – Prior Year Audit Findings

FS 2013-001 – Recording of Revenues and Expenses – Resolved

FS 2013-002 – Open Meeting Act – Resolved

FS 2013-003 – Unauthorized Opening of County Bank Account and Incorrect Cash Posting – Resolved

FS 2013-004 – Fixed Asset Inventory Certification – Resolved

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

Other Disclosures

Exit Conference

An exit conference was held on November 6, 2014. In attendance were the following:

Representing Otero County:

Susan Flores, County Commissioner, Chairperson
Donna Brandon, County Finance Director
Pamela Heltner, County Manager

Representing Accounting & Consulting Grouping, LLP:

Alan D. Bowers, Jr., CPA, Manager

Auditor Prepared Financial Statements

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