

OTERO COUNTY, COLORADO

**Management's Discussion and Analysis,
Basic Financial Statements and
Supplemental Information**

For the Year Ended December 31, 2017

And

Independent Auditors' Report

OTERO COUNTY, COLORADO

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INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Otero County, Colorado
LaJunta, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each discretely presented component unit, each major fund, and the aggregate remaining fund information of Otero County, Colorado (the County) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

We previously audited the County's 2016 financial statements and expressed unmodified audit opinions on those audited financial statements in our report dated August 31, 2017. In our opinion, the comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 23 and pages 49 through 53 respectively, 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 Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund statements and schedules and the Local Highway Finance Report as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual fund statements and schedules and the local highway finance report and the schedule of expenditures of federal awards as listed in the table of contents 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules and the local highway finance report and the schedule of expenditures of federal awards as listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We previously audited, in accordance with auditing standards generally accepted in the United States of America, the County's basic financial statements for the year ended December 31, 2016, which are not presented with the accompanying financial statements and they expressed unmodified opinions on the respective financial statements of the governmental activities, each discretely presented component unit, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements as a whole. The combining and individual fund financial statements and schedules, related to the 2016 financial statements for the year ended December 31, 2016, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 auditing standards generally accepted in the United States of America. In our opinion, the 2016 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2018 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

McPherson, Bryffers, Duval & Goodrich, PC

June 29, 2018

OTERO COUNTY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS

OTERO COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the County of Otero (the County) offers readers of the County's annual financial report this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2017. Readers are encouraged to consider the information presented here in conjunction with the basic financial statement information.

FINANCIAL HIGHLIGHTS

County-wide financial statements as of December 31, 2017:

- Assets of the County exceed its liabilities and deferred inflows of resources by \$26,627,412. The County's unrestricted net position of \$12,705,309 may be used to meet the County's on-going obligations.
- By far, the largest portion of the County's net position is its \$12,500,094 investment in capital assets net of accumulated depreciation and related debt.
- The restricted net position includes \$299,315 required by TABOR, the emergency contingency required by Article X, Section 20 of the Colorado Constitution.

Fund Financial Statements as of December 31, 2017

The County's *governmental funds* reported a combined ending fund balance of \$12,955,476 including the following major funds: General Fund with \$5,249,401; Road & Bridge Fund with \$3,067,769 (includes \$157,904 in inventory); Social Services Fund with \$731,537; Capital Improvement Fund with \$1,313,488; and General Human Services with \$69,411. Other governmental funds accounted for \$2,523,870. Of the total government fund balances, \$4,644,208 is unassigned. Committed funds include \$305,878 from the General Fund; \$2,909,865 from the Road & Bridge Fund; \$731,537 from the Social Services Fund; \$1,313,488 from the Capital Improvement Fund; \$69,411 from General Human Services Fund, and \$1,700,491 in other governmental funds. Restricted funds include \$299,315 from the General Fund and \$823,379 in other governmental funds.

Overview of the Financial Statements

This discussion and analysis serves as an introduction to Otero County's basic financial statements. The County's basic financial statements consist of three components:

1. County-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements. This report also contains required and other additional information in addition to the basic financial statements.

County-Wide Financial Statements — The County-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to private-sector business.

They consist of two statements:

1. The *Statement of Net Position* presents information on all of the County's assets, deferred outflows, liabilities and deferred inflows, with the net difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.
2. The *Statement of Activities* presents information reporting how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. Earned but unused vacation leave and accrued interest expense are examples of these types of items.

Both county-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include tax assessment and collection, recording, voter registration/elections, law enforcement, incarcerations, land use, road and bridge activities, and general administration and support. Only those activities associated with the 911 Otero County Emergency Telephone Authority and the Small Business Development Revolving Loan Fund (component units) are considered to be business-type activities.

The county-wide financial statements include not only the County itself (known as the *primary government*), but also the 911 Otero County Emergency Telephone Service Authority and the Small Business Development Revolving Loan Fund. Financial information for these component units are reported separately from the financial information presented for the primary government itself. In addition, the County is participating in a joint venture with Otero County Landfill, Inc. (OCLI).

Fund Financial Statements — A *fund* is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All County funds can be divided into three categories:

- Governmental funds,
- Proprietary funds, and
- Fiduciary funds.

Governmental Funds — Governmental funds account for essentially the same functions reported as governmental activities in the county-wide financial statements. Unlike the county-wide financial statements, however, governmental fund financial statements focus on how money flows into and out of those funds and the balances at year end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information provides a detailed *short-term* view of the County's general government operations and may be useful in evaluating the County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the county-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the county-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. To facilitate this

comparison between governmental funds and governmental activities, reconciliations are provided for both the *governmental fund* balance sheet and statement of revenues, expenditures and changes in fund balance.

The County reports eleven individual governmental funds. Information is presented separately in the *governmental fund* balance sheet and the statement of revenues, expenditures and changes in fund balance for the General Fund, Road & Bridge Fund, Social Services Fund, Capital Improvement Fund, and General Human Services Fund, all of which are considered to be *major funds*. Data from other governmental funds are combined into a single aggregated presentation. Individual fund data for each of the *non-major* governmental funds is provided in the form of *combining statements* elsewhere in the report. The non-major governmental funds include the Insurance Fund, Clerk Hire Fund, Conservation Trust Fund, Health Fund, Area Agency on Aging Fund, and Otero County Land Trust Fund. The County maintains one *other fund*. Due to the implementation of GASB 54, the Contingent funds did not meet the definition of a special revenue fund and was combined into the general fund.

Proprietary Funds — The County maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the county-wide financial statements. The County uses an enterprise fund to account for the 911 Otero County Emergency Telephone Authority and Small Business Development Revolving Loan Fund (component unit) activities. *Internal service funds* are used to accumulate and allocate costs internally among the County's functions. The County uses an Internal Services Fund to account for the provision of equipment provided by the County for its various departments. Departments utilize a rental charge reimbursement rate to provide the resources necessary to fund future acquisitions. In addition, a Medical Trust Fund is utilized to provide health coverage for its employees. Because these two internal service funds predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the county-wide financial statements.

Fiduciary Funds — Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reported in the county-wide financial statements because the resources of those funds are not available for the support of the County's own programs. The accounting used for fiduciary funds is the same as that used for proprietary funds.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the county-wide and fund financial statements.

Required Supplemental Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the County. The County adopts an annual appropriated budget for all funds. A budgetary comparison schedule has been provided for the General Fund and each major special revenue fund to demonstrate compliance with the budget requirement

Other Information

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplemental information.

CONDENSED FINANCIAL INFORMATION
County-Wide Financial Statements

Condensed Statement of Net Position
December 31, 2017

	2017			
	Governmental Activities	E911 Emergency Services	Small Business Development	Total
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 11,395,938	\$ 309,238	\$ 196,633	\$ 11,901,809
Investments	\$ 4,838,981	\$ 100,000		\$ 4,938,981
Receivables:				
Accounts	1,438,079	20,455	221,571	1,680,105
Property taxes	3,393,032			3,393,032
Interest	17,850			17,850
Due from other governments	55,094			55,094
Prepaid items	4,095			4,095
Inventory	157,904			157,904
CAPITAL ASSETS				
Non-depreciable capital assets	5,443,950			5,443,950
Depreciable capital assets, net	7,147,692	13,941		7,161,633
Total assets	<u>33,892,615</u>	<u>443,634</u>	<u>418,204</u>	<u>34,754,453</u>
LIABILITIES				
Accounts payable	530,015	5,926		535,941
Claims payable	333,116			333,116
Due to other governments	115,669			115,669
Public trustee deposits	73,277			73,277
Non-current liabilities				-
Due within one year	224,822			224,822
Due in more than one year	1,264,025			1,264,025
Total liabilities	<u>2,540,924</u>	<u>5,926</u>	<u>-</u>	<u>2,546,850</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes	3,393,032			3,393,032
Unavailable revenues	1,331,247			1,331,247
Total deferred inflows of resources	<u>4,724,279</u>	<u>-</u>	<u>-</u>	<u>4,724,279</u>
NET POSITION				
Net investment in capital assets	12,500,094	13,941		12,514,035
Restricted:				
Emergencies	299,315			299,315
Grants			418,204	418,204
Statute	1,122,694			1,122,694
Unrestricted	12,705,309	423,767		13,129,076
Total net position	<u>\$ 26,627,412</u>	<u>\$ 437,708</u>	<u>\$ 418,204</u>	<u>\$ 27,483,324</u>

Financial Analysis – Statement of Net Position

1. Restricted net assets are made up of statutory reserves of \$299,315 for emergencies required by TABOR.
2. The component units of government are comprised of the E911 Emergency Telephone reporting system and the Small Business Development Revolving Loan Fund. The financials are tracked under Otero County as it serves as the fiscal agent for the E911 Authority Board and the Otero Partners, Inc Board of Directors.
3. Based on current allocation, the County's share of the costs developed for the Landfill closure and post closure represent approximately 51% of the estimated \$1,968,000 allocated among the participating entities amounting to \$1,005,762. The majority of this cost is due to the calculations related to quantities of dirt needed for final cover, continuation of monitoring (water/methane), and other associated costs due to new regulations or practice.

CONDENSED FINANCIAL INFORMATION County-Wide Financial Statements

Condensed Statement of Changes in Net Position Year Ended December 31, 2017

	2017			2016 Total
	Primary Government	Component Unit	Component Unit	
	Governmental Activities	E911 Emergency Services	Small Business Development	
FUNCTIONS/PROGRAMS - EXPENSES				
PRIMARY GOVERNMENT				
Governmental activities:				
General government	\$ 3,592,486		\$ 3,592,486	\$ 4,139,903
Public safety	2,074,056		2,074,056	1,981,315
Public works	2,568,476		2,568,476	2,793,627
Public health and welfare	8,645,814		8,645,814	8,429,354
Culture and recreation	148,387		148,387	71,035
Conservation	127,363		127,363	126,987
Economic development	-		-	-
Interest	8,055		8,055	5,750
Intergovernmental			-	-
Total governmental activities	<u>17,164,637</u>	<u>\$ -</u>	<u>\$ -</u>	<u>17,547,971</u>
COMPONENT UNIT				
E911 Emergency Services		145,055	-	170,120
Small Business Development		-	-	11,453
TOTAL FUNCTION/PROGRAMS - EXPENSES	<u>\$ 17,164,637</u>	<u>\$ 145,055</u>	<u>\$ -</u>	<u>\$ 17,729,544</u>

CONDENSED FINANCIAL INFORMATION
County-Wide Financial Statements
Condensed Statement of Changes in Net Position
Year Ended December 31, 2017
(Continued)

	2017			Total	2016 Total
	Primary Government	Component Unit E911 Emergency Services	Component Unit Small Business Development		
REVENUES					
GOVERNMENTAL PROGRAM REVENUES					
Charges for services	\$ 3,263,355			\$ 3,263,355	\$ 3,196,381
Operating grants and contributions	7,222,829			7,222,829	6,941,873
Total governmental program revenues	<u>10,486,184</u>	<u>\$ -</u>	<u>\$ -</u>	<u>10,486,184</u>	<u>10,138,254</u>
COMPONENT UNIT PROGRAM REVENUES					
Charges for services		145,448		145,448	301,733
Operating grants and contributions			99,180	244,459	224,079
Total component unit program revenues	<u>-</u>	<u>145,448</u>	<u>99,180</u>	<u>389,907</u>	<u>525,812</u>
GENERAL REVENUES					
Property taxes	3,260,620			3,260,620	3,098,572
Specific ownership taxes	675,853			675,853	655,833
Sales taxes	1,629,444			1,629,444	1,563,551
Highway user tax	1,731,799			1,731,799	1,695,788
Payment in lieu of taxes	469,074			469,074	457,174
Other taxes	15,776			15,776	21,159
Fines and forfeitures	2,175			2,175	2,620
Investment income	149,535	767		150,302	145,594
Miscellaneous	581,114		15,104		-
Gain on sale of capital assets	31,822			31,822	146,860
Insurance recovery	138,250			138,250	3,053
Total general revenues	<u>8,685,462</u>	<u>767</u>	<u>15,104</u>	<u>8,105,115</u>	<u>7,790,204</u>
TOTAL - REVENUES	<u>\$ 19,171,646</u>	<u>\$ 146,215</u>	<u>\$ 114,284</u>	<u>\$ 18,981,206</u>	<u>\$ 18,454,270</u>
Total function/program expenses	\$ 17,164,637	\$ 145,055	\$ -	\$ 17,309,692	\$ 17,729,544
Program revenue	<u>10,486,184</u>	<u>145,448</u>	<u>99,180</u>	<u>10,730,812</u>	<u>10,373,508</u>
Total - net program expense	(6,678,453)	393	99,180	(6,578,880)	(7,356,036)
General revenue	<u>8,685,462</u>	<u>767</u>	<u>15,104</u>	<u>8,701,333</u>	<u>8,145,541</u>
CHANGE IN NET POSITION	2,007,009	1,160	114,284	2,122,453	789,505
NET POSITION, Beginning of year	<u>24,620,403</u>	<u>436,548</u>	<u>303,920</u>	<u>25,360,871</u>	<u>24,571,366</u>
NET POSITION, End of year	<u>\$ 26,627,412</u>	<u>\$ 437,708</u>	<u>\$ 418,204</u>	<u>\$ 27,483,324</u>	<u>\$ 25,360,871</u>

Financial Analysis – Statement of Activities

1. There was an increase in current year in the County's primary government net position of \$2,007,009 or 7.0%. This is primarily due to an increase in revenues in the County specific ownership tax, property taxes, payment in lieu of taxes, highway user tax, sales tax, insurance recovery and operating grants.
2. The E911 Emergency Services increased 0.3% in net position for fiscal year 2017 and continues to exhibit a strong financial picture. Currently, a \$0.70 per line surcharge is collected for the E911 system, and its governing board continues to maintain as well as upgrade its E911 level of service.
3. The Small Business Development Fund's net position increased \$114,284 or 27.3% for fiscal year 2017.

ANALYSIS OF POSITION

The overall financial position of the County improved during 2017, due to an increase in overall revenues.

Net capital assets for the Governmental Activities, the Business-Type Activities and component unit combined decreased by \$253,091.

FUND FINANCIAL STATEMENT ANALYSIS

GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund is the major operating fund of the County, providing the majority of the resources for operating and support programs. Revenues and other financing sources for the General Fund totaled \$5,711,633 in fiscal year 2017, an increase of 3.2% from fiscal year 2016. The County experienced a decrease of 25.4% in intergovernmental taxes and 1.5% in property taxes, and increases of 4.2% in sales tax and 34% in investment income in fiscal year 2017.

**Schedule of Revenues and
Other Financing Sources
(General Fund)**

	Fiscal Year 2017	Fiscal Year 2016	Increase (Decrease)	Percent Change
TAXES				
Property and other taxes	\$ 1,789,603	\$ 1,816,454	\$ (26,851)	-1.5%
Specific ownership taxes	370,875	372,508	(1,633)	-0.4%
Sales tax	1,629,444	1,563,551	65,893	4.2%
Intergovernmental taxes	15,776	21,159	(5,383)	-25.4%
Total taxes	<u>3,805,698</u>	<u>3,773,672</u>	<u>32,026</u>	<u>0.8%</u>
Intergovernmental	1,043,098	1,001,617	41,481	4.1%
Charges for services	516,118	502,741	13,377	2.7%
Fines and forfeitures	2,175	2,620	(445)	-17.0%
Investment income	168,112	125,426	42,686	34.0%
Miscellaneous	109,032	114,408	(5,376)	-4.7%
Current year market value change	(24,148)	11,128	(35,276)	-317.0%
Other financing sources	<u>91,548</u>	<u>1,102</u>	<u>90,446</u>	<u>8207.4%</u>
TOTAL	<u>\$ 5,711,633</u>	<u>\$ 5,532,714</u>	<u>\$ 178,919</u>	<u>3.2%</u>

Property Taxes — The General Fund mill levy was decreased to 12.044 mills in fiscal year 2017 from 2016. The fiscal year 2017 mill levy was applied against an assessed valuation of \$148,553,365. The fiscal year 2016 mill levy was applied against an assessed valuation of \$144,081,207. The property tax mills levied for both years are in compliance with the restrictions of Article X Section 20 of the Colorado Constitution (TABOR).

Specific Ownership Tax — A specific ownership tax is applied to the fair market value of vehicles registered in Colorado. The tax is collected when vehicle owners renew their registrations each year. There was a 0.4% decrease in specific ownership tax collections in fiscal year 2017.

Sales Tax — The County has a 1.0% sales tax in place. The \$1,629,444 generated in fiscal year 2017 represented an actual increase of 4.2% over fiscal year 2016.

Intergovernmental — This category includes federal, state and local sources, as well as Payment-In-Lieu of Taxes (PILT) on federal, state and other governmental lands. In addition, cost allocation (indirect cost reimbursement), grant funding, and other miscellaneous types of governmental revenue.

The primary source of federal revenue is Payment-In-Lieu of Taxes (PILT) on federal lands. The federal government slightly increased the allocation to the County. The County allocated \$469,074 to the General Fund in fiscal year 2017. This represents the total PILT from all federal lands, a 2.5% increase from fiscal year 2016.

Charges for Services — This category of revenue includes the various types of fees generated through the Land Use office, County Clerk, Treasurer, Assessor and Administration. Examples include excess fees generated by the County Clerk and Recorder for election or recording fees, jail work release revenues, photocopy charges and map charges. Overall, there was a 2.7% increase in revenue.

Fines and Forfeitures — This category decreased by 17% in fiscal year 2017. The increase was primarily due to DUI fine collections.

Investment Income — Investment income consists of those funds generated through its investment program. There was an increase of \$42,686 or 34% over fiscal year 2016. The County will continue to re-evaluate the investments being held.

Miscellaneous — The "Miscellaneous" category includes rent payments for space, as well as any miscellaneous receipts. There was a decrease in fiscal year 2017 of \$5,376 or 4.7%, and this "catch all" revenue source will fluctuate on an annual basis.

Other Financing Sources — This category includes interfund transfers and extraordinary items.

**Schedule of Expenditures
(General Fund)**

	Percentage of Total	Fiscal Year 2017	Fiscal Year 2016	Increase (Decrease)	Percent Change
Current:					
General government	53.2%	\$ 2,872,703	\$ 2,950,649	\$ (77,946)	-2.6%
Public safety	38.2%	2,064,438	1,961,848	102,590	5.2%
Public works	2.8%	151,548	153,105	(1,557)	-1.0%
Public health and welfare	0.9%	50,470	82,674	(32,204)	-39.0%
Culture and recreation	0.5%	26,967	26,996	(29)	-0.1%
Conservation	2.3%	124,559	124,893	(334)	-0.3%
Capital outlay	1.9%	102,857	-	102,857	100.0%
Debt service:					
Interest	0.1%	7,241	5,750	1,491	25.9%
TOTAL - EXPENDITURES	100.0%	\$ 5,400,783	\$ 5,305,915	\$ 94,868	1.8%

General Government — Expenditures in this category decreased \$77,946, about 2.6% from fiscal year 2016.

Public Safety — Public safety expenditures for fiscal year 2017 increased by 5.2%.

Public Works — In fiscal year 2017 the public works costs showed a decrease of 1%.

Health and Welfare — The expenditures for health and welfare vary, as the inclusion of EMS subsidy funds within this category allow for an increase or decrease in expenditures, depending on the approved requests of the various EMS providers. In addition, the match for our local nutrition program is carried here, and varies based on the required levels of funding. In fiscal year 2017, there was an expenditure decrease of 39%.

Culture and Recreation — Culture and recreation expenditures for fiscal year 2017 decreased slightly by 0.1%. The increase was a result of fluctuation of costs in the operation of the Senior Centers of Otero County assumed by the General Fund.

Conservation — Conservation expenditures decreased by 0.3%. The nature of specific economic development projects and the level of County participation will always dictate the amount of expenditure.

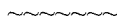
Debt Service — There were no debt service payments in 2017.

Overall — Total expenditures increased by 1.8%, (\$94,868) from fiscal year 2016 to fiscal year 2017. The main reasons were increased costs in public safety and capital outlay in fiscal year 2017.

**Fund Balance Re-Cap
(General Fund)**

	Fiscal Year 2017	Fiscal Year 2016	Increase	Percent Change
FUND BALANCE, Beginning of year	\$ 4,689,166	\$ 4,518,860	\$ 170,306	3.8%
FUND BALANCE, End of year	4,943,523	4,689,166	254,357	5.4%

Fund Balance — The fiscal year 2017 year-end fund balance increased by \$254,357 or 5.4%. A strong effort has been made to monitor costs and develop any revenue streams available.



MAJOR SPECIAL REVENUE FUNDS

ROAD & BRIDGE FUND

The Road & Bridge Fund, like the General Fund, is considered a major operating fund for financial reporting purposes. Total revenues and other financing sources for the Road & Bridge Fund totaled \$2,723,935 while expenditures totaled \$2,899,070. Revenue and financing sources included taxes of \$2,476,770; intergovernmental revenues of \$46,280 which includes federal and state sources; charges for services of \$172,920; and miscellaneous and other financing sources of \$27,965. The ending fund balance of \$3,067,769 includes inventory of \$157,904 and reflects a 5.4% decrease in fund balance (available resources). The fiscal year 2017 financials also reflect the inclusion of construction/operational expenses for solid waste disposal, i.e. the landfill.

**Schedule of Revenues and
Other Financing Sources
(Road & Bridge Fund)**

	Fiscal Year 2017	Fiscal Year 2016	Increase (Decrease)	Percent Change
TAXES				
Property and other taxes	\$ 617,055	\$ 598,210	\$ 18,845	3.2%
Specific ownership taxes	127,916	132,181	(4,265)	-3.2%
Intergovernmental taxes	1,731,799	1,695,788	36,011	2.1%
Total taxes	<u>2,476,770</u>	<u>2,426,179</u>	<u>50,591</u>	<u>2.1%</u>
Intergovernmental	46,280	58,346	(12,066)	-20.7%
Charges for services	172,920	227,412	(54,492)	-24.0%
Other financing sources	<u>27,965</u>	<u>490,029</u>	<u>(462,064)</u>	<u>-94.3%</u>
TOTAL	<u>\$ 2,723,935</u>	<u>\$ 3,201,966</u>	<u>\$ (478,031)</u>	<u>-14.9%</u>

Property Taxes — There was an increase in fiscal year 2017 property tax collections of \$18,845 or 3.2%. The mill levy of 4.154 mills was unchanged from fiscal year 2016.

Specific Ownership Tax — A specific ownership tax is applied to the fair market value of vehicles registered in Colorado. The tax is collected when vehicle owners renew their registrations each year. There was a 3.2% decrease in specific ownership tax collections in fiscal year 2017.

Intergovernmental Taxes — The intergovernmental taxes category includes federal, state and local sources as well as Highway Users Tax. There were increases and decreases in various intergovernmental funding, but the primary increase is due to an increase in the Highway Users tax revenue received in fiscal year 2017.

Charges for Services — This category of revenue includes the sale of gravel, service charges associated with the landfill and other "billable" road/bridge projects. Overall, the \$172,920 amount represented a 24% decrease in this revenue category.

Overall — Fiscal year 2017 revenues decreased by 14.9% or \$478,031, primarily due to the decrease in other financing sources revenue.

**Schedule of Expenditures
(Road & Bridge Fund)**

	Percentage of Total	Fiscal Year 2017	Fiscal Year 2016	Increase (Decrease)	Percent Change
Current:					
Public works	83.07%	\$ 2,408,130	\$ 2,377,123	\$ 31,007	1.3%
Capital outlay	5.30%	153,706	803,495	(649,789)	-80.9%
Debt service:					
Principal retirement	11.60%	336,420	-	336,420	100.0%
Interest & fiscal charges	0.03%	814	-	814	100.0%
TOTAL - EXPENDITURES	100.00%	\$ 2,899,070	\$ 3,180,618	\$ (281,548)	-8.9%

Public Works — This expenditure category is comprised of both Road & Bridge and landfill types of expenditures. In general operational terms, there was an increase of \$31,007 or 1.3% in public works, which is primarily due to an increase in operational expenditures over fiscal year 2016.

Capital Outlay — The capital outlay amount reflects decreased expenditures for capital outlay in 2017 resulting in an decrease of 80.9% or \$649,789 compared to fiscal year 2016.

Overall — The fiscal year 2017 expenditure decrease of \$281,548 is primarily due to a decrease in capital outlay expenses.

**Fund Balance Re-Cap
(Road & Bridge Fund)**

	Fiscal Year 2017	Fiscal Year 2016	Increase (Decrease)	Percent Change
FUND BALANCE, Beginning of year	\$ 3,242,904	\$ 3,221,556	\$ 21,348	0.7%
FUND BALANCE, End of year	3,067,769	3,242,904	(175,135)	-5.4%

Inventory Reserve — The fiscal year 2017 year-end balance includes \$157,904 in inventory reserve. The committed fund balance is \$2,909,865.

Fund Balance — This figure represents a 5.4% decrease in fund balance for the year. In general operational terms, this is primarily due to receiving less revenues than were expended in the fund.

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**SOCIAL SERVICES FUND**

The Social Services Fund is a major fund, and total revenues of 3,712,480 were generated. Total expenditures of \$3,715,336 were noted, leaving a year-end fund balance of \$731,537 (decrease of \$2,856 from fiscal year 2016). The mill levy of 3.00 mills was unchanged from fiscal year 2016.

The County experienced a \$101,577 or 2.7% decrease in overall revenues from fiscal year 2016. Here again, the County is concerned with utilizing its fund reserves to pay for administrative and other program costs that exceed its state allocations or are a component of our Maintenance of Effort. The County would like to retain a Fund Balance in the Social Services Fund at approximately \$700,000. For 2018, the mill levy was reduced to 2.50 mills. It is the County's desire as well as need to reduce the Fund Balance to a more conservative figure as other County functions/departments needed resources.

**Schedule of Revenues  
(Social Services Fund)**

|                          | <b>Fiscal Year<br/>2017</b> | <b>Fiscal Year<br/>2016</b> | <b>Increase<br/>(Decrease)</b> | <b>Percent<br/>Change</b> |
|--------------------------|-----------------------------|-----------------------------|--------------------------------|---------------------------|
| <b>TAXES</b>             |                             |                             |                                |                           |
| Property and other taxes | \$ 445,651                  | \$ 432,029                  | \$ 13,622                      | 3.2%                      |
| Specific ownership taxes | 92,380                      | 95,460                      | (3,080)                        | -3.2%                     |
| Total taxes              | <u>538,031</u>              | <u>527,489</u>              | <u>10,542</u>                  | <u>2.0%</u>               |
| Intergovernmental        | <u>3,174,449</u>            | <u>3,286,568</u>            | <u>(112,119)</u>               | <u>-3.4%</u>              |
| <b>TOTAL</b>             | <u><u>\$ 3,712,480</u></u>  | <u><u>\$ 3,814,057</u></u>  | <u><u>\$ (101,577)</u></u>     | <u><u>-2.7%</u></u>       |

**Property Taxes** — There was an 3.2% increase for property tax to the Social Services Fund in fiscal year 2017.

**Specific Ownership Tax** — A specific ownership tax is applied to the fair market value of vehicles registered in Colorado. The tax is collected when vehicle owners renew their registrations each year. There was a 3.2% decrease in specific ownership tax collections in fiscal year 2017.

**Intergovernmental** — This category includes federal, state and local sources. There was a decrease of 3.4% or \$112,119 in revenues in fiscal year 2017.

**Schedule of Expenditures  
(Social Services Fund)**

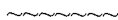
|                                  | of Total     | 2017                | 2016                | (Decrease)         | Change       |
|----------------------------------|--------------|---------------------|---------------------|--------------------|--------------|
| Current:                         |              |                     |                     |                    |              |
| Public health and human services | 100.00%      | \$ 3,715,336        | \$ 3,660,885        | \$ 54,451          | 1.5%         |
| Capital outlay                   | 0.00%        | \$ -                | \$ 152,384          | \$ (152,384)       | 100.0%       |
| <b>TOTAL - EXPENDITURES</b>      | <b>0.00%</b> | <b>\$ 3,715,336</b> | <b>\$ 3,813,269</b> | <b>\$ (97,933)</b> | <b>-2.6%</b> |

**Social Services** — The expenditure summary shows a 2.6% decrease in expenditures from fiscal year 2016 to 2017. Expenditures exceeded revenues by \$2,856 during fiscal year 2017. A tremendous effort will continue to be made to maintain services and evaluate revenue and expenditure streams. As stated earlier, the State's budget crunch resulted in cutbacks in various program areas, and the County has tried to match the decreases in revenues with corresponding decreases in expenditures.

**Fund Balance Re-Cap  
(Social Services Fund)**

|                                 | Fiscal Year<br>2017 | Fiscal Year<br>2016 | Increase<br>(Decrease) | Percent<br>Change |
|---------------------------------|---------------------|---------------------|------------------------|-------------------|
| FUND BALANCE, Beginning of year | \$ 734,393          | \$ 733,605          | \$ 788                 | 0.1%              |
| FUND BALANCE, End of year       | 731,537             | 734,393             | (2,856)                | -0.4%             |

**Fund Balance** — The 0.4% decrease in year-end fund balance is significant to note, as a strong effort has been made to monitor and to develop the revenue resources needed to fund these human services programs. Unfortunately, the revenue streams that the County has access to are limited, and property tax will remain the only "real" source of additional County funding.



***CAPITAL IMPROVEMENT FUND***

The Capital Improvement Fund does not meet the requirement to be considered a major fund in fiscal year 2017, however due to its nature the County has chosen to include this fund as a major fund. During 2017, \$334,026 was collected from property tax and \$69,285 was collected from specific ownership tax. This revenue will continue to build a fund balance for future capital improvement projects.

**Schedule of Revenues  
(Capital Improvement Fund)**

|                         | Fiscal Year<br>2017 | Fiscal Year<br>2016 | Increase<br>(Decrease) | Percent<br>Change |
|-------------------------|---------------------|---------------------|------------------------|-------------------|
| Property taxes          | \$ 334,026          | \$ 179,831          | \$ 154,195             | 85.7%             |
| Specific ownership tax  | 69,285              | 39,774              | 29,511                 | 74.2%             |
| Intergovernmental       | -                   | 17,000              | (17,000)               | -100.0%           |
| Roof Settlement         | 300,000             | -                   | 300,000                | 100.0%            |
| Miscellaneous           | 7,241               | 5,750               | 1,491                  | 25.9%             |
| <b>TOTAL - REVENUES</b> | <b>\$ 710,552</b>   | <b>\$ 242,355</b>   | <b>\$ 468,197</b>      | <b>193.2%</b>     |

**Property Taxes** — The mill levy was increased from 1.25 mills in 2016 to 2.25 mills in fiscal year 2017, resulting in an increase of 85.7%, or \$154,195.

**Specific Ownership Tax** — A specific ownership tax is applied to the fair market value of vehicles registered in Colorado. The tax is collected when vehicle owners renew their registrations each year.

**Overall** — Total fiscal year 2017 revenue increased by \$468,197, primarily due to the mill levy increase and a settlement received for a faulty roof.

**Schedule of Expenditures  
(Capital Improvement Fund)**

|                             | Percentage<br>of Total | Fiscal Year<br>2017 | Fiscal Year<br>2016 | Increase<br>(Decrease) | Percent<br>Change |
|-----------------------------|------------------------|---------------------|---------------------|------------------------|-------------------|
| Current:                    |                        |                     |                     |                        |                   |
| General government          | 65.26%                 | \$ 23,632           | \$ 160,340          | \$ (136,708)           | -85.3%            |
| Public safety               | 0.07%                  | \$ 25               | \$ 3,500            | \$ (3,475)             | -99.3%            |
| Capital outlay              | 34.67%                 | 12,554              | 571,751             | (559,197)              | -97.8%            |
| <b>TOTAL - EXPENDITURES</b> | <b>100.00%</b>         | <b>\$ 36,211</b>    | <b>\$ 735,591</b>   | <b>\$ (699,380)</b>    | <b>-282.4%</b>    |

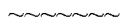
The only project completed in fiscal year 2017 was a remodel of the County Commissioners front desk.

**Fund Balance Re-Cap  
(Capital Improvement Fund)**

|                                 | Fiscal Year<br>2017 | Fiscal Year<br>2016 | Increase<br>(Decrease) | Percent<br>Change |
|---------------------------------|---------------------|---------------------|------------------------|-------------------|
| FUND BALANCE, Beginning of year | \$ 639,147          | \$ 1,132,383        | \$ (493,236)           | -43.6%            |
| FUND BALANCE, End of year       | 1,313,488           | 639,147             | 674,341                | 105.5%            |



**Fund Balance** — The fiscal year 2017 year-end fund balance of \$1,313,488 represents an increase of \$674,341 or 105.5% over the 2016 fund balance. The increase was primarily due to the roof settlement and increase in property tax collections and specific ownership tax due to the increase in mill levy.



**GENERAL HUMAN SERVICES FUND**

The General Human Services Fund is a major fund, and total revenues of \$888,641 were generated. Total expenditures of \$889,080 were noted, leaving a year-end fund balance of \$69,411 (decrease of \$439 from fiscal year 2016). This fund encompasses services areas such as Retired and Senior Volunteer Program (RSVP), Single Entry Point (SEP), and Community Service Block Grant (CSBG).

**Schedule of Revenues  
(General Human Services Fund)**

|                         | <b>Fiscal Year<br/>2017</b> | <b>Fiscal Year<br/>2016</b> | <b>Increase<br/>(Decrease)</b> | <b>Percent<br/>Change</b> |
|-------------------------|-----------------------------|-----------------------------|--------------------------------|---------------------------|
| Intergovernmental       | \$ 888,641                  | \$ 1,002,517                | \$ (113,876)                   | -11.4%                    |
| <b>TOTAL - REVENUES</b> | <b>\$ 888,641</b>           | <b>\$ 1,002,517</b>         | <b>\$ (113,876)</b>            | <b>-11.4%</b>             |

**Property Taxes** — No mills are allocated to this fund.

**Intergovernmental** — This category includes federal and state sources. In fiscal year 2017, there was a 11.4% or \$113,876 decrease over fiscal year 2016.

**Schedule of Expenditures  
(General Human Services Fund)**

|                             | <b>Percentage<br/>of Total</b> | <b>Fiscal Year<br/>2017</b> | <b>Fiscal Year<br/>2016</b> | <b>Increase<br/>(Decrease)</b> | <b>Percent<br/>Change</b> |
|-----------------------------|--------------------------------|-----------------------------|-----------------------------|--------------------------------|---------------------------|
| Current:                    |                                |                             |                             |                                |                           |
| Health and human services   | 86.13%                         | \$ 765,780                  | \$ 766,229                  | \$ (449)                       | -0.1%                     |
| Capital outlay              | 13.87%                         | \$ 123,300                  | \$ 237,091                  | \$ (113,791)                   | -48.0%                    |
| <b>TOTAL - EXPENDITURES</b> | <b>100.00%</b>                 | <b>\$ 889,080</b>           | <b>\$ 1,003,320</b>         | <b>\$ (114,240)</b>            | <b>-11.4%</b>             |

**General Human Services** — The expenditure summary shows an 11.4% decrease in expenditures from fiscal year 2016 to 2017. This is primarily due to a remodel project of the Adult Services offices. Expenditures exceeded revenues by \$439 during fiscal year 2017.

**Fund Balance Re-Cap  
(General Human Services Fund)**

|                                 | 2017      | 2016      | (Decrease) | Change |
|---------------------------------|-----------|-----------|------------|--------|
| FUND BALANCE, Beginning of year | \$ 69,850 | \$ 70,653 | \$ (803)   | -1.1%  |
| FUND BALANCE, End of year       | 69,411    | 69,850    | (439)      | -0.6%  |

**Fund Balance** — This figure represents a decrease of 0.6% or \$439 in fund balance for the year. This is primarily due to timing issues associated with the State’s fiscal year in regard to expenditure reimbursement and a remodel project.

**NON-MAJOR GOVERNMENTAL FUNDS**

Information for non-major governmental funds is aggregated and reported as other types of funds in the statement of revenues, expenditures and changes in fund balances. Further detail by fund is reported as part of the other supplemental information section of this financial report. Included in the County’s non-major governmental funds are the Insurance Fund, Clerk Hire Fund, Conservation Trust Fund, Health Fund, Area Agency on Aging Fund, and the Otero County Land Trust Fund.

**Insurance Fund** resources are utilized to pay premiums for the County Casualty and Property Pool (CAPP) coverage, and any other costs associated with its liability and/or property program. A mill levy is used to develop the necessary resources needed to provide the appropriate levels of insurance coverage. The year-end fund balance increased to \$378,368 in fiscal year 2017. due to an increase in insurance recovery revenues. Premiums are based on a three-year average of claims incurred. The philosophy of the Board of County Commissioners is to allocate a portion of the mill levy at a level to provide funding for the premium. Furthermore, the Board agrees that the fund balance should remain at approximately \$250,000. It is important to note that the deductible for the insurance fund is recognized in the difference from the claim amount submitted and the insurance recovery (\$1,000 for property and \$500 for vehicles).

**Clerk Hire Fund** provides staffing and supports for the Clerk and Recorder operations. Staff license motor vehicles, record documents, complete title transactions, etc. Its main financial resource is from the service fees charged through for the various transactions. A fiscal year 2017 year-end fund balance of \$461,010 reflects an increase of \$36,916 over 2016. Changes in personnel staffing from year to year are used to maintain the fund balance at a viable number.

**Conservation Trust Fund** resources are used to develop/maintain recreational facilities or opportunities. The \$60,283 decrease in fiscal year 2017 year-end fund balance is result of decreased intergovernmental revenues and increased expenditures leaving a fund balance of \$296,348.

**Health Fund** Otero County Health Department (OCHD) is also considered to be a non-major fund for reporting purposes. Revenues (including transfers-in of \$56,493) totaled \$1,462,463 and expenditures amounted to \$1,368,566. A year-end fund balance of \$1,248,669 represented an increase of \$93,897. OCHD is the statutorily required local public health agency serving both Crowley and Otero Counties in rural, Southeast Colorado. In addition to providing statutorily required public health services in the aforementioned counties, OCHD serves many other counties regionally with “siloeed” program specific services. Public health funding is conspicuously volatile and transient, with many OCHD programs being grant funded and prone to this effect. These grant funded programs are literally “here today, gone tomorrow” due to the caprices of the grantors. The unrelenting search for funding is a major focus of OCHD administration.

**Area Agency on Aging** (AAA) Fund is used to provide services to the elderly residents in the region. A variety of agencies/programs are direct recipients of allocated funds through the AAA, i.e., transportation, advocacy, meal services, dental access, etc. Revenues come primarily from intergovernmental sources, and the year-end fund balance of \$73,454.

**Otero County Land Trust Fund** (OCLT) provides support for the County's conservation easement program. The Fund Balance of \$66,021 represents a decrease of \$446, which is the annual stewardship monitoring costs which is done on conservation easements in perpetuity.

#### OTHER FUNDS

Information for other funds is reported as other types of funds in the statement of revenues, expenditures and changes in fund balances. Further detail by fund is reported as part of the other supplemental information section of this financial report. Included in the County's other funds is the Contingent Fund. This fund is presented within the General Fund.

The Contingent Fund is used to provide resources for any financial contingencies that might arise. The year-end fund balance for the Contingent Fund is \$305,878. This represents an increase of \$2 in fiscal year 2017.

#### PROPRIETARY FUNDS

The County's proprietary funds provide the same type of information found in the County-wide financial statements, but in more detail. Proprietary funds account for operations that are organized to be self-supporting through user charges. The County's proprietary funds consist of two internal services funds.

#### ***COMPONENT UNITS***

The Small Business Development Revolving Loan Fund (SBDRLF) focuses on providing loans to small businesses. The financial activities of the SBDRLF are presented as a "discretely presented component unit" in the County's financial statements.

The 911 Otero County Emergency Telephone Service Authority Board was created for the purpose of providing 911 emergency phone services in Otero County. The financial activities of the E911 Authority are presented as a "discretely presented component unit" in the County's financial statements.

#### ***INTERNAL SERVICES FUNDS***

Internal services funds are used to account for the financing of goods or services provided by one department to other departments of the County on a cost reimbursement basis. The County's internal services funds are used to account for a self-insured health benefit plan and a capital equipment acquisition program.

The County's Internal Services Fund is used as a resource base to purchase requested equipment (over \$1,000) for the various departments. Assets are purchased through the fund, amortized costs are then charged to each department as a "rental charge." When an item needs replacement, adequate funds have been generated through the on-going rental fees to make a replacement purchase. Revenues totaled \$233,045 in fiscal year 2017. The overall year-end increase in net position was \$48,744.

The Medical Trust Fund is an internal service fund used to account for the County's self-insured health benefit program. Revenues to support the program originate from two primary sources:

1. Employee contributions toward the cost of the health benefit program premiums,
2. County contributions toward the cost of the health benefit program premiums.

Expenditures include claims, stop-loss premiums and plan administration for a health benefit program for employees and their families.

In fiscal year 2017, the County revenues exceeded expenditures by \$461,434 leaving a net position of \$1,763,412. Based on actual claims for the last 6 months in fiscal year 2017, it was estimated that claims incurred but not reported (IBNR) would be about \$330,116. The final IBNR was calculated using July to December 2017 and includes a 10% adjustment for inflation and reflects only an estimate of claims payable recorded at year end with a lag time of 75 days.

The costs of health care continue to rise, and the County revised its schedule of benefits and premium rates to offset these increases.

#### ***FIDUCIARY / AGENCY FUNDS***

A variety of accounts are maintained by the County Treasurer, Public Trustee, and County Clerk that are custodial in nature, i.e., taxing entity disbursements, etc. A total of \$844,931 in deposits was being held at December 31, 2017.

#### ***MAJOR FUND BUDGETARY HIGHLIGHTS***

The original fiscal year 2017 budget that was adopted by the Board of County Commissioners on December 12, 2016, showed total appropriations of \$31,286,720. This amount includes \$5,960,867 in total General Fund appropriations. Budgeted expenditures in this category are up 5.4% or \$304,289 from fiscal year 2016. The excess of revenues over expenditures for the General Fund in fiscal year 2016 was \$243,450. There is not a significant difference between the adopted budget and the final revised budget with regard to the functional distribution of expenditures.

With regard to the *major funds*, the variance of actual results compared to the final revised budget shows that the County did not over spend its fiscal year 2017 budget for these funds.

A re-cap of the *non-major funds* indicates that the County under spent the fiscal year 2017 budget in these areas by \$1,467,879 for all non-major funds, with the exception of the Insurance Fund, which was over spent by \$33,057. The primary reason for this under-expenditure was substantial under spending of the Conservation Trust Fund of \$247,110, Health Fund of \$882,487, and Area Agency on Aging fund of \$357,597.

## ***CAPITAL ASSETS***

The County's investment in capital assets for its governmental activities as of December 31, 2017, amounted to \$12,591,642 (net of accumulated depreciation of \$11,781,877). Capital assets include land, buildings, improvements, machinery, vehicles, equipment, and infrastructure currently acquired. Additional information concerning capital assets can be found in Note 4 to the financial statements.

## ***LONG-TERM OBLIGATIONS***

As of December 31, 2017, the County had long-term obligations outstanding of \$1,488,846, including amounts currently due of \$218,059. This includes compensated leave in the amount of \$391,536, and a portion of closure/post-closure costs associated with the aforementioned OCLI solid waste landfill sites in the amount of \$1,005,762, Otero County portion. The reader should refer to Note 6 of the Notes to the Financial Statements for further information relative to long-term debt.

## ***COMPONENT UNITS***

Only summary information regarding component units appears in the County's financial statements. Currently, the only recognized component units are the Otero County Emergency Telephone Service Authority Board (E911) and the Small Business Development Revolving Loan Fund. The reader should refer to Note 1 of the Notes to the Financial Statements for further information relative to this "Discretely Presented Component Units."

## **FACTORS AFFECTING FUTURE FINANCIAL CONDITIONS**

The FY2017 Budget continues to be impacted by the general economic conditions within the County therefore the County has again adopted a conservative approach to the budget. Otero County has not been immune from the economic hardships seen in other parts of Colorado as well as the United States. There is no doubt that the County has been impacted by the drought, however, Otero County saw some financial relief in 2017 with a slight increase in property tax revenue. Furthermore, Otero County employees were conservative when utilizing the Medical Trust Fund and we were able to give a Cost of Living Adjustment (COLA) of \$50/employee/month increase and a 1 step Anniversary increase upon a satisfactory evaluation. Furthermore, continued efforts to acquire our local agricultural water resources for municipal use may have a serious impact on future tax revenue streams (change from productive ground to pasture/vacant land).

## **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Otero County, Colorado's finances for all those with an interest in the County's finances and to demonstrate the County's accountability for the money it receives. Questions concerning any of the information provided in this report or request for additional information should be addressed to the County Administrator at 13 West Third Street, Suite 212, La Junta, Colorado, 81050. Telephone number is (719) 383-3000 / (719) 383-3090 (fax).

**OTERO COUNTY, COLORADO**

**BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2017**

# OTERO COUNTY, COLORADO

## STATEMENT OF NET POSITION DECEMBER 31, 2017

|                                            | Primary<br>Government      | Discretely-Presented Component Units |                                       |
|--------------------------------------------|----------------------------|--------------------------------------|---------------------------------------|
|                                            |                            | Component<br>Unit                    | Component<br>Unit                     |
|                                            | Governmental<br>Activities | E-911 Services                       | Small Business<br>Development<br>Fund |
| <b>ASSETS</b>                              |                            |                                      |                                       |
| Cash and cash equivalents                  | \$ 11,395,938              | \$ 309,238                           | \$ 196,633                            |
| Investments                                | 4,838,981                  | 100,000                              |                                       |
| Receivables:                               |                            |                                      |                                       |
| Accounts                                   | 1,438,079                  | 20,455                               | 221,571                               |
| Property taxes                             | 3,393,032                  |                                      |                                       |
| Interest                                   | 17,850                     |                                      |                                       |
| Due from other government                  | 55,094                     |                                      |                                       |
| Prepaid items                              | 4,095                      |                                      |                                       |
| Inventory                                  | 157,904                    |                                      |                                       |
| Capital assets:                            |                            |                                      |                                       |
| Non-depreciable                            | 5,443,950                  |                                      |                                       |
| Depreciable, net                           | 7,147,692                  | 13,941                               |                                       |
| <b>TOTAL ASSETS</b>                        | <b>33,892,615</b>          | <b>443,634</b>                       | <b>418,204</b>                        |
| <b>LIABILITIES</b>                         |                            |                                      |                                       |
| <b>CURRENT LIABILITIES</b>                 |                            |                                      |                                       |
| Accounts payable                           | 530,015                    | 5,926                                |                                       |
| Claims payable                             | 333,116                    |                                      |                                       |
| Due to other governments                   | 115,669                    |                                      |                                       |
| Public trustee deposits                    | 73,277                     |                                      |                                       |
| Non-current liabilities                    |                            |                                      |                                       |
| Due within one year                        | 224,822                    |                                      |                                       |
| Due in more than one year                  | 1,264,025                  |                                      |                                       |
| <b>TOTAL LIABILITIES</b>                   | <b>2,540,924</b>           | <b>5,926</b>                         |                                       |
| <b>DEFERRED INFLOWS OF RESOURCES</b>       |                            |                                      |                                       |
| Property taxes                             | 3,393,032                  |                                      |                                       |
| Unavailable grant revenue                  | 1,331,247                  |                                      |                                       |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b> | <b>4,724,279</b>           |                                      |                                       |
| <b>NET POSITION</b>                        |                            |                                      |                                       |
| Net investment in capital assets           | 12,500,094                 | 13,941                               |                                       |
| Restricted                                 |                            |                                      |                                       |
| Emergencies                                | 299,315                    |                                      |                                       |
| Grants                                     |                            |                                      | 418,204                               |
| Statute                                    | 1,122,694                  |                                      |                                       |
| Unrestricted                               | 12,705,309                 | 423,767                              |                                       |
| <b>TOTAL NET POSITION</b>                  | <b>\$ 26,627,412</b>       | <b>\$ 437,708</b>                    | <b>\$ 418,204</b>                     |

See notes to financial statements.

# OTERO COUNTY, COLORADO

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2017

| FUNCTIONS / PROGRAMS            | Expenses             | Program Revenue                      |                                          | Net (Expense) Revenue<br>and Changes in Net Position |                                        |                                                |
|---------------------------------|----------------------|--------------------------------------|------------------------------------------|------------------------------------------------------|----------------------------------------|------------------------------------------------|
|                                 |                      | Charges for<br>Services<br>and Sales | Operating<br>Grants and<br>Contributions | Primary<br>Governmental<br>Activities                | Component<br>Unit<br>E-911<br>Services | Component<br>Unit<br>Small Bus.<br>Development |
| <b>Primary government</b>       |                      |                                      |                                          |                                                      |                                        |                                                |
| General government              | \$ 3,592,486         | \$ 726,120                           | \$ 375,660                               | \$ (2,490,706)                                       | \$                                     | \$                                             |
| Public safety                   | 2,074,056            | 78,771                               | 472,346                                  | (1,522,939)                                          |                                        |                                                |
| Public works                    | 2,568,476            | 172,921                              | 46,280                                   | (2,349,275)                                          |                                        |                                                |
| Health and welfare              | 8,645,814            | 2,285,310                            | 6,277,259                                | (83,245)                                             |                                        |                                                |
| Culture and recreation          | 148,387              |                                      |                                          | (148,387)                                            |                                        |                                                |
| Conservation                    | 127,363              |                                      | 51,284                                   | (76,079)                                             |                                        |                                                |
| Economic development            |                      | 233                                  |                                          | 233                                                  |                                        |                                                |
| Interest                        | 8,055                |                                      |                                          | (8,055)                                              |                                        |                                                |
| <b>TOTAL</b>                    | <b>\$ 17,164,637</b> | <b>\$ 3,263,355</b>                  | <b>\$ 7,222,829</b>                      | <b>\$ (6,678,453)</b>                                | <b>\$</b>                              | <b>\$</b>                                      |
| <b>Component Unit</b>           |                      |                                      |                                          |                                                      |                                        |                                                |
| E911 Emergency Services         | \$ 145,055           | \$ 145,448                           |                                          |                                                      | \$ 393                                 |                                                |
| Small Business Development      | \$ -                 | \$ -                                 | \$ 99,180                                |                                                      |                                        | \$ 99,180                                      |
| <b>GENERAL REVENUES</b>         |                      |                                      |                                          |                                                      |                                        |                                                |
| Property taxes                  |                      |                                      |                                          | 3,260,620                                            |                                        |                                                |
| Specific ownership taxes        |                      |                                      |                                          | 675,853                                              |                                        |                                                |
| Sales taxes                     |                      |                                      |                                          | 1,629,444                                            |                                        |                                                |
| Highway user tax                |                      |                                      |                                          | 1,731,799                                            |                                        |                                                |
| Payment in lieu of taxes        |                      |                                      |                                          | 469,074                                              |                                        |                                                |
| Other taxes                     |                      |                                      |                                          | 15,776                                               |                                        |                                                |
| Fines and forfeitures           |                      |                                      |                                          | 2,175                                                |                                        |                                                |
| Investment income               |                      |                                      |                                          | 149,535                                              | 767                                    |                                                |
| Miscellaneous                   |                      |                                      |                                          | 581,114                                              |                                        | 15,104                                         |
| Gain on sale of capital assets  |                      |                                      |                                          | 31,822                                               |                                        |                                                |
| Insurance recovery              |                      |                                      |                                          | 138,250                                              |                                        |                                                |
| <b>Total general revenues</b>   |                      |                                      |                                          | <b>8,685,462</b>                                     | <b>767</b>                             | <b>15,104</b>                                  |
| Change in net position          |                      |                                      |                                          | 2,007,009                                            | 1,160                                  | 114,284                                        |
| NET POSITION, Beginning of year |                      |                                      |                                          | 24,620,403                                           | 436,548                                | 303,920                                        |
| NET POSITION, End of year       |                      |                                      |                                          | <b>\$ 26,627,412</b>                                 | <b>\$ 437,708</b>                      | <b>\$ 418,204</b>                              |



**OTERO COUNTY, COLORADO**

BALANCE SHEET - GOVERNMENTAL FUNDS  
DECEMBER 31, 2017

|                                                                          | General             | Road & Bridge       | Social Services     | Capital Improvement | General Human Services | Other               | Total                |
|--------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|------------------------|---------------------|----------------------|
| <b>ASSETS</b>                                                            |                     |                     |                     |                     |                        |                     |                      |
| Cash and cash equivalents                                                | \$ 2,829,300        | \$ 1,385,797        | \$ 950,614          | \$ 637,254          | \$ 514,428             | \$ 2,397,090        | \$ 8,714,483         |
| Cash with trustee                                                        | 46,028              |                     |                     |                     |                        |                     | 46,028               |
| Investments                                                              | 2,401,135           | 1,397,520           |                     | 482,556             | 557,770                |                     | 4,838,981            |
| Receivables:                                                             |                     |                     |                     |                     |                        |                     |                      |
| Accounts                                                                 | 524,560             | 151,936             | 193,843             | 4,906               | 20,402                 | 450,389             | 1,346,036            |
| Property tax                                                             | 1,861,932           | 642,184             | 386,485             | 425,134             |                        | 77,297              | 3,393,032            |
| Interest                                                                 | 17,850              |                     |                     |                     |                        |                     | 17,850               |
| Due from other governments                                               |                     |                     | 52,911              |                     |                        |                     | 52,911               |
| Notes receivable - from other funds                                      |                     |                     |                     | 184,033             |                        |                     | 184,033              |
| Due from other funds                                                     | 70,143              | 18,259              | 14,922              | 10,265              | 4,152                  | 2,198               | 119,939              |
| Prepaid items                                                            |                     |                     | 4,095               |                     |                        |                     | 4,095                |
| Inventory                                                                |                     | 157,904             |                     |                     |                        |                     | 157,904              |
| <b>TOTAL ASSETS</b>                                                      | <b>7,750,948</b>    | <b>3,753,600</b>    | <b>1,602,870</b>    | <b>1,744,148</b>    | <b>1,096,752</b>       | <b>2,926,974</b>    | <b>18,875,292</b>    |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>       |                     |                     |                     |                     |                        |                     |                      |
| <b>LIABILITIES</b>                                                       |                     |                     |                     |                     |                        |                     |                      |
| Accounts payable                                                         | 250,016             | 19,317              | 48,632              |                     | 4,731                  | 207,319             | 530,015              |
| Accrued liabilities                                                      | 17,646              | 3,568               |                     |                     |                        | 1,113               | 22,327               |
| Due to other governments                                                 |                     |                     | 113,486             |                     |                        |                     | 113,486              |
| Due to other funds                                                       | 42,204              | 20,762              | 12,894              | 5,526               | 5,781                  | 7,023               | 94,190               |
| Notes payable - to other funds                                           | 184,033             |                     |                     |                     |                        |                     | 184,033              |
| Public trustee deposits                                                  | 73,277              |                     |                     |                     |                        |                     | 73,277               |
| <b>Total liabilities</b>                                                 | <b>567,176</b>      | <b>43,647</b>       | <b>175,012</b>      | <b>5,526</b>        | <b>10,512</b>          | <b>215,455</b>      | <b>1,017,328</b>     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                     |                     |                     |                     |                     |                        |                     |                      |
| Property tax                                                             | 1,861,932           | 642,184             | 386,485             | 425,134             |                        | 77,297              | 3,393,032            |
| Unavailable grant revenue                                                | 72,439              |                     | 309,836             |                     | 1,016,829              | 110,352             | 1,509,456            |
| <b>Total deferred inflows of resources</b>                               | <b>1,934,371</b>    | <b>642,184</b>      | <b>696,321</b>      | <b>425,134</b>      | <b>1,016,829</b>       | <b>187,649</b>      | <b>4,902,488</b>     |
| <b>FUND BALANCES</b>                                                     |                     |                     |                     |                     |                        |                     |                      |
| Non-spendable inventory                                                  |                     | 157,904             |                     |                     |                        |                     | 157,904              |
| Restricted                                                               | 299,315             |                     |                     |                     |                        | 823,379             | 1,122,694            |
| Committed                                                                | 305,878             | 2,909,865           | 731,537             | 1,313,488           | 69,411                 | 1,700,491           | 7,030,670            |
| Unassigned                                                               | 4,644,208           |                     |                     |                     |                        |                     | 4,644,208            |
| <b>Total fund balance</b>                                                | <b>5,249,401</b>    | <b>3,067,769</b>    | <b>731,537</b>      | <b>1,313,488</b>    | <b>69,411</b>          | <b>2,523,870</b>    | <b>12,955,476</b>    |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b> | <b>\$ 7,750,948</b> | <b>\$ 3,753,600</b> | <b>\$ 1,602,870</b> | <b>\$ 1,744,148</b> | <b>\$ 1,096,752</b>    | <b>\$ 2,926,974</b> | <b>\$ 18,875,292</b> |

# OTERO COUNTY, COLORADO

## RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO TO THE STATEMENT OF NET POSITION DECEMBER 31, 2017

---

TOTAL GOVERNMENTAL FUND BALANCES \$ 12,955,476

Amounts reported for governmental activities in the  
statement of net position are different because:

Deferred inflow of resources for amounts not received within the  
availability period are not reported as revenue in the governmental  
funds. 178,209

Capital assets used in governmental activities are not  
financial resources and, therefore, are not reported  
in the funds

|                               |                     |            |
|-------------------------------|---------------------|------------|
| Cost                          | 24,373,519          |            |
| Less accumulated depreciation | <u>(11,781,877)</u> | 12,591,642 |

The internal service funds are used by management to charge  
the costs of the operation and maintenance of the vehicle fleet  
and employee insurance to individual funds. The assets and  
liabilities of the internal service funds are included in the  
governmental activities in the statement of net position. 2,368,604

Liabilities not due and payable in the current period are not  
reported in the fund balance sheets, but are reported on the  
government-wide statement of net position:

|                       |                    |                    |
|-----------------------|--------------------|--------------------|
| Capital lease payable | (91,548)           |                    |
| Compensated absences  | (369,209)          |                    |
| Landfill post-closure | <u>(1,005,762)</u> | <u>(1,466,519)</u> |

NET POSITION OF GOVERNMENTAL ACTIVITIES IN THE STATEMENT  
OF NET POSITION

\$ 26,627,412

# OTERO COUNTY, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017

|                                                         | General             | Road &<br>Bridge    | Social<br>Services | Capital<br>Improvement | Human<br>Services | Other               | Total                |
|---------------------------------------------------------|---------------------|---------------------|--------------------|------------------------|-------------------|---------------------|----------------------|
| <b>REVENUES</b>                                         |                     |                     |                    |                        |                   |                     |                      |
| Property taxes                                          | \$ 1,789,605        | 617,055             | \$ 445,651         | \$ 334,026             |                   | \$ 74,283           | \$ 3,260,620         |
| Specific ownership tax                                  | 370,875             | 127,916             | 92,380             | 69,285                 |                   | 15,397              | 675,853              |
| Sales taxes                                             | 1,629,444           |                     |                    |                        |                   |                     | 1,629,444            |
| Intergovernmental taxes                                 | 15,776              | 1,731,799           |                    |                        |                   |                     | 1,747,575            |
| Intergovernmental                                       | 1,043,098           | 46,280              | 3,174,449          |                        | 888,641           | 2,241,175           | 7,393,643            |
| Charges for services                                    | 516,118             | 172,920             |                    |                        |                   | 267,661             | 956,699              |
| Fines and foreclosures                                  | 2,175               |                     |                    |                        |                   |                     | 2,175                |
| Investment earnings                                     | 168,112             |                     |                    |                        |                   | 4,867               | 172,979              |
| Miscellaneous                                           | 109,032             | -                   |                    | 7,241                  |                   | 158,677             | 274,950              |
| Current market value change                             | (24,148)            |                     |                    |                        |                   |                     | (24,148)             |
| <b>Total revenues</b>                                   | <b>5,620,087</b>    | <b>2,695,970</b>    | <b>3,712,480</b>   | <b>410,552</b>         | <b>888,641</b>    | <b>2,762,060</b>    | <b>16,089,790</b>    |
| <b>EXPENDITURES</b>                                     |                     |                     |                    |                        |                   |                     |                      |
| <b>Current:</b>                                         |                     |                     |                    |                        |                   |                     |                      |
| General government                                      | 2,872,703           |                     |                    | 23,632                 |                   | 324,105             | 3,220,440            |
| Public safety                                           | 2,064,438           |                     |                    | 25                     |                   |                     | 2,064,463            |
| Public works                                            | 151,548             | 2,408,130           |                    |                        |                   |                     | 2,559,678            |
| Health and welfare                                      | 50,470              |                     | 3,715,336          |                        | 765,780           | 2,334,890           | 6,866,476            |
| Culture and recreation                                  | 26,967              |                     |                    |                        |                   | 118,152             | 145,119              |
| Conservation                                            | 124,559             |                     |                    |                        |                   | 1,256               | 125,815              |
| Economic development                                    |                     |                     |                    |                        |                   |                     |                      |
| Capital outlay                                          | 102,857             | 153,706             |                    | 12,554                 | 123,300           |                     | 392,417              |
| <b>Debt service:</b>                                    |                     |                     |                    |                        |                   |                     |                      |
| Principal retirement                                    |                     | 336,420             |                    |                        |                   |                     | 336,420              |
| Interest and fiscal charges                             | 7,241               | 814                 |                    |                        |                   |                     | 8,055                |
| <b>Total expenditures</b>                               | <b>5,400,783</b>    | <b>2,899,070</b>    | <b>3,715,336</b>   | <b>36,211</b>          | <b>889,080</b>    | <b>2,778,403</b>    | <b>15,718,883</b>    |
| <b>Excess (deficiency) of revenues and expenditures</b> | <b>219,304</b>      | <b>(203,100)</b>    | <b>(2,856)</b>     | <b>374,341</b>         | <b>(439)</b>      | <b>(16,343)</b>     | <b>370,907</b>       |
| <b>Other financing sources (uses):</b>                  |                     |                     |                    |                        |                   |                     |                      |
| Sale of assets                                          |                     | 27,965              |                    |                        |                   |                     | 27,965               |
| Insurance recovery                                      |                     |                     |                    |                        |                   | 138,250             | 138,250              |
| Roof Settlement                                         |                     |                     |                    | 300,000                |                   |                     | 300,000              |
| Proceeds from capital lease                             | 91,548              |                     |                    |                        |                   |                     | 91,548               |
| Transfers in                                            |                     |                     |                    |                        |                   | 56,493              | 56,493               |
| Transfers out                                           | (56,493)            |                     |                    |                        |                   |                     | (56,493)             |
| <b>Total other financing sources (uses)</b>             | <b>35,055</b>       | <b>27,965</b>       |                    | <b>300,000</b>         |                   | <b>194,743</b>      | <b>557,763</b>       |
| <b>Net changes in fund balance</b>                      | <b>254,359</b>      | <b>(175,135)</b>    | <b>(2,856)</b>     | <b>674,341</b>         | <b>(439)</b>      | <b>178,400</b>      | <b>928,670</b>       |
| <b>FUND BALANCE, Beginning of year</b>                  | <b>4,995,042</b>    | <b>3,242,904</b>    | <b>734,393</b>     | <b>639,147</b>         | <b>69,850</b>     | <b>2,345,470</b>    | <b>12,026,806</b>    |
| <b>FUND BALANCE, End of year</b>                        | <b>\$ 5,249,401</b> | <b>\$ 3,067,769</b> | <b>\$ 731,537</b>  | <b>\$ 1,313,488</b>    | <b>\$ 69,411</b>  | <b>\$ 2,523,870</b> | <b>\$ 12,955,476</b> |

# OTERO COUNTY, COLORADO

## RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2017

|                                                                                                                                                                                                                                                                              |                                |                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------|
| Amounts reported for governmental activities in the statement of activities are different because                                                                                                                                                                            |                                |                    |
| NET CHANGE IN GOVERNMENTAL FUND BALANCES                                                                                                                                                                                                                                     | \$                             | 928,670            |
| <p>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 as depreciation expense. This is the amount by which depreciation exceeds capital outlay.</p> |                                |                    |
| Depreciation expense                                                                                                                                                                                                                                                         | (666,537)                      |                    |
| Capital outlay                                                                                                                                                                                                                                                               | 446,166                        | (220,371)          |
| <p>Governmental Funds do not record deletions or losses; however, in the statement of activities these assets and accumulated depreciation are removed, and losses are recorded.</p>                                                                                         |                                |                    |
| Assets Removed                                                                                                                                                                                                                                                               | (196,084)                      |                    |
| Accumulated Depreciation                                                                                                                                                                                                                                                     | <u>189,858</u>                 | (6,226)            |
| <p>The internal service funds used by management to charge the costs of the operation and maintenance of the vehicle fleet and employee insurance to individual funds are reported in the government-wide statement of activities as governmental activities.</p>            |                                |                    |
|                                                                                                                                                                                                                                                                              |                                | 510,178            |
| <p>Eliminate internal service funds portion of capital outlay, disposals and depreciation expense included in adjustment above.</p>                                                                                                                                          |                                |                    |
| Depreciation expense                                                                                                                                                                                                                                                         | 99,456                         |                    |
| Capital outlay                                                                                                                                                                                                                                                               | <u>(53,748)</u>                | 45,708             |
| <p>Deferred inflow of resources for amounts not received within the availability period are not reported as revenue in the governmental funds.</p>                                                                                                                           |                                |                    |
|                                                                                                                                                                                                                                                                              |                                | 178,208            |
| <p>Issuance of capital lease debt principal is considered an other financing source in the governmental funds but is characterized as a long-term liability in the statement of net position.</p>                                                                            |                                |                    |
|                                                                                                                                                                                                                                                                              |                                | (91,548)           |
| <p>Principal paid on capital leases</p>                                                                                                                                                                                                                                      |                                |                    |
|                                                                                                                                                                                                                                                                              |                                | 336,420            |
| <p>Interest, compensated absences and landfill post-closure costs reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>                                    |                                |                    |
| Interest                                                                                                                                                                                                                                                                     | Liability at December 31, 2017 |                    |
|                                                                                                                                                                                                                                                                              | Liability at December 31, 2016 | <u>(7,578)</u>     |
|                                                                                                                                                                                                                                                                              |                                | (7,578)            |
| Landfill                                                                                                                                                                                                                                                                     | Liability at December 31, 2017 | <u>(1,005,762)</u> |
|                                                                                                                                                                                                                                                                              | Liability at December 31, 2016 | <u>1,349,626</u>   |
|                                                                                                                                                                                                                                                                              |                                | 343,864            |
| Compensated absences                                                                                                                                                                                                                                                         | Liability at December 31, 2017 | <u>(369,209)</u>   |
|                                                                                                                                                                                                                                                                              | Liability at December 31, 2016 | <u>358,893</u>     |
|                                                                                                                                                                                                                                                                              |                                | (10,316)           |
| CHANGE IN NET POSITION OF GOVERNMENT ACTIVITIES                                                                                                                                                                                                                              | \$                             | <u>2,007,009</u>   |

# OTERO COUNTY, COLORADO

## STATEMENTS OF NET POSITION - PROPRIETARY FUNDS DECEMBER 31, 2017 AND 2016

|                              | Governmental Activities<br>Internal Service Funds |                     |
|------------------------------|---------------------------------------------------|---------------------|
|                              | 2017                                              | 2016                |
| <b>ASSETS</b>                |                                                   |                     |
| <b>CURRENT ASSETS</b>        |                                                   |                     |
| Cash and cash equivalents    | \$ 2,635,426                                      | \$ 2,198,231        |
| Accounts receivable          | 92,043                                            | 16,456              |
| Total current assets         | <u>2,727,469</u>                                  | <u>2,214,687</u>    |
| <b>NON-CURRENT ASSETS</b>    |                                                   |                     |
| Capital assets:              |                                                   |                     |
| Depreciable, net             | <u>229,479</u>                                    | <u>275,187</u>      |
| <b>TOTAL ASSETS</b>          | <u>2,956,948</u>                                  | <u>2,489,874</u>    |
| <b>LIABILITIES</b>           |                                                   |                     |
| <b>CURRENT LIABILITIES</b>   |                                                   |                     |
| Accounts payable             |                                                   | -                   |
| Claims payable               | 333,116                                           | 376,220             |
| Due to other funds           | <u>25,749</u>                                     | <u>25,749</u>       |
| Total current liabilities    | <u>358,865</u>                                    | <u>401,969</u>      |
| <b>TOTAL LIABILITIES</b>     | <u>358,865</u>                                    | <u>401,969</u>      |
| <b>NET POSITION</b>          |                                                   |                     |
| Investment in capital assets | 229,479                                           | 275,187             |
| Unrestricted                 | <u>2,368,604</u>                                  | <u>1,812,718</u>    |
| <b>TOTAL NET POSITION</b>    | <u>\$ 2,598,083</u>                               | <u>\$ 2,087,905</u> |

# OTERO COUNTY, COLORADO

## STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUNDS

DECEMBER 31, 2017 (with comparative amounts for 2016)

|                                 | Governmental Activities<br>Internal Service Funds |                     |
|---------------------------------|---------------------------------------------------|---------------------|
|                                 | 2017                                              | 2016                |
| <b>OPERATING REVENUES</b>       |                                                   |                     |
| Charges for services            | \$ 2,351,375                                      | \$ 2,219,253        |
| Miscellaneous                   | 81,493                                            | -                   |
| Total operating revenues        | <u>2,432,868</u>                                  | <u>2,219,253</u>    |
| <b>OPERATING EXPENSES</b>       |                                                   |                     |
| General government              | 594,906                                           | 478,467             |
| Claims                          | 1,246,694                                         | 1,738,819           |
| Depreciation                    | 99,456                                            | 99,054              |
| Total operating expenses        | <u>1,941,056</u>                                  | <u>2,316,340</u>    |
| Operating income (loss)         | <u>491,812</u>                                    | <u>(97,087)</u>     |
| <b>NON-OPERATING REVENUES</b>   |                                                   |                     |
| Gain on sale of assets          | 10,083                                            | 3,174               |
| Interest revenue                | 8,283                                             | 4,850               |
| Total non-operating revenues    | <u>18,366</u>                                     | <u>8,024</u>        |
| Income (Loss)                   | <u>510,178</u>                                    | <u>(89,063)</u>     |
| Change in net position          | 510,178                                           | (89,063)            |
| NET POSITION, Beginning of year | <u>2,087,905</u>                                  | <u>2,176,968</u>    |
| NET POSITION, End of year       | <u>\$ 2,598,083</u>                               | <u>\$ 2,087,905</u> |

**OTERO COUNTY, COLORADO**

**STATEMENTS OF CASH FLOWS - PROPRIETARY FUNDS**

**FOR THE YEAR ENDED DECEMBER 31, 2017 (with comparative amounts for 2016)**

|                                                                                                          | <b>Governmental Activities<br/>Internal Service Funds</b> |                          |
|----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|--------------------------|
|                                                                                                          | <b>2017</b>                                               | <b>2016</b>              |
| <b>OPERATING ACTIVITIES</b>                                                                              |                                                           |                          |
| Cash received from customers                                                                             | \$ 2,357,281                                              | \$ 2,203,259             |
| Cash payments for goods and services                                                                     | (1,884,704)                                               | (2,050,924)              |
| Net cash provided by operating activities                                                                | <u>472,577</u>                                            | <u>152,335</u>           |
| <b>NONCAPITAL FINANCING ACTIVITIES</b>                                                                   |                                                           |                          |
| Transfers out                                                                                            |                                                           |                          |
| <b>NET CASH (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>                                                |                                                           |                          |
| <b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                                          |                                                           |                          |
| Proceeds from sale of assets                                                                             | 10,083                                                    | 3,250                    |
| Payments for capital acquisitions                                                                        | (53,748)                                                  | (139,244)                |
| Net cash used in capital and related financing activities                                                | <u>(43,665)</u>                                           | <u>(135,994)</u>         |
| <b>INVESTING ACTIVITIES</b>                                                                              |                                                           |                          |
| Interest received                                                                                        | <u>8283</u>                                               | <u>4,850</u>             |
| <b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>                                                         | <u>8283</u>                                               | <u>4,850</u>             |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>                                                           | 437,195                                                   | 21,191                   |
| <b>CASH AND CASH EQUIVALENTS, Beginning of year</b>                                                      | <u>2,198,231</u>                                          | <u>2,177,040</u>         |
| <b>CASH AND CASH EQUIVALENTS, End of year</b>                                                            | <u><u>2,635,426</u></u>                                   | <u><u>2,198,231</u></u>  |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO<br/>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b> |                                                           |                          |
| Operating income (loss)                                                                                  | 491,812                                                   | (97,087)                 |
| Adjustments to reconcile operating income (loss) to net cash provided<br>(used) by operating activities  |                                                           |                          |
| Depreciation                                                                                             | 99,456                                                    | 99,054                   |
| Change in operating assets and liabilities -                                                             |                                                           |                          |
| Accounts receivable                                                                                      | (75,587)                                                  | (15,994)                 |
| Accounts payable                                                                                         |                                                           | (27,501)                 |
| Claims payable                                                                                           | (43,104)                                                  | 193,863                  |
| Net cash provided by operating activities                                                                | <u><u>\$ 472,577</u></u>                                  | <u><u>\$ 152,335</u></u> |

See notes to financial statements.

**OTERO COUNTY, COLORADO**

**STATEMENTS OF FIDUCIARY ASSETS AND LIABILITIES - FIDUCIARY FUNDS  
DECEMBER 31, 2017 AND 2016**

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|                           | <u>Agency Fund</u> |                   |
|---------------------------|--------------------|-------------------|
|                           | <u>2017</u>        | <u>2016</u>       |
| <b>ASSETS</b>             |                    |                   |
| Cash and cash equivalents | <u>\$ 697,917</u>  | <u>\$ 634,801</u> |
| Total assets              | <u>697,917</u>     | <u>634,801</u>    |
| <b>LIABILITIES</b>        |                    |                   |
| Due to other entities     | <u>697,917</u>     | <u>634,801</u>    |
| Total liabilities         | <u>\$ 697,917</u>  | <u>\$ 634,801</u> |



**OTERO COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Otero County (the County) have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to governmental entities. The County's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. A summary of significant policies is as follows:

**Reporting Entity** — Otero County is a statutory county governed by an elected three-member commission. As required by generally accepted accounting principles, these financial statements present Otero County (the primary government) and its component units.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organizations; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the County in that the County approves the budget, levies their taxes or issues their debt.

**Discretely Presented Component Units** — *Otero County Emergency Telephone Service Authority Board* — The Otero County Emergency Telephone Service Authority Board (Authority) was created for the purpose of providing 911 emergency phone services for Otero County. All governmental entities of the County agreed to participate through an intergovernmental agreement. The County Commissioners have the power of appointment over the Board and are, therefore, deemed to have oversight responsibility over the Authority. The Authority is presented as a business-type activity. The Authority does not issue separate financial statements.

*Small Business Development Revolving Loan Entity (AKA Otero Partners, Inc.)* — The Small Business Development Revolving Loan Entity (AKA Otero Partners, Inc.) focuses on providing loans to small businesses, while at the same time offering technical assistance through the local Small Business Development Center. This entity was formed by intergovernmental agreement (IGA) with other governmental units and is considered a not-for-profit corporation under Colorado law and the Internal Revenue Code. Each of the participants appoints one board member to the governing body. The County has determined that this entity should be included in the reporting entity because its exclusion would render the financial statements misleading. In addition, there are no separately issued financial statements for this entity.

**Joint Venture** — *Otero County Landfill, Inc.* — Otero County is a participant along with six other entities within the County in a joint venture known as the Otero County Landfill, Inc. As a participant, the County is responsible for a portion of the closure and post-closure costs of the landfill. See Note 6 for the County's share of those estimated costs as of December 31, 2017. A complete financial report may be obtained from the administrative offices of Otero County.

**Related Organizations** — *Otero County Housing Authority* — The Otero County Housing Authority is governed by a five-member board appointed by the Commissioners. The Authority provides housing to certain qualified residents and is principally funded through federal grants and rental charges. Because the appointments are administrative in nature and control over the organization is at the federal government level, the Authority is treated as a related organization of the County rather than a component unit.

**Government-Wide and Fund Financial Statements** — The government-wide financial statements report information on all of the non-fiduciary activities of the primary government and its component units. The effect of inter-fund 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The County does not allocate indirect expenses to functions in the statement of activities. 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. In identifying which function program revenue pertains, the determining factor for charges for services is the function that generates the revenue. For grants and contributions, the determining factor is the function that restricts the revenue. 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 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 the 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 imposed by the provider have been 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 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. This approach differs from the manner in which the governmental activities in the government-

wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Property taxes, sales taxes, franchise taxes, interest revenues, and charges for services are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Grant and entitlement awards are recorded as revenue when earned. Grants or entitlements received in excess of expenditures are recorded as deferred inflows of resources. Expenditures are recorded on an accrual basis.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenditures are incurred, there are both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general reimbursement grant resources to each such programs, followed by categorical block grants, and then by general revenues.

The County funds certain expenditures by a combination of restricted, committed, assigned and unassigned revenues. Thus, when expenditures are incurred, there are restricted, committed, assigned and unrestricted fund balance available to finance the expenditure. It is the County's policy to first apply restricted fund balance, followed by committed fund balance, and then by assigned fund balance to each such expenditure, followed by unassigned fund balance.

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on use, either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remainder of net position is reported as not being restricted.

The County reports the following major governmental funds:

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

The Road & Bridge Fund is a special revenue fund, which is used to account for the proceeds of highway taxes and other specific revenue sources that are legally restricted to expenditures for maintenance and construction of the County road system and for the operation of solid waste disposal as outlined by an Intergovernmental Agreement with Otero County Landfill, Inc. (OCLI).

The Social Services Fund is a special revenue fund, which is used to account for federal, state and local revenues to be used to provide welfare services to eligible individuals within the County.

The Capital Improvement Fund is a major fund for financial reporting purposes. The fund is tentatively being targeted for a jail construction project and improvements to the County buildings. Management has chosen to show this fund as a major fund even though it does not meet the required tests to show it as a major fund.

The General Human Service Fund is a special revenue fund, which is used to account for federal, state and local revenues to be used to provide services to assist individuals who are in need to remain self-sufficient and be as independent as possible.

*Special Revenue Funds* — Special revenue funds are used to account for revenue sources that are legally restricted to expenditure for specific purposes. The other special revenue funds include the Insurance, Clerk Hire, Conservation Trust, Contingent, Health, AAA Services, and Otero County Land Trust (OCLT) funds.

*Proprietary Funds* — There are two proprietary funds. The Internal Service Fund accounts for the purchase of assets for departmental use with a minimum of \$1,000. The Medical Insurance fund accounts for medical benefits provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

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

*Fiduciary Funds* — Fiduciary funds account for assets held by the County in a trustee capacity or as an agent on behalf of others.

The agency funds are custodial in nature and do not present results of operations or a measurement focus. Agency funds are accounted for using the accrual basis of accounting. Those funds are used to account for assets that the County holds for others in an agency capacity. The County's agency funds include the Treasurer's office, Clerk's office and Public Trustee.

*Fund Equity* — Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

**Cash and Cash Equivalents** — For the purpose of the statement of cash flows the government's cash and cash equivalents are considered to be cash on hand, demand deposits, and highly liquid investments.

The County may invest in bonds or other interest-bearing obligations issued by or unconditionally guaranteed by the United States, bonds that are the direct obligation of the State of Colorado, or any county, city or school district in the State. The County may also invest in repurchase agreements of any marketable security otherwise authorized by law, where the market value of such security is at all times at least equal to the moneys involved, and there is assignment of such security pursuant to current depository regulations.

Investments for the government, as well as for its component units, are reported at fair value.

**Receivables and Payables** — Outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables, including those for each discretely presented component unit, are shown net of an allowance for uncollectible accounts, if required.

Property taxes are not due and payable until after the assessment year has ended and are not included in the budgets or statements of revenues, expenditures and fund balance of the assessment year. Property taxes levied are recorded in the governmental funds as taxes receivable and deferred inflows of resources as of December 31, 2017, since the amounts are measurable but not available until 2018. Property tax abatements are recorded as an offset to property tax revenues when they are paid. An allowance for uncollectible property taxes is not provided as the uncollectible amounts were determined to be negligible based on an analysis of historical trends. Property taxes are levied before December 22 each year and attached as an enforceable lien on the property as of January 1 of the following year. Taxes are payable in full on April 30 or in two installments due on February 28 and June 15. The County, through the Otero County Treasurer, bills and collects its own property taxes as well as property taxes of all other taxing authorities within the County. Collection of taxes and distribution of them to the various taxing entities is done by the 10th of every month following the month of collection.

**Inventory of Material and Supplies** — Inventory is valued at cost using the first-in first-out (FIFO) method and consists of expendable supplies held for consumption. The cost is recorded as an expenditure when consumed rather than when purchased. Reported inventories are equally offset by a nonspendable fund balance, which indicates that they do not constitute "available spendable resources" even though they are a component of assets.

**Capital Assets** — Capital assets, which include property, equipment, and current infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Assets purchased for departmental use with a minimum cost of \$1,000 are purchased by the County Internal Services Fund and billed to the departments quarterly for their use. Donated capital assets are recorded at acquired value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Building, improvements and equipment of the primary government, as well as the component unit, are depreciated using the straight-line method over the following estimated useful lives:

|                              | <b>Estimated<br/>Useful Life</b> |
|------------------------------|----------------------------------|
| Buildings                    | 20–75 years                      |
| Building improvements        | 20 years                         |
| Public domain infrastructure | 25 years                         |
| Vehicles                     | 5–20 years                       |
| Office equipment             | 5–10 years                       |
| Computer equipment           | 3–5 years                        |

**Compensated Absences** — It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and eligible sick pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured as a result of employee resignations and retirements.

**Long-Term Obligations** — In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position.

**Deferred Inflows of Resources** — In addition to liabilities, the statement of net position and the governmental fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position and/or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of items which arise both under the full accrual and modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the items, property taxes and unavailable grant revenue, are reported in both the governmental activities statement of net position and in the governmental funds balance sheet. The governmental funds report deferred inflows of resources from property taxes and unavailable grant revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow of resources is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow of resources is recognized as revenue and the receivable is reduced.

**Fund Equity** — In the fund financial statements, governmental funds report nonspendable amounts that are (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash such as inventories, prepaid items, long-term notes receivable and fund advances. Restrictions of fund balance represents amounts that are restricted for specific fund purposes stipulated by external resource providers constitutionally or through enabling legislation. Committed fund balances include amounts that can only be used for the specific purposes determined by the passage of a resolution by the Board of County Commissioners. Commitments may be modified or changed only by the Board of County Commissioners approving a new resolution. Assigned fund balance includes amounts intended to be used by the County for specific purposes that are neither restricted nor committed. Intent is expressed by the County Administrator. Unassigned fund balance includes amounts that do not meet any of the above criteria. The County may report positive unassigned fund balances only in the general fund and negative unassigned fund balances may be reported in all funds.

**Net Position** — The County’s net position is classified in the following components:

- **Net Investment in Capital Assets** — This component consists of capital assets, net of accumulated depreciation, 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. If there are significant unspent related debt proceeds, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- **Restricted** — This component consists of restricted assets reduced by liabilities and deferred

inflows of resources related to those assets. Restricted assets are assets which have restrictions placed on the use of the assets through external constraints imposed by creditors (such as through debt covenants), contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

- **Unrestricted** — This component consists of the net amount of assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

**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.

**Budgetary Information** — The County's budgetary procedures are as follows:

Prior to October 15, the County Commissioners receive a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted to obtain taxpayer comments. Prior to December 15, the budget is legally enacted through passage of a resolution. Revisions that alter the total expenditures of any fund generally must be approved by the Commissioners. Budgeted amounts in the accompanying financial statements include revisions to the original appropriation resolution. Appropriations lapse at year-end and any open purchase items must be appropriated in the following year.

Expenditures may not legally exceed appropriations at the fund level.

**Retirement Plan** — The employees of the County are members of the Colorado County Official's and Employee's Retirement Association (CCOERA) (the Plan). The Plan is a defined contribution plan which is funded currently.

**Comparative Information** — Certain comparative information for the prior year has been presented to provide an understanding of the changes in the financial position and operations. This data does not include the disclosures required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the County's financial statements for the year ended December 31, 2016, from which the data was derived. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**Subsequent Events** — The County has evaluated subsequent events for recognition or disclosure through the date of the Independent Auditors' Report, which is the date the financial statements were available for issuance.

## 2. CASH AND CASH EQUIVALENTS

**Deposits** — The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds.

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. As of December 31, 2017, the County's deposits were not exposed to credit risk, as all deposits were insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized in accordance with PDPA.

The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must equal at least 102% of the uninsured deposits. The State Regulatory Commissions for banks are required by Statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2017, the County's and Component Unit's cash and investments had the following book and bank balances:

|                         | <b>Book</b>          | <b>Bank</b>          |
|-------------------------|----------------------|----------------------|
| Insured deposits        | \$ 6,088,981         | \$ 6,088,981         |
| Collateralized deposits | 7,497,420            | 7,982,215            |
| COLOTrust               | 3,208,361            | 3,208,361            |
| Cash with Trustee       | <u>46,028</u>        | <u>46,028</u>        |
| Total                   | <u>\$ 16,840,790</u> | <u>\$ 17,325,585</u> |

### **Cash and Investment Reconciliation**

|                                           |                      |
|-------------------------------------------|----------------------|
| Governmental funds - cash and investments | \$ 13,553,464        |
| Governmental funds – cash with trustee    | 46,028               |
| Proprietary funds                         | <u>2,635,426</u>     |
| Total primary government                  | 16,234,918           |
| Agency funds                              | 697,917              |
| Component unit                            | <u>605,871</u>       |
| Total                                     | <u>\$ 17,538,706</u> |

The carrying amount of deposits for the E911 services and the small business development entity, discretely presented component units, was \$309,238 and the bank balance was \$308,819. These amounts are included in the above tables.

**Investments** — Colorado revised statutes specify investment instruments meeting defined rating and risk criteria in which the County may invest as follows:

- United States Treasury Obligations
- Federal Instrumentality Securities
- Time Certificates of Deposit



- Commercial Paper
- Money Market Mutual Funds
- Local Government Investment Pools

**Interest Rate Risk** — As a means of limiting its exposure to losses arising from prevailing market interest rates, it is the policy of the County to invest its funds in a manner which will provide the highest investment return while ensuring preservation of capital and protection of investment principal. The County's investment objectives are:

- Conformance with all federal, state and other legal requirements
- Preservation of capital and the protection of investment principal
- Maintaining sufficient liquidity to enable the County to meet all operating requirements
- Seek highest rate of return possible

The county recognizes its fair value investments 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 assets. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; and level 3 inputs are significant unobservable inputs. The County's recurring fair value measurements as of December 31, 2017, are represented by brokered certificates of deposit totaling \$4,838,981 which are valued using a pricing matrix (level 2 inputs) and money market mutual funds totaling \$148,660 which are valued using level 1 inputs. The County's investments held at ColoTrust are not subject to the fair value hierarchy.

**Credit Risk** — The County's investment policy limits investments to the following types of securities and transactions:

- United States Treasury notes, bonds, bills or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
- Commercial paper rated in the highest rating category by one or more nationally recognized rating agencies.
- Securities of the World Bank, the inter-American development bank, the Asian development bank or the African development bank, if rated in the two highest rating categories by one or more nationally recognized rating agencies.
- Any Banker's Acceptance issued by a state or national bank which has a combined capital and surplus of at least \$250,000,000, is FDIC insured and is rated in one of the three highest rating categories by one or more nationally recognized agencies.
- Investment pools authorized by Colorado law.
- Guaranteed investment contracts purchased only with debt, certificates of participation or lease-purchase agreement (no refunding) proceeds.
- Commissioner approved depositories.

At December 31, 2017, the County had investments held in the Colorado Local Government Liquid Asset Trust (ColoTrust) and the investment is rated AAA by Standard & Poor's. ColoTrust operates similarly to a money market fund with each share valued at \$1.00. These amounts are considered cash equivalents and totaled \$3,208,361 as of December 31, 2017. Separately issued financial statements for ColoTrust may be obtained at [www.colotrust.com](http://www.colotrust.com). The State Securities Commissioner administers and enforces all state statutes governing Colorado.

**Concentration of Credit Risk** — It is the intent of the County to diversify the investments within the portfolio to avoid incurring unreasonable risks inherent in over-investing in specific instruments. ColoTrust, as an external investment pool, does not pose a concentration of credit risk.

### 3. UNAVAILABLE GRANT REVENUE

The statement of net position reports unavailable grant revenue of \$1,331,247 while the governmental funds balance sheet reports unavailable grant revenue of \$1,509,456, which represent resources that have been received but not yet earned.

### 4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 is as follows:

|                                            | Beginning<br>Balance | Increases                   | Decreases                   | Ending<br>Balance    |
|--------------------------------------------|----------------------|-----------------------------|-----------------------------|----------------------|
| Capital assets not being depreciated:      |                      |                             |                             |                      |
| Land                                       | \$ 434,954           | \$                          |                             | \$ 434,954           |
| Easements                                  | <u>5,008,996</u>     | <u>                    </u> | <u>                    </u> | <u>5,008,996</u>     |
| Total capital assets not being depreciated | <u>5,443,950</u>     | <u>                    </u> | <u>\$ —</u>                 | <u>5,443,950</u>     |
| Capital assets being depreciated:          |                      |                             |                             |                      |
| Buildings and Improvements                 | 5,286,403            | 135,854                     |                             | 5,422,257            |
| Equipment                                  | 8,438,600            | 310,312                     | (196,084)                   | 8,552,828            |
| Infrastructure                             | <u>4,954,484</u>     | <u>                    </u> | <u>                    </u> | <u>4,954,484</u>     |
| Total capital assets being depreciated     | <u>18,679,487</u>    | <u>446,166</u>              | <u>(196,084)</u>            | <u>18,929,569</u>    |
| Less accumulated depreciation:             |                      |                             |                             |                      |
| Buildings and Improvements                 | 2,496,512            | 196,963                     |                             | 2,693,475            |
| Equipment                                  | 6,330,865            | 360,125                     | (189,858)                   | 6,501,132            |
| Infrastructure                             | <u>2,477,792</u>     | <u>109,478</u>              | <u>                    </u> | <u>2,587,270</u>     |
| Total accumulated depreciation             | <u>11,305,169</u>    | <u>666,566</u>              | <u>(189,858)</u>            | <u>11,781,877</u>    |
| Depreciable capital assets, net            | <u>7,374,318</u>     | <u>220,400</u>              | <u>(6,226)</u>              | <u>7,147,692</u>     |
| Total net capital assets                   | <u>\$ 12,818,268</u> | <u>\$ 220,400</u>           | <u>\$ (6,226)</u>           | <u>\$ 12,591,642</u> |

Depreciation expense charged to functions of the primary government is as follows:

|                            |                   |
|----------------------------|-------------------|
| General government         | \$ 186,554        |
| Public safety              | 87,918            |
| Public works               | 345,774           |
| Public health and welfare  | 43,052            |
| Culture and recreation     | <u>3,268</u>      |
| Total depreciation expense | <u>\$ 666,566</u> |

**Component Unit**

|                          | <b>Beginning<br/>Balance</b> | <b>Increases</b>   | <b>Decreases</b> | <b>Ending<br/>Balance</b> |
|--------------------------|------------------------------|--------------------|------------------|---------------------------|
| Equipment                | \$ 605,980                   | \$                 | (7,081)          | \$ 598,899                |
| Accumulated depreciation | <u>(565,574)</u>             | <u>(26,465)</u>    | <u>7,081</u>     | <u>(584,958)</u>          |
| Total                    | <u>\$ 40,406</u>             | <u>\$ (26,465)</u> | <u>\$ —</u>      | <u>\$ 13,941</u>          |

**5. INTER-FUND BALANCES AND TRANSFERS**

Inter-fund transfers and balances for the year ended December 31, 2017 consisted of annual additional County support for the Otero County Health Department for 2017 and balances due to the General Fund, Contingent Fund, Capital Improvement Fund and Social Services Fund by other departments as provided below. These balances are expected to be paid within one year.

|              | <b>General<br/>Fund</b> | <b>Health<br/>Fund</b> | <b>Total</b>  |
|--------------|-------------------------|------------------------|---------------|
| Transfer in  | \$                      | \$ 56,493              | 56,493        |
| Transfer out | <u>\$ 56,493</u>        | <u></u>                | <u>56,493</u> |
| Total        | <u>\$ 56,493</u>        | <u>\$ 56,493</u>       | <u>\$ —</u>   |

Inter-fund receivables and payables at December 31, 2017 were as follows:

|                           | <b>Receivable</b> | <b>Payable</b>    |
|---------------------------|-------------------|-------------------|
| General fund              | \$ 70,143         | \$ 42,204         |
| Road & Bridge fund        | 18,259            | 20,762            |
| Social Services fund      | 14,922            | 12,894            |
| Capital Improvements fund | 10,265            | 5,526             |
| General Human Services    | 4,152             | 5,781             |
| Health fund               |                   | 4,543             |
| Insurance fund            | 2,198             | 2,374             |
| Internal Service fund     |                   | 25,749            |
| AAA Services              |                   | <u>106</u>        |
| Total                     | <u>\$ 119,939</u> | <u>\$ 119,939</u> |

The Capital Improvement Fund issued the General Fund a loan in the amount of \$295,365 for certain energy efficiency improvements. The remaining balance on this loan is \$184,033 as of December 31, 2017. The loan is payable in annual installments of \$30,097.60 and matures on November 1, 2024. This loan has been eliminated in the government-wide financial statements.

**6. LONG-TERM OBLIGATIONS**

Activity relating to long-term obligations for the year ended December 31, 2017 is as follows:

|                                | Balance at<br>January 1,<br>2017 | Additions                   | Deductions           | Balance at<br>December 31,<br>2017 | Amounts<br>Due<br>Within<br>One Year |
|--------------------------------|----------------------------------|-----------------------------|----------------------|------------------------------------|--------------------------------------|
| Governmental activities:       |                                  |                             |                      |                                    |                                      |
| Capital leases                 | \$ 336,419                       | \$ 91,548                   | \$ (336,419)         | \$ 91,548                          | \$ 10,339                            |
| Compensated absences           | 381,285                          | \$ 362,876                  | (352,625)            | \$ 391,536                         | \$ 156,614                           |
| Closure and post-closure costs | <u>1,349,626</u>                 | <u>                    </u> | <u>(343,864)</u>     | <u>1,005,762</u>                   | <u>51,106</u>                        |
| Total                          | <u>\$ 2,067,330</u>              | <u>\$ 454,424</u>           | <u>\$(1,032,908)</u> | <u>\$ 1,488,846</u>                | <u>\$ 218,059</u>                    |

**Closure and Post-Closure Cost** — In 1994, Otero County entered into an intergovernmental agreement (IGA) with the City of La Junta, City of Rocky Ford, Town of Cheraw, Town of Swink, Town of Manzanola, and the Town of Fowler to establish and operate an approved solid waste disposal site and facility. The IGA formed the Otero County Landfill, Inc. (OCLI) to operate the three landfill sites within Otero County. The IGA transfers the liability for closure and post-closure costs to OCLI with the County and all participating entities responsible for a portion of the costs. These costs are based on an average of population and assessed valuation of each entity to the total of all entities. The current estimated total closure and post-closure costs are \$2,172,089 of which \$1,968,000 is allocated among the participating entities. Actual cost may be higher due to inflation, changes in technology, continuation of monitoring (water/methane), and/or changes in regulations. Based on the current allocation, the County's share is approximately 51% of the estimated \$1,968,000, amounting to \$1,005,762.

**7. NON-SPENDABLE, RESTRICTED, AND UNRESTRICTED FUND BALANCE**

The County accounts for its fund balances in conformity with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

1. Non-spendable: The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This category includes items such as fund balance associated with inventories and prepaids.
2. Restricted: Fund balances are reported as restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.
3. Committed: Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, which would be the Board of County Commissioners through a formal resolution.

4. Assigned: Amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Under the Commissioners' adopted policy, the authority to assign fund balances rests with the County Administrator and is delegated to staff. Interest earned on fund balances is assigned to be used by that fund unless otherwise specified in Commissioner or voter documentation.
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

|                               | General             | Road &<br>Bridge    | Social<br>Services | Capital<br>Improvement | General<br>Human<br>Services | Other               | Total                |
|-------------------------------|---------------------|---------------------|--------------------|------------------------|------------------------------|---------------------|----------------------|
| <b>FUND BALANCES</b>          |                     |                     |                    |                        |                              |                     |                      |
| Non-spendable inventory       |                     | \$ 157,903          |                    |                        |                              |                     | \$ 157,903           |
| Restricted For:               |                     |                     |                    |                        |                              |                     |                      |
| Statute                       |                     |                     |                    |                        |                              | 823,379             | \$ 823,379           |
| TABOR - emergencies           | 299,315             |                     |                    |                        |                              |                     | \$ 299,315           |
| Committed To:                 |                     |                     |                    |                        |                              |                     |                      |
| Emergency Contingencies       | 305,878             |                     |                    |                        |                              |                     | \$ -                 |
| General Government Activities |                     |                     |                    |                        |                              | 378,368             | \$ 378,368           |
| Public Works                  |                     | 2,909,866           |                    |                        |                              |                     | \$ 2,909,866         |
| Public Health and Welfare     |                     |                     | \$ 731,537         |                        | 69,411                       | 1,322,123           | \$ 2,123,071         |
| Capital Projects              |                     |                     |                    | \$ 1,313,488           |                              |                     | \$ 1,313,488         |
| Unassigned                    |                     |                     |                    |                        |                              |                     |                      |
| General Government Activities | 4,644,208           |                     |                    |                        |                              |                     | \$ 4,644,208         |
|                               | <u>\$ 5,249,401</u> | <u>\$ 3,067,769</u> | <u>\$ 731,537</u>  | <u>\$ 1,313,488</u>    | <u>\$ 69,411</u>             | <u>\$ 2,523,870</u> | <u>\$ 12,955,476</u> |

## 8. RETIREMENT PLAN

The County participates in the Colorado County Officials and Employees Retirement Association (CCOERA) 401(a) plan (the Plan), a multi-employer defined contribution retirement plan. CCOERA's seven-member governing board has the authority to establish and amend the Plan. The Otero County Commissioners elects to participate in the Plan and is able to elect certain amendments and definitions of terms, including the definition of "compensation" and "employee" and to set contribution rates based on the County's Participation Agreement. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. All permanent full-time employees are required to participate as soon as they become eligible at entry date. At December 31, 2017, there were 163 County participants who had account balances in the Plan. The County Participation Agreement requires that the employees contribute 6% and the County contribute a like amount of the employee's base salary each month. Plan participants vest at the rate of 10% per year and are fully vested after 10 years of service or have reached 55 years of age. Participants who are not fully vested forfeit the remaining balance in their account. All forfeitures are placed into a separate account and used to reduce future contributions from the County.

During 2017, the County and covered employees made the required contributions, amounting to \$353,723 in County contributions and \$399,556 in employee contributions, which includes \$45,833 of employee voluntary contributions. During the year ended December 31, 2017, there were unvested participant account balances totaling \$38,864 which were forfeited, of this amount and the beginning of the year balance \$33,213 was used to reduce County contributions and the remaining balance of \$20,929 is in the forfeiture account at year-end. Subsequent to year-end the remaining balance was used to reduce the County contribution.

## 9. CONTINGENCIES

In April of 1979, the County entered into an agreement with the Arkansas Valley Exposition and Fair Association to be the guarantor on a loan to the Association from Farmers Home Administration with a current balance of \$22,389. The proceeds were used in the construction of a 4-H building located in Rocky Ford, Colorado. The County will at all times act as guarantor of the annual repayment cost of \$11,913, which commenced January 1, 1980 and continue annually thereafter for a term of 40 years, to the extent that income derived from the use of the building does not meet the annual repayment cost. The County required an assignment of the lease between the City of Rocky Ford, Colorado and the Arkansas Valley Exposition and Fair Association as security for the loan, subordinate to the assignment required by the Farmers Home Administration.

The County is party to various legal proceedings which occur in the normal course of government operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the County. In addition, the County maintains insurance coverage for such occurrences.

Amounts received or receivable from grantor agencies are subject to audit adjustments by such grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the board. In that event, Otero County may be required to refund amounts to the federal and state governments.

## 10. RISK MANAGEMENT

The County is exposed to various risks of loss related to property and casualty losses as well as those related to injuries of employees while on the job. The County was unable to obtain property and liability insurance at a cost it considered to be economically justifiable. Therefore, the County joined together with the other Counties in the State of Colorado to form the Colorado Counties Casualty and Property Pool (CAPP) and the County Workers' Compensation Pool, (CWCP), public entity risk pools currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CAPP and CWCP for its property and casualty insurance coverage and workers' compensation insurance coverage. The intergovernmental agreement of CAPP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year. The County's claims have not exceeded its coverage in any of the last three years.

The County also handles health and life insurance claims for its employees. Premiums are charged to the County to cover medical claims with reinsurance provided by commercial carriers for individual claims in excess of \$50,000 annually.

The County records an estimated liability for health insurance claims. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred but not reported based on historical experience.

The following represents the changes in the claims liability for health insurance for the County for the years ended December 31, 2017 and 2016:

|                                       | <u>12/31/2017</u>  | <u>12/31/2016</u>  |
|---------------------------------------|--------------------|--------------------|
| Liability balance, beginning of year  | \$ 376,220         | \$ 182,357         |
| Incurred claims                       | 1,246,694          | 1,787,861          |
| Payments on claims                    | <u>(1,289,798)</u> | <u>(1,593,998)</u> |
| Liability balance, end of year (IBNR) | <u>\$ 333,116</u>  | <u>\$ 376,220</u>  |

The Incurred but Not Received (IBNR) liabilities is booked at the end of the year. The IBNR is the claims that have been incurred but not yet paid. This is a 6 month claim average / 365 x 75 days (lag time days). In 2017, the IBNR liability was \$333,116.

#### **11. TAX SPENDING AND DEBT LIMITATIONS**

Article X, Section 20, of the Colorado Constitution, commonly known as the Taxpayer Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

The County's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits and qualifications as an enterprise, may require judicial interpretation. In November 1995 a majority of the County's electors authorized the County to collect, retain and spend all revenues and other funds collected from any source notwithstanding the limitations of Article X, Section 20, of the Colorado Constitution.

Emergency Reserves have been provided for as required by Article X, Section 20, of the Constitution of the State of Colorado. \$299,315 of the net position and fund balance has been restricted in compliance with this requirement.

#### **12. BUDGETARY COMPLIANCE**

For the year ended December 31, 2017, expenditures exceeded appropriations in the following funds: Insurance Fund is overspent by \$33,057, which may be a violation of state statute.

#### **13. RELATED PARTY TRANSACTIONS**

The County entered into an agreement with OCLI to provide employees and equipment to run the landfill as well as provide administrative services for OCLI for its share of the required contributions. For the year ended December 31, 2017, the County incurred costs of \$158,958 on behalf of OCLI. The County has a receivable from OCLI in the amount of \$11,450 as of December 31, 2017.

**OTERO COUNTY, COLORADO**

**REQUIRED**

**SUPPLEMENTAL INFORMATION**



# OTERO COUNTY, COLORADO

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

|                                                      | Original<br>Budget  | Final<br>Budget     | Actual                  | Variance<br>Favorable<br>(Unfavorable) |
|------------------------------------------------------|---------------------|---------------------|-------------------------|----------------------------------------|
| <b>REVENUES</b>                                      |                     |                     |                         |                                        |
| Property taxes                                       | \$ 1,793,927        | \$ 1,793,927        | \$ 1,789,603            | \$ (4,324)                             |
| Specific ownership tax                               | 363,431             | 363,431             | 370,875                 | 7,444                                  |
| Sales taxes                                          | 1,500,000           | 1,500,000           | 1,629,444               | 129,444                                |
| Intergovernmental taxes                              | 2,100               | 2,100               | 15,776                  | 13,676                                 |
| Intergovernmental                                    | 1,156,312           | 1,204,312           | 1,043,098               | (161,214)                              |
| Charges for services                                 | 320,319             | 320,319             | 516,118                 | 195,799                                |
| Fines and foreclosures                               | 1,100               | 1,100               | 2,175                   | 1,075                                  |
| Investment earnings                                  | 65,000              | 65,000              | 168,112                 | 103,112                                |
| Miscellaneous                                        | 96,847              | 96,847              | 109,032                 | 12,185                                 |
| Current market value change                          |                     |                     | (24,148)                | (24,148)                               |
| <b>Total revenues</b>                                | <u>5,299,036</u>    | <u>5,347,036</u>    | <u>5,620,085</u>        | <u>273,049</u>                         |
| <b>EXPENDITURES</b>                                  |                     |                     |                         |                                        |
| General government                                   | 3,449,128           | 3,449,128           | 2,872,703               | 576,425                                |
| Public safety                                        | 2,060,519           | 2,118,704           | 2,064,438               | 54,266                                 |
| Public works                                         | 158,920             | 158,920             | 151,548                 | 7,372                                  |
| Health and welfare                                   | 74,941              | 74,941              | 50,470                  | 24,471                                 |
| Culture and recreation                               | 31,308              | 31,308              | 26,967                  | 4,341                                  |
| Conservation                                         | 123,808             | 171,808             | 124,559                 | 47,249                                 |
| Capital Outlay                                       |                     |                     | 102,857                 | (102,857)                              |
| Debt service:                                        |                     |                     |                         | -                                      |
| Interest and fiscal charges                          | 5,750               | 5,750               | 7,241                   | (1,491)                                |
| <b>Total expenditures</b>                            | <u>5,904,374</u>    | <u>6,010,559</u>    | <u>5,400,783</u>        | <u>609,776</u>                         |
| Excess (deficiency) of revenues<br>over expenditures | <u>(605,338)</u>    | <u>(663,523)</u>    | <u>219,302</u>          | <u>882,825</u>                         |
| Other financing sources (uses)                       |                     |                     |                         |                                        |
| Proceeds from capital lease                          |                     |                     | 91,548                  |                                        |
| Transfers out                                        | (56,493)            | (56,493)            | (56,493)                |                                        |
| <b>Total other financing sources (uses)</b>          | <u>(56,493)</u>     | <u>(56,493)</u>     | <u>35,055</u>           |                                        |
| <b>Net changes in fund balance</b>                   | <u>\$ (661,831)</u> | <u>\$ (720,016)</u> | <u>254,357</u>          | <u>\$ 882,825</u>                      |
| FUND BALANCE, Beginning of year                      |                     |                     | <u>4,689,166</u>        |                                        |
| FUND BALANCE, End of year                            |                     |                     | <u>\$ 4,943,523</u>     |                                        |
| <b>CONTINGENT FUND</b>                               |                     |                     |                         |                                        |
| FUND BALANCE, Beginning of Year                      |                     |                     | 305,876                 |                                        |
| Net changes in fund balance                          |                     |                     | <u>2</u>                |                                        |
| FUND BALANCES, End of year                           |                     |                     | <u>305,878</u>          |                                        |
| <b>COMBINED</b>                                      |                     |                     |                         |                                        |
| FUND BALANCE, Beginning of Year                      |                     |                     | 4,995,042               |                                        |
| Net changes in fund balance                          |                     |                     | <u>254,359</u>          |                                        |
| FUND BALANCE, End of year                            |                     |                     | <u><u>5,249,401</u></u> |                                        |

# OTERO COUNTY, COLORADO

## ROAD & BRIDGE FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

|                                                   | Original<br>Budget  | Final<br>Budget     | Actual              | Favorable<br>(Unfavorable) |
|---------------------------------------------------|---------------------|---------------------|---------------------|----------------------------|
| <b>REVENUES</b>                                   |                     |                     |                     |                            |
| Property taxes                                    | \$ 618,361          | \$ 618,361          | \$ 617,055          | \$ (1,306)                 |
| Specific ownership tax                            | 110,000             | 110,000             | 127,916             | 17,916                     |
| Intergovernmental taxes                           | 1,767,629           | 1,767,629           | 1,731,799           | (35,830)                   |
| Intergovernmental                                 | 56,100              | 56,100              | 46,280              | (9,820)                    |
| Charges for services                              | 206,500             | 206,500             | 172,920             | (33,580)                   |
| Total revenues                                    | <u>2,758,590</u>    | <u>2,758,590</u>    | <u>2,695,970</u>    | <u>(62,620)</u>            |
| <b>EXPENDITURES</b>                               |                     |                     |                     |                            |
| Public works                                      | 2,676,999           | 2,706,999           | 2,408,130           | 298,869                    |
| Capital outlay                                    | 774,484             | 408,064             | 153,706             | 254,358                    |
| Debt service:                                     |                     |                     |                     |                            |
| Principal retirement                              |                     | 336,420             | 336,420             |                            |
| Interest and fiscal charges                       |                     |                     | 814                 | (814)                      |
| Total expenditures                                | <u>3,451,483</u>    | <u>3,451,483</u>    | <u>2,899,070</u>    | <u>553,227</u>             |
| Excess (deficiency) of revenues over expenditures | <u>(692,893)</u>    | <u>(692,893)</u>    | <u>(203,100)</u>    | <u>489,793</u>             |
| Other financing sources                           |                     |                     |                     |                            |
| Sale of assets                                    | <u>20,000</u>       | <u>20,000</u>       | <u>27,965</u>       | <u>7,965</u>               |
| Total other financing sources                     | <u>20,000</u>       | <u>20,000</u>       | <u>27,965</u>       | <u>7,965</u>               |
| Net changes in fund balance                       | <u>\$ (672,893)</u> | <u>\$ (672,893)</u> | <u>(175,135)</u>    | <u>\$ 497,758</u>          |
| FUND BALANCE, Beginning of year                   |                     |                     | <u>3,242,904</u>    |                            |
| FUND BALANCE, End of year                         |                     |                     | <u>\$ 3,067,769</u> |                            |

# OTERO COUNTY, COLORADO

## SOCIAL SERVICES FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

|                                                      | Original<br>Budget | Final<br>Budget   | Actual            | Variance<br>Favorable<br>(Unfavorable) |
|------------------------------------------------------|--------------------|-------------------|-------------------|----------------------------------------|
| <b>REVENUES</b>                                      |                    |                   |                   |                                        |
| Property taxes                                       | \$ 445,660         | \$ 445,660        | \$ 445,651        | \$ (9)                                 |
| Specific ownership tax                               | 80,000             | 80,000            | 92,380            | 12,380                                 |
| Intergovernmental                                    | 13,026,746         | 3,832,588         | 3,174,449         | (658,139)                              |
| Total revenues                                       | 13,552,406         | 4,358,248         | 3,712,480         | (645,768)                              |
| <b>EXPENDITURES</b>                                  |                    |                   |                   |                                        |
| Health and welfare                                   | 13,545,361         | 4,158,513         | 3,715,336         | 443,177                                |
| Total expenditures                                   | 13,545,361         | 4,158,513         | 3,715,336         | 443,177                                |
| Excess (deficiency) of revenues over<br>expenditures | 7,045              | 199,735           | (2,856)           | (202,591)                              |
| Net changes in fund balance                          | <u>\$ 7,045</u>    | <u>\$ 199,735</u> | (2,856)           | <u>\$ (202,591)</u>                    |
| FUND BALANCE, Beginning of year                      |                    |                   | 734,393           |                                        |
| FUND BALANCE, End of year                            |                    |                   | <u>\$ 731,537</u> |                                        |

# OTERO COUNTY, COLORADO

## CAPITAL IMPROVEMENT FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

|                                 | Original<br>Budget  | Final<br>Budget    | Actual              | Variance<br>Favorable<br>(Unfavorable) |
|---------------------------------|---------------------|--------------------|---------------------|----------------------------------------|
| <b>REVENUES</b>                 |                     |                    |                     |                                        |
| Property taxes                  | \$ 334,467          | \$ 334,467         | \$ 334,026          | \$ (441)                               |
| Specific ownership tax          | 25,000              | 25,000             | 69,285              | \$ 44,285                              |
| Roof Settlement                 |                     | 300,000            | 300,000             | \$ -                                   |
| Miscellaneous                   | 7,241               | 7,241              | 7,241               | -                                      |
| Total revenues                  | 366,708             | 666,708            | 710,552             | 43,844                                 |
| <b>EXPENDITURES</b>             |                     |                    |                     |                                        |
| General government              | 52,000              | 52,000             | 23,632              | 28,368                                 |
| Public safety                   | 14,000              | 14,000             | 25                  | 13,975                                 |
| Capital outlay                  | 636,000             | 636,000            | 12,554              | 623,446                                |
| Total expenditures              | 702,000             | 702,000            | 36,211              | 665,789                                |
| Net changes in fund balance     | <u>\$ (335,292)</u> | <u>\$ (35,292)</u> | 674,341             | <u>\$ 709,633</u>                      |
| FUND BALANCE, Beginning of year |                     |                    | <u>639,147</u>      |                                        |
| FUND BALANCE, End of year       |                     |                    | <u>\$ 1,313,488</u> |                                        |

**OTERO COUNTY, COLORADO**

**GENERAL HUMAN SERVICES FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|                                 | Original<br>Budget | Final<br>Budget    | Actual           | Variance<br>Favorable<br>(Unfavorable) |
|---------------------------------|--------------------|--------------------|------------------|----------------------------------------|
| <b>REVENUES</b>                 |                    |                    |                  |                                        |
| Intergovernmental               | \$ 794,179         | \$ 794,179         | \$ 888,641       | \$ 94,462                              |
| Total revenues                  | <u>794,179</u>     | <u>794,179</u>     | <u>888,641</u>   | <u>94,462</u>                          |
| <b>EXPENDITURES</b>             |                    |                    |                  |                                        |
| Health and welfare              | 794,358            | 825,476            | 765,780          | 59,696                                 |
| Capital outlay                  | 65,000             | 65,000             | 123,300          | (58,300)                               |
| Total expenditures              | <u>859,358</u>     | <u>890,476</u>     | <u>889,080</u>   | <u>1,396</u>                           |
| Net changes in fund balance     | <u>\$ (65,179)</u> | <u>\$ (96,297)</u> | (439)            | <u>\$ 95,858</u>                       |
| FUND BALANCE, Beginning of year |                    |                    | <u>69,850</u>    |                                        |
| FUND BALANCE, End of year       |                    |                    | <u>\$ 69,411</u> |                                        |

**OTERO COUNTY, COLORADO**

**SUPPLEMENTAL INFORMATION**

# OTERO COUNTY, COLORADO

## GENERAL FUND (Without Contingent Fund)

### BALANCE SHEET

DECEMBER 31, 2017 (with comparative amounts for 2016)

|                                                                              | 2017                | 2016                |
|------------------------------------------------------------------------------|---------------------|---------------------|
| <b>ASSETS</b>                                                                |                     |                     |
| Cash and cash equivalents                                                    | \$ 2,523,740        | \$ 3,118,608        |
| Cash with trustee                                                            | 46,028              | 54,665              |
| Investments                                                                  | 2,401,135           | 1,532,666           |
| Receivables:                                                                 |                     |                     |
| Accounts                                                                     | 524,560             | 412,024             |
| Property taxes                                                               | 1,861,932           | 1,802,864           |
| Interest                                                                     | 17,850              | 19,753              |
| Due from other funds                                                         | 69,825              | 69,825              |
| Total assets                                                                 | <u>7,445,070</u>    | <u>7,010,405</u>    |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES<br/>AND FUND BALANCE</b>       |                     |                     |
| <b>LIABILITIES</b>                                                           |                     |                     |
| Accounts payable                                                             | 250,016             | 235,168             |
| Accrued liabilities                                                          | 17,646              | 17,177              |
| Public trustee deposits                                                      | 73,277              | 16,936              |
| Due to other funds                                                           | 42,204              | 42,204              |
| Notes payable                                                                | 184,033             | 206,890             |
| Total liabilities                                                            | <u>567,176</u>      | <u>518,375</u>      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                         |                     |                     |
| Property tax                                                                 | 1,861,932           |                     |
| Unavailable grant revenue                                                    | 72,439              | 1,802,864           |
| Total deferred inflows of resources                                          | <u>1,934,371</u>    | <u>1,802,864</u>    |
| <b>FUND BALANCE</b>                                                          |                     |                     |
| Restricted:                                                                  |                     |                     |
| Unassigned                                                                   | 299,315             | 788,227             |
|                                                                              | 4,644,208           | 3,900,939           |
| Total fund balance                                                           | <u>4,943,523</u>    | <u>4,689,166</u>    |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCE</b> | <u>\$ 7,445,070</u> | <u>\$ 7,010,405</u> |

# OTERO COUNTY, COLORADO

## GENERAL FUND (Without Contingent Fund)

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED DECEMBER 31, 2017 (with comparative amounts for 2016)

|                                                   | 2017                | 2016                |
|---------------------------------------------------|---------------------|---------------------|
| <b>REVENUES</b>                                   |                     |                     |
| Property taxes                                    | \$ 1,789,603        | \$ 1,816,454        |
| Specific ownership tax                            | 370,875             | 372,508             |
| Sales tax                                         | 1,629,444           | 1,563,551           |
| Intergovernmental taxes                           | 15,776              | 21,159              |
| Intergovernmental                                 | 1,043,098           | 1,001,617           |
| Charges for services                              | 516,118             | 502,741             |
| Fines and forfeitures                             | 2,175               | 2,620               |
| Investment earnings                               | 168,112             | 125,426             |
| Miscellaneous                                     | 109,032             | 114,408             |
| Current market value change                       | (24,148)            | 11,128              |
| Total revenues                                    | <u>5,620,085</u>    | <u>5,531,612</u>    |
| <b>EXPENDITURES</b>                               |                     |                     |
| General government                                | 2,872,703           | 2,950,649           |
| Public safety                                     | 2,064,438           | 1,961,848           |
| Public works                                      | 151,548             | 153,105             |
| Health and welfare                                | 50,470              | 82,674              |
| Culture and recreation                            | 26,967              | 26,996              |
| Conservation                                      | 124,559             | 124,893             |
| Capital outlay                                    | 102,857             |                     |
| Interest and fiscal charges                       | 7,241               | 5,750               |
| Total expenditures                                | <u>5,400,783</u>    | <u>5,305,915</u>    |
| Excess (deficiency) of revenues over expenditures | <u>219,302</u>      | <u>225,697</u>      |
| Other financing sources (uses):                   |                     |                     |
| Sale of assets                                    | -                   | 1,102               |
| Proceeds from capital lease                       | 91,548              |                     |
| Transfers out                                     | (56,493)            | (56,493)            |
| Total other financing sources/uses                | <u>35,055</u>       | <u>(55,391)</u>     |
| Net change in fund balance                        | 254,357             | 170,306             |
| FUND BALANCE, Beginning of year                   | <u>4,689,166</u>    | <u>4,518,860</u>    |
| FUND BALANCE, End of year                         | <u>\$ 4,943,523</u> | <u>\$ 4,689,166</u> |



# OTERO COUNTY, COLORADO

## GENERAL FUND (Without Contingent Fund) SCHEDULE OF REVENUES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

|                             | Original<br>Budget  | Final<br>Budget     | Actual              | Variance<br>Favorable<br>(Unfavorable) |
|-----------------------------|---------------------|---------------------|---------------------|----------------------------------------|
| <b>REVENUES</b>             |                     |                     |                     |                                        |
| Taxes:                      |                     |                     |                     |                                        |
| Property taxes              | \$ 1,793,927        | \$ 1,793,927        | \$ 1,789,603        | \$ (4,324)                             |
| Specific ownership tax      | 363,431             | 363,431             | 370,875             | 7,444                                  |
| Sales taxes                 | 1,500,000           | 1,500,000           | 1,629,444           | 129,444                                |
| Intergovernmental taxes     | 2,100               | 2,100               | 15,776              | 13,676                                 |
| Total taxes                 | <u>3,659,458</u>    | <u>3,659,458</u>    | <u>3,805,698</u>    | <u>146,240</u>                         |
| Intergovernmental:          |                     |                     |                     |                                        |
| Federal and state grants    | 709,015             | 757,015             | 574,024             | (182,991)                              |
| Payment in lieu of taxes    | 447,297             | 447,297             | 469,074             | 21,777                                 |
| Total intergovernmental     | <u>1,156,312</u>    | <u>1,204,312</u>    | <u>1,043,098</u>    | <u>(161,214)</u>                       |
| Charges For Services:       |                     |                     |                     |                                        |
| Sheriff                     | 53,100              | 53,100              | 102,805             | 49,705                                 |
| Engineer                    | 15,000              | 15,000              | 18,168              | 3,168                                  |
| Clerk                       | 132,050             | 132,050             | 183,669             | 51,619                                 |
| Treasurer                   | 65,134              | 65,134              | 121,000             | 55,866                                 |
| Public trustee              | 10,000              | 10,000              | 32,688              | 22,688                                 |
| Administration              | 45,035              | 45,035              | 57,788              | 12,753                                 |
| Total charges for services  | <u>320,319</u>      | <u>320,319</u>      | <u>516,118</u>      | <u>195,799</u>                         |
| Fines and Forfeitures:      |                     |                     |                     |                                        |
| Administration              | 1,100               | 1,100               | 2,175               | 1,075                                  |
| Total fines and forfeitures | <u>1,100</u>        | <u>1,100</u>        | <u>2,175</u>        | <u>1,075</u>                           |
| Investment earnings         | <u>65,000</u>       | <u>65,000</u>       | <u>168,112</u>      | <u>103,112</u>                         |
| Miscellaneous:              |                     |                     |                     |                                        |
| Rent                        | 96,847              | 96,847              | 108,932             | 12,085                                 |
| Donations                   |                     |                     | 100                 | 100                                    |
| Total miscellaneous         | <u>96,847</u>       | <u>96,847</u>       | <u>109,032</u>      | <u>12,185</u>                          |
| Total revenues              | <u>\$ 5,299,036</u> | <u>\$ 5,347,036</u> | <u>\$ 5,644,233</u> | <u>\$ 297,197</u>                      |

**OTERO COUNTY, COLORADO**

**GENERAL FUND (Without Contingent Fund)  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|                              | Original<br>Budget  | Final<br>Budget     | Actual              | Variance<br>Favorable<br>(Unfavorable) |
|------------------------------|---------------------|---------------------|---------------------|----------------------------------------|
| <b>EXPENDITURES</b>          |                     |                     |                     |                                        |
| General government:          |                     |                     |                     |                                        |
| Assessor                     | \$ 404,213          | \$ 404,213          | \$ 357,850          | \$ 46,363                              |
| Attorney                     | 96,877              | 96,877              | 93,506              | 3,371                                  |
| Clerk and recorder           | 309,680             | 309,680             | 282,823             | 26,857                                 |
| Commissioners                | 2,234,105           | 2,234,105           | 1,750,612           | 483,493                                |
| Public works                 | 170,193             | 170,193             | 141,965             | 28,228                                 |
| Treasurer                    | 234,060             | 234,060             | 220,061             | 13,999                                 |
| Public trustee               |                     |                     | 25,886              | (25,886)                               |
| Total general government     | <u>3,449,128</u>    | <u>3,449,128</u>    | <u>2,872,703</u>    | <u>576,425</u>                         |
| Public safety:               |                     |                     |                     |                                        |
| Sheriff                      | 1,884,180           | 1,940,265           | 1,912,347           | 27,918                                 |
| Emergency management         | 23,524              | 23,524              | 19,972              | 3,552                                  |
| Courthouse security          | 59,371              | 59,371              | 40,579              | 18,792                                 |
| Coroner                      | 80,032              | 82,132              | 82,060              | 72                                     |
| Predator control             | 13,412              | 13,412              | 9,480               | 3,932                                  |
| Total public safety          | <u>2,060,519</u>    | <u>2,118,704</u>    | <u>2,064,438</u>    | <u>54,266</u>                          |
| Public works:                |                     |                     |                     |                                        |
| Public service               | 128,499             | 128,499             | 121,059             | 7,440                                  |
| Veterans                     | 30,421              | 30,421              | 30,489              | (68)                                   |
| Total public works           | <u>158,920</u>      | <u>158,920</u>      | <u>151,548</u>      | <u>7,372</u>                           |
| Public health and welfare    | <u>74,941</u>       | <u>74,941</u>       | <u>50,470</u>       | <u>24,471</u>                          |
| Culture and recreation:      |                     |                     |                     |                                        |
| Recreation                   | 3,100               | 3,100               | 3,100               |                                        |
| Senior citizens              | 23,208              | 23,208              | 20,867              | 2,341                                  |
| Library                      | 5,000               | 5,000               | 3,000               | 2,000                                  |
| Total culture and recreation | <u>31,308</u>       | <u>31,308</u>       | <u>26,967</u>       | <u>4,341</u>                           |
| Conservation                 | <u>123,808</u>      | <u>171,808</u>      | <u>124,559</u>      | <u>47,249</u>                          |
| Capital outlay               |                     |                     | <u>102,857</u>      | <u>(102,857)</u>                       |
| Debt service                 |                     |                     |                     |                                        |
| Principal retirement         |                     |                     |                     |                                        |
| Interest and fiscal charges  | 5,750               | 5,750               | 7,241               | (1,491)                                |
| Total debt service           | <u>5,750</u>        | <u>5,750</u>        | <u>7,241</u>        | <u>(1,491)</u>                         |
| Total expenditures           | <u>\$ 5,904,374</u> | <u>\$ 6,010,559</u> | <u>\$ 5,400,783</u> | <u>\$ 609,776</u>                      |

# OTERO COUNTY, COLORADO

## ROAD & BRIDGE FUND

### BALANCE SHEET

DECEMBER 31, 2017 (with comparative amounts for 2016)

|                                                                              | <u>2017</u>         | <u>2016</u>         |
|------------------------------------------------------------------------------|---------------------|---------------------|
| <b>ASSETS</b>                                                                |                     |                     |
| Cash and cash equivalents                                                    | \$ 1,385,797        | \$ 2,005,052        |
| Investments                                                                  | 1,397,520           | 963,127             |
| Receivables:                                                                 |                     |                     |
| Accounts                                                                     | 151,936             | 169,108             |
| Property taxes                                                               | 642,184             | 621,811             |
| Due from other funds                                                         | 18,259              | 18,259              |
| Prepaid items                                                                |                     | 15,000              |
| Inventory                                                                    | 157,904             | 134,156             |
| Total assets                                                                 | <u>3,753,600</u>    | <u>3,926,513</u>    |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES<br/>AND FUND BALANCE</b>       |                     |                     |
| <b>LIABILITIES</b>                                                           |                     |                     |
| Accounts payable                                                             | 19,317              | 37,119              |
| Accrued liabilities                                                          | 3,568               | 3,918               |
| Due to other funds                                                           | 20,762              | 20,761              |
| Total liabilities                                                            | <u>43,647</u>       | <u>61,798</u>       |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                         |                     |                     |
| Property tax                                                                 | 642,184             | 621,811             |
| Total deferred inflows of resources                                          | <u>642,184</u>      | <u>621,811</u>      |
| <b>FUND BALANCE</b>                                                          |                     |                     |
| Non-spendable inventory                                                      | 157,904             | 134,156             |
| Committed                                                                    | 2,909,865           | 3,108,748           |
| Total fund balance                                                           | <u>3,067,769</u>    | <u>3,242,904</u>    |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCE</b> | <u>\$ 3,753,600</u> | <u>\$ 3,926,513</u> |

# OTERO COUNTY, COLORADO

## ROAD & BRIDGE FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED DECEMBER 31, 2017 (with comparative amounts for 2016)

|                                                   | 2017                | 2016                |
|---------------------------------------------------|---------------------|---------------------|
| <b>REVENUES</b>                                   |                     |                     |
| Property taxes                                    | \$ 617,055          | \$ 598,210          |
| Specific ownership tax                            | 127,916             | 132,181             |
| Intergovernmental taxes                           | 1,731,799           | 1,695,788           |
| Intergovernmental                                 | 46,280              | 58,346              |
| Charges for services                              | 172,920             | 227,412             |
| Total revenues                                    | <u>2,695,970</u>    | <u>2,711,937</u>    |
| <b>EXPENDITURES</b>                               |                     |                     |
| Public works                                      | 2,408,130           | 2,377,123           |
| Capital outlay                                    | 153,706             | 803,495             |
| Debt service:                                     |                     |                     |
| Principal retirement                              | 336,420             |                     |
| Interest and fiscal charges                       | 814                 |                     |
| Total expenditures                                | <u>2,899,070</u>    | <u>3,180,618</u>    |
| Excess (deficiency) of revenues over expenditures | <u>(203,100)</u>    | <u>(468,681)</u>    |
| Other financing sources                           |                     |                     |
| Sale of assets                                    | 27,965              | 153,609             |
| Proceeds from capital lease                       |                     | 336,420             |
| Total other financing sources                     | <u>27,965</u>       | <u>490,029</u>      |
| Net change in fund balance                        | (175,135)           | 21,348              |
| FUND BALANCE, Beginning of year                   | <u>3,242,904</u>    | <u>3,221,556</u>    |
| FUND BALANCE, End of year                         | <u>\$ 3,067,769</u> | <u>\$ 3,242,904</u> |

# OTERO COUNTY, COLORADO

## SOCIAL SERVICES

### BALANCE SHEET

DECEMBER 31, 2017 (with comparative amounts for 2016)

|                                                                              | <u>2017</u>         | <u>2016</u>         |
|------------------------------------------------------------------------------|---------------------|---------------------|
| <b>ASSETS</b>                                                                |                     |                     |
| Cash and cash equivalents                                                    | \$ 950,614          | \$ 791,040          |
| Receivables:                                                                 |                     |                     |
| Accounts                                                                     | 193,843             |                     |
| Property taxes                                                               | 386,485             | 449,069             |
| Due from other government                                                    | 52,911              | 423,970             |
| Due from other funds                                                         | 14,922              | 28,329              |
| Prepaid items                                                                | 4,095               |                     |
|                                                                              | <u>1,602,870</u>    | <u>1,692,408</u>    |
| Total assets                                                                 |                     |                     |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES<br/>AND FUND BALANCE</b>       |                     |                     |
| <b>LIABILITIES</b>                                                           |                     |                     |
| Accounts payable                                                             | 48,632              | 51,039              |
| Due to other funds                                                           | 12,894              | 12,894              |
| Due to other governments                                                     | 113,486             | 163,697             |
|                                                                              | <u>175,012</u>      | <u>227,630</u>      |
| Total liabilities                                                            |                     |                     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                         |                     |                     |
| Property tax                                                                 | 386,485             | 449,069             |
| Unavailable grant revenue                                                    | 309,836             | 281,316             |
|                                                                              | <u>696,321</u>      | <u>730,385</u>      |
| Total deferred inflows of resources                                          |                     |                     |
| <b>FUND BALANCE</b>                                                          |                     |                     |
| Committed                                                                    | 731,537             | 734,393             |
|                                                                              | <u>731,537</u>      | <u>734,393</u>      |
| Total fund balance                                                           |                     |                     |
|                                                                              | <u>731,537</u>      | <u>734,393</u>      |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCE</b> | <u>\$ 1,602,870</u> | <u>\$ 1,692,408</u> |

# OTERO COUNTY, COLORADO

## SOCIAL SERVICES

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED DECEMBER 31, 2017 (with comparative amounts for 2016)

|                                                   | 2017                     | 2016                     |
|---------------------------------------------------|--------------------------|--------------------------|
| <b>REVENUES</b>                                   |                          |                          |
| Property taxes                                    | \$ 445,651               | \$ 432,029               |
| Specific ownership tax                            | 92,380                   | 95,460                   |
| Intergovernmental                                 | 3,174,449                | 3,286,568                |
| Total revenues                                    | <u>3,712,480</u>         | <u>3,814,057</u>         |
| <b>EXPENDITURES</b>                               |                          |                          |
| Health and welfare                                | 3,715,336                | 3,660,885                |
| Capital outlay                                    | -                        | 152,384                  |
| Total expenditures                                | <u>3,715,336</u>         | <u>3,813,269</u>         |
| Excess (deficiency) of revenues over expenditures | <u>(2,856)</u>           | <u>788</u>               |
| Net change in fund balance                        | (2,856)                  | 788                      |
| FUND BALANCE, Beginning of year                   | <u>734,393</u>           | <u>733,605</u>           |
| FUND BALANCE, End of year                         | <u><u>\$ 731,537</u></u> | <u><u>\$ 734,393</u></u> |

# OTERO COUNTY, COLORADO

## CAPITAL IMPROVEMENT FUND

### BALANCE SHEET

DECEMBER 31, 2017 (with comparative amounts for 2016)

|                                                                          | <u>2017</u>         | <u>2016</u>         |
|--------------------------------------------------------------------------|---------------------|---------------------|
| <b>ASSETS</b>                                                            |                     |                     |
| Cash and cash equivalents                                                | \$ 637,254          | \$ 207,377          |
| Investments                                                              | 482,556             | 268,510             |
| Accounts receivable                                                      | 4,906               | 6,661               |
| Property tax receivable                                                  | 425,134             | 336,802             |
| Note receivable from general fund                                        | 184,033             | 206,890             |
| Due from other funds                                                     | 10,265              | 10,265              |
| Total assets                                                             | <u>1,744,148</u>    | <u>1,036,505</u>    |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>       |                     |                     |
| <b>LIABILITIES</b>                                                       |                     |                     |
| Accounts payable                                                         |                     | 55,029              |
| Due to other funds                                                       | 5,526               | 5,527               |
| Total liabilities                                                        | <u>5,526</u>        | <u>60,556</u>       |
| <b>DEFERRED INFLOW OF RESOURCES</b>                                      |                     |                     |
| Property tax                                                             | 425,134             | 336,802             |
| Total deferred inflows of resources                                      | <u>425,134</u>      | <u>336,802</u>      |
| <b>FUND BALANCE</b>                                                      |                     |                     |
| Committed                                                                | 1,313,488           | 639,147             |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b> | <u>\$ 1,744,148</u> | <u>\$ 1,036,505</u> |

# OTERO COUNTY, COLORADO

## CAPITAL IMPROVEMENT FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED DECEMBER 31, 2017 (with comparative amounts for 2016)

|                                                   | 2017                | 2016              |
|---------------------------------------------------|---------------------|-------------------|
| <b>REVENUES</b>                                   |                     |                   |
| Property taxes                                    | \$ 334,026          | \$ 179,831        |
| Specific ownership tax                            | 69,285              | 39,774            |
| Intergovernmental                                 |                     | 17,000            |
| Miscellaneous                                     | 7,241               | 5,750             |
| Total revenues                                    | <u>410,552</u>      | <u>242,355</u>    |
| <b>EXPENDITURES</b>                               |                     |                   |
| General government                                | 23,632              | 160,340           |
| Public safety                                     | 25                  | 3,500             |
| Capital outlay                                    | <u>12,554</u>       | <u>571,751</u>    |
| Total expenditures                                | <u>36,211</u>       | <u>735,591</u>    |
| Excess (deficiency) of revenues over expenditures | <u>374,341</u>      | <u>(493,236)</u>  |
| Other financing sources:                          |                     |                   |
| Roof settlement                                   | <u>300,000</u>      |                   |
| Total other financing sources                     | <u>300,000</u>      |                   |
| Net change in fund balance                        | 674,341             | (493,236)         |
| FUND BALANCE, Beginning of year                   | <u>639,147</u>      | <u>1,132,383</u>  |
| FUND BALANCE, End of year                         | <u>\$ 1,313,488</u> | <u>\$ 639,147</u> |



# OTERO COUNTY, COLORADO

## GENERAL HUMAN SERVICES FUND BALANCE SHEET

DECEMBER 31, 2017 (with comparative amounts for 2016)

|                                                                              | <u>2017</u>                | <u>2016</u>                |
|------------------------------------------------------------------------------|----------------------------|----------------------------|
| <b>ASSETS</b>                                                                |                            |                            |
| Cash and cash equivalents                                                    | \$ 514,428                 | \$ 688,304                 |
| Investments                                                                  | 557,770                    | 383,825                    |
| Due from other funds                                                         | 4,152                      | -                          |
| Accounts receivable                                                          | 20,402                     | 11,152                     |
| <b>TOTAL ASSETS</b>                                                          | <u><u>1,096,752</u></u>    | <u><u>1,083,281</u></u>    |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCE</b>       |                            |                            |
| <b>LIABILITIES</b>                                                           |                            |                            |
| Accounts payable                                                             | 4,731                      | 14,922                     |
| Due to other funds                                                           | 5,781                      | 15,036                     |
| <b>Total liabilities</b>                                                     | <u>10,512</u>              | <u>29,958</u>              |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                         |                            |                            |
| Unavailable grant revenue                                                    | <u>1,016,829</u>           | <u>983,473</u>             |
| <b>Total deferred inflows of resources</b>                                   | <u>1,016,829</u>           | <u>983,473</u>             |
| <b>FUND BALANCE</b>                                                          |                            |                            |
| Committed                                                                    | 69,411                     | 69,850                     |
| <b>Total fund balance</b>                                                    | <u>69,411</u>              | <u>69,850</u>              |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCE</b> | <u><u>\$ 1,096,752</u></u> | <u><u>\$ 1,083,281</u></u> |

# OTERO COUNTY, COLORADO

## GENERAL HUMAN SERVICES FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED DECEMBER 31, 2017 (with comparative amounts for 2016)

|                                                   | 2017       | 2016         |
|---------------------------------------------------|------------|--------------|
| <b>REVENUES</b>                                   |            |              |
| Intergovernmental                                 | \$ 888,641 | \$ 1,002,517 |
| Total revenues                                    | 888,641    | 1,002,517    |
| <b>EXPENDITURES</b>                               |            |              |
| Health and welfare                                | 765,780    | 766,229      |
| Capital outlay                                    | 123,300    | 237,091      |
| Total expenditures                                | 889,080    | 1,003,320    |
| Excess (deficiency) of revenues over expenditures | (439)      | (803)        |
| Net change in fund balance                        | (439)      | (803)        |
| FUND BALANCE, Beginning of year                   | 69,850     | 70,653       |
| FUND BALANCE, End of year                         | \$ 69,411  | \$ 69,850    |

**OTERO COUNTY, COLORADO  
NON-MAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2017**

|                                                                              | Insurance<br>Fund | Clerk Hire        | Conservation<br>Trust | Health<br>Fund      | AAA<br>Services   | Otero County<br>Land Trust | Total Non-Major<br>Special Revenue<br>Funds |
|------------------------------------------------------------------------------|-------------------|-------------------|-----------------------|---------------------|-------------------|----------------------------|---------------------------------------------|
| <b>ASSETS</b>                                                                |                   |                   |                       |                     |                   |                            |                                             |
| Cash and cash equivalents                                                    | \$ 376,956        | \$ 451,016        | \$ 296,546            | \$ 1,091,295        | \$ 115,074        | \$ 66,203                  | \$ 2,397,090                                |
| Receivables:                                                                 |                   |                   |                       |                     |                   |                            |                                             |
| Accounts                                                                     | 2,047             | 13,074            |                       | 236,080             | 199,188           |                            | 450,389                                     |
| Property tax                                                                 | 77,297            |                   |                       |                     |                   |                            | 77,297                                      |
| Due from other funds                                                         | 2,198             |                   |                       |                     |                   |                            | 2,198                                       |
| <b>TOTAL ASSETS</b>                                                          | <u>458,498</u>    | <u>464,090</u>    | <u>296,546</u>        | <u>1,327,375</u>    | <u>314,262</u>    | <u>66,203</u>              | <u>2,926,974</u>                            |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCE</b>       |                   |                   |                       |                     |                   |                            |                                             |
| <b>LIABILITIES</b>                                                           |                   |                   |                       |                     |                   |                            |                                             |
| Accounts payable                                                             | 459               | 2,768             | 198                   | 32,521              | 171,191           | 182                        | 207,319                                     |
| Accrued liabilities                                                          |                   | 312               |                       | 801                 |                   |                            | 1,113                                       |
| Due to other funds                                                           | 2,374             |                   |                       | 4,543               | 106               |                            | 7,023                                       |
| <b>Total liabilities</b>                                                     | <u>2,833</u>      | <u>3,080</u>      | <u>198</u>            | <u>37,865</u>       | <u>171,297</u>    | <u>182</u>                 | <u>215,455</u>                              |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                         |                   |                   |                       |                     |                   |                            |                                             |
| Unavailable grant revenue                                                    |                   |                   |                       | 40,841              | 69,511            |                            | 110,352                                     |
| Property tax                                                                 | 77,297            |                   |                       |                     |                   |                            | 77,297                                      |
| <b>Total deferred inflows of resources</b>                                   | <u>77,297</u>     | <u>-</u>          | <u></u>               | <u>40,841</u>       | <u>69,511</u>     | <u></u>                    | <u>187,649</u>                              |
| <b>FUND BALANCE</b>                                                          |                   |                   |                       |                     |                   |                            |                                             |
| Restricted - statute                                                         |                   | 461,010           | 296,348               | 1,248,669           | 73,454            | 66,021                     | 823,379                                     |
| Committed                                                                    | 378,368           |                   |                       |                     |                   |                            | 1,700,491                                   |
| <b>Total fund balance</b>                                                    | <u>378,368</u>    | <u>461,010</u>    | <u>296,348</u>        | <u>1,248,669</u>    | <u>73,454</u>     | <u>66,021</u>              | <u>2,523,870</u>                            |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCE</b> | <u>\$ 458,498</u> | <u>\$ 464,090</u> | <u>\$ 296,546</u>     | <u>\$ 1,327,375</u> | <u>\$ 314,262</u> | <u>\$ 66,203</u>           | <u>\$ 2,926,974</u>                         |

**OTERO COUNTY, COLORADO**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

|                                                   | Insurance Fund    | Clerk Hire        | Conservation Trust | Health Fund        | AAA Services     | Otero County Land Trust | Total Non-Major Special Revenue Funds |
|---------------------------------------------------|-------------------|-------------------|--------------------|--------------------|------------------|-------------------------|---------------------------------------|
| <b>REVENUES</b>                                   |                   |                   |                    |                    |                  |                         |                                       |
| Property tax                                      | \$ 74,283         |                   |                    |                    |                  |                         | \$ 74,283                             |
| Specific ownership tax                            | 15,397            |                   |                    |                    |                  |                         | 15,397                                |
| Intergovernmental                                 |                   |                   | 51,284             | 1,217,039          | 972,852          |                         | 2,241,175                             |
| Charges for services                              |                   | 182,174           | 3,898              | 85,487             |                  | 810                     | 267,661                               |
| Investment earnings                               | 159               |                   | 2,687              | 103,444            | 1,785            |                         | 4,867                                 |
| Miscellaneous                                     | 50,761            |                   |                    |                    |                  |                         | 158,677                               |
| <b>Total revenues</b>                             | <b>140,600</b>    | <b>182,174</b>    | <b>57,869</b>      | <b>1,405,970</b>   | <b>974,637</b>   | <b>810</b>              | <b>2,762,060</b>                      |
| <b>EXPENDITURES</b>                               |                   |                   |                    |                    |                  |                         |                                       |
| <b>CURRENT</b>                                    |                   |                   |                    |                    |                  |                         |                                       |
| General government                                | 178,847           | 145,258           |                    | 1,368,566          | 966,324          |                         | 324,105                               |
| Health and welfare                                |                   |                   | 118,152            |                    |                  |                         | 2,334,890                             |
| Culture and recreation                            |                   |                   |                    |                    |                  | 1,256                   | 118,152                               |
| Conservation                                      |                   |                   |                    |                    |                  |                         | 1,256                                 |
| <b>Total expenditures</b>                         | <b>178,847</b>    | <b>145,258</b>    | <b>118,152</b>     | <b>1,368,566</b>   | <b>966,324</b>   | <b>1,256</b>            | <b>2,778,403</b>                      |
| Excess (deficiency) of revenues over expenditures | (38,247)          | 36,916            | (60,283)           | 37,404             | 8,313            | (446)                   | (16,343)                              |
| Other financing sources:                          |                   |                   |                    |                    |                  |                         |                                       |
| Insurance Recovery                                | 138,250           |                   |                    | 56,493             |                  |                         | 138,250                               |
| Transfers in                                      |                   |                   |                    |                    |                  |                         | 56,493                                |
| <b>Total other financing sources</b>              | <b>138,250</b>    |                   |                    | <b>56,493</b>      |                  |                         | <b>194,743</b>                        |
| <b>Net change in fund balance</b>                 | <b>100,003</b>    | <b>36,916</b>     | <b>(60,283)</b>    | <b>93,897</b>      | <b>8,313</b>     | <b>(446)</b>            | <b>178,400</b>                        |
| <b>FUND BALANCE, Beginning of year</b>            | <b>278,365</b>    | <b>424,094</b>    | <b>356,631</b>     | <b>1,154,772</b>   | <b>65,141</b>    | <b>66,467</b>           | <b>2,345,470</b>                      |
| <b>FUND BALANCE, End of year</b>                  | <b>\$ 378,368</b> | <b>\$ 461,010</b> | <b>\$ 296,348</b>  | <b>\$1,248,669</b> | <b>\$ 73,454</b> | <b>\$ 66,021</b>        | <b>\$ 2,523,870</b>                   |

# OTERO COUNTY, COLORADO

## INSURANCE FUND

### BALANCE SHEET

DECEMBER 31, 2017 (with comparative amounts for 2016)

|                                                                             | <u>2017</u>       | <u>2016</u>       |
|-----------------------------------------------------------------------------|-------------------|-------------------|
| <b>ASSETS</b>                                                               |                   |                   |
| Cash and cash equivalents                                                   | \$ 376,956        | \$ 277,542        |
| Receivables:                                                                |                   |                   |
| Accounts                                                                    | 2,047             | 2,277             |
| Property tax                                                                | 77,297            | 74,845            |
| Due from other funds                                                        | 2,198             | 2,198             |
| <b>TOTAL ASSETS</b>                                                         | <u>458,498</u>    | <u>356,862</u>    |
| <br>                                                                        |                   |                   |
| <b>LIABILITIES, DEFERRED INFLOW OF<br/>RESOURCES AND FUND BALANCE</b>       |                   |                   |
| <b>LIABILITIES</b>                                                          |                   |                   |
| Accounts payable                                                            | \$ 459            | \$ 1,279          |
| Due to other funds                                                          | 2,374             | 2,373             |
| <br>                                                                        |                   |                   |
| Total liabilities                                                           | <u>2,833</u>      | <u>3,652</u>      |
| <br>                                                                        |                   |                   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                        |                   |                   |
| Property tax                                                                | <u>77,297</u>     | <u>74,845</u>     |
| <br>                                                                        |                   |                   |
| Total deferred inflows of resources                                         | <u>77,297</u>     | <u>74,845</u>     |
| <br>                                                                        |                   |                   |
| <b>FUND BALANCE</b>                                                         |                   |                   |
| Committed                                                                   | <u>378,368</u>    | <u>278,365</u>    |
| <br>                                                                        |                   |                   |
| Total fund balance                                                          | <u>378,368</u>    | <u>278,365</u>    |
| <br>                                                                        |                   |                   |
| <b>TOTAL LIABILITIES, DEFERRED INFLOW OF<br/>RESOURCES AND FUND BALANCE</b> | <u>\$ 458,498</u> | <u>\$ 356,862</u> |

# OTERO COUNTY, COLORADO

## INSURANCE FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

#### IN FUND BALANCE - BUDGET AND ACTUAL

**FOR THE YEAR ENDED DECEMBER 31, 2017 (with comparative actual amounts for 2016)**

|                                                      | 2017               |                   |                   | Variance<br>Favorable<br>(Unfavorable) | 2016              |
|------------------------------------------------------|--------------------|-------------------|-------------------|----------------------------------------|-------------------|
|                                                      | Original<br>Budget | Final<br>Budget   | Actual            |                                        | Actual            |
| <b>REVENUES</b>                                      |                    |                   |                   |                                        |                   |
| Property tax                                         | \$ 74,487          | \$ 74,487         | \$ 74,283         | \$ (204)                               | \$ 72,046         |
| Specific ownership tax                               | 12,000             | 12,000            | 15,397            | 3,397                                  | 15,910            |
| Investment earnings                                  | 90                 | 90                | 159               | 69                                     | 133               |
| Miscellaneous                                        | 50,000             | 50,000            | 50,761            | 761                                    | 50,005            |
| Total revenues                                       | <u>136,577</u>     | <u>136,577</u>    | <u>140,600</u>    | <u>4,023</u>                           | <u>138,094</u>    |
| <b>EXPENDITURES</b>                                  |                    |                   |                   |                                        |                   |
| General government                                   | <u>145,790</u>     | <u>145,790</u>    | <u>178,847</u>    | <u>(33,057)</u>                        | <u>140,560</u>    |
| Total expenditures                                   | <u>145,790</u>     | <u>145,790</u>    | <u>178,847</u>    | <u>(33,057)</u>                        | <u>140,560</u>    |
| Excess (deficiency) of revenues<br>over expenditures | <u>(9,213)</u>     | <u>(9,213)</u>    | <u>(38,247)</u>   | <u>(29,034)</u>                        | <u>(2,466)</u>    |
| Other financing sources:                             |                    |                   |                   |                                        |                   |
| Insurance recovery                                   | <u>1,000</u>       | <u>1,000</u>      | <u>138,250</u>    | <u>137,250</u>                         | <u>3,053</u>      |
| Net change in fund balance                           | <u>\$ (8,213)</u>  | <u>\$ (8,213)</u> | <u>100,003</u>    | <u>\$ 108,216</u>                      | <u>587</u>        |
| FUND BALANCE, Beginning of year                      |                    |                   | <u>278,365</u>    |                                        | <u>277,778</u>    |
| FUND BALANCE, End of year                            |                    |                   | <u>\$ 378,368</u> |                                        | <u>\$ 278,365</u> |

**OTERO COUNTY, COLORADO**

**CLERK HIRE FUND**

**BALANCE SHEET**

**DECEMBER 31, 2017 (with comparative amounts for 2016)**

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|                                               | <u>2017</u>       | <u>2016</u>       |
|-----------------------------------------------|-------------------|-------------------|
| <b>ASSETS</b>                                 |                   |                   |
| Cash and cash equivalents                     | \$ 451,016        | \$ 412,951        |
| Accounts receivable                           | 13,074            | 12,438            |
| <b>TOTAL ASSETS</b>                           | <u>464,090</u>    | <u>425,389</u>    |
| <br><b>LIABILITIES AND FUND BALANCE</b>       |                   |                   |
| <b>LIABILITIES</b>                            |                   |                   |
| Accounts payable                              | 2,768             | 1,112             |
| Accrued liabilities                           | 312               | 183               |
| <b>Total liabilities</b>                      | <u>3,080</u>      | <u>1,295</u>      |
| <br><b>FUND BALANCE</b>                       |                   |                   |
| Restricted - statute                          | 461,010           | 424,094           |
| <b>Total fund balance</b>                     | <u>461,010</u>    | <u>424,094</u>    |
| <br><b>TOTAL LIABILITIES AND FUND BALANCE</b> | <u>\$ 464,090</u> | <u>\$ 425,389</u> |

**OTERO COUNTY, COLORADO**

**CLERK HIRE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**

**IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2017 (with comparative actual amounts for 2016)**

|                                                      | 2017               |                 |            | 2016                                   |            |
|------------------------------------------------------|--------------------|-----------------|------------|----------------------------------------|------------|
|                                                      | Original<br>Budget | Final<br>Budget | Actual     | Variance<br>Favorable<br>(Unfavorable) | Actual     |
| <b>REVENUES</b>                                      |                    |                 |            |                                        |            |
| Charges for services                                 | \$ 170,000         | \$ 170,000      | \$ 182,174 | \$ 12,174                              | \$ 176,688 |
| Total revenues                                       | 170,000            | 170,000         | 182,174    | 12,174                                 | 176,688    |
| <b>EXPENDITURES</b>                                  |                    |                 |            |                                        |            |
| General government                                   | 156,656            | 156,656         | 145,258    | 11,398                                 | 132,468    |
| Total expenditures                                   | 156,656            | 156,656         | 145,258    | 11,398                                 | 132,468    |
| Excess (deficiency) of revenues<br>over expenditures | 13,344             | 13,344          | 36,916     | 23,572                                 | 44,220     |
| Net change in fund balance                           | \$ 13,344          | \$ 13,344       | 36,916     | \$ 23,572                              | 44,220     |
| FUND BALANCE, Beginning of year                      |                    |                 | 424,094    |                                        | 379,874    |
| FUND BALANCE, End of year                            |                    |                 | \$ 461,010 |                                        | \$ 424,094 |



# OTERO COUNTY, COLORADO

## CONSERVATION TRUST FUND BALANCE SHEET

DECEMBER 31, 2017 (with comparative amounts for 2016)

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|                                           | <u>2017</u>       | <u>2016</u>       |
|-------------------------------------------|-------------------|-------------------|
| <b>ASSETS</b>                             |                   |                   |
| Cash and cash equivalents                 | \$ 296,546        | \$ 356,799        |
| <b>TOTAL ASSETS</b>                       | <u>296,546</u>    | <u>356,799</u>    |
| <br>                                      |                   |                   |
| <b>LIABILITIES AND FUND BALANCE</b>       |                   |                   |
| <b>LIABILITIES</b>                        |                   |                   |
| Accounts payable                          | <u>198</u>        | <u>168</u>        |
| <br>                                      |                   |                   |
| Total liabilities                         | <u>198</u>        | <u>168</u>        |
| <br>                                      |                   |                   |
| <b>FUND BALANCE</b>                       |                   |                   |
| Restricted - statute                      | <u>296,348</u>    | <u>356,631</u>    |
| <br>                                      |                   |                   |
| Total fund balance                        | <u>296,348</u>    | <u>356,631</u>    |
| <br>                                      |                   |                   |
| <b>TOTAL LIABILITIES AND FUND BALANCE</b> | <u>\$ 296,546</u> | <u>\$ 356,799</u> |

# OTERO COUNTY, COLORADO

## CONSERVATION TRUST FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

#### IN FUND BALANCE - BUDGET AND ACTUAL

#### FOR THE YEAR ENDED DECEMBER 31, 2017 (with comparative actual amounts for 2016)

|                                                      | 2017                |                     |                   | Variance<br>Favorable<br>(Unfavorable) | 2016              |
|------------------------------------------------------|---------------------|---------------------|-------------------|----------------------------------------|-------------------|
|                                                      | Original<br>Budget  | Final<br>Budget     | Actual            |                                        | Actual            |
| <b>REVENUES</b>                                      |                     |                     |                   |                                        |                   |
| Intergovernmental                                    | \$ 53,000           | \$ 53,000           | \$ 51,284         | \$ (1,716)                             | \$ 58,000         |
| Interest Earnings                                    | 650                 | 650                 | 3,898             | 3,248                                  | 2,865             |
| Miscellaneous                                        | 2,687               | 2,687               | 2,687             |                                        | 2,687             |
| Total revenues                                       | <u>56,337</u>       | <u>56,337</u>       | <u>57,869</u>     | <u>1,532</u>                           | <u>63,552</u>     |
| <b>EXPENDITURES</b>                                  |                     |                     |                   |                                        |                   |
| Culture and recreation                               | <u>365,262</u>      | <u>365,262</u>      | <u>118,152</u>    | <u>247,110</u>                         | <u>40,961</u>     |
| Total expenditures                                   | <u>365,262</u>      | <u>365,262</u>      | <u>118,152</u>    | <u>247,110</u>                         | <u>40,961</u>     |
| Excess (deficiency) of revenues<br>over expenditures | <u>(308,925)</u>    | <u>(308,925)</u>    | <u>(60,283)</u>   | <u>248,642</u>                         | <u>22,591</u>     |
| Net change in fund balance                           | <u>\$ (308,925)</u> | <u>\$ (308,925)</u> | <u>(60,283)</u>   | <u>\$ 248,642</u>                      | <u>22,591</u>     |
| FUND BALANCE, Beginning of year                      |                     |                     | <u>356,631</u>    |                                        | <u>334,040</u>    |
| FUND BALANCE, End of year                            |                     |                     | <u>\$ 296,348</u> |                                        | <u>\$ 356,631</u> |

# OTERO COUNTY, COLORADO

## HEALTH FUND

### BALANCE SHEET

DECEMBER 31, 2017 (with comparative amounts for 2016)

|                                                                   | <u>2017</u>         | <u>2016</u>         |
|-------------------------------------------------------------------|---------------------|---------------------|
| <b>ASSETS</b>                                                     |                     |                     |
| Cash and cash equivalents                                         | \$ 1,091,295        | \$ 891,646          |
| Accounts receivable                                               | 236,080             | 296,855             |
| <b>TOTAL ASSETS</b>                                               | <u>1,327,375</u>    | <u>1,188,501</u>    |
| <br>                                                              |                     |                     |
| <b>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCE</b> |                     |                     |
| <b>LIABILITIES</b>                                                |                     |                     |
| Accounts payable                                                  | 32,521              | 28,072              |
| Accrued liabilities                                               | 801                 | 1,114               |
| Due to other funds                                                | 4,543               | 4,543               |
| <b>Total liabilities</b>                                          | <u>37,865</u>       | <u>33,729</u>       |
| <br>                                                              |                     |                     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                              |                     |                     |
| Unavailable revenue                                               | 40,841              | -                   |
| <b>Total deferred inflows of resources</b>                        | <u>40,841</u>       | <u>-</u>            |
| <br>                                                              |                     |                     |
| <b>FUND BALANCE</b>                                               |                     |                     |
| Committed                                                         | 1,248,669           | 1,154,772           |
| <b>Total fund balance</b>                                         | <u>1,248,669</u>    | <u>1,154,772</u>    |
| <br>                                                              |                     |                     |
| <b>TOTAL LIABILITIES AND FUND BALANCE</b>                         | <u>\$ 1,327,375</u> | <u>\$ 1,188,501</u> |

**OTERO COUNTY, COLORADO**

**HEALTH FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**

**IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2017 (with comparative actual amounts for 2016)**

|                                                      | 2017               |                  |                     | Variance<br>Favorable<br>(Unfavorable) | 2016                |
|------------------------------------------------------|--------------------|------------------|---------------------|----------------------------------------|---------------------|
|                                                      | Original<br>Budget | Final<br>Budget  | Actual              |                                        | Actual              |
| <b>REVENUES</b>                                      |                    |                  |                     |                                        |                     |
| Intergovernmental                                    | \$ 2,050,302       | \$ 2,050,302     | \$ 1,217,039        | \$ (833,263)                           | \$ 1,121,537        |
| Charges for services                                 | 83,600             | 83,600           | 85,487              | 1,887                                  | 95,426              |
| Miscellaneous                                        | 60,657             | 60,657           | 103,444             | 42,787                                 | 136,726             |
| Total revenues                                       | <u>2,194,559</u>   | <u>2,194,559</u> | <u>1,405,970</u>    | <u>(788,589)</u>                       | <u>1,353,689</u>    |
| <b>EXPENDITURES</b>                                  |                    |                  |                     |                                        |                     |
| Health and welfare                                   | <u>2,251,053</u>   | <u>2,251,053</u> | <u>1,368,566</u>    | <u>882,487</u>                         | <u>1,327,551</u>    |
| Total expenditures                                   | <u>2,251,053</u>   | <u>2,251,053</u> | <u>1,368,566</u>    | <u>882,487</u>                         | <u>1,327,551</u>    |
| Excess (deficiency) of revenues<br>over expenditures | <u>(56,494)</u>    | <u>(56,494)</u>  | <u>37,404</u>       | <u>93,898</u>                          | <u>26,138</u>       |
| Other financing sources:<br>Transfers in             | <u>56,493</u>      | <u>56,493</u>    | <u>56,493</u>       |                                        | <u>56,493</u>       |
| Net change in fund balance                           | <u>\$ (1)</u>      | <u>\$ (1)</u>    | <u>93,897</u>       | <u>\$ 93,898</u>                       | <u>82,631</u>       |
| FUND BALANCE, Beginning of year                      |                    |                  | <u>1,154,772</u>    |                                        | <u>1,072,141</u>    |
| FUND BALANCE, End of year                            |                    |                  | <u>\$ 1,248,669</u> |                                        | <u>\$ 1,154,772</u> |

**OTERO COUNTY, COLORADO**

**AAA SERVICES FUND**

**BALANCE SHEET**

**DECEMBER 31, 2017 (with comparative amounts for 2016)**

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|                                                                              | <u>2017</u>              | <u>2016</u>              |
|------------------------------------------------------------------------------|--------------------------|--------------------------|
| <b>ASSETS</b>                                                                |                          |                          |
| Cash and cash equivalents                                                    | \$ 115,074               | \$ 102,687               |
| Accounts receivable                                                          | <u>199,188</u>           | <u>139,166</u>           |
| <b>TOTAL ASSETS</b>                                                          | <u><u>314,262</u></u>    | <u><u>241,853</u></u>    |
| <br>                                                                         |                          |                          |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCE</b>       |                          |                          |
| <b>LIABILITIES</b>                                                           |                          |                          |
| Accounts payable                                                             | 171,191                  | 131,298                  |
| Due to other funds                                                           | <u>106</u>               | <u>106</u>               |
| <br>                                                                         |                          |                          |
| Total liabilities                                                            | <u>171,297</u>           | <u>131,404</u>           |
| <br>                                                                         |                          |                          |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                         |                          |                          |
| Unavailable grant revenue                                                    | <u>69,511</u>            | <u>45,308</u>            |
| <br>                                                                         |                          |                          |
| Total deferred inflows of resources                                          | <u>69,511</u>            | <u>45,308</u>            |
| <br>                                                                         |                          |                          |
| <b>FUND BALANCE</b>                                                          |                          |                          |
| Committed                                                                    | <u>73,454</u>            | <u>65,141</u>            |
| <br>                                                                         |                          |                          |
| Total fund balance                                                           | <u>73,454</u>            | <u>65,141</u>            |
| <br>                                                                         |                          |                          |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCE</b> | <u><u>\$ 314,262</u></u> | <u><u>\$ 241,853</u></u> |

# OTERO COUNTY, COLORADO

## AAA SERVICES FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

#### IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2017 (with comparative actual amounts for 2016)

|                                                      | 2017               |                     |                  | 2016                                   |                  |
|------------------------------------------------------|--------------------|---------------------|------------------|----------------------------------------|------------------|
|                                                      | Original<br>Budget | Final<br>Budget     | Actual           | Variance<br>Favorable<br>(Unfavorable) | Actual           |
| <b>REVENUES</b>                                      |                    |                     |                  |                                        |                  |
| Intergovernmental                                    | \$1,191,739        | \$ 1,191,739        | \$ 972,852       | \$ (218,887)                           | \$ 828,323       |
| Miscellaneous                                        | 2,500              | 2,500               | 1,785            | (715)                                  | 3,280            |
| Total revenues                                       | <u>1,194,239</u>   | <u>1,194,239</u>    | <u>974,637</u>   | <u>(219,602)</u>                       | <u>831,603</u>   |
| <b>EXPENDITURES</b>                                  |                    |                     |                  |                                        |                  |
| Health and welfare                                   | <u>1,204,239</u>   | <u>1,323,921</u>    | <u>966,324</u>   | <u>357,597</u>                         | <u>834,164</u>   |
| Total expenditures                                   | <u>1,204,239</u>   | <u>1,323,921</u>    | <u>966,324</u>   | <u>357,597</u>                         | <u>834,164</u>   |
| Excess (deficiency) of revenues<br>over expenditures | <u>(10,000)</u>    | <u>(129,682)</u>    | <u>8,313</u>     | <u>137,995</u>                         | <u>(2,561)</u>   |
| Net change in fund balance                           | <u>\$ (10,000)</u> | <u>\$ (129,682)</u> | <u>8,313</u>     | <u>\$ 137,995</u>                      | <u>(2,561)</u>   |
| FUND BALANCE, Beginning of year                      |                    |                     | <u>65,141</u>    |                                        | <u>67,702</u>    |
| FUND BALANCE, End of year                            |                    |                     | <u>\$ 73,454</u> |                                        | <u>\$ 65,141</u> |

**OTERO COUNTY, COLORADO**

**OTERO COUNTY LAND TRUST FUND  
BALANCE SHEETS**

**DECEMBER 31, 2017 (with comparative amounts for 2016)**

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|                                               | <u>2017</u>      | <u>2016</u>      |
|-----------------------------------------------|------------------|------------------|
| <b>ASSETS</b>                                 |                  |                  |
| Cash and cash equivalents                     | \$ 66,203        | \$ 66,640        |
| TOTAL ASSETS                                  | <u>66,203</u>    | <u>66,640</u>    |
| <br><b>LIABILITIES AND FUND BALANCE</b>       |                  |                  |
| <b>LIABILITIES</b>                            |                  |                  |
| Accounts payable                              | <u>182</u>       | <u>173</u>       |
| Total liabilities                             | <u>182</u>       | <u>173</u>       |
| <br><b>FUND BALANCE</b>                       |                  |                  |
| Restricted - statute                          | <u>66,021</u>    | <u>66,467</u>    |
| Total fund balance                            | <u>66,021</u>    | <u>66,467</u>    |
| <br><b>TOTAL LIABILITIES AND FUND BALANCE</b> | <u>\$ 66,203</u> | <u>\$ 66,640</u> |

# OTERO COUNTY, COLORADO

## OTERO COUNTY LAND TRUST FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

#### IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2017 (with comparative actual amounts for 2016)

|                                                      | 2017               |                 |           | Variance<br>Favorable<br>(Unfavorable) | 2016      |
|------------------------------------------------------|--------------------|-----------------|-----------|----------------------------------------|-----------|
|                                                      | Original<br>Budget | Final<br>Budget | Actual    |                                        | Actual    |
| <b>REVENUES</b>                                      |                    |                 |           |                                        |           |
| Interest Earnings                                    | \$ 100             | \$ 100          | \$ 810    | \$ 710                                 | \$ 553    |
| Total revenues                                       | 100                | 100             | 810       | 710                                    | 553       |
| <b>EXPENDITURES</b>                                  |                    |                 |           |                                        |           |
| Conservation                                         | 3,600              | 3,600           | 1,256     | 2,344                                  | 1,208     |
| Total expenditures                                   | 3,600              | 3,600           | 1,256     | 2,344                                  | 1,208     |
| Excess (deficiency) of revenues<br>over expenditures | (3,500)            | (3,500)         | (446)     | 3,054                                  | (655)     |
| Net change in fund balance                           | \$ (3,500)         | \$ (3,500)      | (446)     | \$ 3,054                               | (655)     |
| FUND BALANCE, Beginning of year                      |                    |                 | 66,467    |                                        | 67,122    |
| FUND BALANCE, End of year                            |                    |                 | \$ 66,021 |                                        | \$ 66,467 |



**OTERO COUNTY, COLORADO**

**OTHER FUNDS - CONTINGENT FUND - BEFORE TRANSFER TO GENERAL FUND  
BALANCE SHEET  
DECEMBER 31, 2017 (with comparative amounts for 2016)**

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|                                                                              | <u>2017</u>                 | <u>2016</u>                 |
|------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>ASSETS</b>                                                                |                             |                             |
| Cash and cash equivalents                                                    | \$ 305,560                  | \$ 305,558                  |
| Due from other funds                                                         | 318                         | 318                         |
| <b>TOTAL ASSETS</b>                                                          | <u>305,878</u>              | <u>305,876</u>              |
| <br>                                                                         |                             |                             |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCE</b>       |                             |                             |
| <br>                                                                         |                             |                             |
| <b>LIABILITIES</b>                                                           |                             |                             |
| Accounts payable                                                             | <u>-</u>                    | <u>-</u>                    |
| <br>                                                                         |                             |                             |
| Total liabilities                                                            | <u>                    </u> | <u>                    </u> |
| <br>                                                                         |                             |                             |
| <b>FUND BALANCE</b>                                                          |                             |                             |
| Committed                                                                    | <u>305,878</u>              | <u>305,876</u>              |
| <br>                                                                         |                             |                             |
| Total fund balance                                                           | <u>305,878</u>              | <u>305,876</u>              |
| <br>                                                                         |                             |                             |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCE</b> | <u>\$ 305,878</u>           | <u>\$ 305,876</u>           |

**OTERO COUNTY, COLORADO**

**OTHER FUNDS - CONTINGENT FUND - BEFORE TRANSFER TO GENERAL FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2017 (with comparative actual amounts for 2016)**

|                                                      | 2017                |                     |                   | Variance<br>Favorable<br>(Unfavorable) | 2016              |
|------------------------------------------------------|---------------------|---------------------|-------------------|----------------------------------------|-------------------|
|                                                      | Original<br>Budget  | Final<br>Budget     | Actual            |                                        | Actual            |
| <b>REVENUES</b>                                      |                     |                     |                   |                                        |                   |
| Property tax                                         | -                   | -                   | 2                 | 2                                      | 2                 |
| Total revenues                                       |                     |                     | 2                 | 2                                      | 2                 |
| <b>EXPENDITURES</b>                                  |                     |                     |                   |                                        |                   |
| General government                                   | 300,000             | 300,000             |                   | 300,000                                |                   |
| Total expenditures                                   | 300,000             | 300,000             | -                 | 300,000                                | -                 |
| Excess (deficiency) of revenues<br>over expenditures | (300,000)           | (300,000)           | 2                 | 300,002                                | 2                 |
| Other financing sources<br>Transfers in              |                     |                     |                   | -                                      |                   |
| Net change in fund balance                           | <u>\$ (300,000)</u> | <u>\$ (300,000)</u> | 2                 | <u>\$ 300,002</u>                      | 2                 |
| FUND BALANCE, Beginning of year                      |                     |                     | 305,876           |                                        | 305,874           |
| FUND BALANCE, End of year                            |                     |                     | <u>\$ 305,878</u> |                                        | <u>\$ 305,876</u> |

**OTERO COUNTY, COLORADO**

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
DECEMBER 31, 2017 (with comparative totals for 2016)**

|                                 | 2017                |                  |              | 2016<br>Total |
|---------------------------------|---------------------|------------------|--------------|---------------|
|                                 | Internal<br>Service | Medical<br>Trust | Total        |               |
| <b>ASSETS</b>                   |                     |                  |              |               |
| CURRENT ASSETS                  |                     |                  |              |               |
| Cash and cash equivalents       | \$ 547,338          | \$ 2,088,088     | \$ 2,635,426 | \$ 2,198,231  |
| Accounts receivable             | 83,603              | 8,440            | 92,043       | 16,456        |
| Total current assets            | 630,941             | 2,096,528        | 2,727,469    | 2,214,687     |
| NON-CURRENT ASSETS              |                     |                  |              |               |
| Capital assets:                 |                     |                  |              |               |
| Depreciable capital assets, net | 229,479             |                  | 229,479      | 275,187       |
| TOTAL ASSETS                    | 860,420             | 2,096,528        | 2,956,948    | 2,489,874     |
| <b>LIABILITIES</b>              |                     |                  |              |               |
| CURRENT LIABILITIES             |                     |                  |              |               |
| Claims payable                  |                     | 333,116          | 333,116      | 376,220       |
| Due to other funds              | 25,749              |                  | 25,749       | 25,749        |
| TOTAL LIABILITIES               | 25,749              | 333,116          | 358,865      | 401,969       |
| NET POSITION                    |                     |                  |              |               |
| Investment in capital assets    | 229,479             |                  | 229,479      | 275,187       |
| Unrestricted                    | 605,192             | 1,763,412        | 2,368,604    | 1,812,718     |
| TOTAL NET POSITION              | \$ 834,671          | \$ 1,763,412     | \$ 2,598,083 | \$ 2,087,905  |

**OTERO COUNTY, COLORADO**

**INTERNAL SERVICE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION**

**FOR THE YEAR ENDED DECEMBER 31, 2017 (with comparative totals for 2016)**

|                                 | <b>2017</b>                 |                          |                     | <b>2016<br/>Total</b> |
|---------------------------------|-----------------------------|--------------------------|---------------------|-----------------------|
|                                 | <b>Internal<br/>Service</b> | <b>Medical<br/>Trust</b> | <b>Total</b>        |                       |
| <b>OPERATING REVENUES</b>       |                             |                          |                     |                       |
| Charges for services            | \$ 151,552                  | \$ 2,199,823             | \$ 2,351,375        | \$ 2,219,253          |
| Miscellaneous                   | 81,493                      |                          | 81,493              |                       |
| Total operating revenues        | <u>233,045</u>              | <u>2,199,823</u>         | <u>2,432,868</u>    | <u>2,219,253</u>      |
| <b>OPERATING EXPENSES</b>       |                             |                          |                     |                       |
| General government              | 94,928                      | 499,978                  | 594,906             | 18,572                |
| Claims                          |                             | 1,246,694                | 1,246,694           | 2,198,714             |
| Depreciation                    | 99,456                      |                          | 99,456              | 99,054                |
| Total operating expenses        | <u>194,384</u>              | <u>1,746,672</u>         | <u>1,941,056</u>    | <u>2,316,340</u>      |
| Operating income (loss)         | <u>38,661</u>               | <u>453,151</u>           | <u>491,812</u>      | <u>(97,087)</u>       |
| <b>NON-OPERATING REVENUES</b>   |                             |                          |                     |                       |
| Gain on sale of assets          | 10,083                      |                          | 10,083              | 3,174                 |
| Interest revenue                |                             | 8,283                    | 8,283               | 4,850                 |
| Total non-operating revenues    | <u>10,083</u>               | <u>8,283</u>             | <u>18,366</u>       | <u>8,024</u>          |
| Change in net position          | 48,744                      | 461,434                  | 510,178             | (89,063)              |
| NET POSITION, Beginning of year | <u>785,927</u>              | <u>1,301,978</u>         | <u>2,087,905</u>    | <u>2,176,968</u>      |
| NET POSITION, End of year       | <u>\$ 834,671</u>           | <u>\$ 1,763,412</u>      | <u>\$ 2,598,083</u> | <u>\$ 2,087,905</u>   |

# OTERO COUNTY, COLORADO

## INTERNAL SERVICE FUNDS

### COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017 (with comparative totals for 2016)

|                                                                                                       | 2017                |                  |              | 2016<br>Total |
|-------------------------------------------------------------------------------------------------------|---------------------|------------------|--------------|---------------|
|                                                                                                       | Internal<br>Service | Medical<br>Trust | Total        |               |
| <b>OPERATING ACTIVITIES</b>                                                                           |                     |                  |              |               |
| Cash received from customers                                                                          | \$ 149,567          | \$ 2,207,714     | \$ 2,357,281 | \$ 2,203,259  |
| Cash payments for goods and services                                                                  | (94,928)            | (1,789,776)      | (1,884,704)  | (2,050,924)   |
| Net cash provided by operating activities                                                             | 54,639              | 417,938          | 472,577      | 152,335       |
| <b>NONCAPITAL FINANCING ACTIVITIES</b>                                                                |                     |                  |              |               |
| Transfers out                                                                                         |                     |                  |              |               |
| <b>NET CASH (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>                                             |                     |                  |              |               |
| <b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                                       |                     |                  |              |               |
| Proceeds from sale of assets                                                                          | 10,083              |                  | 10,083       | 3,250         |
| Payments for capital acquisitions                                                                     | (53,748)            |                  | (53,748)     | (139,244)     |
| Net cash used in capital and related financing activities                                             | (43,665)            |                  | (43,665)     | (135,994)     |
| <b>INVESTING ACTIVITIES</b>                                                                           |                     |                  |              |               |
| Interest received                                                                                     | -                   | 8,283            | 8,283        | 4,850         |
| Net cash provided by investing activities                                                             |                     | 8,283            | 8,283        | 4,850         |
| Net change in cash and cash equivalents                                                               | 10,974              | 426,221          | 437,195      | 21,191        |
| Cash and cash equivalents, Beginning of year                                                          | 536,364             | 1,661,867        | 2,198,231    | 2,177,040     |
| Cash and cash equivalents, End of year                                                                | \$ 547,338          | \$ 2,088,088     | \$ 2,635,426 | \$ 2,198,231  |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>  |                     |                  |              |               |
| Operating income (loss)                                                                               | 38,661              | 453,151          | 491,812      | \$ (97,087)   |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |                     |                  |              |               |
| Depreciation                                                                                          | 99,456              |                  | 99,456       | 99,054        |
| Change in operating assets and liabilities:                                                           |                     |                  |              |               |
| Accounts receivable                                                                                   | (83,478)            | 7,891            | (75,587)     | (15,994)      |
| Claims payable                                                                                        |                     | (43,104)         | (43,104)     | (27,501)      |
| Accounts payable                                                                                      |                     |                  |              | 193,863       |
| Net cash provided by operating activities                                                             | \$ 54,639           | \$ 417,938       | \$ 472,577   | \$ 152,335    |

# OTERO COUNTY, COLORADO

## INTERNAL SERVICE FUND

### STATEMENT OF NET POSITION

DECEMBER 31, 2017 (with comparative amounts for 2016)

|                                 | <u>2017</u>       | <u>2016</u>       |
|---------------------------------|-------------------|-------------------|
| <b>ASSETS</b>                   |                   |                   |
| <b>CURRENT ASSETS</b>           |                   |                   |
| Cash and cash equivalents       | \$ 547,338        | \$ 536,364        |
| Accounts receivable             | 83,603            | 125               |
| Total current assets            | <u>630,941</u>    | <u>536,489</u>    |
| <b>NON-CURRENT ASSETS</b>       |                   |                   |
| Capital assets:                 |                   |                   |
| Depreciable capital assets, net | <u>229,479</u>    | <u>275,187</u>    |
| <b>TOTAL ASSETS</b>             | <u>860,420</u>    | <u>275,187</u>    |
| <b>LIABILITIES</b>              |                   |                   |
| <b>CURRENT LIABILITIES</b>      |                   |                   |
| Due to other funds              | <u>25,749</u>     | <u>25,749</u>     |
| <b>TOTAL LIABILITIES</b>        | <u>25,749</u>     | <u>25,749</u>     |
| <b>NET POSITION</b>             |                   |                   |
| Investment in capital assets    | 229,479           | 275,187           |
| Unrestricted                    | <u>605,192</u>    | <u>510,740</u>    |
| <b>TOTAL NET POSITION</b>       | <u>\$ 834,671</u> | <u>\$ 785,927</u> |

# OTERO COUNTY, COLORADO

## INTERNAL SERVICE FUND

### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED DECEMBER 31, 2017 (with comparative amounts for 2016)

|                                | <u>2017</u>       | <u>2016</u>       |
|--------------------------------|-------------------|-------------------|
| <b>OPERATING REVENUES</b>      |                   |                   |
| Charges for services           | \$ 151,552        | \$ 138,001        |
| Miscellaneous                  | 81,493            | -                 |
| Total operating revenues       | <u>233,045</u>    | <u>138,001</u>    |
| <b>OPERATING EXPENSES</b>      |                   |                   |
| General government             | 94,928            | 18,572            |
| Depreciation                   | 99,456            | 99,054            |
| Total operating expenses       | <u>194,384</u>    | <u>117,626</u>    |
| Operating Income               | <u>38,661</u>     | <u>20,375</u>     |
| <b>NON-OPERATING REVENUES</b>  |                   |                   |
| Gain on sale of assets         | 10,083            | 3,174             |
| Change in net position         | 48,744            | 23,549            |
| NET POSITION Beginning of year | <u>785,927</u>    | <u>762,378</u>    |
| NET POSITION End of year       | <u>\$ 834,671</u> | <u>\$ 785,927</u> |

# OTERO COUNTY, COLORADO

## INTERNAL SERVICE FUND STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED DECEMBER 31, 2017 (with comparative amounts for 2016)**

|                                                                                                       | <u>2017</u>             | <u>2016</u>             |
|-------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>OPERATING ACTIVITIES</b>                                                                           |                         |                         |
| Cash received from customers                                                                          | \$ 149,567              | \$ 137,876              |
| Cash payments for goods and services                                                                  | <u>(94,928)</u>         | <u>(46,073)</u>         |
| Net cash provided by operating activities                                                             | <u>54,639</u>           | <u>91,803</u>           |
| <b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                                       |                         |                         |
| Proceeds from sale of assets                                                                          | 10,083                  | 3,250                   |
| Payments for purchase of capital acquisition                                                          | <u>(53,748)</u>         | <u>(139,244)</u>        |
| Net cash used in capital and related financing activities                                             | <u>(43,665)</u>         | <u>(135,994)</u>        |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>                                                        | 10,974                  | (44,191)                |
| <b>CASH AND CASH EQUIVALENTS, Beginning of Year</b>                                                   | <u>536,364</u>          | <u>580,555</u>          |
| <b>CASH AND CASH EQUIVALENTS, End of Year</b>                                                         | <u><u>547,338</u></u>   | <u><u>536,364</u></u>   |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>  |                         |                         |
| Operating income (loss)                                                                               | 38,661                  | 20,375                  |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |                         |                         |
| Depreciation                                                                                          | 99,456                  | 99,054                  |
| Change in operating assets and liabilities:                                                           |                         |                         |
| Accounts receivable                                                                                   | (83,478)                | (125)                   |
| Accounts payable                                                                                      |                         | <u>(27,501)</u>         |
| Net cash provided by operating activities                                                             | <u><u>\$ 54,639</u></u> | <u><u>\$ 91,803</u></u> |



**OTERO COUNTY, COLORADO**

**INTERNAL SERVICE FUND  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2017 (with comparative actual amounts for 2016)**

|                                                                                       | 2017               |                 |            | Variance<br>Favorable<br>(Unfavorable) | 2016<br>Actual |
|---------------------------------------------------------------------------------------|--------------------|-----------------|------------|----------------------------------------|----------------|
|                                                                                       | Original<br>Budget | Final<br>Budget | Actual     |                                        |                |
| <b>OPERATING REVENUES</b>                                                             |                    |                 |            |                                        |                |
| Charges for services                                                                  | \$ 144,790         | \$ 144,790      | \$ 151,552 | \$ 6,762                               | \$ 138,001     |
| Miscellaneous                                                                         | -                  |                 | 81,493     | 81,493                                 |                |
| Total operating revenues                                                              | 144,790            | 144,790         | 233,045    | 88,255                                 | 138,001        |
| <b>OPERATING EXPENSES</b>                                                             |                    |                 |            |                                        |                |
| General government                                                                    | 13,596             | 13,596          | 94,928     | (81,332)                               | 18,572         |
| Capital outlay                                                                        | 53,525             | 53,525          | -          | 53,525                                 | -              |
| Total operating expenses                                                              | 67,121             | 67,121          | 94,928     | (27,807)                               | 18,572         |
| Operating income (loss)                                                               | 77,669             | 77,669          | 138,117    | 60,448                                 | 119,429        |
| <b>NON-OPERATING REVENUES</b>                                                         |                    |                 |            |                                        |                |
| Gain on sale of assets                                                                | 3,000              | 3,000           | 10,083     | 7,083                                  | 3,174          |
| Total non-operating revenues                                                          | 3,000              | 3,000           | 10,083     | 7,083                                  | 3,174          |
| Excess of revenues and other financing<br>sources over expenditures.                  | \$ 80,669          | \$ 80,669       | 148,200    | \$ 67,531                              | 122,603        |
| <b>RECONCILIATION OF REVENUE<br/>AND EXPENSES - GAAP BASIS<br/>TO BUDGETARY BASIS</b> |                    |                 |            |                                        |                |
| Change in net position per<br>statement of revenues:                                  |                    |                 | 48,744     |                                        | 23,549         |
| Expenses and changes in net position                                                  |                    |                 |            |                                        |                |
| Expenditures for budgetary purposes:                                                  |                    |                 |            |                                        |                |
| Depreciation                                                                          |                    |                 | 99,456     |                                        | 99,054         |
| Excess of revenues over expenditures                                                  |                    |                 | \$ 148,200 |                                        | \$ 122,603     |

**OTERO COUNTY, COLORADO**

**MEDICAL TRUST FUND**

**STATEMENT OF NET POSITION**

**DECEMBER 31, 2017 (with comparative amounts for 2016)**

---

|                            | <u>2017</u>                | <u>2016</u>                |
|----------------------------|----------------------------|----------------------------|
| <b>ASSETS</b>              |                            |                            |
| <b>CURRENT ASSETS</b>      |                            |                            |
| Cash and cash equivalents  | \$ 2,088,088               | \$ 1,661,867               |
| Accounts receivable        | <u>8,440</u>               | <u>16,331</u>              |
| Total current assets       | <u>2,096,528</u>           | <u>1,678,198</u>           |
| <br>                       |                            |                            |
| TOTAL ASSETS               | <u>2,096,528</u>           | <u>1,678,198</u>           |
| <br>                       |                            |                            |
| <b>LIABILITIES</b>         |                            |                            |
| <b>CURRENT LIABILITIES</b> |                            |                            |
| Claims payable             | <u>333,116</u>             | <u>376,220</u>             |
| <br>                       |                            |                            |
| TOTAL LIABILITIES          | <u>333,116</u>             | <u>376,220</u>             |
| <br>                       |                            |                            |
| <b>NET POSITION</b>        |                            |                            |
| Unrestricted               | <u>1,763,412</u>           | <u>1,301,978</u>           |
| <br>                       |                            |                            |
| TOTAL NET POSITION         | <u><u>\$ 1,763,412</u></u> | <u><u>\$ 1,301,978</u></u> |

# OTERO COUNTY, COLORADO

## MEDICAL TRUST FUND

### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2017 (with comparative amounts for 2016)

|                                | <u>2017</u>                | <u>2016</u>                |
|--------------------------------|----------------------------|----------------------------|
| <b>OPERATING REVENUES</b>      |                            |                            |
| Charges for services           | <u>\$ 2,199,823</u>        | <u>\$ 2,081,252</u>        |
| Total operating revenues       | <u>2,199,823</u>           | <u>2,081,252</u>           |
| <b>OPERATING EXPENSES</b>      |                            |                            |
| General government             | 499,978                    | -                          |
| Claims                         | <u>1,246,694</u>           | <u>2,198,714</u>           |
| Total operating expenses       | <u>1,746,672</u>           | <u>2,198,714</u>           |
| Operating income               | <u>453,151</u>             | <u>(117,462)</u>           |
| <b>NON-OPERATING REVENUES</b>  |                            |                            |
| Interest on investments        | <u>8,283</u>               | <u>4,850</u>               |
| Total non-operating revenues   | <u>8,283</u>               | <u>4,850</u>               |
| NET POSITION Beginning of year | <u>1,301,978</u>           | <u>1,414,590</u>           |
| NET POSITION End of year       | <u><u>\$ 1,763,412</u></u> | <u><u>\$ 1,301,978</u></u> |

# OTERO COUNTY, COLORADO

## MEDICAL TRUST FUND

### STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017 (with comparative amounts for 2016)

|                                                                                                       | <u>2017</u>              | <u>2016</u>             |
|-------------------------------------------------------------------------------------------------------|--------------------------|-------------------------|
| <b>OPERATING ACTIVITIES</b>                                                                           |                          |                         |
| Cash received from customers                                                                          | \$ 2,207,714             | \$ 2,065,383            |
| Cash payments for goods and services                                                                  | <u>(1,789,776)</u>       | <u>(2,004,851)</u>      |
| Net cash provided by operating activities                                                             | <u>417,938</u>           | <u>60,532</u>           |
| <b>INVESTING ACTIVITIES</b>                                                                           |                          |                         |
| Interest received                                                                                     | <u>8,283</u>             | <u>4,850</u>            |
| NET CASH PROVIDED BY INVESTING ACTIVITIES                                                             | <u>8,283</u>             | <u>4,850</u>            |
| NET CHANGE IN CASH AND CASH EQUIVALENTS                                                               | 426,221                  | 65,382                  |
| CASH AND CASH EQUIVALENTS, Beginning of Year                                                          | <u>1,661,867</u>         | <u>1,596,485</u>        |
| CASH AND CASH EQUIVALENTS, End of Year                                                                | <u><u>2,088,088</u></u>  | <u><u>1,661,867</u></u> |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>  |                          |                         |
| Operating income (loss)                                                                               | 453,151                  | (117,462)               |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |                          |                         |
| Change in operating assets and liabilities:                                                           |                          |                         |
| Accounts receivable                                                                                   | 7,891                    | (15,869)                |
| Claims payable                                                                                        | <u>(43,104)</u>          | <u>193,863</u>          |
| Net cash provided by operating activities                                                             | <u><u>\$ 417,938</u></u> | <u><u>\$ 60,532</u></u> |

**OTERO COUNTY, COLORADO**

**MEDICAL TRUST FUND**

**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -**

**BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2017 (with comparative actual amounts for 2016)**

|                                | 2017               |                 |              | Variance<br>Favorable<br>(Unfavorable) | 2016<br>Actual |
|--------------------------------|--------------------|-----------------|--------------|----------------------------------------|----------------|
|                                | Original<br>Budget | Final<br>Budget | Actual       |                                        |                |
| <b>OPERATING REVENUES</b>      |                    |                 |              |                                        |                |
| Charges for services           | \$ 2,028,888       | \$ 2,028,888    | \$ 2,199,823 | \$ 170,935                             | \$ 2,086,102   |
| Total operating revenues       | 2,028,888          | 2,028,888       | 2,199,823    | 170,935                                | 2,086,102      |
| <b>OPERATING EXPENSES</b>      |                    |                 |              |                                        |                |
| General government             | 463,225            | 463,225         | 499,978      |                                        |                |
| Claims                         | 1,300,000          | 1,300,000       | 1,246,694    | 53,306                                 | 2,198,714      |
| Total operating expenses       | 1,763,225          | 1,763,225       | 1,746,672    | 16,553                                 | 2,198,714      |
| <b>NON-OPERATING REVENUES</b>  |                    |                 |              |                                        |                |
| Interest revenue               | 2,000              | 2,000           | 8,283        | 6,283                                  | 4,850          |
| Total non-operating revenues   | 2,000              | 2,000           | 8,283        | (6,283)                                | 4,850          |
| Change in net position         |                    |                 | 461,434      |                                        | (112,612)      |
| NET POSITION Beginning of year |                    |                 | 1,301,978    |                                        | 1,414,590      |
| NET POSITION End of year       |                    |                 | \$ 1,763,412 |                                        | \$ 1,301,978   |

**OTERO COUNTY, COLORADO**

**COMPONENT UNIT - SMALL BUSINESS DEVELOPMENT FUND**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2017 (with comparative amounts for 2016)**

|                                                                                               | 2017                    | 2016                    |
|-----------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| OPERATING ACTIVITIES                                                                          |                         |                         |
| Cash received from customers                                                                  | \$ 38,897               | \$ 25,446               |
| Cash received for goods and services                                                          | 964                     | (11,452)                |
| Net cash provided by operating activities                                                     | <u>39,861</u>           | <u>13,994</u>           |
| NET CHANGE IN CASH AND CASH EQUIVALENTS                                                       | 39,861                  | 13,994                  |
| CASH AND CASH EQUIVALENTS, Beginning of Year                                                  | <u>156,772</u>          | <u>142,778</u>          |
| CASH AND CASH EQUIVALENTS, End of Year                                                        | <u><u>196,633</u></u>   | <u><u>156,772</u></u>   |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b> |                         |                         |
| Operating income                                                                              | 114,284                 | 92,691                  |
| Adjustments to reconcile operating income to net cash provided by operating activities:       |                         |                         |
| Depreciation                                                                                  |                         |                         |
| Change in operating assets and liabilities -                                                  |                         |                         |
| Accounts receivable                                                                           | (74,412)                | (78,698)                |
| Accounts payable                                                                              | (11)                    | 1                       |
| Net cash provided by operating activities                                                     | <u><u>\$ 39,861</u></u> | <u><u>\$ 13,994</u></u> |

**OTERO COUNTY, COLORADO**

**COMPONENT UNIT - SMALL BUSINESS DEVELOPMENT FUND  
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2017 (with comparative actual amounts for 2016)**

|                                                                                             | 2017               |                    |                   |                                        | 2016<br>Actual   |
|---------------------------------------------------------------------------------------------|--------------------|--------------------|-------------------|----------------------------------------|------------------|
|                                                                                             | Original<br>Budget | Final<br>Budget    | Actual            | Variance<br>Favorable<br>(Unfavorable) |                  |
| <b>OPERATING REVENUES</b>                                                                   |                    |                    |                   |                                        |                  |
| Intergovernmental                                                                           | \$ 304,920         | \$ 304,920         | \$ 99,180         | \$ (205,740)                           | \$ 78,800        |
| Charges for services                                                                        | 58,080             | 58,080             |                   | (58,080)                               | 12,608           |
| Miscellaneous                                                                               | 18,000             | 18,000             | 14,130            | (3,870)                                | 12,736           |
| Total operating revenues                                                                    | <u>381,000</u>     | <u>381,000</u>     | <u>113,310</u>    | <u>(267,690)</u>                       | <u>104,144</u>   |
| <b>OPERATING EXPENSES</b>                                                                   |                    |                    |                   |                                        |                  |
| Economic development                                                                        | 478,100            | 478,100            | (975)             | 479,075                                | 11,453           |
| Total operating expenses                                                                    | <u>478,100</u>     | <u>478,100</u>     | <u>(975)</u>      | <u>479,075</u>                         | <u>11,453</u>    |
| Operating gain (loss)                                                                       | <u>\$ (97,100)</u> | <u>\$ (97,100)</u> | <u>114,285</u>    | <u>\$ 211,385</u>                      | <u>92,691</u>    |
| <b>RECONCILIATION OF REVENUE<br/>   AND EXPENSES - GAAP BASIS<br/>   TO BUDGETARY BASIS</b> |                    |                    |                   |                                        |                  |
| Change in net position per statement of<br>revenues, expenses and changes in net position:  |                    |                    | <u>114,285</u>    |                                        | <u>92,691</u>    |
| Excess of revenues over expenditures                                                        |                    |                    | <u>\$ 114,285</u> |                                        | <u>\$ 92,691</u> |

**OTERO COUNTY, COLORADO**

**COMPONENT UNIT - E911 FUND**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2017 (with comparative amounts for 2016)**

|                                                                                               | 2017                    | 2016                    |
|-----------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| OPERATING ACTIVITIES                                                                          |                         |                         |
| Cash received from customers                                                                  | \$ 142,922              | \$ 143,382              |
| Cash paid for goods and services                                                              | <u>(118,601)</u>        | <u>(125,966)</u>        |
| Net cash provided by operating activities                                                     | <u>24,321</u>           | <u>17,416</u>           |
| CAPITAL AND RELATED FINANCING ACTIVITIES                                                      |                         |                         |
| Payments for capital acquisitions                                                             |                         | <u>(4,441)</u>          |
| NET CASH (USED) IN CAPITAL AND RELATED FINANCING ACTIVITIES                                   |                         | <u>(4,441)</u>          |
| INVESTING ACTIVITIES                                                                          |                         |                         |
| Investment earnings                                                                           | <u>767</u>              | <u>739</u>              |
| NET CASH PROVIDED BY INVESTING ACTIVITIES                                                     | <u>767</u>              | <u>739</u>              |
| NET CHANGE IN CASH AND CASH EQUIVALENTS                                                       | 25,088                  | 13,714                  |
| CASH AND CASH EQUIVALENTS, Beginning of Year                                                  | <u>384,150</u>          | <u>370,436</u>          |
| CASH AND CASH EQUIVALENTS, End of Year                                                        | <u><u>409,238</u></u>   | <u><u>384,150</u></u>   |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b> |                         |                         |
| Operating Income (loss):                                                                      | 394                     | (26,274)                |
| Adjustments to reconcile operating loss to net cash provided by operating activities -        |                         |                         |
| Depreciation                                                                                  | 26,465                  | 44,404                  |
| Change in operating assets and liabilities:                                                   |                         |                         |
| Accounts receivable                                                                           | (2,527)                 | (464)                   |
| Accounts payable                                                                              | <u>(11)</u>             | <u>(250)</u>            |
| Net cash provided by operating activities                                                     | <u><u>\$ 24,321</u></u> | <u><u>\$ 17,416</u></u> |



**OTERO COUNTY, COLORADO**

**COMPONENT UNIT - E911 FUND**

**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -**

**BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2017 (with comparative actual amounts for 2016)**

|                                                                                            | 2017               |                    |                  | Variance<br>Favorable<br>(Unfavorable) | 2016<br>Actual   |
|--------------------------------------------------------------------------------------------|--------------------|--------------------|------------------|----------------------------------------|------------------|
|                                                                                            | Original<br>Budget | Final<br>Budget    | Actual           |                                        |                  |
| <b>OPERATING REVENUES</b>                                                                  |                    |                    |                  |                                        |                  |
| Charges for services                                                                       | \$ 120,000         | \$ 120,000         | \$ 145,449       | \$ 25,449                              | \$ 143,846       |
| Investment earnings                                                                        | 100                | 100                | 767              | 667                                    | 739              |
| Total operating revenues                                                                   | <u>120,100</u>     | <u>120,100</u>     | <u>146,216</u>   | <u>26,116</u>                          | <u>144,585</u>   |
| <b>OPERATING EXPENSES</b>                                                                  |                    |                    |                  |                                        |                  |
| Cash payments for good and services                                                        | <u>177,735</u>     | <u>177,735</u>     | <u>118,590</u>   | <u>59,145</u>                          | <u>125,716</u>   |
| Total operating expenses                                                                   | <u>177,735</u>     | <u>177,735</u>     | <u>118,590</u>   | <u>59,145</u>                          | <u>125,716</u>   |
| Operating gain (loss)                                                                      | <u>\$ (57,635)</u> | <u>\$ (57,635)</u> | <u>27,626.00</u> | <u>\$ 85,261</u>                       | <u>18,869</u>    |
| <b>RECONCILIATION OF REVENUE<br/>AND EXPENSES - GAAP BASIS<br/>TO BUDGETARY BASIS</b>      |                    |                    |                  |                                        |                  |
| Change in net position per statement of<br>revenues, expenses and changes in net position: |                    |                    | 1,161            |                                        | (25,535)         |
| Expenditures for budgetary purposes:                                                       |                    |                    |                  |                                        |                  |
| Depreciation                                                                               |                    |                    | <u>26,465</u>    |                                        | <u>44,404</u>    |
| Excess of revenues over expenditures                                                       |                    |                    | <u>\$ 27,626</u> |                                        | <u>\$ 18,869</u> |

**OTERO COUNTY, COLORADO**

**AGENCY FUNDS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|                                    | Balance<br>January 1, 2017 | Additions     | Deductions      | Balance<br>December 31, 2017 |
|------------------------------------|----------------------------|---------------|-----------------|------------------------------|
| <b>Treasurer</b>                   |                            |               |                 |                              |
| <b>ASSETS</b>                      |                            |               |                 |                              |
| Cash and Investments               | \$ 304,020                 | \$ 12,935,247 | \$ (12,882,995) | \$ 356,272                   |
| <b>LIABILITIES</b>                 |                            |               |                 |                              |
| Due to other governmental entities | 304,020                    | 12,935,247    | (12,882,995)    | 356,272                      |
| <b>Clerk</b>                       |                            |               |                 |                              |
| <b>ASSETS</b>                      |                            |               |                 |                              |
| Cash and investments               | 330,781                    | 4,734,324     | (4,723,460)     | 341,645                      |
| <b>LIABILITIES</b>                 |                            |               |                 |                              |
| Due to other governmental entities | 330,781                    | 4,734,324     | (4,723,460)     | 341,645                      |
| <b>TOTAL</b>                       |                            |               |                 |                              |
| <b>ASSETS</b>                      |                            |               |                 |                              |
| Cash and investments               | 634,801                    | 17,669,571    | (17,606,455)    | 697,917                      |
| <b>LIABILITIES</b>                 |                            |               |                 |                              |
| Due to other governmental entities | 634,801                    | 17,669,571    | (17,606,455)    | 697,917                      |
| Total liabilities                  | \$ 634,801                 | \$ 17,669,571 | \$ (17,606,455) | \$ 697,917                   |

**OTERO COUNTY, COLORADO**

**COMPLIANCE AND INTERNAL CONTROL SECTION**

The public report burden for this information collection is estimated to average 380 hours annually.

|                                                           |                                                           |
|-----------------------------------------------------------|-----------------------------------------------------------|
| <b>LOCAL HIGHWAY FINANCE REPORT</b>                       | City or County:<br>OTERO COUNTY                           |
|                                                           | YEAR ENDING :<br>December 2017                            |
| This Information From The Records of the County of Otero: | Prepared By:<br>TINA MASCARENAS<br>Phone:<br>719-383-3005 |

**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

| ITEM                                         | A. Local Motor-Fuel Taxes | B. Local Motor-Vehicle Taxes | C. Receipts from State Highway-User Taxes | D. Receipts from Federal Highway Administration |
|----------------------------------------------|---------------------------|------------------------------|-------------------------------------------|-------------------------------------------------|
| 1. Total receipts available                  |                           |                              |                                           |                                                 |
| 2. Minus amount used for collection expenses |                           |                              |                                           |                                                 |
| 3. Minus amount used for nonhighway purposes |                           |                              |                                           |                                                 |
| 4. Minus amount used for mass transit        |                           |                              |                                           |                                                 |
| 5. Remainder used for highway purposes       |                           |                              |                                           |                                                 |

**II. RECEIPTS FOR ROAD AND STREET PURPOSES**

| ITEM                                                        | AMOUNT    |
|-------------------------------------------------------------|-----------|
| <b>A. Receipts from local sources:</b>                      |           |
| 1. Local highway-user taxes                                 |           |
| a. Motor Fuel (from Item I.A.5.)                            |           |
| b. Motor Vehicle (from Item I.B.5.)                         |           |
| c. Total (a.+b.)                                            |           |
| 2. General fund appropriations                              |           |
| 3. Other local imposts (from page 2)                        | 744,971   |
| 4. Miscellaneous local receipts (from page 2)               | 41,927    |
| 5. Transfers from toll facilities                           |           |
| 6. Proceeds of sale of bonds and notes:                     |           |
| a. Bonds - Original Issues                                  |           |
| b. Bonds - Refunding Issues                                 |           |
| c. Notes                                                    |           |
| d. Total (a. + b. + c.)                                     | 0         |
| 7. Total (1 through 6)                                      | 786,898   |
| <b>B. Private Contributions</b>                             |           |
| <b>C. Receipts from State government</b><br>(from page 2)   | 1,772,241 |
| <b>D. Receipts from Federal Government</b><br>(from page 2) | 5,838     |
| <b>E. Total receipts (A.7 + B + C + D)</b>                  | 2,564,977 |

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

| ITEM                                              | AMOUNT    |
|---------------------------------------------------|-----------|
| <b>A. Local highway disbursements:</b>            |           |
| 1. Capital outlay (from page 2)                   | 2,356,686 |
| 2. Maintenance:                                   | 171,069   |
| 3. Road and street services:                      |           |
| a. Traffic control operations                     | 5,819     |
| b. Snow and ice removal                           |           |
| c. Other                                          | 150,039   |
| d. Total (a. through c.)                          | 155,858   |
| 4. General administration & miscellaneous         | 56,499    |
| 5. Highway law enforcement and safety             |           |
| 6. Total (1 through 5)                            | 2,740,112 |
| <b>B. Debt service on local obligations:</b>      |           |
| 1. Bonds:                                         |           |
| a. Interest                                       |           |
| b. Redemption                                     |           |
| c. Total (a. + b.)                                | 0         |
| 2. Notes:                                         |           |
| a. Interest                                       |           |
| b. Redemption                                     |           |
| c. Total (a. + b.)                                | 0         |
| 3. Total (1.c + 2.c)                              | 0         |
| <b>C. Payments to State for highways</b>          |           |
| <b>D. Payments to toll facilities</b>             |           |
| <b>E. Total disbursements (A.6 + B.3 + C + D)</b> | 2,740,112 |

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

|                              | Opening Debt | Amount Issued | Redemptions | Closing Debt |
|------------------------------|--------------|---------------|-------------|--------------|
| <b>A. Bonds (Total)</b>      |              |               |             | 0            |
| I. Bonds (Refunding Portion) |              |               |             |              |
| <b>B. Notes (Total)</b>      |              |               |             | 0            |

**V. LOCAL ROAD AND STREET FUND BALANCE**

|  | A. Beginning Balance | B. Total Receipts | C. Total Disbursements | D. Ending Balance | E. Reconciliation |
|--|----------------------|-------------------|------------------------|-------------------|-------------------|
|  | 3,242,904            | 2,564,977         | 2,740,112              | 3,067,769         | 0                 |

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2017

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

| ITEM                              | AMOUNT                    | ITEM                                      | AMOUNT                    |
|-----------------------------------|---------------------------|-------------------------------------------|---------------------------|
| <b>A.3. Other local imposts:</b>  |                           | <b>A.4. Miscellaneous local receipts:</b> |                           |
| a. Property Taxes and Assessments | 617,055                   | a. Interest on investments                |                           |
| b. Other local imposts:           |                           | b. Traffic Fines & Penalties              |                           |
| 1. Sales Taxes                    |                           | c. Parking Garage Fees                    |                           |
| 2. Infrastructure & Impact Fees   |                           | d. Parking Meter Fees                     |                           |
| 3. Liens                          |                           | e. Sale of Surplus Property               | 27,965                    |
| 4. Licenses                       |                           | f. Charges for Services                   | 13,962                    |
| 5. Specific Ownership &/or Other  | 127,916                   | g. Other Misc. Receipts                   | 0                         |
| 6. Total (1. through 5.)          | 127,916                   | h. Other - Proceeds From Capital Lease    |                           |
| c. Total (a. + b.)                | 744,971                   | i. Total (a. through h.)                  | 41,927                    |
|                                   | (Carry forward to page 1) |                                           | (Carry forward to page 1) |

| ITEM                                     | AMOUNT    | ITEM                                       | AMOUNT                    |
|------------------------------------------|-----------|--------------------------------------------|---------------------------|
| <b>C. Receipts from State Government</b> |           | <b>D. Receipts from Federal Government</b> |                           |
| 1. Highway-user taxes                    | 1,731,799 | 1. FHWA (from Item I.D.5.)                 |                           |
| 2. State general funds                   |           | 2. Other Federal agencies:                 |                           |
| 3. Other State funds:                    |           | a. Forest Service                          |                           |
| a. State bond proceeds                   |           | b. FEMA                                    |                           |
| b. Project Match                         |           | c. HUD                                     |                           |
| c. Motor Vehicle Registrations           | 40,442    | d. Federal Transit Admin                   |                           |
| d. Other (Specify) - DOLA Grant          |           | e. U.S. Corps of Engineers                 | 5,838                     |
| e. Other (Specify) - Waste Tire          |           | f. Other Federal                           | 5,838                     |
| f. Total (a. through e.)                 | 40,442    | g. Total (a. through f.)                   |                           |
| 4. Total (1. + 2. + 3.f)                 | 1,772,241 | 3. Total (1. + 2.g)                        |                           |
|                                          |           |                                            | (Carry forward to page 1) |

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

|                                                     | ON NATIONAL<br>HIGHWAY<br>SYSTEM<br>(a) | OFF NATIONAL<br>HIGHWAY<br>SYSTEM<br>(b) | TOTAL<br>(c)              |
|-----------------------------------------------------|-----------------------------------------|------------------------------------------|---------------------------|
| <b>A.1. Capital outlay:</b>                         |                                         |                                          | 0                         |
| a. Right-Of-Way Costs                               |                                         | 46,204                                   | 46,204                    |
| b. Engineering Costs                                |                                         |                                          |                           |
| c. Construction:                                    |                                         |                                          | 0                         |
| (1). New Facilities                                 |                                         | 536,594                                  | 536,594                   |
| (2). Capacity Improvements                          |                                         | 1,609,781                                | 1,609,781                 |
| (3). System Preservation                            |                                         | 164,107                                  | 164,107                   |
| (4). System Enhancement & Operation                 | 0                                       | 2,310,482                                | 2,310,482                 |
| (5). Total Construction (1) + (2) + (3) + (4)       | 0                                       | 2,356,686                                | 2,356,686                 |
| d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5) |                                         |                                          |                           |
|                                                     |                                         |                                          | (Carry forward to page 1) |

Notes and Comments:



McPherson,  
Breyfogle,  
Daveline &  
Goodrich, PC  
Certified Public Accountants

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

Board of County Commissioners  
Otero County, Colorado  
LaJunta, Colorado

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, each discretely presented component unit, each major fund, and the aggregate remaining fund information of Otero County, Colorado (the County), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 29, 2018.

**Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

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

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

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

*W. P. Kenyon, Brantford, DeWine & Goodrich, PC*

June 29, 2018



McPherson,  
Breyfogle,  
Daveline &  
Goodrich, PC  
Certified Public Accountants

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

Board of County Commissioners  
Otero County, Colorado  
LaJunta, Colorado

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

We have audited Otero County, Colorado's (the 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 the County's major federal programs for the year ended December 31, 2017. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' Responsibility**

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

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



## Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

## Report on Internal Control Over Compliance

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

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

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

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.

*W. Peterson, Braybooke, Durkin & Goodrich, PC*

June 29, 2018



**OTERO COUNTY, COLORADO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Cont'd.)  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**FINANCIAL STATEMENT FINDINGS**

No findings were noted that require reporting in accordance with Government Auditing Standards.

**FEDERAL AWARD FINDINGS**

No findings or questioned costs for federal awards were noted.

**OTERO COUNTY, COLORADO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Reference  
Number

Current Status

2016-001

Corrective action was taken

OTERO COUNTY, COLORADO  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 YEAR ENDED DECEMBER 31, 2017

| Federal Grantor/<br>Pass-Through Grantor/<br>Program Title                                                                                                                           | Federal<br>CFDA<br>Number | Pass-Through<br>Grantor's<br>Number    | Pass-Through to<br>Subrecipients | Amount<br>Expended |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|----------------------------------------|----------------------------------|--------------------|
| <b>U.S. DEPARTMENT OF AGRICULTURE:</b>                                                                                                                                               |                           |                                        |                                  |                    |
| <b>Passed-through the State of Colorado Department of Human Services -</b><br>State Administrative Matching Grants for the Supplemental Nutrition Assistance<br>Program              | 10.561                    | N/A                                    | \$ -                             | \$ 305,602         |
| <b>Passed-through the State of Colorado Department of Public Health -</b><br>Special Supplemental Nutrition Program for Women, Infants, and Children                                 | 10.557                    | 08-FLA 00475                           | \$ -                             | \$ 667,736         |
| Total U.S. Department of Agriculture                                                                                                                                                 |                           |                                        | \$ -                             | \$ 973,338         |
| <b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>                                                                                                                                  |                           |                                        |                                  |                    |
| <i>Aging - Cluster</i>                                                                                                                                                               |                           |                                        |                                  |                    |
| <b>Passed-through the State of Colorado Department of Human Services -</b><br>Special Programs For The Aging Title III Part B - Grants For Supportive Services and<br>Senior Centers | 93.044                    | 17 IHIEA AASC 88259; 18 IHIEA<br>98575 | \$ 48,012                        | \$ 68,943          |
| Special Programs For The Aging Title III - Administration                                                                                                                            | 93.044                    | 17 IHIEA AASC 88259; 18 IHIEA<br>98575 | \$ -                             | \$ 8,449           |
| Special Programs For The Aging Title III Part C - Nutrition Services                                                                                                                 | 93.045                    | 17 IHIEA AASC 88259; 18 IHIEA<br>98575 | \$ 180,246                       | \$ 180,246         |
| Nutrition Services Incentive Program                                                                                                                                                 | 93.053                    | 17 IHIEA AASC 88259; 18 IHIEA<br>98575 | \$ 75,737                        | \$ 75,737          |
| Total Aging - Cluster                                                                                                                                                                |                           |                                        | \$ 303,995                       | \$ 333,375         |
| <b>CCDF - Cluster</b>                                                                                                                                                                |                           |                                        |                                  |                    |
| <b>Passed-through the State of Colorado Department of Human Services -</b><br>Child Care and Development Block Grant                                                                 | 93.575                    | N/A                                    | \$ -                             | \$ 137,742         |
| Child Care Mandatory and Matching Funds of the Child Care and Development Fund                                                                                                       | 93.596                    | N/A                                    | \$ -                             | \$ 32,793          |
| Total CCDF - Cluster                                                                                                                                                                 |                           |                                        | \$ -                             | \$ 170,535         |
| <b>Other Programs</b>                                                                                                                                                                |                           |                                        |                                  |                    |
| <b>Passed-through the State of Colorado Department of Local Affairs -</b><br>Community Services Block Grant                                                                          | 93.569                    | L115CSBG33                             | \$ -                             | \$ 91,812          |

OTERO COUNTY, COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 YEAR ENDED DECEMBER 31, 2017

| Federal Grantor/<br>Pass-Through Grantor/<br>Program Title                                                              | Federal<br>CFDA<br>Number | Pass-Through<br>Grantor's<br>Number | Pass-Through to<br>Subrecipients | Amount<br>Expended |
|-------------------------------------------------------------------------------------------------------------------------|---------------------------|-------------------------------------|----------------------------------|--------------------|
| <b>Passed-through the State of Colorado Department of Human Services -</b>                                              |                           |                                     |                                  |                    |
| Special Programs For The Aging Title VII Chapter 3 - Programs for the Prevention of Elder Abuse, Neglect & Exploitation | 93.041                    | 17 IHIEA AASC 88259; 18 IHIEA 98575 | \$ -                             | 622                |
| Special Programs For The Aging Title VII Chapter 2 - Long Term Care Ombudsman Services for Older Individuals            | 93.042                    | 17 IHIEA AASC 88259; 18 IHIEA 98575 | \$ -                             | 3,016              |
| Special Programs For The Aging Title III Part D - Disease Prevention & Health Promotion Services                        | 93.043                    | 17 IHIEA AASC 88259; 18 IHIEA 98575 | \$ 4,157                         | 4,157              |
| Special Programs for the Aging Title IV and Title II Discretionary Projects                                             | 93.048                    | 2015001868OL3                       | \$ -                             | 5,965              |
| National Family Caregiver Support Title III Part E                                                                      | 93.052                    | 17 IHIEA AASC 88259; 18 IHIEA 98575 | \$ 22,987                        | 22,987             |
| Guardianship Assistance                                                                                                 | 93.090                    | N/A                                 | \$ -                             | 27,660             |
| Temporary Assistance For Needy Families                                                                                 | 93.558                    | N/A                                 | \$ -                             | 817,237            |
| Child Support Enforcement                                                                                               | 93.563                    | N/A                                 | \$ -                             | 177,054            |
| Low Income Home Energy Assistance                                                                                       | 93.568                    | N/A                                 | \$ -                             | 755,193            |
| Stephanie Tubbs Jones Child Welfare Services Program                                                                    | 93.645                    | N/A                                 | \$ -                             | 26,185             |
| Foster Care - Title IV-E                                                                                                | 93.658                    | N/A                                 | \$ -                             | 375,100            |
| Adoption Assistance                                                                                                     | 93.659                    | N/A                                 | \$ -                             | 92,225             |
| Social Services Block Grant                                                                                             | 93.667                    | N/A                                 | \$ -                             | 117,115            |
| <b>Passed-through the State of Colorado Department of Public Health and Environment -</b>                               |                           |                                     |                                  |                    |
| Public Health Emergency Preparedness                                                                                    | 93.074                    | CTFAAA 201700003381                 | \$ -                             | 208,576            |
| Immunization Cooperative Agreements                                                                                     | 93.268                    | FHHA201500000000000143              | \$ -                             | 92,632             |
| <b>Passed-through the State of Colorado Department of Public Health Care Policy and Financing -</b>                     |                           |                                     |                                  |                    |
| Children's Health Insurance Program                                                                                     | 93.767                    | 20100000000000021                   | \$ -                             | 4,150              |
| Medical Assistance Program                                                                                              | 93.778                    | 14-5537 IOL5                        | \$ 45,279                        | 762,436            |
| Adjustment per State                                                                                                    | 93.xxx                    | N/A                                 | \$ -                             | 1,220              |

OTERO COUNTY, COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 YEAR ENDED DECEMBER 31, 2017

| Federal Grantor/<br>Pass-Through Grantor/<br>Program Title                            | Federal<br>CFDA<br>Number | Pass-Through<br>Grantor's<br>Number | Pass-Through to<br>Subrecipients | Amount<br>Expended |
|---------------------------------------------------------------------------------------|---------------------------|-------------------------------------|----------------------------------|--------------------|
| <b>Passed-through Office of the Secretary</b>                                         |                           |                                     |                                  |                    |
| Medical Reserve Corps Small Grant Program                                             | 93.008                    | MRC 2055                            | \$ -                             | \$ 1,153           |
| <b>Passed-through the Centers for Medicare and Medicaid Services</b>                  |                           |                                     |                                  |                    |
| ACA - State Innovation Models                                                         | 93.624                    | ENSWRHC02                           | \$ -                             | \$ 74,885          |
| <b>Passed-through the Administration for Children and Families</b>                    |                           |                                     |                                  |                    |
| Promoting Safe and Stable Families                                                    | 93.556                    | N/A                                 | \$ -                             | \$ 15,467          |
| Total Other Programs                                                                  |                           |                                     | \$ 72,423                        | \$ 3,676,847       |
| <b>Passed-through the Association of Food and Drug Officials</b>                      |                           |                                     |                                  |                    |
| RESEARCH AND DEVELOPMENT                                                              | 93.103                    | G-T-1611-03878                      | \$ -                             | \$ 2,643           |
| Food and Drug Administration Research                                                 |                           |                                     | \$ -                             | \$ 2,643           |
| Total Research and Development                                                        |                           |                                     | \$ 376,418                       | \$ 4,183,400       |
| Total U.S. Department of Health and Human Services                                    |                           |                                     |                                  |                    |
| <b>DEPARTMENT OF HOMELAND SECURITY FEDERAL EMERGENCY<br/>MANAGEMENT AGENCY (FEMA)</b> |                           |                                     |                                  |                    |
| Passed-through Colorado Department of Public Safety                                   | 97.042                    | EMD-2017-EP-000008-S01              | \$ -                             | \$ 8,532           |
| Emergency Management Performance Grant                                                |                           |                                     | \$ -                             | \$ 8,532           |
| Total U.S. Department of Homeland Security FEMA                                       |                           |                                     | \$ -                             | \$ 8,532           |
| <b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>                               |                           |                                     |                                  |                    |
| Passed-through Colorado Department of Local Affairs                                   | 14.228                    | N/A                                 | \$ -                             | \$ 99,180          |
| Community Development Block Grant                                                     |                           |                                     | \$ -                             | \$ 99,180          |
| Total U.S. Department of Housing and Urban Development                                |                           |                                     | \$ -                             | \$ 99,180          |

OTERO COUNTY, COLORADO  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 YEAR ENDED DECEMBER 31, 2017

| Federal Grantor/<br>Pass-Through Grantor/<br>Program Title | Federal<br>CFDA<br>Number | Pass-Through<br>Grantor's<br>Number | Pass-Through to<br>Subrecipients | Amount<br>Expended |
|------------------------------------------------------------|---------------------------|-------------------------------------|----------------------------------|--------------------|
| <b>U.S. DEPARTMENT OF JUSTICE ASSISTANCE</b>               |                           |                                     |                                  |                    |
| <b>Passed-through Colorado Department of Public Safety</b> |                           |                                     |                                  |                    |
| Edward Byrne Memorial Justice Assistance Grant Program     | 16.738                    | N/A                                 | -                                | \$ 81,493          |
| Total U.S. Department of Justice Assistance                |                           |                                     | -                                | \$ 81,493          |
| <b>UNITED STATES DEPARTMENT OF AGRICULTURE</b>             |                           |                                     |                                  |                    |
| Direct Assistance -                                        |                           |                                     |                                  |                    |
| Schools and Roads - Grants to Counties                     | 10.666                    | N/A                                 | -                                | \$ 5,838           |
| Total United States Department of Agriculture              |                           |                                     | -                                | \$ 5,838           |
| <b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>      |                           |                                     |                                  |                    |
| Direct Assistance -                                        |                           |                                     |                                  |                    |
| Retired and Senior Volunteer Program                       | 94.002                    | N/A                                 | -                                | \$ 47,587          |
| Total Corporation for National and Community Service       |                           |                                     | -                                | \$ 47,587          |
| <b>U.S. DEPARTMENT OF VETERANS AFFAIRS</b>                 |                           |                                     |                                  |                    |
| Direct Assistance -                                        |                           |                                     |                                  |                    |
| VHA Home Care                                              | 64.044                    | N/A                                 | 137,640                          | \$ 145,985         |
| Total U.S. Department of Veterans Affairs                  |                           |                                     | 137,640                          | \$ 145,985         |
| Total Expenditures of Federal Awards                       |                           |                                     | 514,058                          | \$ 5,545,353       |



## OTERO COUNTY, COLORADO

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2017

#### 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Otero County, Colorado under programs of the federal government for the year ended December 31, 2016. 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 Requirements, Cost Principles, and Administrative Requirements for Federal Awards (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Otero County, Colorado, it is not intended to and does not present the financial position, changes in financial position, or cash flows of Otero County, Colorado.

#### 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are generally reported using the cash basis of accounting. Such expenditures are recognized following, as applicable, either the Cost Principles in Office of Management and Budget Circular A-87, Cost Principles for State, Local and Indian Tribal Governments or the cost principles contained in the Uniform Guidance. As such, certain types of expenditures are not allowable or are limited as to reimbursement.

#### 3. Indirect Cost Rate

Otero County, Colorado has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.