

Otero County, Colorado

Financial Statements
with Independent Auditor's Report

December 31, 2023



**HINKLE &
COMPANY**
Strategic ^{PC}
Business Advisors

Otero County, Colorado

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Financial Section



**HINKLE &
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Independent Auditor's Report

Board of County Commissioners
Otero County, Colorado
La Junta, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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, local highway finance report and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award 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 combining and individual fund statements and schedules, local highway finance report and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, local highway finance report and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2024, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's 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.

Hick & Company, PC

Englewood, Colorado
July 30, 2024



Otero County, Colorado

Management's Discussion and Analysis

December 31, 2023

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, 2023. 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, 2023:

- Assets of the County exceed its liabilities and deferred inflows of resources by \$36,021,519. The County's unrestricted net position of \$21,043,469 may be used to meet the County's on-going obligations.
- The restricted net position includes \$371,906 required by TABOR, the emergency contingency required by Article X, Section 20 of the Colorado Constitution.

Fund Financial Statements as of December 31, 2023

The County's *governmental funds* reported a combined ending fund balance of \$36,677,140 including the following major funds: General Fund with \$9,482,814; Road & Bridge Fund with \$2,703,036 (includes \$290,956 in inventory); Social Services Fund with \$426,470; Detention Center Fund with \$15,533,040; and Area Agency on Aging Fund with \$274,955. Other governmental funds accounted for \$8,256,825. Of the total government fund balances, \$8,828,249 is unrestricted/unassigned. Committed funds include \$282,659 from the General Fund and \$25,666,655 in other governmental funds. Restricted funds include \$371,906 from the General Fund and \$1,236,715 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.

Otero County, Colorado
Management's Discussion and Analysis
December 31, 2023

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.

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.

Otero County, Colorado
Management's Discussion and Analysis
December 31, 2023

The County reports thirteen 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, Area Agency on Aging Fund, American Rescue Plan Fund, and Detention Center 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, Capital Improvement Fund, Clerk Hire Fund, Conservation Trust Fund, General Human Services Fund, Health 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.

Otero County, Colorado
Management's Discussion and Analysis
December 31, 2023

Condensed Statement of Net Position
December 31, 2023

	2023				2022 Total
	Governmental Activities	E911 Emergency Services	Small Business Development	Total	
ASSETS					
CURRENT AND OTHER ASSETS					
Cash and Investments	\$ 40,515,965	\$ 740,293	\$ 414,508	\$ 41,670,766	\$ 40,609,971
Accounts Receivable	2,414,713	54,614	660,155	3,129,482	2,714,646
Taxes Receivable	3,843,421	-	-	3,843,421	3,976,761
Due from other governments	28,851	-	-	28,851	33,098
Inventory	290,956	-	-	290,956	229,039
CAPITAL ASSETS					
Capital Assets, <i>Not Being Depreciated</i>	6,287,179	-	-	6,287,179	5,443,950
Capital Assets, <i>Net of Accumulated Depreciation</i>	7,953,094	490,581	-	8,443,675	9,015,996
Total Assets	61,334,179	1,285,488	1,074,663	63,694,330	62,023,461
LIABILITIES					
Accounts Payable	1,012,805	7,192	66	1,020,063	662,304
Due to Other Governments	273,829	-	-	273,829	341,997
Public Trustee Deposits	76,525	-	-	76,525	42,629
Accrued Interest	59,483	-	-	59,483	62,945
Long-Term Liabilities	16,904,102	691,242	-	17,595,344	18,445,908
Total Liabilities	18,326,744	698,434	66	19,025,244	19,555,783
DEFERRED INFLOWS OF RESOURCES					
Total deferred inflows of resources	6,985,916	-	-	6,985,916	7,412,288
NET POSITION					
Net Investment in Capital Assets	13,369,429	(200,661)	-	13,168,768	(1,740,325)
Restricted	1,608,621	-	1,074,597	2,683,218	2,605,602
Unrestricted	21,043,469	787,715	-	21,831,184	34,190,113
Total Net Position	\$ 36,021,519	\$ 587,054	\$ 1,074,597	\$ 37,683,170	\$ 35,055,390

Financial Analysis - Statement of Net Position

1. Restricted net assets are made up of statutory reserves of \$371,906 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 66.89% of the estimated \$1,762,000 allocated among the participating entities amounting to \$1,178,671. 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.

Otero County, Colorado
Management's Discussion and Analysis
December 31, 2023

Condensed Statement of Changes in Net Position
Year Ended December 31, 2023

	2023			Total	2022 Total
	Primary Government	Component Unit	Component Unit		
	Governmental Activities	E911 Emergency Services	Small Business Development		
REVENUES					
PROGRAM REVENUES					
Charges for services	\$ 3,800,049	\$ 512,567	\$ 6,968	\$ 4,319,584	\$ 4,301,324
Operating grants and contributions	10,416,023	-	-	10,416,023	12,672,153
Capital grants	108,261	-	-	108,261	-
Total program revenues	14,324,333	512,567	6,968	14,843,868	16,973,477
GENERAL REVENUES					
Property and specific ownership taxes	4,502,843	-	-	4,502,843	4,615,305
Other taxes	5,018,743	-	-	5,018,743	4,896,930
Other revenue	2,081,131	9,771	19,599	2,110,501	101,894
Total general revenues	11,602,717	9,771	19,599	11,632,087	9,614,129
TOTAL - REVENUES	25,927,050	522,338	26,567	26,475,955	26,587,606
FUNCTION/PROGRAM - EXPENSES					
PRIMARY GOVERNMENT					
Governmental Activities					
General Government	\$ 5,924,491	\$ -	\$ -	\$ 5,924,491	\$ 4,839,572
Public Safety	3,024,908	-	-	3,024,908	2,530,935
Public works	2,697,600	-	-	2,697,600	4,257,542
Public health and welfare	10,855,458	-	-	10,855,458	10,840,279
Culture and recreation	58,951	-	-	58,951	163,845
Conservation	121,093	-	-	121,093	101,938
Interest on long-term debt	699,077	-	-	699,077	568,813
Total governmental activities	23,381,578	-	-	23,381,578	23,302,924
COMPONENT UNIT					
E911 Emergency Services	-	455,409	-	455,409	409,546
Small Business Development	-	-	11,188	11,188	551
TOTAL FUNCTION/PROGRAMS - EXPENSES	23,381,578	455,409	11,188	23,848,175	23,713,021
CHANGE IN NET POSITION	2,545,472	66,929	15,379	2,627,780	2,874,585
NET POSITION, Beginning of year	33,476,047	520,125	1,059,218	35,055,390	32,180,805

Otero County, Colorado
Management's Discussion and Analysis
December 31, 2023

Financial Analysis - Statement of Activities

1. There was an increase in current year in the County's primary government net position of \$2,545,472 or 7.61%. This is primarily due to an increase in revenues in investment income.
2. The E911 Emergency Services increased 12.87% in net position for fiscal year 2023 due to an increase in charges for services and continues to exhibit a strong financial picture. The per line surcharge collected for the E911 system was increased from \$1.81 per line surcharge to \$1.97 in June 2023, 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 \$15,379 or 1.46% for fiscal year 2022.

ANALYSIS OF POSITION

The overall financial position of the County improved during 2023, due to an increase in overall revenues.

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 \$8,461,097 in fiscal year 2023, an increase of 8.2% from fiscal year 2022.

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

	Fiscal Year 2023	Fiscal Year 2022	Increase (Decrease)	Percent Change
TAXES				
Property and other taxes	\$ 1,925,412	\$ 2,234,577	\$ (309,165)	-13.8%
Specific ownership taxes	422,006	447,302	(25,296)	-5.7%
Sales tax	2,655,281	2,574,629	80,652	3.1%
Intergovernmental taxes	22,484	35,679	(13,195)	-37.0%
Total taxes	<u>5,025,183</u>	<u>5,292,187</u>	<u>(267,004)</u>	<u>-5.0%</u>
Intergovernmental	1,686,137	1,740,267	(54,130)	-3.1%
Charges for services	991,335	1,047,471	(56,136)	-5.4%
Fines and forfeitures	551	2,570	(2,019)	-78.6%
Investment and miscellaneous	<u>757,891</u>	<u>(265,293)</u>	<u>1,023,184</u>	<u>-385.7%</u>
TOTAL	<u>\$ 8,461,097</u>	<u>\$ 7,817,202</u>	<u>\$ 643,895</u>	<u>8.2%</u>

Otero County, Colorado
Management's Discussion and Analysis
December 31, 2023

Property Taxes - Property taxes decreased by 13.8% compared with prior year. The mill levy was decreased from 12.744 mills in fiscal year 2022 to 11.693 mills in fiscal year 2023. The fiscal year 2022 mill levy was applied against an assessed valuation of \$174,359,098. The fiscal year 2022 mill levy was applied against an assessed valuation of \$173,968,212. The property tax mills levied for both years are in compliance with the restrictions of Article X Section 20 of the Colorado Constitution (TABOR).

Intergovernmental -Intergovernmental revenue has decreased by 3.1% compared to prior year due to a decrease in grant funding. This category includes federal, state and local sources. The primary source of federal revenue is Payment-In-Lieu of Taxes (PILT) on federal, state and other governmental lands which accounted for \$572,859 in fiscal year 2023. In addition, cost allocation (indirect cost reimbursement), grant funding, and other miscellaneous types of governmental revenue.

Charges for Services - There was a 5.4% decrease in revenue for charges for services, mostly due to an decrease in reimbursable expenditures for the landfill. 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, map charges, and reimbursement from Otero County Landfill Inc (OCLI) for payroll and operating expenses.

Investment Income - Investment income increased by 385.7% or \$1,023,184 due to maturity dates of County investments and changes to interest rates and consists of those funds generated through its investment program. The County will continue to re-evaluate the investments being held.

Other Financing Sources - This category includes interfund transfers and extraordinary items. In 2023, Transfers from General Fund to other funds included \$56,493 to Health Fund, \$230,000 to Insurance Fund, and \$694,994 to Detention Center Fund.

Otero County, Colorado
Management's Discussion and Analysis
December 31, 2023

**Schedule of Expenditures
(General Fund with Contingent Fund)**

	Percent of Total	Fiscal Year 2023	Fiscal Year 2022	Increase (Decrease)	Percent Change
Current:					
General government	44.6%	\$ 3,191,873	\$ 3,372,962	\$ (181,089)	-5.4%
Public safety	41.8%	2,991,723	2,487,971	503,752	20.2%
Public works	9.4%	671,163	851,859	(180,696)	-21.2%
Public health & welfare	1.9%	138,511	128,377	10,134	7.9%
Culture and recreation	0.3%	25,035	24,825	210	0.8%
Conservation	1.6%	117,769	102,603	15,166	14.8%
Capital outlay	0.0%	-	24,000	(24,000)	100.0%
Debt service:					
Principal	0.2%	16,071	14,202	1,869	13.2%
Interest	0.1%	4,685	6,750	(2,065)	-30.6%
TOTAL - EXPENDITURES	100.00%	\$ 7,156,830	\$ 7,013,549	\$ 143,281	2.0%

Overall - Total expenditures increased by 2.0%, or \$143,281 from fiscal year 2022 to fiscal year 2023.

Public Works - In fiscal year 2023 the public works costs showed a decrease of 21.2%. This decrease is mainly due to payroll and operating expenditures for the landfill going down.

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 \$2,492,765 while expenditures totaled \$2,389,164. The ending fund balance of \$2,703,036 includes inventory of \$290,956 and reflects a 5.7% increase in fund balance (available resources).

Otero County, Colorado
Management's Discussion and Analysis
December 31, 2023

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

	Fiscal Year 2023	Fiscal Year 2022	Increase (Decrease)	Percent Change
TAXES				
Property and other taxes	\$ 552,065	\$ 586,000	\$ (33,935)	-5.8%
Specific ownership taxes	128,767	117,739	11,028	9.4%
Intergovernmental taxes	1,768,119	1,750,301	17,818	1.0%
Total taxes	<u>2,448,951</u>	<u>2,454,040</u>	<u>(5,089)</u>	<u>-0.2%</u>
Intergovernmental	42,641	45,117	(2,476)	-5.5%
Charges for services	173	27,724	(27,551)	-99.4%
Other financing sources	<u>1,000</u>	<u>5,800</u>	<u>(4,800)</u>	<u>-82.8%</u>
TOTAL	<u>\$ 2,492,765</u>	<u>\$ 2,532,681</u>	<u>\$ (39,916)</u>	<u>-1.6%</u>

Overall - Fiscal year 2023 revenues decreased by 1.6% or \$39,916, primarily due to a decrease in property taxes, charges for services, and other financing sources.

Property Taxes - There was a decrease in fiscal year 2023 property tax collections of 5.8% or \$33,935. The mill levy of 3.354 mills remained the same for fiscal year 2023.

Specific Ownership Tax - There was a 9.4% increase in specific ownership tax collections in fiscal year 2023. 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.

Charges for Services - Charges for services has decreased by 99.4% or \$27,551. The \$173 amount includes the sale of gravel and other "billable" road/bridge projects.

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

	Percent of Total	Fiscal Year 2023	Fiscal Year 2022	Increase (Decrease)	Percent Change
Current:					
Public works	90.7%	\$ 2,166,350	\$ 2,370,903	\$ (204,553)	-8.6%
Capital outlay	9.3%	<u>222,814</u>	<u>21,100</u>	<u>201,714</u>	<u>100.0%</u>
TOTAL - EXPENDITURES	<u>100.00%</u>	<u>\$ 2,389,164</u>	<u>\$ 2,392,003</u>	<u>\$ (2,839)</u>	<u>-0.1%</u>

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Overall - There was a decrease of \$2,839 or 0.1% in public works, which is primarily due a decrease in operational expenditures.

SOCIAL SERVICES FUND

The Social Services Fund is a major fund, and total revenues of \$4,347,684 were generated. Total expenditures of \$4,582,459 were noted, leaving a year-end fund balance of \$426,470 (a decrease of \$234,775 from fiscal year 2022). The mill levy of 3.0 mills was unchanged from fiscal year 2022. The County would like to retain a Fund Balance in the Social Services Fund at approximately \$700,000.

The County experienced a \$63,124 or 1.4% decrease in overall revenues from fiscal year 2022. 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.

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

	Fiscal Year 2023	Fiscal Year 2022	Increase (Decrease)	Percent Change
TAXES				
Property and other taxes	\$ 493,691	\$ 526,059	\$ (32,368)	-6.2%
Specific ownership tax	111,497	105,300	6,197	5.9%
Total taxes	605,188	631,359	(26,171)	-4.1%
Intergovernmental	3,742,496	3,779,449	(36,953)	-1.0%
TOTAL	\$ 4,347,684	\$ 4,410,808	\$ (63,124)	-1.4%

Intergovernmental - There was a decrease of 1.0% or \$36,953 in revenues in fiscal year 2023. This category includes federal, state and local sources. Intergovernmental revenue will fluctuate depending on the grants received each year.

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

	Percent of Total	Fiscal Year 2023	Fiscal Year 2022	Increase (Decrease)	Percent Change
Current:					
Public health & human services	100.0%	\$ 4,582,459	\$ 4,371,553	\$ 210,906	4.8%
TOTAL - EXPENDITURES	100.00%	\$ 4,582,459	\$ 4,371,553	\$ 210,906	4.8%

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Social Services - The expenditure summary shows a 4.8% increase in expenditures from fiscal year 2022 to 2023. Expenditures exceeded revenues by \$234,775 during fiscal year 2023. 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.

AREA AGENCY ON AGING FUND

The 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 \$274,955.

Schedule of Revenues
(Area Agency on Aging Fund)

	Fiscal Year 2023	Fiscal Year 2022	Increase (Decrease)	Percent Change
Intergovernmental	\$ 1,556,774	\$ 2,221,462	\$ (664,688)	-29.9%
Other	760	1,202	(442)	-36.8%
TOTAL	\$ 1,557,534	\$ 2,222,664	\$ (665,130)	-29.9%

Intergovernmental - There was a decrease of 29.9% or \$665,130 in revenues in fiscal year 2024 due to a decrease in state grant funding. This category includes federal, state and local sources. Intergovernmental revenue will fluctuate depending on the grants received each year.

Schedule of Expenditures
(Area Agency on Aging Fund)

	Percent of Total	Fiscal Year 2023	Fiscal Year 2022	Increase (Decrease)	Percent Change
Current:					
Public health & human services	100.0%	\$ 1,550,320	\$ 2,062,730	\$ (512,410)	-24.8%
TOTAL - EXPENDITURES	100.00%	\$ 1,550,320	\$ 2,062,730	\$ (512,410)	-24.8%

Area Agency on Aging - The expenditure summary shows a 24.8% decrease in expenditures from fiscal year 2022 to 2023 due to a decrease in state grant funding. Revenues exceeded expenditures by \$7,214 during fiscal year 2023.

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AMERICAN RESCUE PLAN FUND

The American Rescue Plan Fund was a major fund in 2023. This fund was created in 2021 as the County received \$1,775,144 Coronavirus State and Local Fiscal Recovery Funds. The County plans on expending the funds on housing, water infrastructure and general government services.

**Schedule of Revenues
(American Rescue Plan Fund)**

	Fiscal Year 2023	Fiscal Year 2022	Increase (Decrease)	Percent Change
Intergovernmental	\$ 569,004	\$ 1,804,350	\$ (1,235,346)	-68.5%
Other financing uses	-	(1,775,000)	1,775,000	100.0%
TOTAL	\$ 569,004	\$ 29,350	\$ 539,654	1838.7%

Intergovernmental - There was a decrease of 68.5% or \$1,235,346 in revenues in fiscal year 2023.

**Schedule of Expenditures
(American Rescue Plan Fund)**

	Percent of Total	Fiscal Year 2023	Fiscal Year 2022	Increase (Decrease)	Percent Change
Current:					
General government	100.0%	\$ 569,004	\$ 29,350	\$ 539,654	1838.7%
TOTAL - EXPENDITURES	100.00%	\$ 569,004	\$ 29,350	\$ 539,654	1838.7%

American Rescue Plan - The expenditure summary shows a 1838.7% increase in expenditures from fiscal year 2022 to 2023. The County has fully allocated the funds, and they will be expended before the deadline of December 31, 2024.

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CAPITAL PROJECT FUNDS

DETENTION CENTER FUND

The Detention Center Fund was established in 2022 to separate funds received from the sale of Certificates of Participation (COP's) to pay for the development of a detention center as well as Sheriff's administrative offices. In 2023, investment revenues of \$805,863 were reported as well as transfers of \$694,994, and intergovernmental revenues of \$108,261. Expenditures of \$949,625 related to COP's principal and interest were reported in 2023, as well as capital outlay costs of \$843,229, leaving a fund balance of \$15,533,040.

**Schedule of Revenues
(Detention Center Fund)**

	Fiscal Year 2023	Fiscal Year 2022	Increase (Decrease)	Percent Change
Intergovernmental	\$ 108,261	\$ -	\$ 108,261	100.0%
Proceeds for issuance of COP's	-	15,377,564	(15,377,564)	-100.0%
Issuance costs	-	(377,564)	377,564	-100.0%
Investment Earnings	805,863	148,581	657,282	442.4%
Miscellaneous	2,107	-	2,107	100.0%
Transfer in	694,994	694,994	-	0.0%
TOTAL	\$ 1,611,225	\$ 15,843,575	\$ (14,232,350)	-89.8%

**Schedule of Expenditures
(Detention Center Fund)**

	Percent of Total	Fiscal Year 2023	Fiscal Year 2022	Increase (Decrease)	Percent Change
Current:					
Public safety	0.0%	\$ -	\$ 350	\$ (350)	-100.0%
Capital outlay	47.0%	843,229	-	843,229	100.0%
Debt service:					
Principal	31.1%	225,000	-	225,000	100.0%
Interest and fiscal charges	40.4%	724,625	128,556	596,069	463.7%
TOTAL - EXPENDITURES	118.50%	\$ 1,792,854	\$ 128,906	\$ 1,663,948	1290.8%

Expenditures in 2023 were mainly for certificates of participation principal and interest payments, as well as capital outlay.

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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, General Human Services 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 \$607,108 in fiscal year 2023 due to a transfer of \$230,000 into the fund and receiving \$309,389 in insurance recoveries. 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. 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).

Capital Improvement Fund resources are utilized for more expensive projects or assets that the county might opt to purchase. In 2023, the fund balance increased \$419,654 to \$3,349,327. This fund was allocated 2.250 mills for fiscal year 2023.

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 2023 year-end fund balance of \$619,044 reflects a decrease of \$5,715 over 2021. 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 \$65,386 increase in fiscal year 2023 year-end fund balance is result of receiving more revenue than was expended leaving a fund balance of \$553,479.

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 \$2,203,380 and expenditures amounted to \$1,736,316. A year-end fund balance of \$3,066,618 represented an increase of \$467,064. 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.

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General Human Services Fund encompasses service areas such as Single Entry Point (SEP) and Community Services Block Grant (CSBG) programs. A year-end fund balance of a negative \$2,943 represents an increase of \$34,668 from fiscal year 2022. This increase in fund balance was primarily a result of receiving more revenue than was expended, as well as timing issues associated with the State's fiscal year in regard to expenditure & reimbursement.

Otero County Land Trust Fund (OCLT) provides support for the County's conservation easement program. The Fund Balance of \$64,192 represents an increase of \$695, 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 \$282,659, which represents a decrease of \$4,799 from 2022.

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.

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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 \$183,233 in fiscal year 2023. The overall year-end increase in net position was \$58,281.

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 2023, the County expenditures exceeded revenues by \$75,631 leaving a net position of \$1,305,082. Based on actual claims for the last 6 months in fiscal year 2023, it was estimated that claims incurred but not reported (IBNR) would be about \$138,700. The final IBNR was calculated using July to December 2023 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 \$735,438 in deposits was being held at December 31, 2023.

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MAJOR FUND BUDGETARY HIGHLIGHTS

The original fiscal year 2023 budget that was adopted by the Board of County Commissioners on December 5, 2022, showed total appropriations of \$47,840,852. This amount includes \$8,451,447 in total General Fund appropriations. Budgeted expenditures in this fund are down \$1,364,119 from fiscal year 2022. The excess of revenues over expenditures for the General Fund in fiscal year 2023 was \$322,780. 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 overspend its fiscal year 2023 budget for these funds.

A re-cap of the *non-major funds* indicates that the County under spent the fiscal year 2022 budget in these areas by \$3,591,879 for all non-major funds. The variance of actual results compared to the final revised budget shows that the County did not overspend its fiscal year 2023 budget for any of these funds. The primary reason for this under-expenditure was substantial under spending of the Conservation Trust Fund of \$379,405, Health Fund of \$470,418, Capital Improvement Fund of \$2,888,246 and Human Services Fund of \$127,266.

CAPITAL ASSETS

The County's investment in capital assets for its governmental activities as of December 31, 2023, amounted to \$14,240,273 (net of accumulated depreciation of \$13,647,782). 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, 2023, the County had long-term obligations outstanding of \$16,904,102, including amounts currently due of \$555,411. This includes compensated leave in the amount of \$588,539; a portion of closure/post-closure costs associated with the aforementioned OCLI solid waste landfill sites in the amount of \$1,178,671, Otero County portion; and face value for certificates of participation for the construction of a new detention center in the amount of \$14,645,000 plus \$473,791 for COP premiums. 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."

Otero County, Colorado
Management's Discussion and Analysis
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FACTORS AFFECTING FUTURE FINANCIAL CONDITIONS

The FY2023 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 2023 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 general increase of \$100/employee/month increase. 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).

Basic Financial Statements

Otero County, Colorado
Statement of Net Position
December 31, 2023

	Component Units		
	Governmental Activities	E-911 Services	Small Business Development Fund
Assets			
Cash and Investments	\$ 40,515,965	\$ 740,293	\$ 414,508
Accounts Receivable	2,414,713	54,614	660,155
Taxes Receivable	3,843,421	-	-
Due from other government	28,851	-	-
Inventory	290,956	-	-
Capital Assets, <i>Not Being Depreciated</i>	6,287,179	-	-
Capital Assets, <i>Net of Accumulated Depreciation</i>	7,953,094	490,581	-
Total Assets	\$ 61,334,179	\$ 1,285,488	\$ 1,074,663
Liabilities			
Accounts Payable	1,012,805	7,192	66
Due to other governments	273,829	-	-
Public Trustee Deposits	76,525	-	-
Accrued Interest	59,483	-	-
Non-current Liabilities			
Due Within One Year	555,411	107,267	-
Due in More Than One Year	16,348,691	583,975	-
Total Liabilities	18,326,744	698,434	66
Deferred Inflows of Resources			
Property Taxes	3,843,421	-	-
Grant Revenue	3,142,495	-	-
Total Deferred Inflows of Resources	6,985,916	-	-
Net Position			
Net Investment in Capital Assets	13,369,429	(200,661)	-
Restricted For			
Emergencies	371,906	-	-
Grant	-	-	1,074,597
Statute	1,236,715	-	-
Unrestricted	21,043,469	787,715	-
Total Net Position	\$ 36,021,519	\$ 587,054	\$ 1,074,597

See Notes to the Financial Statements.

Otero County, Colorado
Statement of Activities
For the Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Unit	
					Governmental Governmental Activities	E-911 Services	Small Business Development
Primary Government							
<i>Governmental Activities</i>							
General Government	\$ 5,924,491	\$ 1,098,229	\$ 1,663,610	\$ -	\$ (3,162,652)	\$ -	\$ -
Public Safety	3,024,908	61,907	118,601	108,261	(2,736,139)	-	-
Public Works	2,697,600	173	43,341	-	(2,654,086)	-	-
Health and Welfare	10,855,458	2,639,740	8,486,388	-	270,670	-	-
Culture and Recreation	58,951	-	-	-	(58,951)	-	-
Conservation	121,093	-	104,083	-	(17,010)	-	-
Interest on Long-Term Debt	699,077	-	-	-	(699,077)	-	-
Total Government Activities	<u>\$ 23,381,578</u>	<u>\$ 3,800,049</u>	<u>\$ 10,416,023</u>	<u>\$ 108,261</u>	<u>(9,057,245)</u>	<u>-</u>	<u>-</u>
<i>Component Unit</i>							
E-911 Emergency Services	\$ 455,409	\$ 512,567	\$ -	\$ -	-	57,158	-
Small Business Development	11,188	6,968	-	-	-	-	(4,220)
Total Business-Type Activities	<u>\$ 466,597</u>	<u>\$ 519,535</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>57,158</u>	<u>(4,220)</u>
General Revenues							
Property Taxes					3,686,737	-	-
Specific Ownership Taxes					816,106	-	-
Sales Taxes					2,655,281	-	-
Highway User Tax					1,768,119	-	-
Payment in Lieu of Taxes					572,859	-	-
Other Taxes					22,484	-	-
Fines and Forfeitures					551	-	-
Investment Income					1,641,039	9,771	-
Miscellaneous					192,024	-	19,599
Gain on sale of Capital assets					(61,872)	-	-
Insurance Recovery					309,389	-	-
Total General Revenues					<u>11,602,717</u>	<u>9,771</u>	<u>19,599</u>
Change in Net Position					2,545,472	66,929	15,379
Net Position, Beginning of Year					<u>33,476,047</u>	<u>520,125</u>	<u>1,059,218</u>
Net Position, End of Year					<u>\$ 36,021,519</u>	<u>\$ 587,054</u>	<u>\$ 1,074,597</u>

Otero County, Colorado
Balance Sheet
Governmental Funds
December 31, 2023

	General	Road & Bridge	Social Services	Detention Center	AAA Services	American Rescue Plan	Nonmajor Governmental Funds	Totals
Assets								
Cash and Investments	\$ 9,154,364	\$ 2,315,892	\$ 1,112,481	\$ 15,644,113	\$ 1,072,003	\$ 1,125,554	\$ 7,773,227	\$ 38,197,634
Cash with Trustee	171,320	-	-	-	-	-	-	171,320
Accounts Receivable	674,788	143,702	262,488	110,367	390,595	-	760,712	2,342,652
Taxes Receivable	1,925,213	587,335	569,123	-	-	-	761,750	3,843,421
Interest Receivables	21,241	-	-	-	-	-	-	21,241
Due from Other Funds	14,696	7,353	-	-	-	-	2,613	24,662
Due from Other Governments	-	-	28,851	-	-	-	-	28,851
Notes Receivable - Interfund	-	-	-	-	-	-	29,080	29,080
Inventory	-	290,956	-	-	-	-	-	290,956
Total Assets	\$ 11,961,622	\$ 3,345,238	\$ 1,972,943	\$ 15,754,480	\$ 1,462,598	\$ 1,125,554	\$ 9,327,382	\$ 44,949,817
Liabilities								
Accounts Payable	\$ 245,221	\$ 51,954	\$ 26,212	\$ 221,440	\$ 210,372	\$ 59,348	\$ 24,782	\$ 839,329
Accrued Liabilities	25,999	2,797	-	-	-	-	4,426	33,222
Due to Other Funds	5,450	116	12,273	-	-	-	16,937	34,776
Due to Other Governments	171,320	-	102,509	-	-	-	-	273,829
Notes Payable - to other funds	29,080	-	-	-	-	-	-	29,080
Public Trustee Deposits	76,525	-	-	-	-	-	-	76,525
Total Liabilities	553,595	54,867	140,994	221,440	210,372	59,348	46,145	1,286,761
Deferred Inflows of Resources								
Property Taxes	1,925,213	587,335	569,123	-	-	-	761,750	3,843,421
Unavailable Grant Revenues	-	-	836,356	-	977,271	1,066,206	262,662	3,142,495
Total Deferred Inflows of Resources	1,925,213	587,335	1,405,479	-	977,271	1,066,206	1,024,412	6,985,916
Fund Balances								
Nonspendable inventory	-	290,956	-	-	-	-	-	290,956
Restricted	371,906	-	-	-	-	-	-	371,906
Emergency Statute	-	-	-	-	-	-	1,236,715	1,236,715
Committed	282,659	2,412,080	426,470	15,533,040	274,955	-	7,020,110	25,949,314
Unrestricted, Unassigned	8,828,249	-	-	-	-	-	-	8,828,249
Total Fund Balances	9,482,814	2,703,036	426,470	15,533,040	274,955	-	8,256,825	36,677,140
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 11,961,622	\$ 3,345,238	\$ 1,972,943	\$ 15,754,480	\$ 1,462,598	\$ 1,125,554	\$ 9,327,382	\$ 44,949,817

See Notes to the Financial Statements.

Otero County, Colorado
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position
 December 31, 2023

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Total Fund Balances of Governmental Funds	\$	36,677,140
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		
Non Depreciable Cost		6,287,179
Depreciable Cost		21,600,875
Less Accumulated Depreciation		(13,647,781)
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.		
		2,034,469
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.		
Long-term leases		(18,101)
Certificates of Participation		(14,645,000)
Certificates of Participation Premium		(473,791)
Accrued interest		(59,483)
Compensated absences		(555,317)
Landfill post closure		(1,178,671)
		(1,178,671)
Total Net Position of Governmental Activities	\$	36,021,519

Otero County, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

	General	Road & Bridges	Social Services	Detention Center	AAA Services	American Rescue Plan	Nonmajor Governmental Funds	Totals
Revenues								
Property Tax	\$ 1,925,412	\$ 552,065	\$ 493,691	\$ -	\$ -	\$ -	\$ 715,569	\$ 3,686,737
Specific Ownership Tax	422,006	128,767	111,497	-	-	-	153,836	816,106
Sales Tax	2,655,281	-	-	-	-	-	-	2,655,281
Intergovernmental Taxes	22,484	1,768,119	-	-	-	-	-	1,790,603
Intergovernmental	1,686,137	42,641	3,742,496	108,261	1,556,774	569,004	3,391,830	11,097,143
Charges for Services	991,335	173	-	-	-	-	252,145	1,243,653
Fines and Forfeitures	551	-	-	-	-	-	-	551
Investment Earnings	757,891	-	-	805,863	-	-	25,171	1,588,925
Miscellaneous	-	-	-	2,107	760	-	189,157	192,024
Total Revenues	8,461,097	2,491,765	4,347,684	916,231	1,557,534	569,004	4,727,708	23,071,023
Expenditures								
Current								
General Government	3,191,873	-	-	-	-	569,004	902,841	4,663,718
Public Safety	2,991,723	-	-	-	-	-	-	2,991,723
Public Works	671,163	2,166,350	-	-	-	-	4,834	2,842,347
Health and Welfare	138,511	-	4,451,277	-	1,550,320	-	3,041,105	9,181,213
Culture and Recreation	25,035	-	-	-	-	-	31,088	56,123
Conservation	117,769	-	-	-	-	-	1,196	118,965
Capital Outlay	-	222,814	-	843,229	-	-	116,460	1,182,503
Debt Service	-	-	-	-	-	-	-	-
Principal	16,071	-	-	225,000	-	-	-	241,071
Interest and Fiscal Charges	4,685	-	-	724,625	-	-	-	729,310
Total Expenditures	7,156,830	2,389,164	4,451,277	1,792,854	1,550,320	569,004	4,097,524	22,006,973
Revenues Over (Under) Expenditures	1,304,267	102,601	(103,593)	(876,623)	7,214	-	630,184	1,064,050
Other Financing Sources (Uses)								
Sale of Assets	-	1,000	-	-	-	-	-	1,000
Insurance Recovery	-	-	-	-	-	-	309,389	309,389
Transfers In	-	-	-	694,994	-	-	417,675	1,112,669
Transfers Out	(981,487)	-	(131,182)	-	-	-	-	(1,112,669)
Total Other Financing Sources (Uses)	(981,487)	1,000	(131,182)	694,994	-	-	727,064	310,389
Net Change in Fund Balances	322,780	103,601	(234,775)	(181,629)	7,214	-	1,357,248	1,374,439
Fund Balances, Beginning of year	9,160,034	2,599,435	661,245	15,714,669	267,741	-	6,899,577	35,302,701
Fund Balances, End of year	\$ 9,482,814	\$ 2,703,036	\$ 426,470	\$ 15,533,040	\$ 274,955	\$ -	\$ 8,256,825	\$ 36,677,140

See Notes to the Financial Statements.

Otero County, Colorado
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 For the Year Ended December 31, 2023

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances of Governmental Funds	\$ 1,374,439
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.</p>	
Capital Outlay	1,144,902
Depreciation Expense	(629,552)
<p>Governmental funds do not record deletions or losses; however, in the statement of activities these assets and accumulated depreciations are removed, and losses are recorded.</p>	
Assets Removed	(417,179)
Accumulated Depreciation	336,647
<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>	
	(17,350)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt and long-term leases consume current financial resources.</p>	
Principal paid on long-term leases	16,071
Principal paid on Certificates of Participation	225,000
<p>Expenses 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>	
Amortization of Certificates of Participation Premium	26,771
Landfill	561,836
Compensated Absences	(79,575)
Accrued Interest	3,462
	3,462
Change in Net Position of Governmental Activities	\$ 2,545,472

Otero County, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2023

	Internal Service	Medical Trust	Totals
Assets			
<i>Current Assets</i>			
Cash and Cash Equivalent	\$ 717,236	\$ 1,429,775	\$ 2,147,011
Accounts Receivable	12,151	14,007	26,158
Total Current Assets	729,387	1,443,782	2,173,169
<i>Noncurrent Assets</i>			
Capital Assets, <i>Net of Accumulated Depreciation</i>	357,224	-	357,224
Total Noncurrent Assets	357,224	-	357,224
Total Assets	1,086,611	1,443,782	2,530,393
Liabilities			
<i>Current Liabilities</i>			
Accounts Payable	-	138,700	138,700
Total Current Liabilities	-	138,700	138,700
Net Position			
Net Investment in Capital Assets	357,224	-	357,224
Unrestricted	729,387	1,305,082	2,034,469
Total Net Position	\$ 1,086,611	\$ 1,305,082	\$ 2,391,693

Otero County, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
December 31, 2023

	Internal Service	Medical Trust	Totals
Operating Revenues			
Charges for services	\$ 183,233	\$ 2,373,163	\$ 2,556,396
Total operating revenues	<u>183,233</u>	<u>2,373,163</u>	<u>2,556,396</u>
Operating Expenses			
General Government	31,864	915,432	947,296
Claims	-	1,585,476	1,585,476
Depreciation	<u>110,748</u>	<u>-</u>	<u>110,748</u>
Total operating expenses	<u>142,612</u>	<u>2,500,908</u>	<u>2,643,520</u>
Operating income (loss)	<u>40,621</u>	<u>(127,745)</u>	<u>(87,124)</u>
Non-Operating Revenues			
Gain on sale of assets	17,660	-	17,660
Interest revenue	<u>-</u>	<u>52,114</u>	<u>52,114</u>
Total non-operating revenues	<u>17,660</u>	<u>52,114</u>	<u>69,774</u>
Change in net position	58,281	(75,631)	(17,350)
Net Position, Beginning of Year	<u>1,028,330</u>	<u>1,380,713</u>	<u>2,409,043</u>
Net Position, End of Year	<u>\$ 1,086,611</u>	<u>\$ 1,305,082</u>	<u>\$ 2,391,693</u>

Otero County, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

	Internal Service	Medical Trust	Totals
Cash Flows From Operating Activities			
Cash received from customer	\$ 171,082	\$ 2,359,156	\$ 2,530,238
Cash paid to vendors	(31,864)	(2,509,128)	(2,540,992)
Net Cash Provided (Used) by Operating Activities	139,218	(149,972)	(10,754)
Cash Flows From Capital and Related Financing Activities			
Proceeds from sale of assets	17,660	-	17,660
Payments for purchase of capital acquisition	(172,777)	-	(172,777)
Net Cash Provided by Capital and Related Financing Activities	(155,117)	-	(155,117)
Cash Flows from Investing Activities			
Interest Received	-	52,114	52,114
Net cash Provided by Investing Activities	-	52,114	52,114
Net Increase (Decrease) in Cash and Cash Equivalents	(15,899)	(97,858)	(113,757)
Cash and Cash Equivalents, <i>Beginning of Year</i>	733,135	1,527,633	2,260,768
Cash and Cash Equivalents, <i>End of Year</i>	\$ 717,236	\$ 1,429,775	\$ 2,147,011
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ 40,621	\$ (127,745)	\$ (87,124)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Depreciation	110,748	-	110,748
Changes in Asset and Liabilities			
Accounts Receivable	(12,151)	(14,007)	(26,158)
Accounts Payable	-	(8,220)	(8,220)
Net Cash Provided (Used) by Operating Activities	\$ 139,218	\$ (149,972)	\$ (10,754)

See Notes to the Financial Statements.

Otero County, Colorado
Statement of Fiduciary Net Position
December 31, 2023

	Treasurer	Clerk	Total Custodial Funds
Assets			
Cash and cash equivalents			
Total Assets	\$ <u>359,167</u>	\$ <u>376,271</u>	\$ <u>735,438</u>
Liabilities			
Due to other governmental entities	\$ <u>359,167</u>	\$ <u>376,271</u>	\$ <u>735,438</u>
Total Liabilities	\$ <u>359,167</u>	\$ <u>376,271</u>	\$ <u>735,438</u>

Otero County, Colorado
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2023

	<u>Treasurer</u>	<u>Clerk</u>	<u>Total Custodial Funds</u>
Additions			
Tax collections for other governments	\$ 9,252,715	\$ -	\$ 9,252,715
County clerk and recorder collections	-	5,366,359	5,366,359
Other collections	<u>6,406,911</u>	<u>-</u>	<u>6,406,911</u>
Total Additions	15,659,626	5,366,359	21,025,985
Deductions			
Payments to other governments	12,509,757	-	12,509,757
Clerk and recorder payments to other governments	-	5,177,399	5,177,399
Other disbursements	<u>3,149,869</u>	<u>188,960</u>	<u>3,338,829</u>
Total Deductions	<u>15,659,626</u>	<u>5,366,359</u>	<u>21,025,985</u>
Net Increase in Fiduciary Net Position	-	-	-
Net Position, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Net Position, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Otero County, Colorado
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies

The financial statements of Otero County, Colorado (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

The 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

The County Emergency Telephone Service Authority Board - The Otero County Emergency Telephone Service Authority Board (the 911 Authority) was created for the purpose of providing 911 emergency phone services for the 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 911 Authority. The Authority is presented as a business-type activity. The 911 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.

Otero County, Colorado
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

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, 2023. A complete financial report may be obtained from the administrative offices of the County.

Related Organizations

Otero County Housing Authority - The Otero County Housing Authority (The 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 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.

Otero County, Colorado
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

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.

Otero County, Colorado
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

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's road system.

The Social Services Fund is a special revenue fund 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 capital projects fund for financial reporting purposes.

The Detention Center Fund is a major capital projects fund for financial reporting purposes. The fund accounts for debt proceeds used to construct and equip the County's detention center facility.

The AAA Services Fund is a special revenue fund used to account for federal, state, and local revenues used to account for the provision of long-term care in responsive to the needs and preferences of older individuals and their family caregivers within the County.

The American Rescue Plan Fund is a special revenue fund, which is used to account for federal revenues used to account for Coronavirus State and Local Fiscal Recovery Fund proceeds received and used by the County.

Otero County, Colorado
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

(Continued)

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, General Human Service, Health, General Human Service 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 custodian on behalf of others. The funds are custodial in nature and do not present results of operations or a measurement focus. Fiduciary 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 fiduciary capacity. The County's custodial funds include the Treasurer's office, Clerk's office, and Public Trustee.

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".

Otero County, Colorado
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

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, 2023, since the amounts are measurable but not available until the subsequent year. 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 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 non-spendable 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.

Otero County, Colorado
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

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:

Buildings	20 - 75 years
Building improvements	20 years
Public domain infrastructure	25 years
Vehicles	5 - 20 years
Office equipment	5 - 10 years
Computer and 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.

Otero County, Colorado
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

(Continued)

Fund Equity - 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:

- 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.
- 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.
- 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. Commitments may be modified or changed only by the Board of County Commissioners approving a new resolution.
- 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.
- Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

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.

Otero County, Colorado
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

(Continued)

- *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 (CRA) (the Plan). The Plan is a defined contribution plan which is funded currently.

Subsequent Events

The County has evaluated subsequent events for recognition or disclosure through July 30, 2024, which is the date the financial statements were available for issuance.

Otero County, Colorado
Notes to the Financial Statements
December 31, 2023

Note 2: Cash and Investments

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, 2023, 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, 2023, the County's and Component Unit's cash and investments had the following book and bank balances:

	Bank	Book
Insured deposits	\$ 7,219,533	\$ 7,219,533
Collateralized deposits	8,929,832	12,216,042
COLOTRUST	26,633,722	22,797,919
Cash with Trustee	171,310	171,320
Petty cash	-	1,390
 Total	 \$ 42,954,397	 \$ 42,406,204

Cash, cash equivalents and investments are reported in the financial statements as follows:

Governmental funds - cash and investments	\$ 40,344,645
Governmental funds - cash with trustee	171,320
 Total primary government	 40,515,965
Custodial funds	735,438
Component Units	1,154,801
 Total	 \$ 42,406,204

The carrying amount of deposits for the E911 services and the small business development entity, discretely presented component units, was \$740,293 and \$414,508, respectively. 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

Otero County, Colorado
Notes to the Financial Statements
December 31, 2023

Note 2: Cash and Investments (Continued)

- 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, 2023, are represented by brokered certificates of deposit totaling \$6,030,000 which are valued using a pricing matrix (level 2 inputs) and money market mutual funds totaling \$13,738 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.

Otero County, Colorado
Notes to the Financial Statements
December 31, 2023

Note 2: Cash and Investments (Continued)

Cash and Investment Reconciliation (Continued)

At December 31, 2023, the County had investments held in the Colorado Local Government Liquid Asset Trust (COLOTRUST) and the investment is rated AAAM 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 \$26,585,802 as of December 31, 2023. Separately issued financial statements for COLOTRUST may be obtained at 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.

Note 3: Unavailable Grant Revenue

The statement of net position and governmental funds balance sheet report unavailable grant revenue of \$3,142,495, which represent resources that have been received but not yet earned.

Otero County, Colorado
Notes to the Financial Statements
December 31, 2023

Note 4: Capital Assets

Capital asset activity for the year ended December 31, 2023, is as follows:

	Balance 12/31/22	Additions	Deletions	Balance 12/31/23
Governmental Activities				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 434,954	\$ -	\$ -	\$ 434,954
Easements	5,008,996	-	-	5,008,996
Construction in Progress	-	843,229	-	843,229
Total Capital Assets, Not Being Depreciated	5,443,950	843,229	-	6,287,179
<i>Capital Assets, Being Depreciated</i>				
Buildings and Improvements	7,847,617	-	(372,082)	7,475,535
Equipment	8,897,667	474,451	(201,261)	9,170,857
Infrastructure	4,954,484	-	-	4,954,484
Total Capital Assets, Being Depreciated	21,699,768	474,451	(573,343)	21,600,876
<i>Less Accumulated Depreciation</i>				
Buildings and Improvements	(3,357,596)	(272,587)	291,550	(3,338,633)
Equipment	(6,902,702)	(374,652)	201,261	(7,076,093)
Infrastructure	(3,139,994)	(93,062)	-	(3,233,056)
Total Accumulated Depreciation	(13,400,292)	(740,301)	492,811	(13,647,782)
Total Capital Assets, Being Depreciated, net	8,299,476	(265,850)	(80,532)	7,953,094
Governmental Activities Capital Assets, net	\$ 13,743,426	\$ 577,379	\$ (80,532)	\$ 14,240,273

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

General governments	\$ 257,095
Public safety	105,076
Public works	331,543
Public health and welfare	43,760
Culture and recreation	2,828
Total depreciation expense	\$ 740,301

Component Unit activity for the year ended December 31, 2023, is as follows:

	Balance 12/31/22	Additions	Deletions	Balance 12/31/23
Component Unit				
<i>Capital Assets, Being Depreciated</i>				
Equipment	\$ 1,327,238	\$ -	\$ -	\$ 1,327,238
Accumulated depreciation	(610,718)	(225,939)	-	(836,657)
Total	\$ 716,520	\$ (225,939)	\$ -	\$ 490,581

Otero County, Colorado
Notes to the Financial Statements
December 31, 2023

Note 5: Interfund Balances and Transfers

Interfund balances and transfers for the year ended December 31, 2023 consisted of annual additional County support for the County Health Department for 2023.

	General Fund	Social Services	Detention Center Center Fund	Nonmajor Governmental	Total
Transfers in	\$ -	\$ -	\$ 694,994	\$ 417,675	\$ 1,112,669
Transfers out	<u>(981,487)</u>	<u>(131,182)</u>	<u>-</u>	<u>-</u>	<u>(1,112,669)</u>
Total	<u>\$ (981,487)</u>	<u>\$ (131,182)</u>	<u>\$ 694,994</u>	<u>\$ 417,675</u>	<u>\$ -</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 was \$29,080 as of December 31, 2023. The loan is payable in annual installments of \$30,098 and matures on November 1, 2024. This loan has been eliminated in the government-wide financial statements.

Note 6: Long-Term Obligations

Activity relating to long-term obligations for the year ended December 31, 2023, is as follows:

	Balance 12/31/22	Additions	Deletions	Balance 12/31/23	Due Within One Year
Governmental Activities					
Series 2022 Certificates of Participation	\$ 14,870,000	\$ -	\$ (225,000)	\$ 14,645,000	\$ 235,000
Series 2022 Certificates of Participation Premium	500,562	-	(26,771)	473,791	-
Long-term leases	34,172	-	(16,071)	18,101	18,101
Compensated absences	505,130	688,024	(604,615)	588,539	235,416
Closure and post-closure cost	<u>1,740,507</u>	<u>-</u>	<u>(561,836)</u>	<u>1,178,671</u>	<u>66,894</u>
Total	<u>\$ 17,650,371</u>	<u>\$ 688,024</u>	<u>\$ (1,434,293)</u>	<u>\$ 16,904,102</u>	<u>\$ 555,411</u>
Component Unit					
Long-term leases	<u>\$ 795,537</u>	<u>\$ -</u>	<u>\$ (104,295)</u>	<u>\$ 691,242</u>	<u>\$ 107,267</u>
Total	<u>\$ 795,537</u>	<u>\$ -</u>	<u>\$ (104,295)</u>	<u>\$ 691,242</u>	<u>\$ 107,267</u>

Certificates of Participation - During September 2022, the County entered into an annually-renewable lease purchase agreement with BOKF for the purpose of financing the construction, improvement and equipping of a new Sheriff's Office, Sheriff's Detention Facility Intake and Release Area and related improvements. Certificates of Participation were sold to investors, with the net proceeds of \$15,000,000. While the lease does not constitute an indebtedness of the County for state law purposes because it is subject to annual appropriation, it is treated as a capital lease for financial reporting purposes pursuant to generally accepted accounting principles applicable to governmental units. The rentals under the lease consist of separately identified principal and interest components. Payments of the principal component are due annually on December 1, through 2052. The interest component accrues at coupon rates ranging from 4.50% to 5.00% and is payable semiannually on June 1 and December 1.

Otero County, Colorado
Notes to the Financial Statements
December 31, 2023

Note 6: Long-Term Obligations (Continued)

The following schedule represents the County's debt service requirements as of December 31, 2023:

Year Ended December 31,	Principle	Interest	Total
2024	\$ 235,000	711,875	\$ 946,875
2025	245,000	700,125	945,125
2026	260,000	687,875	947,875
2027	275,000	674,875	949,875
2028	285,000	661,125	946,125
2029 - 2033	1,660,000	3,076,625	4,736,625
2034 - 2038	2,125,000	2,616,875	4,741,875
2039 - 2043	2,730,000	2,010,888	4,740,888
2044 - 2048	3,450,000	1,291,375	4,741,375
2049 - 2052	3,380,000	410,875	3,790,875
	<u>\$ 14,645,000</u>	<u>\$ 12,842,513</u>	<u>\$ 27,487,513</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 the 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 \$1,927,000 of which \$1,762,000 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 66% of the estimated \$1,762,000, amounting to \$1,178,671.

Long-term financing leases - On January 13, 2022, the County entered a Lease Purchase Agreement with Motorola Solutions Credit Company, LLC for equipment, software, and upgrades of its E911 capital assets. Interest accrues on the Lease at 2.85% per annum. Principal and interest payments are due annually in September through 2029.

Capital assets of \$1,327,238 less accumulated depreciation of \$836,657 are reported under these leases.

Otero County, Colorado
Notes to the Financial Statements
December 31, 2023

Note 6: Long-Term Obligations (Continued)

The following schedule represents the County's debt service requirements as of December 31, 2023:

Year Ended December 31,	Principle	Interest	Total
2024	\$ 107,267	\$ 19,700	\$ 126,967
2025	110,325	16,643	126,968
2026	113,469	13,499	126,968
2027	116,703	10,265	126,968
2028	120,029	6,939	126,968
2029	123,450	3,518	126,968
	<u>\$ 691,243</u>	<u>\$ 70,564</u>	<u>\$ 761,807</u>

Note 7: Retirement Plan

The County participates in the Colorado Retirement Association (CRA) 401(a) Plan (the Plan), a multi-employer defined contribution retirement plan. CRA'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, 2023, 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 20% per year and are fully vested after 5 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 2023, the County and covered employees made the required contributions, amounting to \$436,889 in County contributions and \$514,910 in employee contributions, which includes \$42,659 of employee voluntary contributions. During the year ended December 31, 2023, there were unvested participant account balances totaling \$10,029 which were forfeited, of this amount and the beginning of the year balance \$4,993 was used to reduce County contributions. Subsequent to year-end the remaining balance of \$3,665 was used to reduce the County contribution.

Otero County, Colorado
Notes to the Financial Statements
December 31, 2023

Note 8: Contingencies

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, the County may be required to refund amounts to the federal and state governments.

Note 9: 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 year ended December 31, 2023:

	Balance
Liability balance, <i>Beginning of Year</i>	\$ 144,400
Incurred claims	1,585,476
Payments on claims	(1,591,176)
Liability balance, <i>End of Year</i> (IBNR)	\$ 138,700

Otero County, Colorado
Notes to the Financial Statements
December 31, 2023

Note 9: Risk Management (Continued)

The Incurred But Not Reported (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 24-month claim average / 365 x 75 days (lag time days). In 2023, the IBNR liability was \$138,700.

Note 10: 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. \$371,906 of the net position and fund balance has been restricted in compliance with this requirement.

Required Supplementary Information

Otero County, Colorado
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property Taxes	\$ 2,049,146	\$ 1,925,412	\$ (123,734)
Specific Ownership Taxes	400,000	422,006	22,006
Sales Taxes	2,300,000	2,655,281	355,281
Intergovernmental taxes	8,000	22,484	14,484
Intergovernmental	1,542,082	1,686,137	144,055
Charges for services	807,311	991,335	184,024
Fines and forfeitures	1,000	551	(449)
Investments earnings	100,000	757,891	657,891
Miscellaneous	122,558	-	(122,558)
	<u>7,330,097</u>	<u>8,461,097</u>	<u>1,131,000</u>
Expenditures			
General government	3,967,962	3,187,074	780,888
Public Safety	3,276,639	2,991,723	284,916
Public Works	187,461	671,163	(483,702)
Health and welfare	77,769	138,511	(60,742)
Culture and recreation	34,429	25,035	9,394
Conservation	136,716	117,769	18,947
Debt Service			
Principal	14,202	16,071	(1,869)
Interest and Fiscal Charges	4,780	4,685	95
	<u>7,699,958</u>	<u>7,152,031</u>	<u>547,927</u>
Total Expenditures			
	<u>7,699,958</u>	<u>7,152,031</u>	<u>547,927</u>
Excess (Deficiency) of revenues over expenditures	<u>(369,861)</u>	<u>1,309,066</u>	<u>1,678,927</u>
Other financing sources			
Transfer out	(751,489)	(981,487)	(229,998)
	<u>(751,489)</u>	<u>(981,487)</u>	<u>(229,998)</u>
Net changes in fund balance	<u>(1,121,350)</u>	<u>327,579</u>	<u>1,448,929</u>
Fund Balance, Beginning of Year	<u>7,475,875</u>	<u>8,872,576</u>	<u>1,396,701</u>
Fund Balance, End of Year	<u>\$ 6,354,525</u>	<u>9,200,155</u>	<u>\$ 2,845,630</u>
Contingent Fund			
Fund Balance, Beginning of Year		287,458	
Net changes in fund balance		(4,799)	
		<u>282,659</u>	
Fund Balance, End of Year		<u>282,659</u>	
Combined			
Fund Balance, Beginning of Year		9,160,034	
Net Changes in fund balance		322,780	
		<u>9,482,814</u>	
Fund Balance, End of Year		<u>\$ 9,482,814</u>	

Otero County, Colorado
 Budgetary Comparison Schedule
 Road and Bridge Fund
 For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Property Taxes	\$ 586,070	\$ 552,065	\$ (34,005)
Specific Ownership Taxes	104,000	128,767	24,767
Intergovernmental taxes	1,760,313	1,768,119	7,806
Intergovernmental	38,000	42,641	4,641
Charges for services	62,700	173	(62,527)
Miscellaneous	5,000	-	(5,000)
Total Revenues	<u>2,556,083</u>	<u>2,491,765</u>	<u>(64,318)</u>
Expenditures			
Public Works	2,671,694	2,166,350	505,344
Capital Outlay	599,698	222,814	376,884
Total Expenditures	<u>3,271,392</u>	<u>2,389,164</u>	<u>882,228</u>
Excess (Deficiency) of revenues over expenditures	<u>(715,309)</u>	<u>102,601</u>	<u>817,910</u>
Other financing sources (uses)			
Sale of assets	14,000	1,000	(13,000)
Total other financing sources (uses)	<u>14,000</u>	<u>1,000</u>	<u>(13,000)</u>
Net changes in fund balance	(701,309)	103,601	804,910
Fund Balance, Beginning of Year	<u>2,858,758</u>	<u>2,599,435</u>	<u>(259,323)</u>
Fund Balance, End of Year	<u>\$ 2,157,449</u>	<u>\$ 2,703,036</u>	<u>\$ 545,587</u>

Otero County, Colorado
 Budgetary Comparison Schedule
 Social Services Fund
 For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Property Taxes	\$ 522,862	\$ 493,691	\$ (29,171)
Specific Ownership Taxes	80,000	111,497	31,497
Intergovernmental	5,251,998	3,742,496	(1,509,502)
Total Revenues	5,854,860	4,347,684	(1,507,176)
Expenditures			
Health and welfare	5,849,860	4,451,277	1,398,583
Total Expenditures	5,849,860	4,451,277	1,398,583
Excess (Deficiency) of revenues over expenditures	5,000	(103,593)	(108,593)
Other financing sources			
Transfer out	-	(131,182)	(131,182)
Net changes in fund balance	5,000	(234,775)	(239,775)
Fund Balance, Beginning of Year	-	661,245	661,245
Fund Balance, End of Year	\$ 5,000	\$ 426,470	\$ 421,470

Otero County, Colorado
 Budgetary Comparison Schedule
 AAA Services Fund
 For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Intergovernmental	\$ 3,541,473	\$ 1,556,774	\$ (1,984,699)
Other	5,000	760	(4,240)
Total Revenues	3,546,473	1,557,534	(1,988,939)
Expenditures			
Current			
Health and Welfare	3,558,473	1,550,320	2,008,153
Total Expenditures	3,558,473	1,550,320	2,008,153
Net Change in Fund Balances	(12,000)	7,214	19,214
Fund Balances, Beginning of Year	-	267,741	267,741
Fund Balances, End of Year	\$ (12,000)	\$ 274,955	\$ 286,955

Otero County, Colorado
 Budgetary Comparison Schedule
 American Rescue Plan Fund
 For the Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Intergovernmental	\$ -	\$ 569,004	\$ 569,004
Total Revenues	<u>-</u>	<u>569,004</u>	<u>569,004</u>
Expenditures			
Current			
General Government	<u>1,200,000</u>	<u>569,004</u>	<u>630,996</u>
Total Expenditures	<u>1,200,000</u>	<u>569,004</u>	<u>630,996</u>
Net Change in Fund Balances	<u>(1,200,000)</u>	<u>-</u>	<u>1,200,000</u>
Fund Balances, Beginning of Year	<u>1,746,545</u>	<u>-</u>	<u>(1,746,545)</u>
Fund Balances, End of Year	<u>\$ 546,545</u>	<u>\$ -</u>	<u>\$ (546,545)</u>

Otero County, Colorado
Notes to Required Supplementary Information
December 31, 2023

Note 1: Budgetary Basis of Accounting

Budgetary information

Formal budgetary integration in all funds is employed as a management control device during the year. Budgets are adopted for all governmental fund types on a basis consistent with generally accepted accounting principles (GAAP) as applicable to governmental units. The County follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to October 15, the County Budget Officer submits to the Board of County Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The budget is prepared by fund and department, and includes actual data from the prior year, current year and budget year estimated revenues and expenditures.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 16, the budget is legally enacted, and the required mill levy is adopted through the passage of a resolution. This resolution authorizes an appropriation at each fund level and lapses at year end. The fund then becomes the level of control upon which expenditures cannot legally exceed appropriations.
- All appropriations lapse at the end of the year.
- Budgeted amounts in this report are as originally adopted or as amended by the Board of County Commissioners during the year through supplemental appropriation.

Combining and Individual Fund Statements and Schedules

Otero County, Colorado
Combining Balance Sheet
Nonmajor Funds
December 31, 2023

	Insurance Fund	Capital Improvement	Clerk Hire	Conservation Trust	General Human Services	Health Fund	Otero County Land Trust	Totals
Assets								
Cash and Investments	\$ 618,777	\$ 3,307,819	\$ 620,985	\$ 553,479	\$ -	\$ 2,607,975	\$ 64,192	\$ 7,773,227
Accounts Receivable	10,102	9,815	-	-	245,013	495,782	-	760,712
Taxes Receivable	367,741	394,009	-	-	-	-	-	761,750
Due from Other Funds	-	2,613	-	-	-	-	-	2,613
Notes Receivable - Interfund	-	29,080	-	-	-	-	-	29,080
Total Assets	\$ 996,620	\$ 3,743,336	\$ 620,985	\$ 553,479	\$ 245,013	\$ 3,103,757	\$ 64,192	\$ 9,327,382
Liabilities								
Accounts Payable	\$ 4,834	\$ -	\$ 1,510	\$ -	\$ 8,687	\$ 9,751	\$ -	\$ 24,782
Accrued Liabilities	-	-	431	-	-	3,995	-	4,426
Due to Other Funds	16,937	-	-	-	-	-	-	16,937
Total Liabilities	21,771	-	1,941	-	8,687	13,746	-	46,145
Deferred Inflows of Resources								
Property Taxes	367,741	394,009	-	-	-	-	-	761,750
Grant Revenue	-	-	-	-	239,269	23,393	-	262,662
Total deferred Inflows of resources	367,741	394,009	-	-	239,269	23,393	-	1,024,412
Fund Balances								
Restricted - Statute Committed	-	-	619,044	553,479	-	-	64,192	1,236,715
	607,108	3,349,327	-	-	(2,943)	3,066,618	-	7,020,110
Total Fund Balances	607,108	3,349,327	619,044	553,479	(2,943)	3,066,618	64,192	8,256,825
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 996,620	\$ 3,743,336	\$ 620,985	\$ 553,479	\$ 245,013	\$ 3,103,757	\$ 64,192	\$ 9,327,382

See Accompanying Independent Auditor's Report.

Otero County, Colorado
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance Sheets
 Nonmajor Funds
 For the Year Ended December 31, 2023

	Insurance Fund	Capital Improvement	Clerk Hire	Conservation Trust	General Human Services	Health Fund	Otero County Land Trust	Totals
Revenues								
Property Tax	\$ 345,374	\$ 370,195	- \$	- \$	- \$	- \$	- \$	\$ 715,569
Specific Ownership Tax	69,821	84,015	-	-	-	-	-	153,836
Intergovernmental	-	82,197	-	78,456	1,200,897	2,030,280	-	3,391,830
Charges for Services	-	-	184,463	-	-	67,682	-	252,145
Investment Income	7,950	-	-	15,330	-	-	1,891	25,171
Other	123,165	7,001	-	2,688	7,378	48,925	-	189,157
Total Revenues	\$ 546,310	\$ 543,408	\$ 184,463	\$ 96,474	\$ 1,208,275	\$ 2,146,887	\$ 1,891	\$ 4,727,708
Expenditures								
Current								
General Government	\$ 705,369	\$ 7,294	\$ 190,178	- \$	- \$	- \$	- \$	\$ 902,841
Public Works	4,834	-	-	-	-	-	-	4,834
Health and Welfare	-	-	-	-	1,304,789	1,736,316	-	3,041,105
Culture and Recreation	-	-	-	31,088	-	-	-	31,088
Conservation	-	-	-	-	-	-	1,196	1,196
Capital Outlay	-	116,460	-	-	-	-	-	116,460
Total Expenditures	710,203	123,754	190,178	31,088	1,304,789	1,736,316	1,196	4,097,524
Excess Revenues Over (Under) Expenditures	(163,893)	419,654	(5,715)	65,386	(96,514)	410,571	695	630,184
Other Financing Sources (Uses)								
Insurance Recovery	309,389	-	-	-	-	-	-	309,389
Transfers In	230,000	-	-	-	131,182	56,493	-	417,675
Total Other Financing Sources	539,389	-	-	-	131,182	56,493	-	727,064
Net Change in Fund Balances	375,496	419,654	(5,715)	65,386	34,668	467,064	695	1,357,248
Fund Balances, Beginning of Year	231,612	2,929,673	624,759	488,093	(37,611)	2,599,554	63,497	6,899,577
Fund Balances, End of Year	\$ 607,108	\$ 3,349,327	\$ 619,044	\$ 553,479	\$ (2,943)	\$ 3,066,618	\$ 64,192	\$ 8,256,825

See Accompanying Independent Auditor's Report.

Otero County, Colorado
General Fund (including Contingent Fund)
Balance Sheet
December 31, 2023

	<u>General Fund</u> <u>Without</u>	<u>Contingent</u>	<u>General Fund</u> <u>Total</u>
Assets			
Cash	\$ 8,871,705	\$ 282,659	\$ 9,154,364
Investments	-	-	-
Cash with Trustee	171,320	-	171,320
Accounts Receivable	689,484	-	689,484
Taxes Receivable	1,925,213	-	1,925,213
Interest Receivables	<u>21,241</u>	<u>-</u>	<u>21,241</u>
 Total Assets	 <u>\$ 11,678,963</u>	 <u>\$ 282,659</u>	 <u>\$ 11,961,622</u>
Liabilities			
Accounts Payable	\$ 245,221	\$ -	\$ 245,221
Accrued Liabilities	25,999	-	25,999
Due to Other Governments	171,320	-	171,320
Due to Other Funds	5,450	-	5,450
Notes Payable - to other funds	29,080	-	29,080
Public Trustee Deposits	<u>76,525</u>	<u>-</u>	<u>76,525</u>
 Total Liabilities	 <u>553,595</u>	 <u>-</u>	 <u>553,595</u>
Deferred Inflows of Resources			
Property Taxes	<u>1,925,213</u>	<u>-</u>	<u>1,925,213</u>
Fund Balances			
Restricted	356,152	-	356,152
Committed	-	282,659	282,659
Unrestricted, Unassigned	<u>8,844,003</u>	<u>-</u>	<u>8,844,003</u>
 Total Fund Balances	 <u>9,200,155</u>	 <u>282,659</u>	 <u>9,482,814</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 <u>\$ 11,678,963</u>	 <u>\$ 282,659</u>	 <u>\$ 11,961,622</u>

Otero County, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balances
General Fund *(including Contingent Fund)*
For the Year Ended December 31, 2023

	General Fund <u>Without</u>	<u>Contingent</u>	General Fund <u>Total</u>
Revenues			
Property Tax	\$ 1,925,412	\$ -	\$ 1,925,412
Specific Ownership Tax	422,006	-	422,006
Sales Tax	2,655,281	-	2,655,281
Intergovernmental Taxes	22,484	-	22,484
Intergovernmental	1,686,137	-	1,686,137
Charges for Services	991,335	-	991,335
Fines and Forfeitures	551	-	551
Investment Earnings	<u>757,891</u>	<u>-</u>	<u>757,891</u>
 Total Revenues	 <u>8,461,097</u>	 <u>-</u>	 <u>8,461,097</u>
Expenditures			
Current			
General Government	3,187,074	4,799	3,191,873
Public Safety	2,991,723	-	2,991,723
Public Works	671,163	-	671,163
Health and Welfare	138,511	-	138,511
Culture and Recreation	25,035	-	25,035
Conservation	117,769	-	117,769
Debt Service			
Principal	4,685	-	4,685
Interest and Fiscal Charges	<u>16,071</u>	<u>-</u>	<u>16,071</u>
 Total Expenditures	 <u>7,152,031</u>	 <u>4,799</u>	 <u>7,156,830</u>
 Revenues Over (Under) Expenditures	 <u>1,309,066</u>	 <u>(4,799)</u>	 <u>1,304,267</u>
Other Financing Sources (Uses)			
Transfers Out	<u>(981,487)</u>	<u>-</u>	<u>(981,487)</u>
 Total Other Financing Sources (Uses)	 <u>(981,487)</u>	 <u>-</u>	 <u>(981,487)</u>
 Net Change in Fund Balances	 327,579	 (4,799)	 322,780
 Fund Balances, Beginning of Year	 <u>8,872,576</u>	 <u>287,458</u>	 <u>9,160,034</u>
 Fund Balances, End of Year	 <u>\$ 9,200,155</u>	 <u>\$ 282,659</u>	 <u>\$ 9,482,814</u>

Otero County, Colorado
 Budgetary Comparison Schedule
 Detention Center Fund
 For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Intergovernmental	\$ 775,000	\$ 108,261	\$ (666,739)
Investment Earnings	360,000	805,863	445,863
Miscellaneous	-	2,107	2,107
Total Revenues	<u>1,135,000</u>	<u>916,231</u>	<u>(218,769)</u>
Expenditures			
Capital Outlay	14,000,000	843,229	13,156,771
Debt Service			
Principal Reduction/Debt Ser	948,125	225,000	723,125
Interest and Fiscal Charges	3,000	724,625	(721,625)
Total Expenditures	<u>14,951,125</u>	<u>1,792,854</u>	<u>13,158,271</u>
Excess (Deficiency) of revenues over expenditures	<u>(13,816,125)</u>	<u>(876,623)</u>	<u>12,939,502</u>
Other financing sources			
Transfer in	694,994	694,994	-
Total other financing sources (uses)	<u>694,994</u>	<u>694,994</u>	<u>-</u>
Net changes in fund balance	(13,121,131)	(181,629)	12,939,502
Fund Balance, Beginning of Year	<u>-</u>	<u>15,714,669</u>	<u>15,714,669</u>
Fund Balance, End of Year	<u>\$ (13,121,131)</u>	<u>\$ 15,533,040</u>	<u>\$ 28,654,171</u>

Otero County, Colorado
 Budgetary Comparison Schedule
 Insurance fund
 For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property Tax	\$ 366,304	\$ 366,304	\$ 345,374	\$ (20,930)
Specific Ownership Tax	17,500	17,500	69,821	52,321
Investment Income	100	100	7,950	7,850
Other	92,000	92,000	123,165	31,165
Total Revenues	<u>475,904</u>	<u>475,904</u>	<u>546,310</u>	<u>70,406</u>
Expenditures				
General Government	378,064	712,064	705,369	6,695
Public Works	-	-	4,834	(4,834)
Total Expenditures	<u>378,064</u>	<u>712,064</u>	<u>710,203</u>	<u>1,861</u>
Excess Revenues Over (Under) Expenditures	<u>97,840</u>	<u>(236,160)</u>	<u>(163,893)</u>	<u>72,267</u>
Other Financing Sources (Uses)				
Transfer In	-	-	230,000	230,000
Insurance Recovery	-	-	309,389	309,389
Net Change in Fund Balances	97,840	(236,160)	375,496	611,656
Fund Balances, Beginning of Year	<u>297,286</u>	<u>297,286</u>	<u>231,612</u>	<u>(65,674)</u>
Fund Balances, End of Year	<u>\$ 395,126</u>	<u>\$ 61,126</u>	<u>\$ 607,108</u>	<u>\$ 545,982</u>

Otero County, Colorado
 Budgetary Comparison Schedule
 Capital Improvement Fund
 For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Property Taxes	\$ 393,508	\$ 370,195	\$ (23,313)
Specific Ownership Taxes	66,185	84,015	17,830
Intergovernmental	73,327	82,197	8,870
Miscellaneous	3,000	7,001	4,001
Total Revenues	<u>536,020</u>	<u>543,408</u>	<u>7,388</u>
Expenditures			
General government	12,000	7,294	4,706
Capital Outlay	3,000,000	116,460	2,883,540
Total Expenditures	<u>3,012,000</u>	<u>123,754</u>	<u>2,888,246</u>
Net changes in fund balance	(2,475,980)	419,654	2,895,634
Fund Balance, Beginning of Year	<u>2,934,112</u>	<u>2,929,673</u>	<u>(4,439)</u>
Fund Balance, End of Year	<u>\$ 458,132</u>	<u>\$ 3,349,327</u>	<u>\$ 2,891,195</u>

Otero County, Colorado
 Budgetary Comparison Schedule
 Clerk Hire Fund
 For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Charges for Services	\$ 180,000	\$ 180,000	\$ 184,463	\$ 4,463
Total Revenues	<u>180,000</u>	<u>180,000</u>	<u>184,463</u>	<u>4,463</u>
Expenditures				
General government	<u>176,834</u>	<u>207,434</u>	<u>190,178</u>	<u>17,256</u>
Total Expenditures	<u>176,834</u>	<u>207,434</u>	<u>190,178</u>	<u>17,256</u>
Net Change in Fund Balances	3,166	(27,434)	(5,715)	21,719
Fund Balances, Beginning of Year	<u>550,184</u>	<u>550,184</u>	<u>624,759</u>	<u>74,575</u>
Fund Balances, End of Year	<u><u>\$ 553,350</u></u>	<u><u>\$ 522,750</u></u>	<u><u>\$ 619,044</u></u>	<u><u>\$ 96,294</u></u>

Otero County, Colorado
 Budgetary Comparison Schedule
 Conservation Trust Fund
 For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Intergovernmental	\$ 50,000	\$ 78,456	\$ 28,456
Investment Income	1,500	15,330	13,830
Other	2,686	2,688	2
Total Revenues	<u>54,186</u>	<u>96,474</u>	<u>42,288</u>
Expenditures			
Culture and Recreation	17,705	31,088	(13,383)
Capital Outlay	350,500	-	350,500
Total Expenditures	<u>368,205</u>	<u>31,088</u>	<u>337,117</u>
Excess Revenues Over (Under) Expenditures	<u>(314,019)</u>	<u>65,386</u>	<u>379,405</u>
Net Change in Fund Balances	(314,019)	65,386	379,405
Fund Balances, Beginning of Year	<u>484,460</u>	<u>488,093</u>	<u>3,633</u>
Fund Balances, End of Year	<u>\$ 170,441</u>	<u>\$ 553,479</u>	<u>\$ 383,038</u>

Otero County, Colorado
 Budgetary Comparison Schedule
 Human Services Fund
 For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Intergovernmental	\$ 1,250,554	\$ 1,161,522	\$ 1,200,897	\$ 39,375
Other	3,000	3,000	7,378	4,378
Total Revenues	<u>1,253,554</u>	<u>1,164,522</u>	<u>1,208,275</u>	<u>43,753</u>
Expenditures				
Health and welfare	<u>1,253,834</u>	<u>1,388,302</u>	<u>1,304,789</u>	<u>83,513</u>
Total Expenditures	<u>1,253,834</u>	<u>1,388,302</u>	<u>1,304,789</u>	<u>83,513</u>
Excess (Deficiency) of revenues over expenditures	(280)	(223,780)	(96,514)	127,266
Other financing sources				
Transfer in	<u>-</u>	<u>-</u>	<u>131,182</u>	<u>131,182</u>
Net changes in fund balance	(280)	(223,780)	34,668	258,448
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>(37,611)</u>	<u>(37,611)</u>
Fund Balance, End of Year	<u>\$ (280)</u>	<u>\$ (223,780)</u>	<u>\$ (2,943)</u>	<u>\$ 220,837</u>

Otero County, Colorado
 Budgetary Comparison Schedule
 Health Fund
 For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Intergovernmental	\$ 1,803,089	\$ 2,030,280	\$ 227,191
Charges for Services	106,862	67,682	(39,180)
Other	30,000	48,925	18,925
	<u>1,939,951</u>	<u>2,146,887</u>	<u>206,936</u>
Expenditures			
Health and Welfare	1,999,798	1,736,316	263,482
	<u>1,999,798</u>	<u>1,736,316</u>	<u>263,482</u>
Excess Revenues Over (Under)			
Expenditures	(59,847)	410,571	470,418
Other Financing Sources (Uses)			
Transfers In	56,493	56,493	-
Net Change in Fund Balances	(3,354)	467,064	470,418
Fund Balances, Beginning of Year	<u>2,679,368</u>	<u>2,599,554</u>	<u>(79,814)</u>
Fund Balances, End of Year	<u>\$ 2,676,014</u>	<u>\$ 3,066,618</u>	<u>\$ 390,604</u>

Otero County, Colorado
 Budgetary Comparison Schedule
 Land Trust Fund
 For the Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Investment Income	\$ 100	\$ 1,891	\$ 1,791
Total Revenues	<u>100</u>	<u>1,891</u>	<u>1,791</u>
Expenditures			
Conservation	<u>1,600</u>	<u>1,196</u>	<u>404</u>
Total Expenditures	<u>1,600</u>	<u>1,196</u>	<u>404</u>
Net Change in Fund Balances	<u>(1,500)</u>	<u>695</u>	<u>2,195</u>
Fund Balances, Beginning of Year	<u>63,576</u>	<u>63,497</u>	<u>(79)</u>
Fund Balances, End of Year	<u>\$ 62,076</u>	<u>\$ 64,192</u>	<u>\$ 2,116</u>

Otero County, Colorado
 Budgetary Comparison Schedule
 Contingent Fund *(included as Part of the General Fund)*
 For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance <i>Positive (Negative)</i>
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Property Tax	\$ -	\$ -	\$ -
Total Revenues	<u> -</u>	<u> -</u>	<u> -</u>
Expenditures			
Contingency Reserve	<u> 275,000</u>	<u> 4,799</u>	<u> 270,201</u>
Total Expenditures	<u> 275,000</u>	<u> 4,799</u>	<u> 270,201</u>
Excess Revenues Over (Under)			
Expenditures	<u> (275,000)</u>	<u> (4,799)</u>	<u> 270,201</u>
Net Change in Fund Balances	(275,000)	(4,799)	270,201
Fund Balances, Beginning of Year	<u> 287,458</u>	<u> 287,458</u>	<u> -</u>
Fund Balances, End of Year	<u> 12,458</u>	<u> 282,659</u>	<u> 270,201</u>

Otero County, Colorado
 Budgetary Comparison Schedule
 Proprietary Fund
 Internal Service Fund
 For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Operating Revenues			
Charges for Services	\$ 183,575	\$ 183,233	\$ (342)
Total operating revenues	183,575	183,233	(342)
Operating Expenses			
General government	110,000	31,864	78,136
Capital outlay	125,000	-	125,000
Total operating expenses	235,000	31,864	203,136
Operating income (loss)	(51,425)	151,369	202,794
Non Operating Revenues			
Gain on sale of assets	-	17,660	17,660
Total non-operating revenues	-	17,660	17,660
Excess of revenues and other financing sources over expenditures	\$ (51,425)	169,029	\$ 220,454
Reconciliation of Revenue and Expenses - GAAP Basis to Budgetary Basis			
Change in net position per statement of revenues:		58,281	
Expenses and changes in net position			
Expenditures for budgetary purposes:			
Depreciation		110,748	
Excess of Revenues over Expenditures		\$ 169,029	

Otero County, Colorado
 Budgetary Comparison Schedule
 Proprietary Fund
 Medical Trust Fund
 For the Year Ended December 31, 2023

	Original & Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
	<u> </u>	<u> </u>	<u> </u>
Operating Revenues			
Charges for Services	\$ 2,469,701	\$ 2,373,163	\$ (96,538)
Total operating revenues	<u>2,469,701</u>	<u>2,373,163</u>	<u>(96,538)</u>
Operating Expenses			
General government	958,220	915,432	42,788
Claims	<u>1,900,000</u>	<u>1,585,476</u>	<u>314,524</u>
Total operating expenses	<u>2,858,220</u>	<u>2,500,908</u>	<u>357,312</u>
Non Operating Revenues			
Interest revenue	<u>5,000</u>	<u>52,114</u>	<u>47,114</u>
Total non-operating revenues	<u>5,000</u>	<u>52,114</u>	<u>47,114</u>
Change in Net Position	(383,519)	(75,631)	307,888
Net Position, Beginning of Year	<u>1,134,847</u>	<u>1,380,713</u>	<u>245,866</u>
Net Position, End of Year	<u>\$ 751,328</u>	<u>\$ 1,305,082</u>	<u>\$ 553,754</u>

Otero County, Colorado
 Budgetary Comparison Schedule
 Component Unit
 Small Business Development Fund
 For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Operating Revenues			
Intergovernmental	\$ 159,000	\$ -	\$ (159,000)
Charges for Services	8,000	6,968	(1,032)
Miscellaneous	10,000	19,599	9,599
Total operating revenues	<u>177,000</u>	<u>26,567</u>	<u>(150,433)</u>
Operating Expenses			
Economic Development	<u>254,300</u>	<u>11,188</u>	<u>243,112</u>
Total operating expenses	<u>254,300</u>	<u>11,188</u>	<u>243,112</u>
Operating income (loss)	<u>\$ (77,300)</u>	<u>\$ 15,379</u>	<u>\$ 92,679</u>

Otero County, Colorado
 Budgetary Comparison Schedule
 Component Unit
 E911 Fund
 For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Operating Revenues				
Charges for Services	\$ 378,980	\$ 378,980	\$ 512,567	\$ 133,587
Investment Income	120	120	9,771	9,651
 Total operating revenues	 379,100	 379,100	 522,338	 143,238
Operating Expenses				
Public Safety	225,000	225,000	206,797	18,203
Debt Service Principal	-	104,295	104,295	-
Debt Service Interest	-	22,673	22,673	-
 Total operating expenses	 225,000	 351,968	 333,765	 18,203
 Operating income (loss)	 \$ 154,100	 \$ 27,132	 188,573	 \$ 161,441
 Excess of revenues over expenditures	 \$ 154,100	 \$ 27,132	 \$ 188,573	
 Reconciliation of Revenue and Expenses - GAAP Basis to Budgetary Basis				
Change in net position per statement of revenues:			66,929	
Expenses and changes in net position				
Depreciation			225,939	
Debt Service Principal			(104,295)	
 Excess of Revenues over Expenditures			 \$ 188,573	

Compliance Section



**Independent Auditor's 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
La Junta, Colorado

We have audited, 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 (*Government Auditing Standards*), 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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 30, 2024.

Report on 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) as a basis for designing 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or 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.

Office Locations:

Colorado Springs, CO
Denver, CO
Frisco, CO
Tulsa, OK

Denver Office:

750 W. Hampden Avenue,
Suite 400
Englewood,
Colorado 80110
TEL: 303.796.1000
FAX: 303.796.1001
www.HinkleCPAs.com

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.

Report on 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 on the financial statements. 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 County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hick & Company, PC

Englewood, Colorado
July 30, 2024





**HINKLE &
COMPANY**
Strategic PC
Business Advisors

**Independent Auditor's Report on Compliance for Each
Major Federal Program, Internal Control over Compliance,
and the Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance**

Board of County Commissioners
Otero County, Colorado
La Junta, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Otero County's (the County's) compliance with the types of compliance requirements identified as subject to audit 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, 2023. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.



Report on 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 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Hick & Company, PC

Englewood, Colorado
July 30, 2024



Otero County, Colorado
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2023

Section I: Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP): Unmodified

Internal control over financial reporting:

- Material weaknesses identified? Yes No
- Significant deficiencies identified? Yes None Reported

Noncompliance material to the financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? Yes No
- Significant deficiencies identified? Yes None Reported

Type of Auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major federal programs:

Assistance Listing Number	Name of Federal Cluster/Program
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
21.032	COVID-19 - Local Assistance and Tribal Consistency Fund
93.568	Low-Income Home Energy Assistance
93.778	Medicaid Cluster

Dollar threshold used to distinguish Between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

(Continued)

Otero County, Colorado
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023
(Continued)

Section II: Financial Statement Findings

No current year findings or questioned costs were reported.

Section III: Federal Awards Findings and Questioned Costs

No current year findings or questioned costs were reported.

Otero County, Colorado
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2023

Section I: Financial Statement Findings

None reported for the year ended December 31, 2022.

Section II: Federal Award Findings and Questioned Costs

None reported for the year ended December 31, 2022.

Otero County, Colorado
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2023

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Pass-Through to Subrecipients	Amount Expended
U.S. DEPARTMENT OF AGRICULTURE:				
Direct Assistance -				
Schools and Roads - Grants to Counties	10.666	N/A	\$ - \$	5,883
Passed-through the State of Colorado Department of Human Services -				
Supplemental Nutrition Assistance Program - Federal Incentives	10.551	N/A	-	2,862
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	-	384,207
Passed-through the State of Colorado Department of Public Health -				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	08-FLA 00475	-	218,773
Special Supplemental Nutrition Program for Women, Infants, and Children - noncash	10.557	N/A	-	706,977
Total U.S. Department of Agriculture			<u>-</u>	<u>1,318,702</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed-through the Schreiber Research Group -				
Telehealth Programs	93.211	N/A	-	81,006
Passed-through the State of Colorado Department of Human Services -				
Public Health Emergency Response: Public Health Crisis Response	93.354	CT 2020*266	-	36,806
Aging - Cluster				
Special Programs For The Aging Title III Part B - Grants For Supportive Services and Senior Centers	93.044	21 IHEA 160185; 24 IHEA 185262	88,213	135,076
Special Programs For The Aging Title III - Administration	93.044	21 IHEA 160185; 24 IHEA 185262	-	32,016
Special Programs For The Aging Title III Part C - Nutrition Services	93.045	21 IHEA 160185; 24 IHEA 185262	179,147	229,324
Nutrition Services Incentive Program	93.053	21 IHEA 160185; 24 IHEA 185262	67,602	67,602
Total Aging - Cluster			<u>334,962</u>	<u>464,018</u>
CCDF - Cluster				
Child Care and Development Block Grant	93.575	N/A	-	74,100
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	N/A	-	46,206
Total CCDF - Cluster			<u>-</u>	<u>120,306</u>
Passed-through the State of Colorado Department of Human Services -				
Special Programs For The Aging Title VII Chapter 3 - Programs for the Prevention of Elder Abuse, Neglect & Exploitation	93.041	21 IHEA 160185; 24 IHEA 185262	-	563
Special Programs For The Aging Title VII Chapter 2 - Long Term Care Ombudsman Services for Older Individuals	93.042	21 IHEA 160185; 24 IHEA 185262	-	2,029
Special Programs For The Aging Title III Part D - Disease Prevention & Health Promotion Services	93.043	21 IHEA 160185; 24 IHEA 185262	14,551	14,551
Special Programs for the Aging Title IV and Title III Discretionary Projects	93.048	21 IHEA 163704; 24 IHEA 181663 + 20-139143; 20-139143A3	-	43,103

(Continued)

Otero County, Colorado
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2023

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Pass-Through to Subrecipients	Amount Expended
National Family Caregiver Support Title III Part E	93.052	21 IHEA 160185; 24 IHEA 185262	44,719	44,719
Guardianship Assistance	93.090	N/A	-	30,375
Temporary Assistance For Needy Families	93.558	N/A	-	867,739
Low Income Home Energy Assistance	93.568	N/A	-	1,325,244
Child Support Enforcement	93.563	N/A	-	271,787
Stephanie Tubbs Jones Child Welfare Services Program	93.645	N/A	-	13,606
Foster Care - Title IV-E	93.658	N/A	-	328,668
Adoption Assistance	93.659	N/A	-	159,568
Social Services Block Grant	93.667	N/A	-	70,909
Elder Abuse Prevention Interventions Program	93.747	N/A	-	3,332
Injury Prevention and Control Research and State and Community Based Programs	93.136	N/A	-	22,103
Passed-through the State of Colorado Department of Local Affairs -				
Community Services Block Grant	93.569	CTGGI NLAA 202100002982	-	118,888
Passed-through the State of Colorado Department of Public Health and Environment -				
Public Health Emergency Preparedness	93.074	CT FHCA 2023*0163	-	108,358
Immunization Cooperative Agreements	93.268	19 FHHA 108898	-	7,954
Immunization Cooperative Agreements	93.268	PO FHJA 202100010299	-	97,369
Epidemiology and Laboratory Capacity	93.323	PO FHJA 2021*10524	-	470,705
Passed-through the State of Colorado Department of Public Health Care Policy and Financing -				
Medical Assistance Program	93.778	19-110371A1; 20-GAE1002	-	929,103
Passed-through the Immed Office of the Secretary of Health & Human Services				
Research and Development - Food and Drug Administration Research	93.008	PO FHCA 202400001732	-	1,223
Passed-through the Administration for Children and Families				
Promoting Safe and Stable Families	93.556	N/A	-	(387)
Total U.S. Department of Health and Human Services			<u>394,232</u>	<u>5,515,833</u>
CENTERS FOR DISEASE CONTROL AND PREVENTION				
Passed-through the Colorado Department of Public Health and Environment				
UNITED STATES DEPARTMENT OF THE TREASURY				
Direct Assistance -				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		208,350	569,004
COVID-19 - Local Assistance and Tribal Consistency	21.032		-	1,389,989
Passed-through the Colorado Department of Health and Human Services				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	46,382
Total U.S. Department of the Treasury			<u>208,350</u>	<u>2,005,375</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
Passed-through Trailhead Institute				
AmeriCorps State and National	94.006		-	33,288
Total Corporation for National and Community Service			<u>-</u>	<u>33,288</u>
DEPARTMENT OF HOMELAND SECURITY FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)				
Passed-through Colorado Department of Public Safety				
Emergency Management Performance Grant	97.042	23EM-24-40	-	39,694
Total U.S. Department of Homeland Security FEMA			<u>-</u>	<u>39,694</u>

(Continued)

Otero County, Colorado
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2023

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Pass-Through to Subrecipients	Amount Expended
U.S. DEPARTMENT OF VETERANS AFFAIRS				
Direct Assistance -				
VHA Home Care	64.044	N/A	413,766	435,940
Total U.S. Department of Veterans Affairs			<u>413,766</u>	<u>435,940</u>
Total Expenditures of Federal Awards			\$ 1,016,348	\$ 9,466,644

Otero County, Colorado
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Otero County, Colorado (the County) under programs of the federal government for the year ended December 31, 2023. 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 the County, it is not intended to and does not present the financial position, changes in financial position, or cash flows of the County.

Note 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.

Note 3: Indirect Cost Rate

The County has elected not to use the 10 percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

State Compliance

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

LOCAL HIGHWAY FINANCE REPORT	STATE: <u>COLORADO</u> YEAR ENDING (mm/yy): <u>DECEMBER 2023</u>
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This Information From The Records Of: <u>OTERO COUNTY</u>	Prepared By: <u>TINA MASCARENAS</u>
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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		III. EXPENDITURES FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 2,211,127.00
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 20,137.00
2. General fund appropriations		b. Snow and ice removal	
3. Other local imposts (from page 2)	\$ 680,832.00	c. Other	\$ 47,718.00
4. Miscellaneous local receipts (from page 2)	\$ 1,174.00	d. Total (a. through c.)	\$ 67,855.00
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 110,182.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 2,389,164.00
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	
7. Total (1 through 6)	\$ 682,006.00	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government (from page 2)	\$ 1,801,671.00	2. Notes:	
D. Receipts from Federal Government (from page 2)	\$ 9,088.00	a. Interest	
E. Total receipts (A.7 + B + C + D)	\$ 2,492,765.00	b. Redemption	
		c. Total (a. + b.)	\$ -
		3. Total (1.c + 2.c)	\$ -
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 2,389,164.00

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				\$ -
1. Bonds (Refunding Portion)				\$ -
B. Notes (Total)				\$ -

V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	\$ 2,599,436.00	\$ 2,492,765.00	\$ 2,389,164.00	\$ 2,703,037.00	\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
 COLORADO
 YEAR ENDING (mm/yy):
 DECEMBER 2023

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	\$ 552,065.00	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	\$ 1,000.00
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	\$ 128,767.00	g. Other Misc. Receipts	\$ 174.00
6. Total (1. through 5.)	\$ 128,767.00	h. Other	
c. Total (a. + b.)	\$ 680,832.00	i. Total (a. through h.)	\$ 1,174.00
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 1,768,119.00	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	\$ 33,552.00	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal	\$ 9,088.00
f. Total (a. through e.)	\$ 33,552.00	g. Total (a. through f.)	\$ 9,088.00
4. Total (1. + 2. + 3.f)	\$ 1,801,671.00	3. Total (1. + 2.g)	\$ 9,088.00
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			\$ -
b. Engineering Costs		\$ 105,057.00	\$ 105,057.00
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements		\$ 468,133.00	\$ 468,133.00
(3). System Preservation		\$ 1,404,400.00	\$ 1,404,400.00
(4). System Enhancement And Operation		\$ 233,537.00	\$ 233,537.00
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 2,106,070.00	\$ 2,106,070.00
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 2,211,127.00	\$ 2,211,127.00
<i>(Carry forward to page 1)</i>			

Notes and Comments: