



**KRIESEL/GRAY/SHAW & CO., P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS  
TRADITIONAL YET PROGRESSIVE SERVICE SINCE 1962

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## **STATE OF NEW MEXICO**

## **OTERO COUNTY**

# **FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

**JUNE 30, 2021**

**OTERO COUNTY**  
**TABLE OF CONTENTS**  
**JUNE 30, 2021**

	<u>Page</u>
<b>OFFICIAL ROSTER</b>	1
<b>INDEPENDENT AUDITORS' REPORT</b>	2
<b>BASIC FINANCIAL STATEMENTS:</b>	
<b>Government-Wide Financial Statements</b>	
Statement of Net Position	5
Statement of Activities	7
<b>Fund Financial Statements</b>	
Balance Sheets - Governmental Funds	8
Reconciliation of the Fund Balance of Governmental Funds to Government Activities Net Position	9
Statements of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	10
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	11
Statement of Revenues and Expenditures	
Budget (Non-GAAP Basis) and Actual (Cash Basis):	
General Fund	12
Hold Harmless Revenue Bond 1/4% (Revenue)	14
Hold Harmless Revenue Bond 1/2% (Revenue)	16
American Rescue Plan (Revenue)	18
<b>PROPRIETARY FUNDS:</b>	
Statements of Fund Net Position	20
Statements of Revenues, Expenses, and Changes in Fund Net Position	21
Statements of Cash Flows	22
<b>FIDUCIARY FUNDS:</b>	
Statement of Fiduciary Net Position	23
Statement of Changes in Fiduciary Net Position	24
<b>NOTES TO FINANCIAL STATEMENTS</b>	25
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
<b>Public Employees Retirement Association (PERA) Plan:</b>	
<b>Municipal General:</b>	
Schedule of the Otero County's Proportionate Share of the Net Pension Liability of PERA Fund Division	59
<b>Municipal Police:</b>	
Schedule of the Otero County's Proportionate Share of the Net Pension Liability of PERA Fund Division	60
<b>Municipal Fire:</b>	
Schedule of the Otero County's Proportionate Share of the Net Pension Liability	61

**OTERO COUNTY**  
**TABLE OF CONTENTS**  
**JUNE 30, 2021**

	<u>Page</u>
<b>Municipal General:</b>	
Schedule of Otero County's Contributions	62
<b>Municipal Police:</b>	
Schedule of Otero County's Contributions	63
<b>Municipal Fire:</b>	
Schedule of Otero County's Contributions	64
Notes to Required Supplementary Information	65
 <b>SUPPLEMENTARY INFORMATION</b>	
<b>NONMAJOR GOVERNMENTAL FUNDS – COMBINING STATEMENTS</b>	
<b>NONMAJOR SPECIAL REVENUE FUNDS:</b>	66
Combining Balance Sheets	68
Combining Statements of Revenues, Expenditures, and Changes in Fund Balance	72
<b>NONMAJOR DEBT SERVICE FUNDS:</b>	76
Combining Balance Sheets	77
Combining Statements of Revenues, Expenditures, and Changes in Fund Balance	78
<b>TOTAL ALL NONMAJOR GOVERNMENTAL FUND TYPES:</b>	
Combining Balance Sheet	79
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	80
 <b>OTHER SUPPLEMENTARY INFORMATION</b>	
Schedule of Legislative Grants	81
Schedule of Collateral Pledged by Depository of Public Funds	83
Schedule of Deposits and Investment Accounts	85
Schedule of Tax Roll Reconciliation – Property Tax Receivable	88
County Treasurer's Property Tax Schedule	89
 <b>ADDITIONAL FEDERAL INFORMATION</b>	
Schedule of Expenditures of Federal Awards	93
Notes to the Schedule of Expenditures of Federal Awards	95
 <b>REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i></b>	
	96
 <b>INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE</b>	
	98
 <b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b>	
Summary of Auditor's Results (SECTION I)	100
Financial Statement Findings (SECTION II)	101
Federal Award Findings and Questioned Costs (SECTION III)	103
Summary Schedule of Prior Year Findings	104
Corrective Action Plan	105
Exit Conference	106

**OTERO COUNTY**  
OFFICIAL ROSTER  
JUNE 30, 2021

**BOARD OF COMMISSIONERS**

<b><u>Name</u></b>	<b><u>Title</u></b>
<i>Gerald Matherly</i>	<i>Chairperson</i>
<i>Couy Griffin</i>	<i>Vice-Chairperson</i>
<i>Vicky Marquardt</i>	<i>Member</i>

**ELECTED OFFICIALS**

<i>Steve Boyle</i>	<i>County Assessor</i>
<i>Robyn Holmes</i>	<i>County Clerk</i>
<i>Laura Whiteside</i>	<i>County Treasurer</i>
<i>David Black</i>	<i>County Sheriff</i>
<i>LaTanya Boyce</i>	<i>County Probate Judge</i>

**ADMINISTRATIVE OFFICIALS**

<i>Pamela Heltner</i>	<i>County Manager</i>
<i>Julianne Hall</i>	<i>County Finance Director</i>
<i>Rachel Black</i>	<i>County Deputy Treasurer</i>

### **INDEPENDENT AUDITORS' REPORT**

Mr. Brian S. Colón, State Auditor and  
The Board of County Commissioners  
Otero County  
Alamogordo, New Mexico

#### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and the major special revenue fund, as of and for the year ended June 30, 2021, and the related notes to the financial statements which collectively comprise Otero County's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of Otero County's nonmajor governmental funds, presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2021, as listed in the table of contents.

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

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

#### **Auditor's Responsibility**

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

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

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

Mr. Brian S. Colón, State Auditor and  
The Board of County Commissioners  
Otero County  
Alamogordo, New Mexico  
Page Two

## **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, 2021, and the respective changes in financial position and the respective budgetary comparisons for the general fund and the major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of Otero County as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Management has omitted the *Management's Discussion and Analysis* that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by that missing information.

Accounting principles generally accepted in the United States of America require that the pension liability schedules on pages 55 through 58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on Otero County's financial statements, the combining and individual fund financial statements, and the budgetary comparisons of the general fund and the major special revenue fund. The Schedule of Expenditures of Federal Awards required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the other schedules required by 2.2.2.NMAC* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Mr. Brian S. Colón, State Auditor and  
The Board of County Commissioners  
Otero County  
Alamogordo, New Mexico  
Page Three

The *Schedule of Expenditures of Federal Awards and other supplementary information 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 other supplementary information required by 2.2.2 NMAC* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2022 on our consideration of Otero County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Otero County's internal control over financial reporting and compliance.

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

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

April 29, 2022

**OTERO COUNTY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

	<b>Primary Government</b>		
	Governmental Activities	Business-Type Activities	<b>Total</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$11,734,435	\$0	\$11,734,435
Investments	33,449,334	0	33,449,334
Receivables:			
Property taxes	833,551	0	833,551
Other taxes	2,160,370	0	2,160,370
Other receivables	171,948	7,326,479	7,498,427
Inventory	102,296	0	102,296
Prepaid expenses	492,564	0	492,564
<i>Total current assets</i>	<i>48,944,498</i>	<i>7,326,479</i>	<i>56,270,977</i>
<b>Noncurrent Assets</b>			
Restricted cash and cash equivalents	0	25,467,491	25,467,491
Restricted investments	0	0	0
Bond discounts, net of accumulated amortization of \$17,100 and \$281,442, respectively	26,710	144,539	171,249
Prepaid insurance - debt	42,156	0	42,156
Capital assets	186,651,838	77,114,450	263,766,288
Less: accumulated depreciation	(97,852,574)	(26,997,774)	(124,850,348)
<i>Total noncurrent assets</i>	<i>88,868,130</i>	<i>75,728,706</i>	<i>164,596,836</i>
<b>Deferred Outflow of Resources</b>			
Pension	7,115,525	0	7,115,525
<i>Total deferred outflow of resources</i>	<i>7,115,525</i>	<i>0</i>	<i>7,115,525</i>
<b><i>Total assets and deferred outflow of resources</i></b>	<b><i>\$144,928,153</i></b>	<b><i>\$83,055,185</i></b>	<b><i>\$227,983,338</i></b>

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

**OTERO COUNTY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

	<b>Primary Government</b>		
	Governmental Activities	Business-Type Activities	<b>Total</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	\$600,658	\$6,291,504	\$6,892,162
Accrued payroll expenses	486,016	0	486,016
Accrued interest	156,466	1,021,014	1,177,480
Internal balances	1,336,413	(1,336,413)	0
Current portion of accrued compensated absences	34,967	0	34,967
Current portion of loans and capital leases payables	411,230	0	411,230
Current portion of bonds payable	1,050,000	5,460,000	6,510,000
<i>Total current liabilities</i>	<i>4,075,750</i>	<i>11,436,105</i>	<i>15,511,855</i>
<b>Noncurrent Liabilities</b>			
Accrued compensated absences	507,475	0	507,475
Bond premiums, net of accumulated amortization of \$27,875	309,586	0	309,586
Loans and capital leases payable	3,550,432	0	3,550,432
Bonds payable	17,000,000	49,370,000	66,370,000
Net pension liability	21,987,030	0	21,987,030
<i>Total noncurrent liabilities</i>	<i>43,354,523</i>	<i>49,370,000</i>	<i>92,724,523</i>
<i>Total liabilities</i>	<i>47,430,273</i>	<i>60,806,105</i>	<i>108,236,378</i>
<b>Deferred Inflow of Resources</b>			
Pension	1,167,515	0	1,167,515
<i>Total deferred inflows of resources</i>	<i>1,167,515</i>	<i>0</i>	<i>1,167,515</i>
<b>NET POSITION</b>			
Net investment in capital assets	66,504,726	4,568,785	71,073,511
Restricted for:			
Debt service	558,239	0	558,239
Capital projects	17,056,693	0	17,056,693
Other purposes - special revenue	10,797,913	0	10,797,913
Detention Center	0	20,046,198	20,046,198
Processing Center	0	5,421,293	5,421,293
Unrestricted	1,412,794	(7,787,196)	(6,374,402)
<i>Total net position</i>	<i>96,330,365</i>	<i>22,249,080</i>	<i>118,579,445</i>
<b><i>Total liabilities, deferred inflow of resources, and net position</i></b>	<b><i>\$144,928,153</i></b>	<b><i>\$83,055,185</i></b>	<b><i>\$227,983,338</i></b>

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

**OTERO COUNTY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government				
			Governmental Activities	Business-type Activities	Total				
<b>Primary Government</b>									
<b>Governmental Activities:</b>									
General government	\$4,485,213	\$686,509	\$9,914,052	\$4,782	\$6,120,130	\$0	\$6,120,130		
Public safety	15,594,821	248,881	3,886,611	272,316	(11,187,013)	0	(11,187,013)		
Public works	7,678,689	46,136	73,368	1,415,536	(6,143,649)	0	(6,143,649)		
Health and welfare	3,472,380	83,972	363,642	2,954	(3,021,812)	0	(3,021,812)		
Culture and recreation	421,566	46,817	0	0	(374,749)	0	(374,749)		
Capital outlay	1,045,864	0	0	0	(1,045,864)	0	(1,045,864)		
Interest and other debt cost	667,945	0	0	0	(667,945)	0	(667,945)		
Cost of issuance	192,133	0	0	0	(192,133)	0	(192,133)		
<i>Total governmental activities</i>	<i>33,558,611</i>	<i>1,112,315</i>	<i>14,237,673</i>	<i>1,695,588</i>	<i>(16,513,035)</i>	<i>0</i>	<i>(16,513,035)</i>		
<b>Business-Type Activities:</b>									
Detention Center	19,801,421	22,857,243	0	0	0	3,055,822	3,055,822		
Processing Center	23,244,867	22,987,238	0	0	0	(257,629)	(257,629)		
<i>Total business-type activities</i>	<i>43,046,288</i>	<i>45,844,481</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>2,798,193</i>	<i>2,798,193</i>		
<i><b>Total primary government</b></i>					<i><b>(16,513,035)</b></i>	<i><b>\$2,798,193</b></i>	<i><b>(\$13,714,842)</b></i>		
 <b>General Revenues</b>									
Taxes:									
Property				\$11,136,718	\$0	\$11,136,718			
Gross receipts				11,119,484	0	11,119,484			
Gasoline and motor vehicle				1,517,108	0	1,517,108			
Payment in lieu of taxes				3,530,901	0	3,530,901			
Rents				0	0	0			
Franchise fees				140,044	0	140,044			
Investment income (loss)				37,315	1,744	39,059			
Miscellaneous income				1,256,823	0	1,256,823			
Loss on asset disposal / sale of property				(37,133)	0	(37,133)			
Transfers in (out)				0	0	0			
<i>Total general revenues</i>				<i>28,701,260</i>	<i>1,744</i>	<i>28,703,004</i>			
Change in net position									
<i>Net position, beginning of year</i>				<i>84,142,140</i>	<i>19,449,143</i>	<i>103,591,283</i>			
<i>Net position, end of year</i>				<i>\$96,330,365</i>	<i>\$22,249,080</i>	<i>\$118,579,445</i>			

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

**OTERO COUNTY**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEETS**  
**JUNE 30, 2021**

	General Fund	Hold Harmless Revenue Bond 1/4%	Hold Harmless Revenue Bond 1/2%	American Rescue Plan	Legislative Grants	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$271,791	\$185,716	\$212,667	\$6,554,570	\$88,798	\$4,417,653	\$11,731,195
Investments	10,954,580	7,485,266	8,571,538	0	0	6,437,950	33,449,334
Receivables:							
Property taxes	833,551	0	0	0	0	0	833,551
Other taxes	715,599	362,526	181,263	0	0	900,982	2,160,370
Other receivables	90,402	0	0	0	81,546	0	171,948
Inventory	0	0	0	0	0	102,296	102,296
Prepaid expenses	403,163	0	0	0	0	89,401	492,564
Due from other funds	0	0	0	0	0	0	0
<b>Total assets</b>	<b>\$13,269,086</b>	<b>\$8,033,508</b>	<b>\$8,965,468</b>	<b>\$6,554,570</b>	<b>\$170,344</b>	<b>\$11,948,282</b>	<b>\$48,941,258</b>
<b>LIABILITIES AND FUND BALANCE</b>							
<b>Liabilities:</b>							
Accounts payable	\$255,926	\$31,878	\$15,074	\$0	\$6,307	\$291,473	\$600,658
Accrued payroll expenses	385,556	0	0	0	0	100,460	486,016
Accrued compensated absences	24,050	0	0	0	0	10,917	34,967
Due to other funds	1,336,413	0	0	0	0	0	1,336,413
<b>Total liabilities</b>	<b>2,001,945</b>	<b>31,878</b>	<b>15,074</b>	<b>0</b>	<b>6,307</b>	<b>402,850</b>	<b>2,458,054</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
<b>Unavailable Revenue:</b>							
Property taxes	719,476	0	0	0	0	0	719,476
Grant revenue	0	0	0	6,554,570	59,368	0	6,613,938
<b>Total deferred inflows of resources</b>	<b>719,476</b>	<b>0</b>	<b>0</b>	<b>6,554,570</b>	<b>59,368</b>	<b>0</b>	<b>7,333,414</b>
<b>Fund Balance:</b>							
Nonspendable							
Inventory	0	0	0	0	0	102,296	102,296
Prepaid expenses	403,162	0	0	0	0	89,401	492,563
Spendable							
Restricted for:							
General county operations	0	0	0	0	0	631,593	631,593
Maintenance of roads	0	0	0	0	0	475,408	475,408
Environment	0	0	0	0	0	71,366	71,366
Recreation	0	0	0	0	0	0	0
Public safety	0	0	0	0	0	5,591,874	5,591,874
Healthcare/health services	0	0	0	0	0	4,027,672	4,027,672
Debt service expenditures	0	0	0	0	0	558,239	558,239
Capital projects	0	8,001,630	8,950,394	0	104,669	0	17,056,693
Committed to:							
Minimum fund balance	4,935,697	0	0	0	0	0	4,935,697
Unassigned	5,208,806	0	0	0	0	(2,417)	5,206,389
<b>Total fund balance</b>	<b>10,547,665</b>	<b>8,001,630</b>	<b>8,950,394</b>	<b>0</b>	<b>104,669</b>	<b>11,545,432</b>	<b>39,149,790</b>
<b>resources, and fund balances</b>	<b>\$13,269,086</b>	<b>\$8,033,508</b>	<b>\$8,965,468</b>	<b>\$6,554,570</b>	<b>\$170,344</b>	<b>\$11,948,282</b>	<b>\$48,941,258</b>

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

**OTERO COUNTY**  
**RECONCILIATION OF THE FUND BALANCE OF GOVERNMENTAL FUNDS**  
**TO GOVERNMENTAL ACTIVITIES NET POSITION**  
**JUNE 30, 2021**

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

<b>FUND BALANCE of Governmental Funds</b>	<b>\$39,149,790</b>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Residual balances of the internal service funds are included within the governmental activities and are not reported within the governmental funds.	88,799,264
Unavailable revenue not collected in sixty days after year end not considered revenue in the fund financial statements, but considered revenue in the Statement of Activities.	3,240
Property taxes	719,476
Grant revenue	6,613,938
Deferred outflow and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in funds.	
Deferred outflows of resources	7,115,525
Deferred inflows of resources	(1,167,515)
Certain liabilities (or assets related to liabilities), including bonds payable, net pension liability, and current and long-term portions of accrued compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds:	
Accrued interest payable	(156,466)
Accrued compensated absences not due and payable	(507,475)
Bond discounts	26,710
Bond premiums	(309,586)
Prepaid insurance - debt	42,156
Bonds payable	(18,050,000)
Loans and capital leases payable	(3,961,662)
Net pension liability	(21,987,030)
<b><i>Net position of governmental activities</i></b>	<b><i>\$96,330,365</i></b>

**OTERO COUNTY**  
**GOVERNMENTAL FUNDS**  
**STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	General Fund	Hold Harmless Revenue Bond 1/4%	Hold Harmless Revenue Bond 1/2%	American Rescue Plan	Legislative Grants	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Taxes:							
Property	\$11,160,166	\$0	\$0	\$0	\$0	\$0	\$11,160,166
Gross receipts	3,687,088	2,394,791	1,197,656	0	0	3,839,949	11,119,484
Gasoline and motor vehicle	167,257	0	0	0	0	1,349,851	1,517,108
Intergovernmental:							
Federal operating grants	171,292	0	0	0	1,992,031	334,684	2,498,007
Federal capital grants	0	0	0	0	0	0	0
State operating grants	2,091,763	0	0	0	0	3,471,271	5,563,034
State capital grants	0	0	0	0	1,449,838	0	1,449,838
Payment in lieu of taxes	3,530,901	0	0	0	0	0	3,530,901
Franchise Fees	140,044	0	0	0	0	0	140,044
Charges for services	644,505	0	0	0	0	467,810	1,112,315
Investment income (loss)	109,433	(56,113)	5,783	0	0	(21,809)	37,294
Miscellaneous	1,103,741	0	3,308	0	0	149,774	1,256,823
<i>Total revenues</i>	<i>22,806,190</i>	<i>2,338,678</i>	<i>1,206,747</i>	<i>0</i>	<i>3,441,869</i>	<i>9,591,530</i>	<i>39,385,014</i>
<b>EXPENDITURES</b>							
Current:							
General government	4,076,956	59,988	30,968	0	0	401,061	4,568,973
Public works	771,546	0	0	0	0	3,992,699	4,764,245
Public safety	11,849,111	0	0	0	137,147	2,093,235	14,079,493
Health and welfare	1,132,775	0	0	0	15,095	2,143,576	3,291,446
Culture and recreation	416,063	0	0	0	0	3,222	419,285
Capital outlay	1,496,338	2,857,788	8,723,062	0	3,464,352	2,379,250	18,920,790
Debt Service							
Principal	0	215,000	655,000	0	0	431,990	1,301,990
Interest	0	148,050	428,753	0	0	85,212	662,015
<i>Total expenditures</i>	<i>19,742,789</i>	<i>3,280,826</i>	<i>9,837,783</i>	<i>0</i>	<i>3,616,594</i>	<i>11,530,245</i>	<i>48,008,237</i>
expenditures	3,063,401	(942,148)	(8,631,036)	0	(174,725)	(1,938,715)	(8,623,223)
<b>Other Financing Sources (Uses):</b>							
Proceeds from debt	0	0	8,635,041	0	0	180,000	8,815,041
Cost of issuance	0	0	(232,406)	0	0	(4,102)	(236,508)
Transfers in	4,386,503	8,943,778	9,178,795	0	0	3,361,954	25,871,030
Transfers (out)	(6,803,649)	(8,379,168)	(9,742,873)	0	0	(945,340)	(25,871,030)
<i>Total other financing sources (uses)</i>	<i>(2,417,146)</i>	<i>564,610</i>	<i>7,838,557</i>	<i>0</i>	<i>0</i>	<i>2,592,512</i>	<i>8,578,533</i>
<i>Net changes in fund balances</i>	<i>646,255</i>	<i>(377,538)</i>	<i>(792,479)</i>	<i>0</i>	<i>(174,725)</i>	<i>653,797</i>	<i>(44,690)</i>
Fund balance - beginning of year	9,901,410	8,379,168	9,742,873	0	279,394	10,891,635	39,194,480
<b><i>Fund balance - end of year</i></b>	<b><i>\$10,547,665</i></b>	<b><i>\$8,001,630</i></b>	<b><i>\$8,950,394</i></b>	<b><i>\$0</i></b>	<b><i>\$104,669</i></b>	<b><i>\$11,545,432</i></b>	<b><i>\$39,149,790</i></b>

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

**OTERO COUNTY**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCE OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**Net change in fund balances - Governmental Funds** (\$44,690)

Change in net position of internal service funds 21

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 (additions net of deletions)	17,837,793
Depreciation expense	(5,092,776)

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	(23,448)
Change in grant revenue deferred	6,422,382

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

County pension contributions/pension expense	499,396
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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:

Accrued interest expense	(5,930)
Increase in accrued compensated absences	50,215
Proceeds from issuance of debt	(8,756,664)
Principal payments on bonds and leases payable	1,301,990
Amortization expense for debt discount	(5,639)
Amortization expense for debt premium	5,575

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<b><u>Change in net position of governmental activities</u></b>	<b><u>\$12,188,225</u></b>
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**OTERO COUNTY**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes:				
Property	\$10,960,085	\$10,960,085	\$11,216,535	\$256,450
Gross receipts	2,978,836	2,978,836	3,560,126	581,290
Gasoline and motor vehicle	165,000	165,000	158,787	(6,213)
Intergovernmental:				
Federal operating grants	0	171,292	239,019	67,727
Federal capital grants	0	0	0	0
State operating grants	1,694,880	1,719,030	2,144,140	425,110
State capital grants	0	0	0	0
Payment in lieu of taxes	3,500,000	3,500,000	3,530,901	30,901
Franchise fees	170,000	170,000	176,622	6,622
Charges for services	673,632	673,602	671,700	(1,902)
Investment income (loss)	321,000	321,000	253,574	(67,426)
Miscellaneous	1,294,600	1,298,030	1,135,196	(162,834)
<i>Total revenues</i>	<i>21,758,033</i>	<i>21,956,875</i>	<i>23,086,600</i>	<i>1,129,725</i>
<b>EXPENDITURES</b>				
Current:				
General government	4,341,541	4,369,200	4,068,897	300,303
Public safety	14,805,783	15,547,811	11,765,248	3,782,563
Public works	1,006,624	964,654	798,157	166,497
Culture and recreation	426,927	448,254	342,733	105,521
Health and welfare	1,135,617	1,353,482	1,158,504	194,978
Capital outlay	590,050	1,918,332	1,495,268	423,064
Debt Service:				
Principal	0	0	0	0
Interest	0	0	0	0
<i>Total expenditures</i>	<i>22,306,542</i>	<i>24,601,733</i>	<i>19,628,807</i>	<i>4,972,926</i>
<i>Excess (deficiency) of revenues over expenditures</i>	<i>(548,509)</i>	<i>(2,644,858)</i>	<i>3,457,793</i>	<i>6,102,651</i>

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

**OTERO COUNTY**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable)
<b>Other Financing Sources (Uses):</b>				
Transfers in	9,449,992	9,549,592	4,386,504	(5,163,088)
Transfers (out)	(9,240,979)	(9,362,879)	(6,803,649)	2,559,230
<i>Total other financing sources (uses)</i>	<i>209,013</i>	<i>186,713</i>	<i>(2,417,145)</i>	<i>(2,603,858)</i>
 <i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	 (339,496)	 (2,458,145)	 <u>\$1,040,648</u>	 <u>\$3,498,793</u>
 Budgeted cash carryover	 339,496	 2,458,145	 <u>\$0</u>	 <u>\$0</u>
 <b>Budgetary - GAAP Reporting Reconciliation:</b>				
Excess (deficiency) of revenues over expenditures and other financing sources (uses)			\$1,040,648	
Adjustments for revenue accruals			(280,410)	
Adjustments for expenditures accruals			(113,983)	
 Net changes in fund balance (GAAP basis)			 <u>\$646,255</u>	

**OTERO COUNTY**  
**HOLD HARMLESS REVENUE BOND 1/4% (REVENUE)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes:				
Property	\$0	\$0	\$0	\$0
Gross receipts	2,400,000	2,400,000	2,486,341	86,341
Gasoline and motor vehicle	0	0	0	0
Intergovernmental:				
Federal operating grants	0	0	0	0
Federal capital grants	0	0	0	0
State operating grants	0	0	0	0
State capital grants	0	0	0	0
Payment in lieu of taxes	0	0	0	0
Franchise fees	0	0	0	0
Charges for services	0	0	0	0
Investment income (loss)	100,000	100,000	57,045	(42,955)
Miscellaneous	0	0	0	0
<i>Total revenues</i>	<i>2,500,000</i>	<i>2,500,000</i>	<i>2,543,386</i>	<i>43,386</i>
<b>EXPENDITURES</b>				
Current:				
General government	80,000	80,000	74,590	5,410
Public safety	0	0	0	0
Public works	0	0	0	0
Culture and recreation	0	0	0	0
Health and welfare	0	0	0	0
Capital outlay	3,260,640	3,788,078	2,825,912	962,166
Debt Service:				
Principal	215,000	215,000	215,000	0
Interest	148,050	148,050	148,050	0
<i>Total expenditures</i>	<i>3,703,690</i>	<i>4,231,128</i>	<i>3,263,552</i>	<i>967,576</i>
<i>Excess (deficiency) of revenues over expenditures</i>	<i>(1,203,690)</i>	<i>(1,731,128)</i>	<i>(720,166)</i>	<i>1,010,962</i>

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

**OTERO COUNTY**  
HOLD HARMLESS REVENUE BOND 1/4% (REVENUE)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable)
<b>Other Financing Sources (Uses):</b>				
Proceeds from debt	\$0	\$0	\$0	\$0
Transfers in	0	0	0	0
Transfers (out)	(3,600,000)	(3,600,000)	0	3,600,000
<b>Total other financing sources (uses)</b>	<b>(3,600,000)</b>	<b>(3,600,000)</b>	<b>0</b>	<b>3,600,000</b>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>				
	(4,803,690)	(5,331,128)	<u>(720,166)</u>	\$4,610,962
<b>Budgeted cash carryover</b>	<b>4,803,690</b>	<b>5,331,128</b>		
		<b>\$0</b>	<b>\$0</b>	
 <b>Budgetary - GAAP Reporting Reconciliation:</b>				
Excess (deficiency) of revenues over expenditures and other financing sources (uses)				<u>(\$720,166)</u>
Adjustments for revenue accruals				<u>(204,708)</u>
Adjustments for expenditures accruals				<u>(17,273)</u>
Adjustments for transfers				<u>564,609</u>
<b>Net changes in fund balance (GAAP basis)</b>				<b><u>(\$377,538)</u></b>

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

**OTERO COUNTY**  
**HOLD HARMLESS REVENUE BOND 1/2% (REVENUE)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes:				
Property	\$0	\$0	\$0	\$0
Gross receipts	1,200,000	1,200,000	1,243,171	43,171
Gasoline and motor vehicle	0	0	0	0
Intergovernmental:				
Federal operating grants	0	0	0	0
Federal capital grants	0	0	0	0
State operating grants	0	0	0	0
State capital grants	0	0	0	0
Payment in lieu of taxes	0	0	0	0
Franchise fees	0	0	0	0
Charges for services	0	0	0	0
Investment income (loss)	50,000	50,000	5,419	(44,581)
Miscellaneous	0	0	3,308	3,308
<i>Total revenues</i>	<i>1,250,000</i>	<i>1,250,000</i>	<i>1,251,898</i>	<i>1,898</i>
<b>EXPENDITURES</b>				
Current:				
General government	40,000	39,620	37,295	2,325
Public safety	0	0	0	0
Public works	0	0	0	0
Culture and recreation	0	0	0	0
Health and welfare	0	0	0	0
Capital outlay	8,441,839	15,494,454	8,707,987	6,786,467
Debt Service:				
Principal	655,000	655,000	655,000	0
Interest	428,431	428,811	428,753	58
<i>Total expenditures</i>	<i>9,565,270</i>	<i>16,617,885</i>	<i>9,829,035</i>	<i>6,788,850</i>
<i>Excess (deficiency) of revenues over expenditures</i>	<i>(8,315,270)</i>	<i>(15,367,885)</i>	<i>(8,577,137)</i>	<i>6,790,748</i>

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

**OTERO COUNTY**  
**HOLD HARMLESS REVENUE BOND 1/2% (REVENUE)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable)
<b>Other Financing Sources (Uses):</b>				
Proceeds from debt	\$8,402,635	\$8,402,635	\$8,402,635	\$0
Transfers in	0	0	0	0
Transfers (out)	0	0	0	0
<b>Total other financing sources (uses)</b>	<b>8,402,635</b>	<b>8,402,635</b>	<b>8,402,635</b>	<b>0</b>
 <i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>				
	87,365	(6,965,250)	<u><u>(\$174,502)</u></u>	<u><u>\$6,790,748</u></u>
 Budgeted cash carryover	 0	 6,965,250	 <u><u>\$0</u></u>	 <u><u></u></u>
	 <u><u>\$87,365</u></u>	 <u><u></u></u>	 <u><u></u></u>	 <u><u></u></u>
 <b>Budgetary - GAAP Reporting Reconciliation:</b>				
Excess (deficiency) of revenues over expenditures and other financing sources (uses)			(\$174,502)	
Adjustments for revenue accruals			(45,151)	
Adjustments for expenditures accruals			(8,748)	
Adjustments for transfers			(564,078)	
 Net changes in fund balance (GAAP basis)			<u><u>(\$792,479)</u></u>	

**OTERO COUNTY**  
**AMERICAN RESCUE PLAN (REVENUE)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes:				
Property	\$0	\$0	\$0	\$0
Gross receipts	0	0	0	0
Gasoline and motor vehicle	0	0	0	0
Intergovernmental:				
Federal operating grants	6,554,571	6,554,571	0	(6,554,571)
Federal capital grants	0	0	0	0
State operating grants	0	0	0	0
State capital grants	0	0	0	0
Payment in lieu of taxes	0	0	0	0
Franchise fees	0	0	0	0
Charges for services	0	0	0	0
Investment income (loss)	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total revenues</i>	<i>6,554,571</i>	<i>6,554,571</i>	<i>0</i>	<i>(6,554,571)</i>
<b>EXPENDITURES</b>				
Current:				
General government	0	0	0	0
Public safety	0	0	0	0
Public works	0	0	0	0
Culture and recreation	0	0	0	0
Health and welfare	6,554,571	6,554,571	0	6,554,571
Capital outlay	0	0	0	0
Debt Service:				
Principal	0	0	0	0
Interest	0	0	0	0
<i>Total expenditures</i>	<i>6,554,571</i>	<i>6,554,571</i>	<i>0</i>	<i>6,554,571</i>
<i>Excess (deficiency) of revenues over expenditures</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

**OTERO COUNTY**  
**AMERICAN RESCUE PLAN (REVENUE)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable)
<b>Other Financing Sources (Uses):</b>				
Proceeds from debt	\$0	\$0	\$0	\$0
Transfers in	0	0	0	0
Transfers (out)	0	0	0	0
<i>Total other financing sources (uses)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>				
	0	0	<u>\$0</u>	<u>\$0</u>
Budgeted cash carryover	0	0		
	<u><u>\$0</u></u>	<u><u>\$0</u></u>		
 Budgetary - GAAP Reporting Reconciliation:				
Excess (deficiency) of revenues over expenditures and other financing sources (uses)				\$0
Adjustments for revenue accruals				0
Adjustments for expenditures accruals				0
<i>Net changes in fund balance (GAAP basis)</i>				<u><u>\$0</u></u>

**OTERO COUNTY**  
**PROPRIETARY FUNDS**  
**STATEMENTS OF FUND NET POSITION**  
**JUNE 30, 2021**

	Enterprise Funds			Governmental Activities
	Detention Center	Processing Center	Total	Self-Insurance Internal Service Fund
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$0	\$0	\$0	\$3,240
Customer receivables	2,677,422	4,649,057	7,326,479	0
Due from general fund	823,150	513,263	1,336,413	0
<i>Total current assets</i>	<i>3,500,572</i>	<i>5,162,320</i>	<i>8,662,892</i>	<i>3,240</i>
<b>Non-Current Assets</b>				
Restricted cash and cash equivalents	20,046,198	5,421,293	25,467,491	0
Bond discounts, net of accumulated amortization of \$21,902 and \$259,540, respectively	20,148	124,391	144,539	0
Capital assets	31,983,032	45,131,418	77,114,450	0
Less: accumulated depreciation	(13,749,614)	(13,248,160)	(26,997,774)	0
<i>Total non-current assets</i>	<i>38,299,764</i>	<i>37,428,942</i>	<i>75,728,706</i>	<i>0</i>
<b>Total assets</b>	<b>\$41,800,336</b>	<b>\$42,591,262</b>	<b>\$84,391,598</b>	<b>\$3,240</b>
<b>LIABILITIES AND FUND NET POSITION</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts payable	\$2,503,247	\$3,788,257	\$6,291,504	\$0
Claims payable	0	0	0	0
Accrued interest payable	281,326	739,688	1,021,014	0
Current portion of bonds payable	2,170,000	3,290,000	5,460,000	0
<i>Total current liabilities</i>	<i>4,954,573</i>	<i>7,817,945</i>	<i>12,772,518</i>	<i>0</i>
<b>Noncurrent Liabilities:</b>				
Bonds payable	19,785,000	29,585,000	49,370,000	0
<i>Total noncurrent liabilities</i>	<i>19,785,000</i>	<i>29,585,000</i>	<i>49,370,000</i>	<i>0</i>
<b>Total liabilities</b>	<b>24,739,573</b>	<b>37,402,945</b>	<b>62,142,518</b>	<b>0</b>
<b>Fund Net Position:</b>				
Net investment in capital assets	3,701,434	867,351	4,568,785	0
Restricted for:				
Detention Center	20,046,198	0	20,046,198	0
Processing Center	0	5,421,293	5,421,293	0
Unrestricted	(6,686,869)	(1,100,327)	(7,787,196)	3,240
<i>Total fund net position</i>	<i>17,060,763</i>	<i>5,188,317</i>	<i>22,249,080</i>	<i>3,240</i>
<b>Total liabilities and fund net position</b>	<b>\$41,800,336</b>	<b>\$42,591,262</b>	<b>\$84,391,598</b>	<b>\$3,240</b>

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

**OTERO COUNTY**  
**PROPRIETARY FUNDS**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Enterprise Funds			Governmental Activities
	Detention Center	Processing Center	Total	Self-Insurance Internal Service Fund
<b>OPERATING REVENUES</b>				
Charges for services	\$22,857,243	\$22,987,238	\$45,844,481	\$0
Insurance premiums	0	0	0	0
<i>Total operating revenues</i>	<i>22,857,243</i>	<i>22,987,238</i>	<i>45,844,481</i>	<i>0</i>
<b>OPERATING EXPENDITURES</b>				
Contractual services	17,851,668	18,944,531	36,796,199	0
Depreciation	791,109	1,113,569	1,904,678	0
Claims and judgements	0	0	0	0
<i>Total operating expenditures</i>	<i>18,642,777</i>	<i>20,058,100</i>	<i>38,700,877</i>	<i>0</i>
<i>Operating income (loss)</i>	<i>4,214,466</i>	<i>2,929,138</i>	<i>7,143,604</i>	<i>0</i>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest expense	(1,155,761)	(3,168,338)	(4,324,099)	0
Amortization expenses	(2,883)	(18,429)	(21,312)	0
Interest income (loss)	1,054	690	1,744	21
<i>Total non-operating revenues (expenses)</i>	<i>(1,157,590)</i>	<i>(3,186,077)</i>	<i>(4,343,667)</i>	<i>21</i>
<i>Net income (loss) before contributions and transfers</i>	<i>3,056,876</i>	<i>(256,939)</i>	<i>2,799,937</i>	<i>21</i>
<b>Other Financing Sources (Uses):</b>				
Transfers in	0	0	0	0
Transfers (out)	0	0	0	0
<i>Total other financing sources (uses)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Change in fund net position</i>	<i>3,056,876</i>	<i>(256,939)</i>	<i>2,799,937</i>	<i>21</i>
Total fund net position, beginning of year, as previously stated	14,003,887	5,445,256	19,449,143	3,219
<b><i>Total fund net position, end of year</i></b>	<b><i>\$17,060,763</i></b>	<b><i>\$5,188,317</i></b>	<b><i>\$22,249,080</i></b>	<b><i>\$3,240</i></b>

**OTERO COUNTY**  
**PROPRIETARY FUND TYPES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Enterprise Funds			Governmental Activities
	Detention Center	Processing Center	Total	Self-Insurance Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers	\$26,032,579	\$20,325,658	\$46,358,237	\$0
Cash payments to suppliers for goods and services	(21,966,205)	(18,476,987)	(40,443,192)	0
<i>Net cash provided (used) by operating activities</i>	4,066,374	1,848,671	5,915,045	0
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>				
Interfund transfers	0	0	0	0
<i>Net cash provided (used) by non-capital financing activities</i>	0	0	0	0
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Interest paid	(1,183,740)	(3,238,200)	(4,421,940)	0
Principal payments on issuance of long-term debt	(2,085,000)	(3,105,000)	(5,190,000)	0
<i>Net cash provided (used) by capital and related financing activities</i>	(3,268,740)	(6,343,200)	(9,611,940)	0
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchases of investments	0	0	0	0
Interest on investments	1,054	690	1,744	21
<i>Net cash provided (used) by investing activities</i>	1,054	690	1,744	21
<i>Net increase (decrease) in cash and cash equivalents</i>	798,688	(4,493,839)	(3,695,151)	21
Cash and cash equivalents, beginning of year	19,247,510	9,915,132	29,162,642	3,219
<b><i>Cash and cash equivalents, end of year</i></b>	<b>\$20,046,198</b>	<b>\$5,421,293</b>	<b>\$25,467,491</b>	<b>\$3,240</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>				
Operating income (loss)	\$4,214,466	\$2,929,138	\$7,143,604	\$0
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	791,109	1,113,570	1,904,679	0
Changes in assets and liabilities				
Receivables	3,175,336	(2,661,580)	513,756	0
Accounts payable	(4,114,537)	467,543	(3,646,994)	0
Claims payable	0	0	0	0
<b><i>Net cash provided (used) by operating activities</i></b>	<b>\$4,066,374</b>	<b>\$1,848,671</b>	<b>\$5,915,045</b>	<b>\$0</b>

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

**OTERO COUNTY**  
**CUSTODIAL FUNDS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2021**

	Custodial Funds
<b>ASSETS</b>	
Cash and cash equivalents	\$496,309
Property taxes receivable, net	1,604,476
<b><i>Total assets</i></b>	<b>\$2,100,785</b>
<b>LIABILITIES</b>	
Accounts payable and other liabilities	\$0
Future taxes collected	1,604,476
Deposits held in trust for others	496,309
<b><i>Total liabilities</i></b>	<b>\$2,100,785</b>
<b>NET POSITION</b>	
<b><i>Total net position</i></b>	<b>\$0</b>

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

**OTERO COUNTY**  
**CUSTODIAL FUNDS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Custodial Funds
<b>ADDITIONS</b>	
Local sources:	
Property taxes distributed to other governments	\$20,936,060
Deposits held for inmates	13,643
Miscellaneous	2,137
<b><i>Total additions</i></b>	<b>\$20,951,840</b>
<b>DEDUCTIONS</b>	
Property taxes distributed to other governments	\$20,936,060
Disbursements made to inmates	13,643
Miscellaneous	2,137
<b><i>Total deductions</i></b>	<b>\$20,951,840</b>
<b>NET INCREASE</b>	
<b>NET POSITION</b>	
July 1, Restated	\$0
	<b>\$0</b>

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

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

**Financial Reporting Entity**

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

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

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

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

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

**Government-Wide and Fund Financial Statements**

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

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

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

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

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

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

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

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

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.

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

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

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

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

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

The *Hold Harmless Revenue Bond (1/4%)* is used to account for the hold harmless gross receipt tax revenues for the payment on the hold harmless revenue bond; authority NMSA 7-20E-28.

The *Hold Harmless Revenue Bond (1/2%)* is used to account for gross receipts tax revenues for the payment on the Series 2017 and 2020 revenue bonds and expend proceeds of the 2020 bond series; authority NMSA 7-20E-9.

The *Legislative Grants* is used 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.

The *American Rescue Plan* to provide federal funding to support recovery efforts due to the COVID-19 pandemic; authority public law 117-2.

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

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

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

The government maintains one individual internal service fund:

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

Additionally, the government reports the following agency fund:

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

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

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.

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

***Deposits and Investments***

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

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

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

***Receivables and Payables***

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

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

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

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

***Inventory***

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

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

***Prepaid Expenses***

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

***Restricted Assets***

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

***Capital Assets***

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statement. Capital assets are defined by the government as assets with an initial, individual cost 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 date of donation.

The cost 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, equipment of the primary government is depreciated using straight line method over the following estimated useful lives:

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

***Accrued Expenses***

Accrued expenses are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2020, along with applicable FICA and Medicare liabilities.

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

***Pensions***

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

***Deferred Outflows of Resources***

In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time.

***Deferred Inflows of Resources***

In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (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 reports unavailable revenue - property taxes, only in the governmental funds balance sheet as deferred inflows of resources. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. In addition, the County reports items presented on the Statement of Net Position which arose due to the implementation of GASB Statement No. 68 and the related net pension liability.

***Compensated Absences***

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

***Long-Term Obligations***

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

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

***Fund Balance Classification Policies and Procedures***

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

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

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

***Nonspendable Fund Balance***

At June 30, 2021, the nonspendable fund balance in the governmental funds consists of amounts associated with inventory and prepaid expense contracts.

***Restricted and Committed Fund Balance***

At June 30, 2021, the County has presented restricted fund balance on the governmental funds balance sheet for various County operations as restricted by enabling legislation or various funding/grantor agencies. The County has also presented committed fund balance on the governmental funds balance sheet to meet minimum fund balance requirements for the General Fund.

***Minimum Fund Balance Policy***

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

***Net Position***

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

- a. Net investment in capital assets: Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position: Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position: All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

***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.

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, 2021 is presented. Reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund can be found on each individual budgetary statement.

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**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, 2021.

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

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

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

**Cash Deposited with Financial Institutions**

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

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

As of June 30, 2021, the amount of cash reported on the financial statements differs from the amount on deposits with the various institutions because of transactions in transit and outstanding checks. The locations and amounts deposited are as follows:

	Per Institution	Reconciling Items	Per Financial Statements
First National Bank of Alamogordo	\$2,114,160	(\$975,840)	\$1,138,320
First Savings Bank	2,324	0	2,324
US Bank	25,467,491	0	25,467,491
<i>Total cash deposits</i>	<i>\$27,583,975</i>	<i>(\$975,840)</i>	<i>26,608,135</i>
Cash on hand			1,280
Cash held with Trustee – NMFA			556,683
Investments - cash equivalents			10,532,137
			<u>\$37,698,235</u>

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

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

Cash and cash equivalents	\$11,734,435
Restricted cash and cash equivalents	25,467,491
Custodial funds	496,309
<i>Statement of net position</i>	<u><u>\$37,698,235</u></u>

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, 2021, \$23,182,144 of the County's bank balance of \$24,434,468 was exposed to custodial credit risk. Although the \$23,182,144 was uninsured, it was collateralized by collateral held by the pledging bank's trust department, not in the County's name. \$1,447,126 of the County's deposits were uninsured and uncollateralized at June 30, 2021.

	First Bank 34	National Bank of Alamogordo	First Savings Bank	Washington Federal Bank	Total
Amount of deposits	\$5,000,000	\$16,882,144	\$1,802,324	\$750,000	\$24,434,468
FDIC coverage	250,000	500,000	252,324	250,000	\$1,252,324
<i>Total uninsured public funds</i>	<i>4,750,000</i>	<i>16,382,144</i>	<i>1,550,000</i>	<i>500,000</i>	<i>23,182,144</i>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the County's name	5,303,626	13,453,343	2,721,295	256,754	21,735,018
Uninsured and uncollateralized (over)	(\$553,626)	\$2,928,801	(\$1,171,295)	\$243,246	\$1,447,126
Pledged securities	\$5,303,626	\$13,453,343	\$2,721,295	\$256,754	\$21,735,018
Collateral requirement (50%)	2,375,000	8,191,072	775,000	250,000	11,591,072
(Over) under collateralized	(\$2,928,626)	(\$5,262,271)	(\$1,946,295)	(\$6,754)	(\$10,143,946)

The types of collateral are limited to direct obligations of the United States Government and all bonds issued by any agency, district, or political subdivision of the State of New Mexico.

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

**Investments**

As of June 30, 2021, the County's investments and related maturities were as follows:

Investment Type	Credit Risk Rating	Fair Value	Weighted Average Maturity	Percent of Portfolio
Certificates of Deposit	N/A	\$11,800,000	339 days	26.83%
Brokered CD's	N/A	10,665,016	889 days	24.25%
US Government Securities	AA+	10,984,318	2099 days	24.97%
MMKT Acct - US Securities	N/A	10,532,137	Less than 1 year	23.95%
<i>Total fair value</i>		43,981,471		
<i>Less cash equivalents – shown as cash</i>		(10,532,137)		
		<u>\$33,449,334</u>		

*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 U.S. Government Securities listed above is \$10,984,318 at June 30, 2021.

*Interest Rate Risk.* The County's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The fair value of the securities exposed to interest rate risk is \$33,449,334. These securities do not have call options. The County's policy related to interest rate risk with investments is to comply with the statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

*Concentration Credit Risk - Investments.* For an investment, concentration credit risk is when any one issuer is five or more of the investment portfolio of the County. Since the County only purchases investments with high grade credit rating, the concentration is not viewed to be an additional risk by the County. The County's policy related to concentration credit risk is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

**Fair Value Measurement**

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

The County has the following recurring fair value measurement as of June 30, 2021.

Investment Type	Amount	
Certificates of Deposit	\$22,465,016	valued using quoted market prices (Level 1 inputs)
US Government Securities	10,984,318	valued using quoted market prices (Level 1 inputs)
MMKT Acct - US Securities	10,532,137	valued using quoted market prices (Level 1 inputs)

**NOTE 4. RECEIVABLES**

Receivables as of June 30, 2021, are as follows:

**Governmental Activities:**

	General Fund	Other Governmental Funds	Total
Property taxes	\$833,551	\$0	\$833,551
Other taxes:			
Gross receipts taxes	679,491	1,318,971	1,998,462
Gasoline and other taxes	36,108	125,800	161,908
Other receivables:			
Charges for services	87,649	0	87,649
Grants receivable	2,753	81,546	84,299
<i>Total</i>	<i>\$1,639,552</i>	<i>\$1,526,317</i>	<i>\$3,165,869</i>

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 4. RECEIVABLES (CONTINUED)**

In accordance with GASB Statement No. 33, property tax revenues and grant revenues in the amounts of \$719,476 and \$59,368 respectively 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. Advances received before the recognition requirements were met at June 30, 2021 were \$6,554,570.

**Business-Type Activities:**

	Detention Center Fund	Processing Center Fund	Total
Customer receivables	\$2,677,422	\$4,649,057	\$7,326,479

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

**NOTE 5. INTERFUND TRANSFERS**

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

	<u>Operating Transfers Out</u>				
	General Fund	Hold Harmless Revenue Bond 1/4%	Hold Harmless Revenue Bond 1/2%	Other Governmental Funds	Totals
		Hold Harmless Revenue Bond 1/4%	Hold Harmless Revenue Bond 1/2%	Other Governmental Funds	
<b>Operating Transfers In:</b>					
General Fund	\$4,341,503	\$0	\$0	\$45,000	\$4,386,503
Hold Harmless Revenue Bond 1/4%	0	8,379,168	564,078	532	8,943,778
Hold Harmless Revenue Bond 1/2%	0	0	9,178,795	0	9,178,795
Other Governmental Funds	2,462,146	0	0	899,808	3,361,954
	<u>\$6,803,649</u>	<u>\$8,379,168</u>	<u>\$9,742,873</u>	<u>\$945,340</u>	<u>\$25,871,030</u>

	<u>Due To:</u>			
	General Fund	Other Governmental Funds		
		General Fund	Other Governmental Funds	Totals
<b>Due From:</b>				
General Fund		\$0	\$0	\$0
Detention Center		823,150	0	823,150
Processing Center		513,263	0	513,263
		<u>\$1,336,413</u>	<u>\$0</u>	<u>\$1,336,413</u>

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 6. CAPITAL ASSETS**

The following is a summary of capital assets and changes occurring during the year ended June 30, 2021. Land and construction in progress are not subject to depreciation.

	Balance				Balance
	June 30, 2020	Additions	Retirements	Transfers	June 30, 2021
<b>Governmental Activities:</b>					
Capital assets not being depreciated					
Land	\$22,364,195	\$0	\$0	\$0	\$22,364,195
Construction in progress	4,679,331	12,724,880	0	(2,381,765)	15,022,446
<i>Total capital assets not being depreciated</i>	<i>27,043,526</i>	<i>12,724,880</i>	<i>0</i>	<i>(2,381,765)</i>	<i>37,386,641</i>
Capital assets being depreciated					
Infrastructure and land improvements	63,166,664	287,151	0	1,247,323	64,701,138
Buildings and building improvements	36,893,017	1,742,394	0	1,134,442	39,769,853
Equipment and furnishings	13,157,327	722,109	(54,732)	111,969	13,936,673
Vehicles	29,127,561	2,398,392	(556,451)	(111,969)	30,857,533
<i>Total capital assets being depreciated</i>	<i>142,344,569</i>	<i>5,150,046</i>	<i>(611,183)</i>	<i>2,381,765</i>	<i>149,265,197</i>
Less accumulated depreciation for:					
Infrastructure and land improvements	(45,474,376)	(2,230,073)	0	0	(47,704,449)
Buildings and building improvements	(17,736,454)	(824,555)	0	0	(18,561,009)
Equipment and furnishings	(9,927,997)	(603,051)	54,732	(4,679)	(10,480,995)
Vehicles	(20,195,021)	(1,435,097)	519,318	4,679	(21,106,121)
<i>Total accumulated depreciation</i>	<i>(93,333,848)</i>	<i>(5,092,776)</i>	<i>574,050</i>	<i>0</i>	<i>(97,852,574)</i>
<b><i>Governmental activities capital assets, net</i></b>	<b><i>\$76,054,247</i></b>	<b><i>\$12,782,150</i></b>	<b><i>(\$37,133)</i></b>	<b><i>\$0</i></b>	<b><i>\$88,799,264</i></b>

Depreciation expense for the year ended June 30, 2021 was charged to governmental activities as follows:

General government	\$96,254
Public safety	1,768,212
Public works	3,017,979
Culture and recreation	9,676
Health and welfare	200,655
<b>Total</b>	<b>\$5,092,776</b>

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
<b>Business-Type Activities:</b>				
Capital assets not being depreciated:				
Land	\$927,350	\$0	\$0	\$927,350
<i>Total capital assets not being depreciated</i>	<i>927,350</i>	<i>0</i>	<i>0</i>	<i>927,350</i>
Capital assets being depreciated:				
Buildings and building improvements	76,187,100	0	0	76,187,100
<i>Total capital assets being depreciated</i>	<i>76,187,100</i>	<i>0</i>	<i>0</i>	<i>76,187,100</i>
Less Accumulated Depreciation for:				
Buildings and building improvements	(25,093,096)	(1,904,678)	0	(26,997,774)
<i>Total accumulated depreciation</i>	<i>(25,093,096)</i>	<i>(1,904,678)</i>	<i>0</i>	<i>(26,997,774)</i>
<b><i>Business-type activities capital assets, net</i></b>	<b><i>\$52,021,354</i></b>	<b><i>(\$1,904,678)</i></b>	<b><i>\$0</i></b>	<b><i>\$50,116,676</i></b>

Depreciation expense for the year ended June 30, 2021 was charged to business-type activities as follows:

Detention Center	\$791,109
Processing Center	1,113,569
<b><i>Total</i></b>	<b><i>\$1,904,678</i></b>

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 7. LONG-TERM DEBT**

**Governmental Activities:**

During the year ended June 30, 2021, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance June 30, 2020	Additions	Retirements	Balance June 30, 2021	Due in One Year
Bonds payable	\$10,565,000	\$8,355,000	\$870,000	\$18,050,000	\$1,050,000
Loans and capital leases	4,213,652	180,000	431,990	3,961,662	411,230
Compensated absences	557,690	414,289	429,537	542,442	34,967
<i>Total long-term debt</i>	<i>\$15,336,342</i>	<i>\$8,949,289</i>	<i>\$1,731,527</i>	<i>\$22,554,104</i>	<i>\$1,496,197</i>

**Bonds Payable**

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

Description	Date of Issue	Maturity Date	Interest Rate	Original Amount of Issue	Balance June 30, 2020
Hold Harmless GRT Bond - series 2014	April 2014	Dec 2033	3.00-5.00%	\$5,065,000	\$3,675,000
Hold Harmless GRT Bond - series 2017A	April 2017	Dec 2028	3.130%	8,620,000	6,020,000
Hold Harmless GRT Bond - series 2020	July 2020	June 2046	2.630%	8,355,000	8,355,000
<i>Total bonds payable</i>				<i>\$22,040,000</i>	<i>\$18,050,000</i>

**Hold Harmless Gross Receipts Tax Bonds series 2017A**

The County issued Hold Harmless Gross Receipts Tax Bonds series 2017A in the amount of \$8,602,000 on April 18, 2017 to be used for capital improvements. Upon issuance, the County deposited \$8,500,000 to a project fund, paid cost of issuance of \$85,000 and purchased a surety reserve policy for \$34,480 (to be amortized).

The annual requirements to amortize the Bonds Payable as of June 30, 2021, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2022	\$675,000	\$188,426	\$863,426
2023	695,000	167,298	862,298
2024	715,000	145,545	860,545
2025	740,000	123,165	863,165
2026	765,000	100,004	865,004
2027-2031	2,430,000	153,683	2,583,683
<i>Total</i>	<i>\$6,020,000</i>	<i>\$878,121</i>	<i>\$6,898,121</i>

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

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

Hold Harmless Gross Receipts Tax Bonds series 2020

The County issued Hold Harmless Gross Receipts Tax Bonds series 2020 in the amount of \$8,355,000 on July 2, 2020 to be used for rehabilitating and making improvements to the County detention center and to acquire and improve parking lots. Upon issuance, the County deposited \$8,402,635 to a project fund, paid cost of issuance of \$150,000 and purchased a surety reserve policy for \$44,375.

The annual requirements to amortize the Bonds Payable as of June 30, 2021, including interest payments are as follows:

<u>Fiscal Year Ending June 30,</u>	Principal	Interest	Total Debt Service
2022	\$150,000	\$248,106	\$398,106
2023	155,000	242,007	397,007
2024	160,000	235,706	395,706
2025	170,000	229,107	399,107
2026	175,000	222,206	397,206
2027-2031	1,220,000	989,131	2,209,131
2032-2036	1,850,000	701,069	2,551,069
2037-2041	2,090,000	462,403	2,552,403
2042-2046	2,385,000	167,681	2,552,681
<i>Total</i>	<i>\$8,355,000</i>	<i>\$3,497,416</i>	<i>\$11,852,416</i>

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

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

Loans and Capital Leases

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

Description	Date of Issue	Maturity Date	Interest Rate	Original Amount of Issue	Balance June 30, 2021
NMFA Loan - Otero 15	Nov-08	May-29	3.00%	\$163,557	\$78,191
NMFA Loan - Otero 25	Apr-11	May-26	3.58%	192,850	74,233
NMFA Loan - Otero 27	Oct-11	May-22	2.11%	213,049	35,011
NMFA Loan - Otero 28	Jan-12	May-22	0.01%	152,250	15,000
NMFA Loan - Otero 29	Jan-13	May-23	0.390-2.240%	166,247	35,545
NMFA Loan - Otero 32	Jul-13	May-33	1.290-4.340%	201,500	140,016
NMFA Loan - Otero 33	Jul-13	May-30	1.290-4.340%	226,688	139,242
NMFA Loan - Otero 35	May-14	May-25	1.170-3.100%	110,832	47,879
NMFA Loan - Otero 39	Jul-15	May-26	0.390-2.240%	120,000	71,961
NMFA Loan - Otero 40	Apr-16	May-26	0.390-2.240%	40,000	23,281
NMFA Loan - Otero 41	Dec-16	May-26	.860-1.860%	149,925	81,877
NMFA Loan - Otero 42	Dec-16	May-26	1.290-2.000%	90,681	52,574
NMFA Loan - Otero 43	Dec-16	May-27	.950-2.000%	120,907	74,930
NMFA Loan - Otero 45	Jan-17	May-37	1.190-3.520%	604,535	509,195
NMFA Loan - Otero 46	Jan-17	May-27	1.190-2.000%	352,645	220,382
NMFA Loan - Otero 47	Jan-17	May-37	.960-2.000%	403,023	367,630
NMFA Loan - Otero 48	Aug-17	May-28	0.100%	161,210	113,229
PPRF-4433	Mar-18	May-28	1.350-2.380%	285,555	232,468
PPRF-4412	Mar-18	May-28	1.9129%	65,492	47,151
PPRF-4684	Oct-18	May-29	2.4706%	99,910	82,591
PPRF-4722	Jul-18	May-31	2.1016%	277,079	253,654
PPRF-4775	Oct-18	May-34	2.3481%	498,831	493,850
PPRF-5000	Nov-19	May-30	0.1431%	176,323	163,339
PPRF-5004	Nov-19	May-30	0.0999%	125,945	113,468
PPRF-5056	Jan-20	May-30	1.6756%	151,134	143,780
PPRF-5128	Feb-20	May-30	1.5825%	171,285	171,185
PPRF-5318	Nov-20	May-31	0.270-1.310%	180,000	180,000
<i>Total loans and capital leases</i>				\$5,501,453	\$3,961,662

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

The annual requirements to amortize the Loans and Capital Leases Payable as of June 30, 2021, including interest payments are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2021	\$411,230	\$80,021	\$491,251
2022	385,588	72,316	457,904
2023	392,721	65,321	458,042
2024	400,284	57,190	457,474
2025	408,404	49,864	458,268
2026-2030	1,444,248	143,309	1,587,557
2031-2035	454,036	33,120	487,156
2036-2040	65,151	1,303	66,454
<i>Total</i>	<i>\$3,961,662</i>	<i>\$502,444</i>	<i>\$4,464,106</i>

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

Compensated Absences - Employees of the County are able to accrue a limited amount of vacation during the year. During fiscal year 2021, compensated absences decreased \$15,248 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, 2021:

	<u>Balance June 30, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2021</u>	<u>Due Within One Year</u>
Revenue Bonds	\$60,020,000	\$0	\$5,190,000	\$54,830,000	\$5,460,000
<i>Total long-term debt</i>	<i>\$60,020,000</i>	<i>\$0</i>	<i>\$5,190,000</i>	<i>\$54,830,000</i>	<i>\$5,460,000</i>

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

Revenue Bonds

At June 30, 2021, the County had the following revenue bonds outstanding:

Description	Date of Issue	Maturity Date	Interest Rate	Original Amount of Issue	Balance June 30, 2021
Jail Project Series 2007	May-07	Apr-28	8.75-9.00%	\$62,305,000	\$32,875,000
Jail Project Series 2012	Dec-12	Dec-27	4.770%	19,760,000	11,755,000
Jail Project Series 2014	Apr-14	Dec-28	4.600%	16,820,000	10,200,000
<i>Total revenue bonds</i>					<b>\$54,830,000</b>

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

The annual requirements to amortize the bonds as of June 30, 2021, including interest payments, are as follows:

**Revenue Bond Series 2007 (Interest Rate Conversion)**

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2021	\$3,290,000	\$2,958,750	\$6,248,750
2022	3,485,000	2,662,650	6,147,650
2023	3,695,000	2,349,000	6,044,000
2024	3,920,000	2,016,450	5,936,450
2025	4,155,000	1,663,650	5,818,650
2026-2030	14,330,000	2,183,400	16,513,400
<i>Total</i>	<b>\$32,875,000</b>	<b>\$13,833,900</b>	<b>\$46,708,900</b>

**Revenue Bond Series 2012 (Interest Rate Conversion)**

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2021	\$1,085,000	\$547,835	\$1,632,835
2022	1,120,000	495,723	1,615,723
2023	1,150,000	441,941	1,591,941
2024	1,190,000	386,609	1,576,609
2025	1,225,000	329,369	1,554,369
2026-2030	5,985,000	383,269	6,368,269
<i>Total</i>	<b>\$11,755,000</b>	<b>\$2,584,746</b>	<b>\$14,339,746</b>

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

**Revenue Bond Series 2014 (converted September 1, 2017)**

<u>Fiscal Year Ending June 30,</u>	Principal	Interest	Total Debt Service
2021	\$1,085,000	\$469,200	\$1,554,200
2022	1,135,000	419,290	1,554,290
2023	1,185,000	367,080	1,552,080
2024	1,240,000	312,570	1,552,570
2025	1,295,000	255,530	1,550,530
<u>2026-2030</u>	<u>4,260,000</u>	<u>397,900</u>	<u>4,657,900</u>
<i>Total</i>	<i>\$10,200,000</i>	<i>\$2,221,570</i>	<i>\$12,421,570</i>

**Tax Revenue Bonds – Total**

<u>Fiscal Year Ending June 30,</u>	Principal	Interest	Total Debt Service
2021	\$5,460,000	\$3,975,785	\$9,435,785
2022	5,740,000	3,577,663	9,317,663
2023	6,030,000	3,158,021	9,188,021
2024	6,350,000	2,715,629	9,065,629
2025	6,675,000	2,248,549	8,923,549
<u>2026-2030</u>	<u>24,575,000</u>	<u>2,964,569</u>	<u>27,539,569</u>
<i>Total</i>	<i>\$54,830,000</i>	<i>\$18,640,216</i>	<i>\$73,470,216</i>

**NOTE 8. RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries and natural disasters. The County administers its insurance coverage through the Risk Management Office.

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

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

## **NOTE 9. REQUIRED INDIVIDUAL FUND DISCLOSURES**

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

A. Deficit fund balance/net position of individual funds.

HIDTA Grant/Task Force Coordinator (\$2,417)

The deficient fund balance is due to transfers that have not been made from the general fund to fund the deficient.

B. Excess of expenditures over appropriations.

There were no expenditures over appropriation for the year ended June 30, 2021.

C. Designated cash appropriations in excess of available balances. There were not any funds with excess cash appropriations for the year ended June 30, 2021.

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

## General Information about the Pension Plan

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

PERA issues a publicly available financial report and a comprehensive annual financial report that can be obtained at <http://saonm.org/> using the Audit Report Search function for agency 366.

**Benefits provided.** For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2020 available at [http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366 Public Employees Retirement Association 2020.pdf](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366%20Public%20Employees%20Retirement%20Association%202020.pdf).

**Contributions.** The contribution requirements of defined benefit plan members and the Otero County are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY20 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures of the PERA FY20 annual audit report at [http://osanm.org/media/audits/366\\_Public\\_Employees\\_Retirement\\_Association\\_2020.pdf](http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2020.pdf). The PERA coverage options that apply to Otero County are: Municipal General, Municipal Police, and Municipal Fire. Statutorily required contributions to the pension plan from the Otero County were \$1,082,997 for the year ended June 30, 2021.

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:** The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2019. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2020, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2020.

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred Inflows and Outflows were preformed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. The Otero County's proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity's percentage of that membership group's total employer contributions for the fiscal year ended June 30, 2020. Only employer contributions for the pay period end dates that fell within the period of July 1, 2019 to June 30, 2020 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2020 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

**For PERA Fund Division Municipal General,** at June 30, 2021, the Otero County reported a liability of \$14,444,770 for its proportionate share of the net pension liability. At June 30, 2020, the Otero County's proportion was 0.7143%, which was changed from its proportion measured as of June 30, 2019 of 0.7405%.

For the year ended June 30, 2021, the Otero County recognized PERA Fund Division municipal general pension expense of \$434,950. At June 30, 2021, the Otero County reported PERA Fund Division municipal general deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$400,299	\$0
Changes of assumptions	267,258	0
Net difference between projected and actual earnings on pension plan investments	2,641,515	0
Changes in proportion and differences between Otero County contributions and proportionate share of contributions	202,683	741,264
Otero County contributions subsequent to the measurement date	681,277	0
<b>Total</b>	<b>\$4,193,032</b>	<b>\$741,264</b>

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

\$681,277 reported as deferred outflows of resources related to pensions resulting from Otero County contributions subsequent to the measurement date June 30, 2020 will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources, related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$847,284
2022	592,275
2023	682,788
2024	648,144
	<hr/>
	\$2,770,491

**For PERA Fund Division Municipal Police**, at June 30, 2021, the Otero County reported a liability of \$6,842,614 for its proportionate share of the net pension liability. At June 30, 2020, the Otero County's proportion was 0.7967%, which was an increase of its proportion of 0.7478% measured as of June 30, 2019.

For the year ended June 30, 2021, the Otero County recognized PERA Fund Division municipal police pension expense of (\$33,479). At June 30, 2021, the Otero County reported PERA Fund Division municipal police deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$397,630	\$0
Changes of assumptions	162,038	0
Net difference between projected and actual earnings on pension plan investments	1,174,482	0
Changes in proportion and differences between Otero County contributions and proportionate share of contributions	243,181	426,251
Otero County contributions subsequent to the measurement date	371,199	0
<b>Total</b>	<b>\$2,348,530</b>	<b>\$426,251</b>

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

\$371,199 reported as deferred outflows of resources related to pensions resulting from Otero County contributions subsequent to the measurement date June 30, 2020 will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$439,985
2022	363,784
2023	458,964
2024	288,347
	<hr/>
	\$1,551,080

**For PERA Fund Division Municipal Fire**, at July 1, 2019, the Otero County began it's participation in the Municipal Fire Division of PERA.

For the year ended June 30, 2021, the Otero County recognized PERA Fund Division municipal fire pension expense of \$184,478. At June 30, 2021, the Otero County reported PERA Fund Division municipal fire deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$15,511	\$0
Changes of assumptions	8,385	0
Net difference between projected and actual earnings on pension plan investments	64,755	0
Changes in proportion and differences between Otero County contributions and proportionate share of contributions	454,791	0
Otero County contributions subsequent to the measurement date	30,521	0
<b>Total</b>	<b>\$573,963</b>	<b>\$0</b>

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

\$30,521 reported as deferred outflows of resources related to pensions resulting from Otero County contributions subsequent to the measurement date June 30, 2020 will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$191,781
2022	188,072
2023	147,689
2024	15,900
	<hr/>
	\$543,442

***Actuarial assumptions.*** As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2017 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2020 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2018. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2017 actuarial valuation.

Valuation date	June 30, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay
Amortization period	Solved for based on statutory rates
Actuarial assumptions:	
Investment rate of return	7.25% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll growth	3.00%
Projected salary increases*	3.25% to 13.50% annual rate
Includes inflation at	
Mortality Assumption	The mortality assumptions are based on the RPH-2014 Blue Collar mortality table with female ages set forward one year. Future improvement in mortality rates is assumed using 60% of the MP-2017 projection scale generational. For non-public safety groups, 25% of in-service deaths are assumed to be duty related and 35% are assumed to be duty-related for public safety groups.
Experience Study Dates	July 1, 2008 to June 30, 2017 (demographic) and July 1, 2013 through June 30, 2017 (economic)

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

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

ALL FUNDS – Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	35.50%	5.90%
Risk Reduction & Mitigation	19.50%	1.00%
Client Oriented Fixed Income	15.00%	4.20%
Real Assets to include Real Estate Equity	20.00%	6.00%
Multi-Risk Allocation	10.00%	6.40%
<b>Total</b>	<b>100.00%</b>	

**Discount rate:** The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASBS 67. Therefore, the 7.25% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Otero County's proportionate share of the net pension liability to changes in the discount rate.** The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present the Otero County's net pension liability in each PERA Fund Division that Otero County participates in, under the current single rate assumption; as if it were calculated using a discount rate one percentage point lower (6.25%) or one percentage point higher (8.25%) than the single discount rate.

<b>PERA Fund Division Municipal General</b>	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Otero County's proportionate share of the net pension liability	\$20,681,153	\$14,444,770	\$9,273,553
<b>PERA Fund Division Municipal Police</b>	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Otero County's proportionate share of the net pension liability	\$9,819,811	\$6,842,614	\$4,405,938
<b>PERA Fund Division Municipal Fire</b>	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Otero County's proportionate share of the net pension liability	\$905,433	\$699,646	\$530,505

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in the separately issued FY20 PERA financial report. The report is available at <http://www.pera.state.nm.us/publications.html>.

**Payables to the pension plan.** The County is legally required to make defined contributions to the cost sharing pension plan on behalf of its' participant employees. At June 30, 2021, the County had paid all required contributions and therefore, there is no payable to the pension plan.

**NOTE 11. POST-EMPLOYMENT BENEFITS**

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

**NOTE 12. JOINT POWERS AGREEMENTS**

**Closure of the Dog Canyon Landfill**

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

**OTERO COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

**NOTE 12. JOINT POWERS AGREEMENTS (CONTINUED)**

**Regional Emergency Communications Center and Dispatch Services**

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

**Otero/Otero County Regional Landfill**

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

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**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, 2021. 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 \$340,260. Remaining costs will be funded as current expenditures in future years.

**NOTE 14. OTERO/OTERO COUNTY REGIONAL LANDFILL**

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

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

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

It was mutually agreed and covenanted between the entities that:

1. The facility shall be known as the Otero/Otero County Regional Landfill;
2. Each entity designated the City of Alamogordo to act as the administrator to issue bonds and pledge the environmental services gross receipts tax revenues of each respective governmental entity as well as the operating revenues of the landfill to service the bonds and operate the landfill;
3. Title to the facility shall be held in undivided-joint tenancy between the Otero and Otero Solid Waste Authorities;
4. The entities, through their respective Otero or Otero County Authorities, shall be joint owners of a co-equal undivided one-half interest in the assets and also shall be equally responsible for the debt;

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

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

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

**NOTE 15. FEDERAL AND STATE GRANTS**

Otero County participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, Otero County may be required to reimburse the grantor government. As of June 30, 2021, significant amounts of grant expenditures have not been audited by the grantor agencies. Management believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of Otero County.

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**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, 2021 on ongoing construction projects is \$9,758,967.

**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 \$53,880,336 of restricted net position, all of which is restricted by enabling legislation and third party grantors.

**NOTE 20. SUBSEQUENT EVENTS**

The date to which events occurring after June 30, 2021, the date of the most recent Statement of Net Position, have been evaluated for possible adjustment to the financial statements or disclosures is April 29, 2022, which is the date on the financial statements were available to be issued.

**OTERO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 21. TAX ABATEMENT AGREEMENT**

The County entered into a tax abatement agreement in April 2015 as follows:

<b>Agency Number</b>	5019
<b>Agency Name</b>	OTERO COUNTY
<b>Agency Type</b>	COUNTY GOVERNMENT
<b>Tax Abatement Agreement Name</b>	RESOLUTION 04-14-15 103-41, COUNTY ORDINANCE 15-01
<b>Recipient(s) of tax abatement</b>	BURRELL RESOURCES GROUP, LLC
<b>Parent company(ies) of recipient(s) of tax abatement</b>	BOW CORPORATION
<b>Tax abatement program (name and brief description)</b>	OTERO COUNTY, NEW MEXICO INDUSTRIAL REVENUE BURRELL RESOURCES GROUP, LLC
<b>Specific Tax(es) Being Abated</b>	PROPERTY TAXES, GROSS RECEIPTS, COMPENSATING TAX SECTION 4.5 B
<b>Legal authority under which tax abatement agreement was entered into</b>	PROPERTY TAX SECTION 7-36-3 NMSA1978.
<b>Criteria that make a recipient eligible to receive a tax abatement</b>	PROMOTING LOCAL HEALTH, GENERAL WELFARE, SAFETY, CONVENIENCE, AND PROSPERITY TO THE INHABITANTS OF OTERO COUNTY
<b>How are the tax abatement recipient's taxes reduced? (For example: through a reduction of assessed value)</b>	IN LEASE AGREEMENT SECTION 5.10, BRG WILL PAY 50% OF ALL ASSESSED TAXES, IN SECTION 4.5 A BRG RECEIVES NONTAXABLE CERTIFICATES ISSUED TO VENDORS AND CONTRACTORS
<b>How is the amount of the tax abatement determined? For example, this could be a specific dollar amount, a percentage of the tax liability, etc.</b>	IN EXHIBIT C OF LEASE AGREEMENT, TAXES WILL BE ASSESSED BASED ON REAL AND PERSONAL PROPERTY FOR INCREASES AND DECREASES ANUALLY AND COLLECTED AT 50% OF TOTAL
<b>Are there provisions for recapturing abated taxes? (Yes or No)</b>	NONE
<b>If there are provisions for recapturing abated taxes, describe them, including the conditions under which abated taxes become eligible for recapture.</b>	N/A
<b>List each specific commitment made by the recipient of the abatement.</b>	ANNUAL REPORTS OF EMPLOYMENT MADE WITHIN 180 DAYS AT THE END OF THE COMPANY'S FISCAL YEAR, ANNUAL REPORT TO SHOW COMPLIANCE
<b>Gross dollar amount, on an accrual basis, by which the government's tax revenues were reduced during the reporting period as a result of the tax abatement agreement.</b>	\$108.65
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency or another agency in association with the foregone tax revenue, list the authority for and describe the payment, including the agency that is supposed to receive the payment</b>	COUNTY GOVERNMENT HAS THE AUTHORITY TO LEVY TAXES AND IT RECEIVES 50% OF THE ASSESSED PROPERTY TAX
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments <u>receivable by your agency</u> in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</b>	\$53.22
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments <u>receivable by a different agency</u> in association with the foregone tax revenue, list the name of the agency and the amount of payments received in the current fiscal year</b>	NONE
<b>List each specific commitment made by your agency or any other government, other than the tax abatement.</b>	NONE
<b>Are any other governments affected by this tax abatement agreement? (Yes or No) If yes, list each affected agency and complete an intergovernmental disclosure for each such agency.</b>	YES, 306, 7001, 953
<b>If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission.</b>	N/A

## REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE OTERO COUNTY'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY OF PERA FUND DIVISION  
MUNICIPAL GENERAL**  
Public Employees Retirement Association (PERA) Plan  
Last 10 Fiscal Years\*

	As of Measurement Date						
	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
	2021	2020	2019	2018	2017	2016	2015
Otero County's proportion of the net pension liability (asset)	0.7143%	0.7405%	0.8078%	0.7423%	0.7530%	0.7734%	0.8016%
Otero County's proportionate share of the net pension liability (asset)	\$14,444,770	\$12,818,791	\$12,879,321	\$10,199,830	\$12,030,406	\$7,885,483	\$6,253,340
Otero County's covered-employee payroll	\$6,734,490	\$6,753,509	\$6,559,257	\$7,051,037	\$6,538,115	\$6,413,158	\$6,507,077
Otero County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	214.49%	189.81%	196.35%	144.65%	184.00%	122.96%	96.10%
Plan fiduciary net position as a percentage of the total pension liability	66.36%	70.52%	71.13%	73.74%	69.18%	76.99%	81.29%

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

**SCHEDULE OF THE OTERO COUNTY'S PROPORATIONATE SHARE  
OF THE NET PENSION LIABILITY OF PERA FUND DIVISION  
MUNICIPAL POLICE**  
Public Employees Retirement Association (PERA) Plan  
Last 10 Fiscal Years\*

	As of Measurement Date						
	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Otero County's proportion of the net pension liability (asset)	0.7967%	0.7478%	0.8887%	0.9001%	0.8784%	0.8554%	0.9452%
Otero County's proportionate share of the net pension liability (asset)	\$6,842,614	\$5,523,766	\$6,063,638	\$5,000,646	\$6,481,097	\$4,113,243	\$3,081,249
Otero County's covered-employee payroll	\$1,875,211	\$1,664,476	\$1,810,995	\$1,851,069	\$1,701,884	\$1,677,786	\$1,820,248
Otero County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	364.90%	331.86%	334.82%	270.15%	380.82%	245.16%	169.28%
Plan fiduciary net position as a percentage of the total pension liability	66.36%	70.52%	71.13%	73.74%	69.18%	76.99%	81.29%

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

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

Public Employees Retirement Association (PERA) Plan

Last 10 Fiscal Years\*

As of  
Measurement Date  
June 30, 2020  
**2021**

Otero County's proportion of the net pension liability (asset)	0.7143%
Otero County's proportionate share of the net pension liability (asset)	\$699,646
Otero County's covered-employee payroll	\$129,328
Otero County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	540.98%
Plan fiduciary net position as a percentage of the total pension liability	66.36%

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

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

Public Employees Retirement Association (PERA) Plan

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

Last 10 Fiscal Years\*

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$681,277	\$659,980	\$644,960	\$626,409	\$673,374	\$624,390	\$798,859
Contributions in relation to the contractually required contribution	\$681,277	\$659,980	\$644,960	\$626,409	\$673,374	\$624,390	\$748,859
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Otero County's covered-employee payroll	\$6,951,803	\$6,734,490	\$6,753,509	\$6,559,257	\$7,051,037	\$6,538,115	\$6,413,158
Contributions as a percentage of covered-employee payroll	9.80%	9.80%	9.55%	9.55%	9.55%	9.55%	9.55%

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

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

Public Employees Retirement Association (PERA) Plan

## **PERA FUND DIVISION MUNICIPAL POLICE**

Last 10 Fiscal Years\*

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$371,199	\$359,103	\$314,586	\$342,278	\$349,852	\$321,656	\$334,217
Contributions in relation to the contractually required contribution	\$371,199	\$359,103	\$314,586	\$342,278	\$349,852	\$321,656	\$334,217
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Otero County's covered-employee payroll	\$1,938,375	\$1,875,211	\$1,664,476	\$1,810,995	\$1,851,069	\$1,701,884	\$1,677,786
Contributions as a percentage of covered-employee payroll	19.15%	19.15%	18.90%	18.90%	18.90%	18.90%	19.92%

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

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

Public Employees Retirement Association (PERA) Plan

## **PERA FUND DIVISION MUNICIPAL FIRE**

Last 10 Fiscal Years\*

**2021**

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Contractually required contribution	\$30,521
Contributions in relation to the contractually required contribution	\$30,521
Contribution deficiency (excess)	\$0
Otero County's covered-employee payroll	\$139,367
Contributions as a percentage of covered-employee payroll	21.90%

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

**OTERO COUNTY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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

**Changes of benefit terms:** The PERA and COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA's CAFR. <https://www.saonm.org>

**Changes of assumptions:** The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2019 report is available at <https://www.saonm.org>

## **SUPPLEMENTARY INFORMATION**

**OTERO COUNTY**  
**SPECIAL REVENUE FUNDS**  
**JUNE 30, 2021**

**Special Revenue Funds**

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

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

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

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

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

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

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

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

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

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

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

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

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

**OTERO COUNTY**  
**SPECIAL REVENUE FUNDS**  
**JUNE 30, 2021**

**Special Revenue Funds (Continued)**

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

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

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

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

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

**OTERO COUNTY**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEETS**  
**JUNE 30, 2021**

	CDBG Grants	Clerk's Equipment	DWI Grant	EMS
<b>ASSETS</b>				
Cash and cash equivalents	\$112,733	\$247,516	\$206,714	\$58,819
Investments	0	0	0	0
Receivables:				
Property taxes	0	0	0	0
Other taxes	0	0	0	0
Other receivables	0	0	0	0
Inventory	0	0	0	0
Prepaid expenses	0	0	0	0
<b>Total assets</b>	<b>\$112,733</b>	<b>\$247,516</b>	<b>\$206,714</b>	<b>\$58,819</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities:</b>				
Accounts payable	\$6,307	\$8,000	\$11,155	\$0
Due to general fund	0	0	0	0
Accrued payroll expenses	0	0	0	0
Accrued compensated absences - current	0	0	560	0
<b>Total liabilities</b>	<b>6,307</b>	<b>8,000</b>	<b>11,715</b>	<b>0</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue:				
Property taxes	0	0	0	0
<b>Total deferred inflows of resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balance:</b>				
Nonspendable				
Inventory	0	0	0	0
Prepaid expenses	0	0	0	0
Spendable				
Restricted for:				
General county operations	0	239,516	0	0
Maintenance of roads	0	0	0	0
Environment	0	0	0	0
Recreation	0	0	0	0
Public safety	0	0	0	58,819
Healthcare/health services	106,426	0	194,999	0
Debt service expenditures	0	0	0	0
Unrestricted	0	0	0	0
<b>Total fund balance</b>	<b>106,426</b>	<b>239,516</b>	<b>194,999</b>	<b>58,819</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$112,733</b>	<b>\$247,516</b>	<b>\$206,714</b>	<b>\$58,819</b>

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

**OTERO COUNTY**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEETS**  
**JUNE 30, 2021**

	Environmental Gross Receipts Tax	Farm and Range	Fire	HIDTA Grant/ Task Force Coordinator
<b>ASSETS</b>				
Cash and cash equivalents	\$0	\$122,488	\$2,349,172	\$0
Investments	0	0	2,955,200	0
Receivables:				
Property taxes	0	0	0	0
Other taxes	79,560	0	159,120	0
Other receivables	0	0	0	0
Inventory	0	0	0	0
Prepaid expenses	0	0	66,794	0
<b>Total assets</b>	<b>\$79,560</b>	<b>\$122,488</b>	<b>\$5,530,286</b>	<b>\$0</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities:</b>				
Accounts payable	\$5,196	\$0	\$23,191	\$0
Due to general fund	0	0	0	0
Accrued payroll expenses	27,147	0	0	2,417
Accrued compensated absences - current	6,249	0	0	0
<b>Total liabilities</b>	<b>38,592</b>	<b>0</b>	<b>23,191</b>	<b>2,417</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue:				
Property taxes	0	0	0	0
<b>Total deferred inflows of resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balance:</b>				
Nonspendable				
Inventory	0	0	0	0
Prepaid expenses	0	0	66,794	0
Spendable				
Restricted for:				
General county operations	0	122,488	0	0
Maintenance of roads	0	0	0	0
Environment	40,968	0	0	0
Recreation	0	0	0	0
Public safety	0	0	5,440,301	0
Healthcare/health services	0	0	0	0
Debt service expenditures	0	0	0	0
Unrestricted	0	0	0	(2,417)
<b>Total fund balance</b>	<b>40,968</b>	<b>122,488</b>	<b>5,507,095</b>	<b>(2,417)</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$79,560</b>	<b>\$122,488</b>	<b>\$5,530,286</b>	<b>\$0</b>

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

**OTERO COUNTY**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEETS**  
**JUNE 30, 2021**

	Indigent (Safety Net Care Pool)	Landfill Closure	Law Enforcement Protection	Property Valuation
<b>ASSETS</b>				
Cash and cash equivalents	\$86,410	\$30,398	\$13,913	\$280,694
Investments	3,482,750	0	0	0
Receivables:				
Property taxes	0	0	0	0
Other taxes	385,516	0	0	0
Other receivables	0	0	0	0
Inventory	0	0	0	0
Prepaid expenses	0	0	0	0
<b>Total assets</b>	<b>\$3,954,676</b>	<b>\$30,398</b>	<b>\$13,913</b>	<b>\$280,694</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities:</b>				
Accounts payable	\$225,861	\$0	\$0	\$294
Due to general fund	0	0	0	0
Accrued payroll expenses	2,568	0	0	10,811
Accrued compensated absences - current	0	0	0	0
<b>Total liabilities</b>	<b>228,429</b>	<b>0</b>	<b>0</b>	<b>11,105</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue:				
Property taxes	0	0	0	0
<b>Total deferred inflows of resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balance:</b>				
Nonspendable				
Inventory	0	0	0	0
Prepaid expenses	0	0	0	0
Spendable				
Restricted for:				
General county operations	0	0	0	269,589
Maintenance of roads	0	0	0	0
Environment	0	30,398	0	0
Recreation	0	0	0	0
Public safety	0	0	13,913	0
Healthcare/health services	3,726,247	0	0	0
Debt service expenditures	0	0	0	0
Unrestricted	0	0	0	0
<b>Total fund balance</b>	<b>3,726,247</b>	<b>30,398</b>	<b>13,913</b>	<b>269,589</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$3,954,676</b>	<b>\$30,398</b>	<b>\$13,913</b>	<b>\$280,694</b>

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

**OTERO COUNTY**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEETS**  
**JUNE 30, 2021**

	Recreation	Road	Secure Rural Schools Grant	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$0	\$271,716	\$78,841	\$3,859,414
Investments	0	0	0	6,437,950
Receivables:				
Property taxes	0	0	0	0
Other taxes	0	276,786	0	900,982
Other receivables	0	0	0	0
Inventory	0	102,296	0	102,296
Prepaid expenses	0	22,607	0	89,401
<b>Total assets</b>	<b>\$0</b>	<b>\$673,405</b>	<b>\$78,841</b>	<b>\$11,390,043</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities:</b>				
Accounts payable	\$0	\$11,469	\$0	\$291,473
Due to general fund	0	0	0	0
Accrued payroll expenses	0	57,517	0	100,460
Accrued compensated absences - current	0	4,108	0	10,917
<b>Total liabilities</b>	<b>0</b>	<b>73,094</b>	<b>0</b>	<b>402,850</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue:				
Property taxes	0	0	0	0
<b>Total deferred inflows of resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balance:</b>				
Nonspendable				
Inventory	0	102,296	0	102,296
Prepaid expenses	0	22,607	0	89,401
Spendable				
Restricted for:				
General county operations	0	0	0	631,593
Maintenance of roads	0	475,408	0	475,408
Environment	0	0	0	71,366
Recreation	0	0	0	0
Public safety	0	0	78,841	5,591,874
Healthcare/health services	0	0	0	4,027,672
Debt service expenditures	0	0	0	0
Unrestricted	0	0	0	(2,417)
<b>Total fund balance</b>	<b>0</b>	<b>600,311</b>	<b>78,841</b>	<b>10,987,193</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$0</b>	<b>\$673,405</b>	<b>\$78,841</b>	<b>\$11,390,043</b>

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

# OTERO COUNTY

## NONMAJOR SPECIAL REVENUE FUNDS

### COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	CDBG Grants	Clerk's Equipment	DWI Grant	EMS
<b>REVENUES</b>				
Taxes:				
Property	\$0	\$0	\$0	\$0
Gross receipts	0	0	0	0
Gasoline and motor vehicle	0	0	0	0
Intergovernmental:				
Federal operating grants	0	0	0	0
Federal capital grants	0	0	0	0
State operating grants	0	0	363,642	118,413
State capital grants	0	0	0	0
Charges for services	0	92,361	25,338	0
Sale of property	0	0	0	0
Investment income (loss)	0	0	0	0
Miscellaneous	0	54,537	900	100
<i>Total revenues</i>	<i>0</i>	<i>146,898</i>	<i>389,880</i>	<i>118,513</i>
<b>EXPENDITURES</b>				
Current:				
General government	0	40,836	0	0
Public works	0	0	0	0
Public safety	0	0	0	105,790
Health and welfare	0	0	394,837	0
Culture and recreation	0	0	0	0
Capital outlay	6,307	0	0	0
Debt Service:				
Principal	0	0	0	0
Interest	0	0	0	0
<i>Total expenditures</i>	<i>6,307</i>	<i>40,836</i>	<i>394,837</i>	<i>105,790</i>
<i>Excess (deficiency) of revenues over expenditures</i>	<i>(6,307)</i>	<i>106,062</i>	<i>(4,957)</i>	<i>12,723</i>
<b>Other Financing Sources (Uses):</b>				
Transfers in	0	0	0	0
Transfers (out)	0	0	0	0
<i>Total other financing sources (uses)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Net changes in fund balances</i>	<i>(6,307)</i>	<i>106,062</i>	<i>(4,957)</i>	<i>12,723</i>
Fund balance - beginning of year	112,733	133,454	199,956	46,096
<b><i>Fund balance - end of year</i></b>	<b><i>\$106,426</i></b>	<b><i>\$239,516</i></b>	<b><i>\$194,999</i></b>	<b><i>\$58,819</i></b>

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

# OTERO COUNTY

## NONMAJOR SPECIAL REVENUE FUNDS

### COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Environmental Gross Receipts Tax	Farm and Range	Fire	HIDTA Grant/ Task Force Coordinator
<b>REVENUES</b>				
Taxes:				
Property	\$0	\$0	\$0	\$0
Gross receipts	427,178	0	854,372	0
Gasoline and motor vehicle	0	0	0	0
Intergovernmental:				
Federal operating grants	0	17,550	0	30,909
Federal capital grants	0	0	0	0
State operating grants	0	0	2,920,616	0
State capital grants	0	0	0	0
Charges for services	46,136	0	0	0
Sale of property	0	0	0	0
Investment income (loss)	10	716	(14,787)	0
Miscellaneous	1,147	0	80,028	0
<i>Total revenues</i>	<i>474,471</i>	<i>18,266</i>	<i>3,840,229</i>	<i>30,909</i>
<b>EXPENDITURES</b>				
Current:				
General government	0	7,363	0	0
Public works	1,154,664	0	0	0
Public safety	0	0	1,838,870	121,601
Health and welfare	0	0	0	0
Culture and recreation	0	0	0	0
Capital outlay	33,618	0	1,755,103	0
Debt Service:				
Principal	0	0	0	0
Interest	0	0	0	0
<i>Total expenditures</i>	<i>1,188,282</i>	<i>7,363</i>	<i>3,593,973</i>	<i>121,601</i>
<i>Excess (deficiency) of revenues over expenditures</i>	<i>(713,811)</i>	<i>10,903</i>	<i>246,256</i>	<i>(90,692)</i>
<b>Other Financing Sources (Uses):</b>				
Transfers in	709,494	0	510,385	87,706
Transfers (out)	0	0	(464,423)	0
<i>Total other financing sources (uses)</i>	<i>709,494</i>	<i>0</i>	<i>45,962</i>	<i>87,706</i>
<i>Net changes in fund balances</i>	<i>(4,317)</i>	<i>10,903</i>	<i>292,218</i>	<i>(2,986)</i>
Fund balance - beginning of year	45,285	111,585	5,214,877	569
<b><i>Fund balance - end of year</i></b>	<b><i>\$40,968</i></b>	<b><i>\$122,488</i></b>	<b><i>\$5,507,095</i></b>	<b><i>(\$2,417)</i></b>

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

# OTERO COUNTY

## NONMAJOR SPECIAL REVENUE FUNDS

### COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Indigent (Safety Net Care Pool)	Landfill Closure	Law Enforcement Protection	Property Valuation
<b>REVENUES</b>				
Taxes:				
Property	\$0	\$0	\$0	\$0
Gross receipts	2,558,399	0	0	0
Gasoline and motor vehicle	0	0	0	0
Intergovernmental:				
Federal operating grants	0	0	0	0
Federal capital grants	0	0	0	0
State operating grants	0	0	54,600	0
State capital grants	0	0	0	0
Charges for services	0	0	0	303,975
Sale of property	0	0	0	0
Investment income (loss)	(13,847)	228	0	0
Miscellaneous	7,050	1,462	0	0
<i>Total revenues</i>	<i>2,551,602</i>	<i>1,690</i>	<i>54,600</i>	<i>303,975</i>
<b>EXPENDITURES</b>				
Current:				
General government	0	0	(6,654)	359,516
Public works	0	11,236	0	0
Public safety	0	0	0	0
Health and welfare	1,748,739	0	0	0
Culture and recreation	0	0	0	0
Capital outlay	0	0	51,528	178,463
Debt Service:				
Principal	0	0	0	0
Interest	0	0	0	0
<i>Total expenditures</i>	<i>1,748,739</i>	<i>11,236</i>	<i>44,874</i>	<i>537,979</i>
<i>Excess (deficiency) of revenues over expenditures</i>	<i>802,863</i>	<i>(9,546)</i>	<i>9,726</i>	<i>(234,004)</i>
<b>Other Financing Sources (Uses):</b>				
Transfers in	0	0	0	119,696
Transfers (out)	0	0	0	0
<i>Total other financing sources (uses)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>119,696</i>
<i>Net changes in fund balances</i>	<i>802,863</i>	<i>(9,546)</i>	<i>9,726</i>	<i>(114,308)</i>
Fund balance - beginning of year	2,923,384	39,944	4,187	383,897
<b><i>Fund balance - end of year</i></b>	<b><i>\$3,726,247</i></b>	<b><i>\$30,398</i></b>	<b><i>\$13,913</i></b>	<b><i>\$269,589</i></b>

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

# OTERO COUNTY

## NONMAJOR SPECIAL REVENUE FUNDS

### COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Recreation	Road	Secure Rural Schools Grant	Total
<b>REVENUES</b>				
Taxes:				
Property	\$0	\$0	\$0	\$0
Gross receipts	0	0	0	3,839,949
Gasoline and motor vehicle	0	1,349,851	0	1,349,851
Intergovernmental:				
Federal operating grants	0	245,749	40,476	334,684
Federal capital grants	0	0	0	0
State operating grants	0	14,000	0	3,471,271
State capital grants	0	0	0	0
Charges for services	0	0	0	467,810
Sale of property	0	0	0	0
Investment income (loss)	0	0	0	(27,680)
Miscellaneous	0	4,550	0	149,774
<i>Total revenues</i>	0	1,614,150	40,476	9,585,659
<b>EXPENDITURES</b>				
Current:				
General government	0	0	0	401,061
Public works	0	2,826,799	0	3,992,699
Public safety	0	0	26,974	2,093,235
Health and welfare	0	0	0	2,143,576
Culture and recreation	3,222	0	0	3,222
Capital outlay	0	354,231	0	2,379,250
Debt Service:				
Principal	0	0	0	0
Interest	0	0	0	0
<i>Total expenditures</i>	3,222	3,181,030	26,974	11,013,043
<i>Excess (deficiency) of revenues over expenditures</i>	(3,222)	(1,566,880)	13,502	(1,427,384)
<b>Other Financing Sources (Uses):</b>				
Transfers in	0	1,545,250	0	2,972,531
Transfers (out)	0	0	0	(464,423)
<i>Total other financing sources (uses)</i>	0	1,545,250	0	2,508,108
<i>Net changes in fund balances</i>	(3,222)	(21,630)	13,502	1,080,724
Fund balance - beginning of year	3,222	621,941	65,339	9,906,469
<b><i>Fund balance - end of year</i></b>	<b>\$0</b>	<b>\$600,311</b>	<b>\$78,841</b>	<b>\$10,987,193</b>

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

**OTERO COUNTY**  
**DEBT SERVICE FUNDS**  
**JUNE 30, 2021**

**Debt Service Funds**

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

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

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

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

**OTERO COUNTY**  
**NONMAJOR DEBT SERVICE FUNDS**  
**COMBINING BALANCE SHEETS**  
**JUNE 30, 2021**

	Debt Service	Hold Harmless Revenue Bond (Repayment)	Other Debt Service (NMFA)	Totals
<b>ASSETS</b>				
Cash and cash equivalents	\$1,556	\$0	\$556,683	\$558,239
Investments	0	0	0	0
Receivables:				0
Property taxes	0	0	0	0
Other taxes	0	0	0	0
Other receivables	0	0	0	0
Inventory	0	0	0	0
Prepaid expenses	0	0	0	0
<b>Total assets</b>	<b>\$1,556</b>	<b>\$0</b>	<b>\$556,683</b>	<b>\$558,239</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities:</b>				
Accounts payable	\$0	\$0	\$0	\$0
Accrued payroll expenses	0	0	0	0
<b>Total liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue:				
Property taxes	0	0	0	0
<b>Total deferred inflows of resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balance:</b>				
Nonspendable				
Inventory	0	0	0	0
Prepaid expenses	0	0	0	0
Spendable				
Restricted for:				
General county operations	0	0	0	0
Maintenance of roads	0	0	0	0
Environment	0	0	0	0
Recreation	0	0	0	0
Public safety	0	0	0	0
Healthcare	0	0	0	0
Debt service expenditures	1,556	0	556,683	558,239
<b>Total fund balance</b>	<b>1,556</b>	<b>0</b>	<b>556,683</b>	<b>558,239</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$1,556</b>	<b>\$0</b>	<b>\$556,683</b>	<b>\$558,239</b>

# OTERO COUNTY

## NONMAJOR DEBT SERVICE FUNDS

### COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Debt Service	Hold Harmless Revenue Bond (Repayment)	Other Debt Service (NMFA)	Totals
<b>REVENUES</b>				
Taxes:				
Property	\$0	\$0	\$0	\$0
Gross receipts	0	0	0	0
Gasoline and motor vehicle	0	0	0	0
Intergovernmental:				
Federal operating grants	0	0	0	0
State operating grants	0	0	0	0
State capital grants	0	0	0	0
Charges for services	0	0	0	0
Investment income (loss)	10	0	5,861	5,871
Miscellaneous	0	0	0	0
<i>Total revenues</i>	<i>10</i>	<i>0</i>	<i>5,861</i>	<i>5,871</i>
<b>EXPENDITURES</b>				
Current:				
General government	0	0	0	0
Public works	0	0	0	0
Public safety	0	0	0	0
Health and welfare	0	0	0	0
Culture and recreation	0	0	0	0
Capital outlay	0	0	0	0
Debt Service:				
Principal	0	0	431,990	431,990
Interest	0	0	85,212	85,212
<i>Total expenditures</i>	<i>0</i>	<i>0</i>	<i>517,202</i>	<i>517,202</i>
<i>Excess (deficiency) of revenues over expenditures</i>	<i>10</i>	<i>0</i>	<i>(511,341)</i>	<i>(511,331)</i>
<b>Other Financing Sources (Uses):</b>				
Proceeds from debt	0	0	180,000	180,000
Cost of issuance	0	0	(4,102)	(4,102)
Transfers in	0	0	389,423	389,423
Transfers (out)	0	(532)	(480,385)	(480,917)
<i>Total other financing sources (uses)</i>	<i>0</i>	<i>(532)</i>	<i>84,936</i>	<i>84,404</i>
<i>Net changes in fund balances</i>	<i>10</i>	<i>(532)</i>	<i>(426,405)</i>	<i>(426,927)</i>
<i>Fund balance - beginning of year</i>	<i>1,546</i>	<i>532</i>	<i>983,088</i>	<i>985,166</i>
<b><i>Fund balance - end of year</i></b>	<b><i>\$1,556</i></b>	<b><i>\$0</i></b>	<b><i>\$556,683</i></b>	<b><i>\$558,239</i></b>

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

**OTERO COUNTY**  
**TOTAL ALL NONMAJOR GOVERNMENTAL FUND TYPES**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2021**

	Special Revenue	Debt Service	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$3,859,414	\$558,239	\$4,417,653
Investments	6,437,950	0	6,437,950
Receivables:			
Property taxes	0	0	0
Other taxes	900,982	0	900,982
Other receivables	0	0	0
Inventory	102,296	0	102,296
Prepaid expenses	89,401	0	89,401
<b>Total assets</b>	<b>\$11,390,043</b>	<b>\$558,239</b>	<b>\$11,948,282</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities:</b>			
Accounts payable	\$291,473	\$0	\$291,473
Due to general fund	0	0	0
Accrued payroll expenses	100,460	0	100,460
Accrued compensated absences	10,917	0	10,917
<b>Total liabilities</b>	<b>402,850</b>	<b>0</b>	<b>402,850</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue:			
Property taxes	0	0	0
<b>Total deferred inflows of resources</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balance:</b>			
Nonspendable			
Inventory	102,296	0	102,296
Prepaid expenses	89,401	0	89,401
Spendable			
Restricted for:			
General county operations	631,593	0	631,593
Maintenance of roads	475,408	0	475,408
Environment	71,366	0	71,366
Recreation	0	0	0
Public safety	5,591,874	0	5,591,874
Healthcare/health services	4,027,672	0	4,027,672
Debt service expenditures	0	558,239	558,239
Unrestricted	(2,417)	0	(2,417)
<b>Total fund balance</b>	<b>10,987,193</b>	<b>558,239</b>	<b>11,545,432</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$11,390,043</b>	<b>\$558,239</b>	<b>\$11,948,282</b>

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

# OTERO COUNTY

TOTAL ALL NONMAJOR GOVERNMENTAL FUND TYPES

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Special Revenue	Debt Service	Total
<b>REVENUES</b>			
Taxes:			
Property	\$0	\$0	\$0
Gross receipts	3,839,949	0	3,839,949
Gasoline and motor vehicle	1,349,851	0	1,349,851
Intergovernmental:			
Federal operating grants	334,684	0	334,684
Federal capital grants	0	0	0
State operating grants	3,471,271	0	3,471,271
State capital grants	0	0	0
Charges for services	467,810	0	467,810
Sale of property	0	0	0
Investment income (loss)	(27,680)	5,871	(21,809)
Miscellaneous	149,774	0	149,774
<i>Total revenues</i>	<i>9,585,659</i>	<i>5,871</i>	<i>9,591,530</i>
<b>EXPENDITURES</b>			
Current:			
General government	401,061	0	401,061
Public works	3,992,699	0	3,992,699
Public safety	2,093,235	0	2,093,235
Health and welfare	2,143,576	0	2,143,576
Culture and recreation	3,222	0	3,222
Capital outlay	2,379,250	0	2,379,250
Debt Service:			
Principal	0	431,990	431,990
Interest	0	85,212	85,212
<i>Total expenditures</i>	<i>11,013,043</i>	<i>517,202</i>	<i>11,530,245</i>
<i>Excess (deficiency) of revenues over expenditures</i>	<i>(1,427,384)</i>	<i>(511,331)</i>	<i>(1,938,715)</i>
<b>Other Financing Sources (Uses):</b>			
Proceeds from debt	0	180,000	180,000
Cost of issuance	0	(4,102)	(4,102)
Transfers in	2,972,531	389,423	3,361,954
Transfers (out)	(464,423)	(480,917)	(945,340)
<i>Total other financing sources (uses)</i>	<i>2,508,108</i>	<i>84,404</i>	<i>2,592,512</i>
<i>Net changes in fund balances</i>	<i>1,080,724</i>	<i>(426,927)</i>	<i>653,797</i>
<i>Fund balance - beginning of year</i>	<i>9,906,469</i>	<i>985,166</i>	<i>10,891,635</i>
<b><i>Fund balance - end of year</i></b>	<b><i>\$10,987,193</i></b>	<b><i>\$558,239</i></b>	<b><i>\$11,545,432</i></b>

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

## OTHER SUPPLEMENTARY INFORMATION

**OTERO COUNTY**  
**SCHEDULE OF LEGISLATIVE GRANTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Project	Agency	Grant #	Reversion Date	Original Amount
Cloudcroft Senior Center Renovation	ALTSD	A16AS5042	06/30/21	\$15,000
Alamo Street Construction	DOT	A19D3379	06/30/23	1,250,000
Otero CO Emergency OP CRT Equip	DFA	A19D3101	06/30/21	100,000
Otero CO Emergency OP CRT Equip	DFA	A18C2536	06/30/22	113,850
Timberon Fire Station	DFA	20-E2640	06/30/24	750,000
OCSO Vehicles	DFA	20-E2647	06/30/23	373,704
Appler Road Low Water Crossing	DOT	C2202823	06/30/24	578,500
Chaparral Firefighting Equipment	DFA	ZD9036	06/30/21	150,000
Chaparral Community Center Furniture	ALTSD	ZD9257	06/30/21	7,500
<b><i>Grand totals</i></b>				<b>\$3,338,554</b>

**OTERO COUNTY**  
**SCHEDULE OF LEGISLATIVE GRANTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Project	Arts in Public Places	Net Amount	Expenditures to Date	Reverted	Remaining
Cloudcroft Senior Center Renovation	\$0	\$15,000	\$4,782	\$10,218	\$0
Alamo Street Construction	0	1,250,000	1,243,007	6,993	0
Otero CO Emergency OP CRT Equip	0	113,850	113,850	0	0
Otero CO Emergency OP CRT Equip	0	100,000	0	0	100,000
Timberon Fire Station	7,500	742,500	131,535	0	610,965
OCSO Vehicles	0	373,704	261,708	0	111,996
Appler Road Low Water Crossing	0	578,500	57,289	0	521,211
Chaparral Firefighting Equipment	0	150,000	150,000	0	0
Chaparral Community Center Furniture	0	7,500	6,902	598	0
<b>Grand totals</b>	<b>\$7,500</b>	<b>\$3,331,054</b>	<b>\$1,969,073</b>	<b>\$17,809</b>	<b>\$1,344,172</b>

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

# OTERO COUNTY

## SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY OF PUBLIC FUNDS

JUNE 30, 2021

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value
				June 30, 2021
<b>Bank 34</b>				
	FGLMC 20YR	1/1/2034	3128P75C3	\$1,554,493
	FHR 4579 BA	1/15/2043	3137BPP29	355,256
	FNR 2013-18TD	2/25/1933	3136ACZHT	542,593
	FHLMC POOL SD	4/1/2050	3132DVK20	842,834
	SBAP 2006-20E1	5/1/2026	83162CQG1	171,820
	FNMA 30YR	5/1/2049	3140X5YU1	1,633,675
	<i>FNMA 30YR</i>	<i>05/01/40</i>	<i>31418NBK5</i>	<i>202,955</i>
	<i>Total Bank 34</i>			<i>5,303,626</i>

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

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

<b>First National Bank of Alamogordo</b>				
	FNMA Pool #MA4311	4/1/2041	31418DYH9	3,018,635
	FNMA Pool #FM4131	1/1/2047	3140X7SV2	2,132,548
	FHLMC Pool #C92003	7/11/2038	3128P8GL9	526,832
	FHLMC Pool #RE6049	6/1/2050	3133N3WJ9	1,540,412
	FHLMC Pool #J14944	4/1/2026	3128PUP55	124,838
	FNMA Pool #MA4202	12/1/2040	31418DU42	1,900,953
	FNMA Pool #AH8166	4/1/2026	3138AACC3	193,716
	FNMA Pool #893271	8/1/2026	31410PMU4	3,785
	FNMA Pool #AB3163	6/1/2031	31416YQR2	132,804
	FNMA Pool #FM3734	9/1/2049	3140X7EG0	2,448,963
	FNMA Pool #AB4713	3/1/2032	31417BGX9	273,156
	FNMA Pool #MA13338	2/1/2033	31418APY8	1,148,055
	FNMA Pool #945117	8/1/2037	31413GPA2	8,646
	<i>Total First National Bank of Alamogordo</i>			<i>13,453,343</i>

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

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

# OTERO COUNTY

## SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY OF PUBLIC FUNDS

JUNE 30, 2021

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value
				June 30, 2021
<b>First Savings Bank</b>				
	FNMA Agency	1/5/2022	3135G0S38	1,111,306
	FNMA 20YR	4/1/2041	3140QKDF2	206,759
	GNR 2018-153 WJ	11/20/2045	38381AZ58	113,498
	GNR 2012-96 AD	8/20/2027	38378HAU0	62,786
	FHR 4136NE	11/15/2027	3137AWKN4	36,652
	FHLMC 15YR	5/1/2027	3128MDEC3	142,855
	FNMA 2042	3/1/2039	3140JAM62	102,356
	GNMA II 15YR	2/20/2027	36202F3J3	234,883
	FHR 3925DE	7/15/2040	3137AFGA4	5,134
	FHLMC 15YR	1/1/2030	3128ME4V0	35,728
	FHR 4080	5/15/2032	3137ARS72	42,950
	GNR 2018-153WJ	11/20/1945	38381AZ58	113,498
	GNR 2018-153 WJ	11/20/2045	38381AZ58	189,164
	GNR 2018-12 MG	7/20/2046	38380UT52	118,770
	FRLMC 30YR	2/1/2051	3132DMTE5	102,152
	GNMA II 30YR	3/20/2051	3622AAZN7	102,804
	<i>Total First Savings Bank</i>			2,721,295

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

*First Savings Bank, 201 North Third Street, Beresford, SD 57004*

<b>Washington Federal Bank</b>	FNMA PL#BC2636	1/1/2046	3140EW4W2	256,754
	<i>Total Washington Federal Bank</i>			256,754

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

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

<b>Total Pledged Collateral</b>	<b>\$21,735,018</b>
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**OTERO COUNTY**  
**SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS**  
**JUNE 30, 2021**

Bank Account Type/Name	Bank 34	National Bank of Alamogordo	First Savings Bank
Checking Inmate Trust Fund - Non-Interest Bearing	\$0	\$38,371	\$0
Checking Sheriff's Dept./DARE Program	0	7,987	0
Checking Operational- Interest Bearing	0	2,067,802	2,324
Money Market- Interest Bearing	0	10,517,984	0
Federal Home Loan Bank Bond	0	0	0
Federal Farm Credit Bank Bond	0	0	0
Certificate of Deposit	5,000,000	4,250,000	1,800,000
Federal Home Loan Bank Bond	0	0	0
Federal Home Loan Mortgage Corp	0	0	0
Brokered Certificates of Deposit	0	0	0
Series 2007 Revenue Account	0	0	0
Series 2007 Bond Account	0	0	0
Series 2007 Reserve Account	0	0	0
Series 2007 Surplus	0	0	0
Series 2007 Trustee Fees	0	0	0
Series 2012 Revenue Fund	0	0	0
Series 2012 Bond Fund	0	0	0
Series 2012 Principal Account	0	0	0
Series 2012 Interest Account	0	0	0
Series 2012 Redemption Account	0	0	0
Series 2012 Reserve Fund	0	0	0
Series 2012 Administration Account	0	0	0
Series 2012 Rebate Account	0	0	0
Series 2014 Bond Fund	0	0	0
Series 2014 Debt Service Reserve Fund	0	0	0
Series 2014 Redemption Account	0	0	0
Series 2014 Equity Account	0	0	0
Series 2014 Refunding Account	0	0	0
Series 2014 Cost of Issuance Account	0	0	0
NMFA Reserve Account and debt service	0	0	0
<b>Total</b>	<b>5,000,000</b>	<b>16,882,144</b>	<b>1,802,324</b>
Reconciling Items	0	(975,840)	0
<b>Reconciled Balance</b>	<b>\$5,000,000</b>	<b>\$15,906,304</b>	<b>\$1,802,324</b>

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

**OTERO COUNTY**  
**SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS**  
**JUNE 30, 2021**

Bank Account Type/Name	Washington Federal Bank	Vining Sparks	Moreton Capital Markets
Checking Inmate Trust Fund - Non-Interest Bearing	\$0	\$0	\$0
Checking Sheriff's Dept./DARE Program	0	0	0
Checking Operational- Interest Bearing	0	0	
Money Market- Interest Bearing	0	0	14,153
Federal Home Loan Bank Bond	0	5,410,735	0
Federal Farm Credit Bank Bond	0	2,866,765	1,474,560
Certificate of Deposit	0	0	0
Federal Home Loan Bank Bond	0	0	0
Federal Home Loan Mortgage Corp	0	1,232,258	0
Brokered Certificates of Deposit	750,000	4,333,089	6,331,927
Series 2007 Revenue Account	0	0	0
Series 2007 Bond Account	0	0	0
Series 2007 Reserve Account	0	0	0
Series 2007 Surplus	0	0	0
Series 2007 Trustee Fees	0	0	0
Series 2012 Revenue Fund	0	0	0
Series 2012 Bond Fund	0	0	0
Series 2012 Principal Account	0	0	0
Series 2012 Interest Account	0	0	0
Series 2012 Redemption Account	0	0	0
Series 2012 Reserve Fund	0	0	0
Series 2012 Administration Account	0	0	0
Series 2012 Rebate Account	0	0	0
Series 2014 Bond Fund	0	0	0
Series 2014 Debt Service Reserve Fund	0	0	0
Series 2014 Redemption Account	0	0	0
Series 2014 Equity Account	0	0	0
Series 2014 Refunding Account	0	0	0
Series 2014 Cost of Issuance Account	0	0	0
NMFA Reserve Account and debt service	0	0	0
<b>Total</b>	<b>750,000</b>	<b>13,842,847</b>	<b>7,820,640</b>
Reconciling Items	0	0	0
<b>Reconciled Balance</b>	<b>\$750,000</b>	<b>\$13,842,847</b>	<b>\$7,820,640</b>

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

**OTERO COUNTY**  
**SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS**  
**JUNE 30, 2021**

Bank Account Type/Name	US Bank	Bank of NY Mellon	Totals
Checking Inmate Trust Fund - Non-Interest Bearing	\$0	\$0	\$38,371
Checking Sheriff's Dept./DARE Program	0	0	7,987
Checking Operational- Interest Bearing	0	0	2,070,126
Money Market- Interest Bearing	0	0	10,532,137
Federal Home Loan Bank Bond	0	0	5,410,735
Federal Farm Credit Bank Bond	0	0	4,341,325
Certificate of Deposit	0	0	11,050,000
Federal Home Loan Bank Bond	0	0	0
Federal Home Loan Mortgage Corp	0	0	1,232,258
Brokered Certificates of Deposit	0	0	11,415,016
Series 2007 Revenue Account	0	0	0
Series 2007 Bond Account	1,197,331	0	1,197,331
Series 2007 Reserve Account	4,222,878	0	4,222,878
Series 2007 Surplus	0	0	0
Series 2007 Trustee Fees	1,084	0	1,084
Series 2012 Revenue Fund	3,186,301	0	3,186,301
Series 2012 Bond Fund	0	0	0
Series 2012 Principal Account	90,003	0	90,003
Series 2012 Interest Account	46,728	0	46,728
Series 2012 Redemption Account	10,068,375	0	10,068,375
Series 2012 Reserve Fund	1,648,405	0	1,648,405
Series 2012 Administration Account	2,917	0	2,917
Series 2012 Rebate Account	6,206	0	6,206
Series 2014 Bond Fund	988,267	0	988,267
Series 2014 Debt Service Reserve Fund	1,644,224	0	1,644,224
Series 2014 Redemption Account	2,184,561	0	2,184,561
Series 2014 Equity Account	180,070	0	180,070
Series 2014 Refunding Account	135	0	135
Series 2014 Cost of Issuance Account	6	0	6
NMFA Reserve Account and debt service	0	556,683	556,683
<b>Total</b>	<b>25,467,491</b>	<b>556,683</b>	<b>72,122,129</b>
Reconciling Items	0	0	(975,840)
<b>Reconciled Balance</b>	<b>\$25,467,491</b>	<b>\$556,683</b>	<b>\$71,146,289</b>
Cash on Hand			1,280
			<b>\$71,147,569</b>

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

**OTERO COUNTY**  
**SCHEDULE OF TAX ROLL RECONCILIATION - PROPERTY TAXES RECEIVABLE**  
**JUNE 30, 2021**

Uncollected taxes, July 1, 2020	\$2,650,988
Net taxes charged to treasurer for fiscal year	31,414,150
Current year tax collections	(31,813,142)
Adjustments	186,031

Uncollected taxes, June 30, 2021	<u>\$2,438,027</u>
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Property taxes receivable are reported in the financial statements as follows:

Statement of net position	\$833,551
Statement of fiduciary net position - Custodial Funds	1,604,476
<b>Total property taxes receivable</b>	<b>\$2,438,027</b>

Property taxes receivable by year:

2011 - 2019	\$1,010,985
2020	1,427,042
<b>Total property taxes receivable</b>	<b>\$2,438,027</b>

**OTERO COUNTY**  
**COUNTY TREASURER'S PROPERTY TAX SCHEDULE**  
**JUNE 30, 2021**

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Current Amount Uncollectible	To-Date Amount Uncollectible	Undistributed at Year End	County Receivable at Year End
<b>OTERO COUNTY</b>									
General Ad valorem									
2011-2019	83,995,765	634,274	83,644,244	870,106	83,644,244	8	10	0	351,511
2020	10,724,848	10,242,808	10,242,808	10,242,808	10,242,808	0	0	0	482,040
<i>Total General Ad valorem</i>	<b>94,720,613</b>	<b>10,877,082</b>	<b>93,887,052</b>	<b>11,112,914</b>	<b>93,887,052</b>	<b>8</b>	<b>10</b>	<b>0</b>	<b>833,551</b>
Debt Service P & I									
2011-2019	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0
<i>Total Debt Service</i>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Total Otero County</i>	<b>\$94,720,613</b>	<b>\$10,877,082</b>	<b>\$93,887,052</b>	<b>\$11,112,914</b>	<b>\$93,887,052</b>	<b>\$8</b>	<b>\$10</b>	<b>\$0</b>	<b>\$833,551</b>
<b>STATE OF NEW MEXICO</b>									
P & I on Bonds									
2011-2019	\$13,458,457	\$94,336	\$13,403,934	\$127,897	\$13,395,442	\$1	\$1	\$8,492	\$54,522
2020	1,719,129	1,642,454	1,642,454	1,619,449	1,619,449	0	0	23,005	76,675
<i>Total P &amp; I on Bonds</i>	<b>15,177,586</b>	<b>1,736,790</b>	<b>15,046,388</b>	<b>1,747,346</b>	<b>15,014,891</b>	<b>1</b>	<b>1</b>	<b>31,497</b>	<b>131,197</b>
State Special Levies									
2011-2019	291,089	1,699	285,419	3,238	285,419	0	0	0	5,670
2020	28,723	26,334	26,334	25,343	25,343	0	0	991	2,389
<i>Total State Special Levies</i>	<b>319,812</b>	<b>28,033</b>	<b>311,753</b>	<b>28,581</b>	<b>310,762</b>	<b>0</b>	<b>0</b>	<b>991</b>	<b>8,059</b>
<i>Total State of New Mexico</i>	<b>\$15,497,398</b>	<b>\$1,764,823</b>	<b>\$15,358,141</b>	<b>\$1,775,927</b>	<b>\$15,325,653</b>	<b>\$1</b>	<b>\$1</b>	<b>\$32,488</b>	<b>\$139,256</b>
<b>SCHOOL DISTRICTS</b>									
Alamogordo Public Schools									
General Ad valorem									
2011-2019	\$2,606,919	\$14,394	\$2,598,861	\$19,244	\$2,597,565	\$0	\$0	\$1,296	\$8,058
2020	331,906	319,647	319,647	315,737	315,737	0	0	3,910	12,259
<i>Total General Ad valorem</i>	<b>2,938,825</b>	<b>334,041</b>	<b>2,918,508</b>	<b>334,981</b>	<b>2,913,302</b>	<b>0</b>	<b>0</b>	<b>5,206</b>	<b>20,317</b>
Debt Service P & I									
2011-2019	38,932,259	214,169	38,808,288	289,451	38,788,700	8	8	19,588	123,963
2020	5,386,695	5,189,551	5,189,551	5,128,529	5,128,529	0	0	61,022	197,144
<i>Total Debt Service</i>	<b>44,318,954</b>	<b>5,403,720</b>	<b>43,997,839</b>	<b>5,417,980</b>	<b>43,917,229</b>	<b>8</b>	<b>8</b>	<b>80,610</b>	<b>321,107</b>
Capital Improvements									
2011-2019	13,268,146	71,160	13,227,105	95,469	13,220,385	2	2	6,720	41,039
2020	1,741,818	1,678,070	1,678,070	1,658,337	1,658,337	0	0	19,733	63,748
<i>Total Capital Improvements</i>	<b>15,009,964</b>	<b>1,749,230</b>	<b>14,905,175</b>	<b>1,753,806</b>	<b>14,878,722</b>	<b>2</b>	<b>2</b>	<b>26,453</b>	<b>104,787</b>
Tech Debt									
2011-2019	3,649,427	8,605	3,644,436	8,638	3,642,539	0	0	1,897	4,991
2020	0	0	0	0	0	0	0	0	0
<i>Total Tech Debt</i>	<b>3,649,427</b>	<b>8,605</b>	<b>3,644,436</b>	<b>8,638</b>	<b>3,642,539</b>	<b>0</b>	<b>0</b>	<b>1,897</b>	<b>4,991</b>
House bill 33									
2011-2019	2,373,335	47,848	2,349,777	62,920	2,345,280	2	2	4,497	23,556
2020	1,219,092	1,174,474	1,174,474	1,160,664	1,160,664	0	0	13,810	44,618
<i>Total Tech Debt</i>	<b>3,592,427</b>	<b>1,222,322</b>	<b>3,524,251</b>	<b>1,223,584</b>	<b>3,505,944</b>	<b>2</b>	<b>2</b>	<b>18,307</b>	<b>68,174</b>
<i>Total Alamogordo Public Schools</i>	<b>\$69,509,597</b>	<b>\$8,717,918</b>	<b>\$68,990,209</b>	<b>\$8,738,989</b>	<b>\$68,857,736</b>	<b>\$12</b>	<b>\$12</b>	<b>\$132,473</b>	<b>\$519,376</b>

**OTERO COUNTY**  
**COUNTY TREASURER'S PROPERTY TAX SCHEDULE**  
**JUNE 30, 2021**

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Current Amount Uncollectible	To-Date Amount Uncollectible	To-Date Amount Undistributed at Year End	County Receivable at Year End
<b>Cloudcroft Public Schools</b>									
General Ad valorem									
2011-2019	\$452,475	\$3,330	\$450,254	\$4,331	\$450,049	\$0	\$0	\$205	\$2,221
2020	58,587	56,132	56,132	54,854	54,854	0	0	1,278	2,455
<i>Total General Ad valorem</i>	<i>511,062</i>	<i>59,462</i>	<i>506,386</i>	<i>59,185</i>	<i>504,903</i>	<i>0</i>	<i>0</i>	<i>1,483</i>	<i>4,676</i>
Debt Service P & I									
2011-2019	8,955,653	58,917	8,918,871	79,397	8,914,906	0	0	3,965	36,782
2020	1,229,411	1,181,557	1,181,557	1,157,941	1,157,941	0	0	23,616	47,854
<i>Total Debt Service</i>	<i>10,185,064</i>	<i>1,240,474</i>	<i>10,100,428</i>	<i>1,237,338</i>	<i>10,072,847</i>	<i>0</i>	<i>0</i>	<i>27,581</i>	<i>84,636</i>
Capital Improvements									
2011-2019	3,208,367	20,893	3,195,313	28,262	3,193,933	0	0	1,380	13,054
2020	435,686	418,713	418,713	410,331	410,331	0	0	8,382	16,973
<i>Total Capital Improvements</i>	<i>3,644,053</i>	<i>439,606</i>	<i>3,614,026</i>	<i>438,593</i>	<i>3,604,264</i>	<i>0</i>	<i>0</i>	<i>9,762</i>	<i>30,027</i>
<i>Total Cloudcroft Public Schools</i>	<i>\$14,340,179</i>	<i>\$1,739,542</i>	<i>\$14,220,840</i>	<i>\$1,735,116</i>	<i>\$14,182,014</i>	<i>\$0</i>	<i>\$0</i>	<i>\$38,826</i>	<i>\$119,339</i>
<b>Tularosa Public Schools</b>									
General Ad valorem									
2011-2019	\$326,164	\$2,656	\$323,668	\$3,131	\$323,273	\$0	\$0	\$395	\$2,496
2020	42,449	39,863	39,863	39,394	39,394	0	0	469	2,586
<i>Total General Ad valorem</i>	<i>368,613</i>	<i>42,519</i>	<i>363,531</i>	<i>42,525</i>	<i>362,667</i>	<i>0</i>	<i>0</i>	<i>864</i>	<i>5,082</i>
Debt Service P & I									
2011-2019	7,331,512	62,908	7,275,272	74,228	7,265,068	0	0	10,204	56,240
2020	910,310	851,302	851,302	840,436	840,436	0	0	10,866	59,008
<i>Total Debt Service</i>	<i>8,241,822</i>	<i>914,210</i>	<i>8,126,574</i>	<i>914,664</i>	<i>8,105,504</i>	<i>0</i>	<i>0</i>	<i>21,070</i>	<i>115,248</i>
Capital Improvements									
2011-2019	1,618,068	14,109	1,605,472	16,667	1,603,201	0	0	2,271	12,596
2020	212,050	198,317	198,317	195,787	195,787	0	0	2,530	13,733
<i>Total Capital Improvements</i>	<i>1,830,118</i>	<i>212,426</i>	<i>1,803,789</i>	<i>212,454</i>	<i>1,798,988</i>	<i>0</i>	<i>0</i>	<i>4,801</i>	<i>26,329</i>
<i>Total Tularosa Public Schools</i>	<i>\$10,440,553</i>	<i>\$1,169,155</i>	<i>\$10,293,894</i>	<i>\$1,169,643</i>	<i>\$10,267,159</i>	<i>\$0</i>	<i>\$0</i>	<i>\$26,735</i>	<i>\$146,659</i>
<b>Gadsden School District</b>									
General Ad valorem									
2011-2019	\$188,406	\$6,624	\$186,164	\$10,241	\$185,820	\$0	\$0	\$344	\$2,242
2020	26,113	22,673	22,673	22,099	22,099	0	0	574	3,440
<i>Total General Ad valorem</i>	<i>214,519</i>	<i>29,297</i>	<i>208,837</i>	<i>32,340</i>	<i>207,919</i>	<i>0</i>	<i>0</i>	<i>918</i>	<i>5,682</i>
Debt Service P & I									
2011-2019	5,574,838	186,684	5,501,220	277,214	5,490,540	0	2	10,680	73,616
2020	789,825	681,419	681,419	662,952	662,951	0	0	18,468	108,406
<i>Total Debt Service</i>	<i>6,364,663</i>	<i>868,103</i>	<i>6,182,639</i>	<i>940,166</i>	<i>6,153,491</i>	<i>0</i>	<i>2</i>	<i>29,148</i>	<i>182,022</i>
Capital Improvements									
2011-2019	943,519	31,032	931,237	46,058	929,463	0	0	1,774	12,282
2020	131,113	113,117	113,117	110,052	110,052	0	0	3,065	17,996
<i>Total Capital Improvements</i>	<i>1,074,632</i>	<i>144,149</i>	<i>1,044,354</i>	<i>156,110</i>	<i>1,039,515</i>	<i>0</i>	<i>0</i>	<i>4,839</i>	<i>30,278</i>
Tech Debt									
2011-2019	1,209,886	34,890	1,195,402	51,883	1,193,404	0	0	1,998	14,484
2020	146,322	126,239	126,239	122,818	122,818	0	0	3,421	20,083
<i>Total Tech Debt</i>	<i>1,356,208</i>	<i>161,129</i>	<i>1,321,641</i>	<i>174,701</i>	<i>1,316,222</i>	<i>0</i>	<i>0</i>	<i>5,419</i>	<i>34,567</i>
<i>Total Gadsden School District</i>	<i>\$9,010,022</i>	<i>\$1,202,678</i>	<i>\$8,757,471</i>	<i>\$1,303,317</i>	<i>\$8,717,147</i>	<i>\$0</i>	<i>\$2</i>	<i>\$40,324</i>	<i>\$252,549</i>

**OTERO COUNTY**  
**COUNTY TREASURER'S PROPERTY TAX SCHEDULE**  
**JUNE 30, 2021**

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Current Amount Uncollectible	To-Date Amount Uncollectible	Undistributed at Year End	County Receivable at Year End
<b>MUNICIPALITIES</b>									
<b>City of Alamogordo</b>									
General Ad valorem									
2011-2019	\$26,917,861	\$147,689	\$26,846,533	\$197,775	\$26,832,242	\$6	\$6	\$14,291	\$71,322
2020	3,404,523	3,282,629	3,282,629	3,245,123	3,245,123	0	0	37,506	121,894
<i>Total General Ad valorem</i>	<i>30,322,384</i>	<i>3,430,318</i>	<i>30,129,162</i>	<i>3,442,898</i>	<i>30,077,365</i>	<i>6</i>	<i>6</i>	<i>51,797</i>	<i>193,216</i>
Debt Service P & I									
2011-2019	8,466,949	45,686	8,444,025	61,271	8,439,363	0	0	4,662	22,924
2020	1,031,356	995,246	995,245	984,563	984,563	0	0	10,682	36,111
<i>Total Debt Service</i>	<i>9,498,305</i>	<i>1,040,932</i>	<i>9,439,270</i>	<i>1,045,834</i>	<i>9,423,926</i>	<i>0</i>	<i>0</i>	<i>15,344</i>	<i>59,035</i>
<i>Total City of Alamogordo</i>	<i>\$39,820,689</i>	<i>\$4,471,250</i>	<i>\$39,568,432</i>	<i>\$4,488,732</i>	<i>\$39,501,291</i>	<i>\$6</i>	<i>\$6</i>	<i>\$67,141</i>	<i>\$252,251</i>
<b>Village of Cloudcroft</b>									
General Ad valorem									
2011-2019	\$534,732	\$3,227	\$534,023	\$4,210	\$533,844	\$0	\$0	\$179	\$709
2020	68,444	66,202	66,202	64,539	64,539	0	0	1,663	2,242
<i>Total General Ad valorem</i>	<i>603,176</i>	<i>69,429</i>	<i>600,225</i>	<i>68,749</i>	<i>598,383</i>	<i>0</i>	<i>0</i>	<i>1,842</i>	<i>2,951</i>
Debt Service P & I									
2011-2019	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0
<i>Total Debt Service</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Total Village of Cloudcroft</i>	<i>\$603,176</i>	<i>\$69,429</i>	<i>\$600,225</i>	<i>\$68,749</i>	<i>\$598,383</i>	<i>\$0</i>	<i>\$0</i>	<i>\$1,842</i>	<i>\$2,951</i>
<b>Village of Tularosa</b>									
General Ad valorem									
2011-2019	\$1,735,363	\$20,295	\$1,725,120	\$23,238	\$1,721,232	\$0	\$0	\$3,888	\$10,243
2020	212,573	198,056	198,056	194,392	194,392	0	0	3,664	14,517
<i>Total General Ad valorem</i>	<i>1,947,936</i>	<i>218,351</i>	<i>1,923,176</i>	<i>217,630</i>	<i>1,915,624</i>	<i>0</i>	<i>0</i>	<i>7,552</i>	<i>24,760</i>
Debt Service P & I									
2011-2019	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0
<i>Total Debt Service</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Total Village of Tularosa</i>	<i>\$1,947,936</i>	<i>\$218,351</i>	<i>\$1,923,176</i>	<i>\$217,630</i>	<i>\$1,915,624</i>	<i>\$0</i>	<i>\$0</i>	<i>\$7,552</i>	<i>\$24,760</i>
<b>OTHER</b>									
<b>NMSU - Alamogordo</b>									
General Ad valorem									
2011-2019	\$5,767,269	\$31,500	\$5,749,411	\$42,139	\$5,746,483	\$1	\$1	\$2,928	\$17,857
2020	742,792	715,468	715,468	706,869	706,869	0	0	8,599	27,324
<i>Total General Ad valorem</i>	<i>6,510,061</i>	<i>746,968</i>	<i>6,464,879</i>	<i>749,008</i>	<i>6,453,352</i>	<i>1</i>	<i>1</i>	<i>11,527</i>	<i>45,181</i>
Debt Service P & I									
2011-2019	4,132,440	21,469	4,120,222	28,807	4,118,168	0	0	2,054	12,218
2020	522,726	503,595	503,595	497,674	497,674	0	0	5,921	19,131
<i>Total Debt Service</i>	<i>4,655,166</i>	<i>525,064</i>	<i>4,623,817</i>	<i>526,481</i>	<i>4,615,842</i>	<i>0</i>	<i>0</i>	<i>7,975</i>	<i>31,349</i>
<i>Total NMSU - Alamogordo</i>	<i>\$11,165,227</i>	<i>\$1,272,032</i>	<i>\$11,088,696</i>	<i>\$1,275,489</i>	<i>\$11,069,194</i>	<i>\$1</i>	<i>\$1</i>	<i>\$19,502</i>	<i>\$76,630</i>
<b>NMSU - Dona Ana</b>									
General Ad valorem									
2011-2019	\$547,090	\$19,371	\$539,495	\$28,767	\$538,385	\$0	\$0	\$1,110	\$7,595
2020	81,761	70,543	70,543	68,632	68,632	0	0	1,911	11,218
<i>Total General Ad valorem</i>	<i>628,851</i>	<i>89,914</i>	<i>610,038</i>	<i>97,399</i>	<i>607,017</i>	<i>0</i>	<i>0</i>	<i>3,021</i>	<i>18,813</i>
Debt Service P & I									
2011-2019	187,783	11,319	183,753	16,839	183,098	0	0	655	4,030
2020	49,167	42,419	42,419	41,269	41,269	0	0	1,150	6,748
<i>Total Debt Service</i>	<i>236,950</i>	<i>53,738</i>	<i>226,172</i>	<i>58,108</i>	<i>224,367</i>	<i>0</i>	<i>0</i>	<i>1,805</i>	<i>10,778</i>
<i>Total NMSU - Dona Ana</i>	<i>\$865,801</i>	<i>\$143,652</i>	<i>\$836,210</i>	<i>\$155,507</i>	<i>\$831,384</i>	<i>\$0</i>	<i>\$0</i>	<i>\$4,826</i>	<i>\$29,591</i>

**OTERO COUNTY**  
**COUNTY TREASURER'S PROPERTY TAX SCHEDULE**  
**JUNE 30, 2021**

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Current Amount Uncollectible	To-Date Amount Uncollectible	Undistributed at Year End	County Receivable at Year End
<b>LOCAL SPECIAL LEVIES</b>									
<b>Timberon Water &amp; Sanitation District</b>									
Timberon Special Levies									
2011-2019	\$1,450,032	\$16,949	\$1,425,268	\$20,689	\$1,422,252	\$0	\$0	\$3,016	\$24,764
2020	166,554	150,104	150,104	145,753	145,753	0	0	4,351	16,450
<i>Total Timberon Water &amp; Sanitation District</i>	<i>1,616,586</i>	<i>167,053</i>	<i>1,575,372</i>	<i>166,442</i>	<i>1,568,005</i>	<i>0</i>	<i>0</i>	<i>7,367</i>	<i>41,214</i>
<b>Penasco Soil &amp; Water Conservation District</b>									
Penasco Special Levies									
2011-2019	578	0	578	0	578	0	0	0	0
2020	146	146	146	146	146	0	0	0	0
<i>Total Penasco Soil &amp; Water Conservation District</i>	<i>724</i>	<i>146</i>	<i>724</i>	<i>146</i>	<i>724</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Carlsbad Soil &amp; Water Conservation District</b>									
Carlsbad Special Levies									
2011-2019	641	0	641	0	641	0	0	0	0
2020	31	31	31	31	31	0	0	0	0
<i>Total Carlsbad Soil &amp; Water Conservation District</i>	<i>672</i>	<i>31</i>	<i>672</i>	<i>31</i>	<i>672</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Grand Totals</b>	<b>\$1,617,982</b>	<b>\$167,230</b>	<b>\$1,576,768</b>	<b>\$166,619</b>	<b>\$1,569,401</b>	<b>\$28</b>	<b>\$32</b>	<b>\$379,076</b>	<b>\$2,438,027</b>

**Recap By Tax Year**

2011-2019	\$238,125,023	\$1,826,033	\$237,114,006	\$2,492,111	\$237,005,517	\$28	\$32	\$108,489	\$1,010,985
2020	31,414,150	29,987,108	29,987,108	29,716,521	29,716,521	0	0	270,587	1,427,042
<b>Total Recap By Tax Year</b>	<b>\$269,539,173</b>	<b>\$31,813,141</b>	<b>\$267,101,114</b>	<b>\$32,208,632</b>	<b>\$266,722,038</b>	<b>\$28</b>	<b>\$32</b>	<b>\$379,076</b>	<b>\$2,438,027</b>

## ADDITIONAL FEDERAL INFORMATION

**OTERO COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Federal Grantor/Program Title	Federal Assistance Listing Number or Agency Prefix	Passed through Entity Identifying Number	Passed through to Subrecipients	Total Federal Expenditures
<b><u>U.S. Department of Interior</u></b>				
<b>Passed through NM Dept. of Finance &amp; Admin:</b>				
Distribution of receipts - Taylor Grazing Act	15.227	N/A	-	\$17,550
<i>Total U.S. Department of Interior</i>			-	<i>\$17,550</i>
<b><u>U.S. Department of Homeland Security</u></b>				
<b>Passed through NM Dept. of Homeland Security and Emergency Management:</b>				
Homeland Security Grant Program - Operation Stonegarden	97.067 97.067	EMW-2019-SS-00056-S01-OCSO EMW-2018-SS-00056.S01-OCSO	- -	\$136,265 21,725
<i>Total U.S. Department of Homeland Security</i>			-	<i>\$157,990</i>
<b><u>U.S. Department of Justice</u></b>				
<b>Passed through NM Children, Youth and Families Department:</b>				
Juvenile Justice and Delinquency Program	16.540	20-690-15188	-	\$15,094
<i>Total U.S. Department of Justice</i>			-	<i>\$15,094</i>
<b><u>Office of National Drug Control Policy</u></b>				
<b>Passed through Southwest Border (SWB)</b>				
<b>NM Region, County of Lea:</b>				
High Intensity Drug Trafficking Area	95.001	G20SN0017A		\$40,288
<i>Total Office of National Drug Control Policy</i>				<i>\$40,288</i>
<b><u>U.S. Department of Treasury</u></b>				
<b>Passed through NM Dept. of Finance &amp; Admin:</b>				
COVID-19 Coronavirus Relief Fund	21.019	CARES-15000-OTC		\$133,454
COVID-19 Coronavirus Relief Fund	21.019	CARES-Business-15000-OTC		1,688,750
<i>Total U.S. Department of Treasury</i>				<i>\$1,822,204</i>

**OTERO COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Federal Grantor/Program Title	Federal Assistance Listing Number or Agency Prefix	Passed through Entity Identifying Number	Passed through to Subrecipients	Total Federal Expenditures
<b><u>U.S. Department of Transportation</u></b>				
<b>Passed through NM Dept. of Transportation:</b>				
Public Transportation Formula Grants	20.608	01-AL-64-073	-	\$3,383
<b><i>Total U.S. Department of Transportation</i></b>				
<b><u>U.S. Department of Agriculture</u></b>				
<b>Passed through NM Dept. of Finance &amp; Adm.</b>				
<b>Schools and Roads Cluster -</b>				
Schools and Roads - Grants to States Title I	10.665	N/A		\$245,749
Schools and Roads - Grants to States Title III	10.665	NA		40,476
<b><i>Total Schools and Roads Cluster</i></b>				
<b><i>Total U.S. Department of Agriculture</i></b>				
<b><i>Total Expenditures of Federal Awards</i></b>				

N/A - Not Available

**OTERO COUNTY**  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2021

**NOTE 1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Otero County, under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Otero County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Otero County.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance.

**NOTE 3.** Otero County has elected not to use the de Minimis indirect cost rate allowed under the Uniform Guidance.

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

**Independent Auditor's Report**

Mr. Brian S. Colón, State Auditor and  
The Board of County Commissioners  
Otero County  
Alamogordo, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison of the general fund and the major special revenue fund of the Otero County as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Otero County's basic financial statements, and the combining and individual funds of the Otero County, presented as supplemental information, and have issued our report thereon dated April 29, 2022.

**Internal Control Over Financial Reporting**

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

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

Mr. Brian S. Colón, State Auditor and  
The Board of County Commissioners  
Otero County  
Alamogordo, New Mexico  
Page Two

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 have not been 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 certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Otero County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2021-002.

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

Otero County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Otero County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

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

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

April 29, 2022

## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Mr. Brian S. Colón, State Auditor and  
The Board of County Commissioners  
Otero County  
Alamogordo, New Mexico

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

We have audited Otero County's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Otero County's major federal programs for the year ended June 30, 2021. Otero County's major federal programs are identified in the summary of auditor's 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Otero County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Otero 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 Otero 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, 2021.

Mr. Brian S. Colón, State Auditor and  
The Board of County Commissioners  
Otero County  
Alamogordo, New Mexico  
Page Two

### **Report on Internal Control over Compliance**

Management of Otero 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 Otero County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Otero 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

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

April 29, 2022

**OTERO COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

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**FINANCIAL STATEMENTS**

Type of Auditor’s Report issued: **Unmodified**

**Internal Control Over Financial Reporting:**

Material weakness(es) identified?  Yes  No

Significant deficiencies identified that are not considered to be material weaknesses?  Yes  No

Noncompliance material to financial statements noted?  Yes  No

**FEDERAL AWARDS**

**Internal Control Over Major Programs:**

Material weakness(es) identified?  Yes  No

Significant deficiencies identified that are not considered to be material weaknesses?  Yes  No

Type of Auditor’s Report issued on compliance for major programs: **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with section 516(a) of the Uniform Guidance?  Yes  No

**Identification of Major Programs:**

**Assistance Listing  
Number(s)**

21.019

**Name of Federal Program or Cluster**

COVID-19 Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B Programs: \$750,000

Auditee qualified as low-risk auditee?  Yes  No

**OTERO COUNTY**  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

---

**CURRENT YEAR FINDINGS:**

**2021-001 (2020-006) Lack of Policy for Contract Oversight (Significant Deficiency)**

Repeated

**Condition** – The County does not have policy or procedures in place to insure compliance with service contracts.

- The contracts for the management of the Detention and ICE facilities have certain compliance requirements that are not being monitored by County personnel. The contracts require reporting from the vendor at specified points of time per the agreement.

As of November 8, 2021 a new contract monitor/grant writer was hired. Will begin April 2022 to draft policies to begin monitoring contract compliance.

**Criteria** – Good internal controls require management and monitoring of all contractual requirements to minimize risk and maximize results/purpose of contractual services.

**Cause** – No established line of authority for contractual oversight.

**Effect** – Potential lack of contract effectiveness and increased risk to County resources and services.

**Recommendation** – The County should establish/assign a position to manage the compliance of all service contracts and grant agreements on a regular and on-going basis.

**Management Response** – Otero County hired a new contract monitor/grant writer as of November 8, 2021. This individual reports to the Finance Director and she has been steadily learning the tasks of her position, to include reviewing all current contracts and grants. Beginning in April 2022, the new contract monitor/grant writer will begin compiling information to create a draft policy and procedure document to ensure compliance with service contracts.

Responsible Position: County Manager & Finance Director

Timeline for Correction: June 30, 2022

**OTERO COUNTY**  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

---

**CURRENT YEAR FINDINGS (CONTINUED):**

**2021-002 Late Audit Report – Other Non-Compliance**

**Condition** – The audit report was submitted after December 1, 2021.

**Criteria** – Per 2.2.2 NMAC the audit report for Counties was due to New Mexico State Auditor's office on December 1, 2021.

**Cause** – Kriegel/Gray/Shaw & Co., P.C. experienced staffing challenges and therefore was unable to complete the report by the due date.

**Effect** – Audited report late.

**Recommendation** – The auditor will schedule fieldwork and report completion earlier and make continuous efforts to be appropriately staffed.

**Management Response** - The Finance Director has been continuously updated by the Auditor regarding all delays in report completion. We realize that much of the circumstances surrounding the delay have been unforeseeable, and we understand that the Auditor is making every effort to become appropriately staffed in order to submit the report as soon as possible.

Responsible Party: Finance Director & Auditor

Timeline for Correction: Anticipated completion and submittal of audit report: May 15, 2022.

**OTERO COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

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

None.

**OTERO COUNTY**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<b><u>FINDINGS - FINANCIAL STATEMENT AUDIT</u></b>	<b><u>CURRENT STATUS</u></b>
2020-001 – Travel and Per Diem Reimbursements Not Compliant with State Requirements (Other Non-Compliance)	Resolved
2020-002 – P Card Disbursements – Not in Accordance with Policy (Significant Deficiency)	Resolved
2020-003 – Accounting Maintenance of Long Term Assets and Liabilities Significant Deficiency)	Resolved
2020-004 – Expenditures in Excess of Budgetary Authority (Other Non-Compliance)	Resolved
2020-005 – Use of County Property and Position for Unauthorized Purposes (Significant Deficiency)	Resolved
2021-001 (2020-006) – Lack of Policy for Contract Oversight (Significant Deficiency)	Repeated

**FINDINGS AND QUESTIONED COSTS - Major Federal Award Programs**

None.

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## CORRECTIVE ACTION PLAN FY 2021 AUDIT FINDINGS

### CURRENT YEAR FINDINGS:

#### 2021-001 (2020-006) Lack of Policy for Contract Oversight (Significant Deficiency)

**Condition** – The County does not have policy or procedures in place to insure compliance with service contracts.

- The contracts for the management of the Detention and ICE facilities have certain compliance requirements that are not being monitored by County personnel.

As of November 8, 2021 a new contract monitor/grant writer was hired.

**Management response** – Otero County hired a new contract monitor/ grant writer as of November 8, 2021. This individual reports to the Finance Director and she has been steadily learning the tasks of her position, to include reviewing all current contracts and grants. Beginning in April 2022, the new contract monitor/grant writer will begin compiling information to create a draft policy and procedure document to ensure compliance with service contracts.

**Corrective Action Plan** – The contract monitor/grant writer hired in November 2021 by Otero County has been tasked. with researching and drafting a policy and procedure document for compliance with regard to all of the County's service contracts and grants. It is anticipated that a draft of the policy and procedure document will be completed by June 30, 2022.

#### 2021-002 Late Audit Report - Other Non-Compliance

**Condition** –The audit report was submitted after December 1, 2021.

**Management response** – The Finance Director has been continuously updated by the Auditor regarding all delays in report completion. We realize that much of the circumstances surrounding the delay have been unforeseeable, and we understand that the Auditor is making every effort to become appropriately staffed in order to submit the report as soon as possible.

**Corrective Action Plan** – Otero County's Finance Director will continue to request updates from the Auditor on the progress of the FY2021 report. In FY2022 Otero County will be accepting proposals for professional services from an IP A for our annual financial audit, and regardless of the IP A selected, the Finance Director will be responsible for coordinating fieldwork and all other aspects of the audit with the IP A, to ensure the report is submitted by the deadline.

**OTERO COUNTY**  
EXIT CONFERENCE  
JUNE 30, 2021

**EXIT CONFERENCE:**

The exit conference was held February 24, 2022 and was attended by the following:

**Representing Otero County:**

Vicky Marquardt, Commission Chair  
Pamela Heltner, County Manager  
Julianne Hall, County Finance Director  
Laura Whiteside, County Treasurer

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

Debbie Gray, CPA/Shareholder

**FINANCIAL STATEMENTS PREPARATION**

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