NEW ISSUE **MOODY'S INVESTORS SERVICE RATING: "Baa1"**
BANK QUALIFIED

In the opinion of Modrall, Sperling, Roehl, Harris & Sisk, P.A., Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming compliance with certain covenants described in "TAX EXEMPTION" herein, interest on the Bonds (a) is not includible in the gross income of the recipients thereof for federal income tax purposes; (b) is not a specific preference item for purposes of the federal alternative minimum tax for individuals and corporations, but such interest on the Bonds will be included in the adjusted current earnings of certain corporations. Bond Counsel is also of the opinion, based on existing laws of the State of New Mexico as enacted and construed, that the Bonds and income from the Bonds are exempt from all taxation by the State of New Mexico or any political subdivision thereof. For a more complete description of such opinion of Bond Counsel and a description of certain provisions of the Internal Revenue Code of 1986, as amended, which may affect the federal tax treatment of interest on the Bonds for certain registered owners of such bonds, see "TAX EXEMPTION" herein.

$1,240,000
MORA COUNTY, NEW MEXICO
Gross Receipts Tax Revenue Bonds
Series 2017

Book-Entry
Dated: Date of Delivery Due: June 15, as shown on inside cover

The Mora County, New Mexico Gross Receipts Tax Revenue Bonds, Series 2017 (the "Bonds") are being issued by Mora County, New Mexico (the "County") to provide funds for: 1) planning, designing, constructing, rehabilitating, renovating, equipping, and furnishing of necessary County buildings and facilities, including, without limitation, County buildings and facilities located at the site of the County Complex located in Mora, New Mexico; and 2) paying all costs pertaining to the issuance of the Bonds. See "PURPOSE AND PLAN OF FINANCING" herein. The Bonds are being issued pursuant to the general laws of the State, including Sections 4-62-1 to 4-62-10 NMSA 1978, as amended (the "Act"), and enactments of the Governing Body relating to the issuance of the Bonds, including the Bond Ordinance (as defined herein).

The Bonds are issuable only as fully registered bonds to be sold in denominations of $25,000 or any multiple of $5,000 in excess thereof. Interest accrues from the Date of Delivery and is payable semiannually on June 15 and December 15 of each year commencing December 15, 2017 as more fully described herein. The Paying Agent and Registrar is BOKF, NA, Albuquerque, New Mexico.

SEE MATURITY SCHEDULE SET FORTH ON THE INSIDE COVER OF THIS OFFICIAL STATEMENT.

The Bonds will be issued pursuant to a book-entry system and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. Purchasers of the Bonds ("Beneficial Owners") will not receive physical delivery of bond certificates representing their beneficial ownership interests. So long as DTC or its nominee is the owner of the Bonds, disbursement of payments of principal and interest to DTC is the responsibility of the Paying Agent, disbursement of such payments to DTC Participants (as defined herein) is the responsibility of DTC and disbursement of such payments to Beneficial Owners is the responsibility of DTC Participants, as more fully described herein. See "DESCRIPTION OF THE BONDS - Book-Entry System" herein.

Investment in the Bonds involves a significant degree of risk and is speculative in nature as described under "RISK FACTORS RELATING TO THE BONDS" herein and under other sections of this Official Statement.

THE BONDS ARE SUBJECT TO OPTIONAL REDEMPTION PRIOR TO MATURITY AS MORE FULLY DESCRIBED HEREIN. SEE "DESCRIPTION OF THE BONDS - Optional Redemption of Bonds" HEREIN.

The Bonds are offered when, as and if issued and received by the Underwriter, subject to the approval of validity by Modrall, Sperling, Roehl, Harris & Sisk, P.A., Albuquerque, New Mexico, Bond Counsel, and certain other conditions. Certain legal matters will be passed on for the County by Michael Aragon, County Attorney. Certain matters will be passed upon for the Underwriter by Virtue & Najjar, P.C., Santa Fe, New Mexico. Modrall, Sperling, Roehl, Harris & Sisk, P.A., has also acted as special counsel to the County in connection with the preparation of this Official Statement and the sale of the Bonds to the Underwriter. It is anticipated that the Bonds will be available for delivery on or about May 16, 2017 through the facilities of DTC, New York, New York.

HUTCHINSON, SHOCKEY, ERLEY & CO.

Dated: April 24, 2017

The Bonds will bear interest from the date of delivery at the rates described below, payable semiannually on June 15 and December 15 of each year until maturity, commencing December 15, 2017, and will mature on June 15 in each year of the years set forth below:

MATURITY SCHEDULE

$1,240,000
MORA COUNTY, NEW MEXICO
Gross Receipts Tax Revenue Bonds
Series 2017

Maturity (June 15)	Principal Amount	Interest Rate	Yield	CUSIP Numbers†
2037(1)	$505,000	4.000%	4.100%	616359AA3
2043(1)	735,000	4.125%	4.250%	616359AB1

(1) Term bonds, subject to mandatory sinking fund redemption.

† The above referenced CUSIP numbers have been assigned by an independent company not affiliated with the parties to this bond transaction and are included solely for the convenience of the holders of the Bonds. Neither the County nor the Underwriter is responsible for the selection or uses of such CUSIP numbers, and no representation is made as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities.

MORA COUNTY, NEW MEXICO

P.O. Box 580
Mora, New Mexico 87732
(575) 387-5279

BOARD OF COUNTY COMMISSIONERS

Paula A. Garcia, Chair
George A. Trujillo, Vice-Chair
Alfonso Garcia, Commissioner

COUNTY ADMINISTRATION

Benjamin Sanchez, County Manager
Doris Casados, Finance Director
Florence Romero, Treasurer
Carlos Arellano, County Clerk

BOND AND DISCLOSURE COUNSEL

Modrall, Sperling, Roehl, Harris & Sisk, P.A.
500 Fourth Street, NW
Albuquerque, New Mexico 87102

REGISTRAR AND PAYING AGENT

BOKF, NA
100 Sun Ave. NE, Suite 500
Albuquerque, New Mexico 87109

FINANCIAL ADVISOR TO THE COUNTY

RBC Capital Markets, LLC
6301 Uptown Boulevard N.E.
Suite 110
Albuquerque, New Mexico 87110

UNDERWRITER

Hutchinson, Shockey, Erley & Co.
2211 East Highland Avenue, Suite 240
Phoenix, Arizona 85016

UNDERWRITER'S COUNSEL

Virtue & Najjar, PC
2200 Brothers Road, 2nd Floor
Santa Fe, NM 87505

USE OF INFORMATION IN THIS OFFICIAL STATEMENT

No dealer, salesman or other person has been authorized by Mora County, New Mexico (the "County") or the Underwriter to give any information or to make any statements or representations, other than those contained in this Official Statement, and, if given or made, such other information, statements or representations must not be relied upon as having been authorized. The information set forth or included in this Official Statement has been provided by the County and from other sources believed by the County to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall create any implication that there has been no change in the financial condition or operations of the County described herein since the date hereof. This Official Statement contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Bonds in any jurisdiction in which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement that involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The County has covenanted to provide such annual financial statements and other information in the manner as may be required by regulations of the Securities and Exchange Commission or other regulatory body.

THE PRICES AT WHICH THE BONDS ARE OFFERED TO THE PUBLIC BY THE UNDERWRITER (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE INSIDE COVER PAGE HEREOF. IN ADDITION, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS. IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COUNTY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Official Statement contains statements that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "project," "intend," "expect" and similar expressions are intended to identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. A number of such risks and uncertainties are described under the heading "RISK FACTORS RELATING TO THE BONDS."

Copies of the Ordinance authorizing the issuance and sale of the Bonds are available upon request at the office of the County Clerk, P.O. Box 580, Mora, New Mexico 87732; (575) 387-5279.

$1,240,000
MORA COUNTY, NEW MEXICO
GROSS RECEIPTS TAX REVENUE BONDS
SERIES 2017

SUMMARY OF INFORMATION

The following is a summary of certain provisions discussed in this Official Statement. THIS SUMMARY DOES NOT PURPORT TO BE COMPREHENSIVE OR DEFINITIVE AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE COMPLETE OFFICIAL STATEMENT. This summary is only a brief statement and a full review of the entire Official Statement should be made by potential investors.

Issuer:	Mora County, New Mexico (the "County") is a political subdivision of the State of New Mexico (the "State"), organized and existing under the Constitution and the general laws of the State. The County operates under a Manager-Commission form of government and is located in northern New Mexico. The County has a land area of approximately 1,934 square miles and an estimated population of 4,551. See "THE COUNTY".
Dated:	Date of Delivery.
Principal Payment:	The Bonds are registered bonds maturing on June 15 of the years set forth on the inside cover page of this Official Statement.
Interest Payment:	Interest will be payable semiannually on June 15 and December 15, commencing December 15, 2017.
Purpose:	The proceeds of the Bonds will provide funds for 1) planning, designing, constructing, rehabilitating, renovating, equipping, and furnishing of necessary County buildings and facilities, including, without limitation, County buildings and facilities located at the site of the County Complex located in Mora, New Mexico, and 2) paying all costs pertaining to the issuance of the Bonds. See "PURPOSE AND PLAN OF FINANCING" herein.
Authorization:	The Bonds are being issued pursuant to the general laws of the State, including Section 4-62-1 to 4-62-10 NMSA 1978, as amended (the "Act"), and enactments of the Board of County Commissioners relating to the issuance of the Bonds, including the Bond Ordinance.
Security:	The Bonds are special limited obligations, payable solely from, and secured by, an irrevocable and first lien (but not necessarily an exclusive first lien) upon the Pledged Revenues, as herein defined. See "SECURITY FOR THE BONDS" herein.
Special Obligations:	THE PRINCIPAL OF AND INTEREST ON THE BONDS WILL BE PAYABLE SOLELY FROM PLEDGED REVENUES, AND WILL NOT BE PAYABLE FROM ANY FUNDS OF THE COUNTY EXCEPT THE DESIGNATED SPECIAL FUNDS PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS WILL NOT CONSTITUTE AN INDEBTEDNESS NOR A DEBT OF THE COUNTY WITHIN THE MEANING OF ANY

CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION NOR WILL THEY BE CONSIDERED OR HELD TO BE GENERAL OBLIGATIONS OF THE COUNTY. NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE COUNTY IS PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS, AND NO OWNER HAS THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER OF THE COUNTY OR THE FORFEITURE OF ANY OF ITS PROPERTY IN CONNECTION WITH ANY DEFAULT UNDER THE BOND ORDINANCE.

Reserve Fund: At the time of the issuance of the Bonds, a portion of the proceeds of the Bonds will be deposited in the Reserve Fund for the Bonds equal to the Minimum Reserve. The Minimum Reserve is $111,342.58.

Deposit Agreement: On the date of delivery of the Bonds, the County will enter into a Deposit Agreement (the "Deposit Agreement") with BOKF, NA, as Paying Agent/Registrar for the Bonds, pursuant to which the County will deposit: (a) on the date of delivery of the Bonds, an amount equal to one-twelfth (1/12) of the first principal payment and one-sixth (1/6) of the first interest payment due on the Bonds (provided that the first deposit shall be made by the County from legally available funds of the County and not from proceeds of the Bonds); (b) monthly, on the first day of the month following the date of delivery of the Bonds, an amount in equal monthly installments which is necessary to pay the first principal payment and the first interest payment due on the Bonds; and (c) on the first day of each month thereafter, an amount equal to one-twelfth (1/12) of the next maturing principal payment and one-sixth (1/6) of the next interest payment due on the Bonds.

Optional Redemption: The Bonds maturing on and after June 15, 2037 are subject to prior redemption at par at the option of the County, in one or more units of principal of $25,000 on and after June 15, 2027, in whole or in part at any time. If the Bonds are optionally redeemed in part, the Bonds to be so redeemed shall be selected by lot by the Registrar in such manner as the Registrar shall consider appropriate and fair. The redemption price will be the principal amount of each $25,000 unit so redeemed, or integral multiples of $5,000 in excess thereof, and accrued interest thereon to the redemption date.

Additional Bonds: In addition to the Bonds, additional bonds may hereafter be issued and secured by and paid from the Pledged Revenues on parity with the Bonds upon satisfaction of certain requirements set forth in the Bond Ordinance related to issuance of additional parity bonds. The County will not issue additional bonds payable from the Pledged Revenues with a lien on the Pledged Revenues prior and superior to the lien of the Bonds thereon. Nothing contained in the Bond Ordinance will be construed in such a manner as to prevent the issuance by the County of additional bonds payable from the Pledged Revenues with a lien thereon subordinate and junior to the lien of the Bonds thereon, nor to prevent the issuance of Bonds or other obligations refunding all or part of the Bonds as permitted by the Bond Ordinance. The County anticipates executing a bank loan in the approximate principal amount of $1,080,000 concurrently with the issuance of the Bonds. The bank loan will have a parity lien on the Pledged Revenues. See "ADDITIONAL OBLIGATIONS PAYABLE FROM

PLEDGED REVENUES" herein.

Outstanding Parity Obligations:	The County anticipates executing a bank loan in the principal amount of $1,080,000 concurrently with the issuance of the Bonds. The bank loan will have a parity lien on the Pledged Revenues.
Secondary Market Disclosure:	The County will enter into an undertaking (the "Undertaking") for the benefit of the holders of the Bonds to file certain financial information and operating data and to provide notice of certain material events, pursuant to the requirements of Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. Part 240, § 240.15c2-12). See "CONTINUING DISCLOSURE" herein and Appendix C hereto.
Delivery:	The delivery of the Bonds to the Underwriter is expected on or about May 16, 2017.
Paying Agent/Registrar:	BOKF, NA, Albuquerque, New Mexico

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OFFICIAL STATEMENT
$1,240,000
MORA COUNTY, NEW MEXICO
Gross Receipts Tax Revenue Bonds
Series 2017

INTRODUCTION

This Official Statement, which includes the cover page and the appendices hereto, sets forth certain information in connection with the offering of $1,240,000 aggregate principal amount of the Mora County, New Mexico Gross Receipts Tax Revenue Bonds, Series 2017 (the "Bonds") for the Project (as defined in the Bond Ordinance) to be issued by Mora County, New Mexico, pursuant to Bond Ordinance No. 2017-06 adopted on April 11, 2017, as supplemented by a Resolution adopted April 25, 2017 (collectively, the "Bond Ordinance"). Capitalized terms used but not defined herein have the meanings given such terms in the Bond Ordinance.

This introduction is not a summary of this Official Statement. It is only a description of and guide to, and is qualified by, the more complete information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement. No person is authorized to detach this "INTRODUCTION" from this Official Statement, or to otherwise use it without the entire Official Statement. This Official Statement has been prepared by the County in connection with the original issuance and sale of the Bonds, and detachment or other use of this "INTRODUCTION" without the entire Official Statement, including the cover page and appendices, is unauthorized.

The Bonds are payable and collectible solely from the Pledged Revenues (as hereinafter defined). The Bonds will be secured by an irrevocable and first lien (but not necessarily an exclusive first lien) on the Pledged Revenues. "Pledged Revenues" means the amounts of money derived from all of the revenues attributable to (i) the first one-eighth of one percent County Gross Receipts Tax enacted pursuant to Section 7-20E-9, NMSA 1978 and a County Ordinance adopted January 15, 1988, as restated by Ordinance No. 2016-02, (ii) the third one-eighth of one percent County Gross Receipts Tax enacted pursuant to Section 7-20E-9, NMSA 1978 and County Ordinance No. 2014-01 and (iii) the three-eighths of one percent County Hold Harmless Gross Receipts Tax enacted pursuant to Section 7-20E-28, NMSA 1978 and County Ordinance No. 2015-02; which revenues are remitted to the County monthly by the New Mexico Department of Taxation and Revenue pursuant to Section 7-1-6.13 NMSA 1978, and which remittances currently equal five-eighths of one percent (0.625%) of the taxable gross receipts reported by persons engaging in business in the County; and which include the distribution to the County made pursuant to Section 7-1-6.47 NMSA 1978, which amounts are collected and, after any deductions for administrative costs and any disbursements for tax credits, refunds and the payment of interest applicable to such gross receipts tax and subject to any increase or decrease pursuant to Section 7-1-6.15 NMSA 1978, are distributed monthly (together with the balance of the County's gross receipt tax) by the Revenue Division of the Taxation and Revenue Department of the State of New Mexico to the County pursuant to Section 7-1-6.13 NMSA 1978.

Pursuant to the Bond Ordinance, the County has covenanted not to repeal or amend any law, ordinance, or resolution in a manner that impairs any of the outstanding Bonds.

Additional bonds may hereafter be issued and secured by the Pledged Revenues having a lien on the Pledged Revenues on parity with, or subordinate and junior to, the lien on the Pledged Revenues securing the Bonds, subject to coverage conditions and other conditions as set out in the Bond Ordinance.

Additional Obligations may not be issued with a lien superior to the lien on the Pledged Revenues securing the Bonds. See "ADDITIONAL OBLIGATIONS PAYABLE FROM PLEDGED REVENUES – Outstanding Obligations Secured by Pledged Revenues" herein.

The descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each document. All capitalized terms used in this Official Statement and not otherwise defined herein have the same meanings as in the Bond Ordinance.

THE PROJECT

The Bonds are being issued for the purpose of providing funds for (1) planning, designing, constructing, rehabilitating, renovating, equipping, and furnishing of necessary County buildings and facilities, including, without limitation, County buildings and facilities located at the site of the County Complex located in Mora, New Mexico; and (2) paying all costs pertaining to the issuance of the Bonds. See "PURPOSE AND PLAN OF FINANCING" herein.

RISK FACTORS RELATING TO THE BONDS

The purchase of the Bonds involves special risks and the Bonds may not be appropriate investments for all types of investors. Each prospective investor is encouraged to read this Official Statement in its entirety and to give particular attention to the factors described below, which, among other factors discussed herein, could affect the payment of debt service on the Bonds and could affect the market price of the Bonds to an extent that cannot be determined at this time. The Bonds may not be suitable investments for all persons and prospective purchasers should evaluate the risks and merits of an investment in the Bonds, and should confer with their own legal and financial advisors before deciding to purchase the Bonds.

Gross Receipts Tax Collections are Subject to Fluctuation

The Pledged Revenues are based on the total gross receipts of the County. Various circumstances and developments, most of which are beyond the control of the County, may have an adverse effect on the future level of Pledged Revenues. Such circumstances may include, among others, adverse changes in national and local economic and financial conditions generally, reductions in the rates of employment and economic growth in the County, the State and the region, a decrease in rates of population growth and rates of residential and commercial development in the County, the State and the region and various other factors.

The amount of gross receipts tax revenues received by the County is closely related to the amount of economic activity in the County. Gross receipts tax receipts, unlike *ad valorem* property taxes levied by the County, immediately reflect changes in the economic conditions of the County. Gross receipts tax collections are subject to the fluctuations in spending related, in part, to national and local economic conditions which influence the amount of gross receipts taxes collected. This causes gross receipts tax revenues to increase along with the increasing prices brought about by inflation, but also causes collections to be vulnerable to adverse economic conditions and reduced spending. The County's economic base and the future collections of Pledged Revenues are directly affected by economic activities in the County. The County's retail sales are affected by general economic circumstances.

In addition to being affected by general economic conditions, the County's gross receipts tax collections could be disproportionately impacted by operations of individual taxpayers. Information relating to the amount of gross receipts tax collections from individual taxpayers, and each taxpayer's proportionate percentage of gross receipts tax collections received by the County, is not available. Therefore, the County cannot state how concentrated the gross receipts tax collections are among individual taxpayers. Historical taxable gross receipts by standard industrial classification is provided. See "PLEDGED REVENUES – Historical Taxable Gross Receipts Reported For County and State" herein. If the County's gross receipts tax collections are attributable to relatively few individual taxpayers, the reduction or cessation of gross receipts tax collections from such taxpayers could result in a substantial decrease in the Pledged Revenues.

Additionally, it is not uncommon for taxpayers to dispute the imposition of gross receipts taxes on particular items or transactions, which might require the State to refund significant amounts of previously collected gross receipts taxes to the protesting taxpayer. Future distributions of gross receipts taxes by the State to the County would be reduced in the event of a refund.

Historical information regarding the County's gross receipts tax revenues is included herein, and while the County has no reason to expect that receipts of the Pledged Revenues will ever be insufficient to pay the Bonds and the Parity Obligations, it makes no representation that, over the term of the Bonds, there will be sufficient Pledged Revenues to pay the Bonds and the Parity Obligations. Changes in the economy, principal taxpayers within the County, State legislation, and other factors make projections of future gross receipts tax revenue collections very difficult. No independent projections have been made with respect to the revenues available to pay debt service on the Bonds.

See "PLEDGED REVENUES – First and Third 1/8 Percent Increment County Gross Receipts Tax Report; Hold Harmless Gross Receipts Tax Report; Gross Receipts Reported by Standard Industrial Classification; Historical Total Gross Receipts Reported For County and State; and Historical Taxable Gross Receipts Reported For County and State" herein.

Bankruptcy and Foreclosure

The ability and willingness of an owner or operator of business to pay gross receipts taxes may be adversely affected by the filing of a bankruptcy proceeding by the owner. The ability to collect delinquent gross receipts taxes using foreclosure and sale for non-payment of taxes may be forestalled or delayed by bankruptcy, reorganization, insolvency or other similar proceedings affecting the owner or operator of a business. The Federal bankruptcy laws provide for an automatic stay of foreclosure and sale proceedings, thereby delaying such proceedings, perhaps for an extended period. Delays in the exercise of remedies could result in gross receipts tax collections that may be insufficient to pay debt service on bonds when due.

Limited Obligations

The Bonds constitute a first lien (but not necessarily an exclusive first lien) solely on the Pledged Revenues. Therefore, the security for the punctual payment of the principal of and interest on the Bonds is dependent on the County's receipt of the Pledged Revenues in amounts sufficient to meet the debt service requirements of the Bonds. See "SECURITY FOR THE BONDS" and "PLEDGED REVENUES" herein. The Bonds and the interest thereon do not constitute a debt or indebtedness of the County within the meaning of any provision or limitation of the Constitution or laws of the State and do not give rise to a pecuniary liability of the County or a charge against its general credit or taxing power. Further, the Bonds are not obligations of the State, and the owners of the Bonds may not look to the State for payment of the principal of or interest on the Bonds.

Additional Parity Obligations

The County may issue additional Parity Obligations without Bondholder consent, upon meeting coverage or other financial tests. See "ADDITIONAL OBLIGATIONS PAYABLE FROM PLEDGED REVENUES" herein. Parity Obligations would have a lien on the Pledged Revenues on parity with the lien thereon of the Bonds. If Pledged Revenues are insufficient to pay debt service on the Parity Obligations in any year, debt service on Parity Obligations will be paid on a proportionate basis among the Bonds and such other Parity Obligations. The County anticipates executing a bank loan in the approximate principal amount of $1,080,000 concurrently with the issuance of the Bonds (the "Bank Loan"). The bank loan will be a Parity Obligation with a lien on the Pledged Revenues on parity with the lien thereon of the Bonds.

Secondary Market

Although the Underwriter expects to maintain a secondary market in the Bonds, at this time no guarantee can be made that a secondary market for the Bonds will be maintained by the Underwriter or others. Owners of the Bonds should be prepared to hold their Bonds to maturity or prior redemption.

State Legislation

The State Legislature of the State of New Mexico (the "Legislature") may amend the laws relating to the levy, calculation and/or the distribution of, or otherwise impacting, the County's gross receipts tax revenues. In some cases, the Legislature has made amendments which negatively impacted the amount of gross receipts tax revenues received by local governments.

In 2004, the Legislature adopted legislation creating a deduction from gross receipts tax for receipts from retail sales of food (not including restaurant sales and certain sales of prepared foods) as defined for federal food stamp program purposes, effective January 1, 2005. Retailers are required to report receipts from sales of such groceries and then claim the deduction. The statute provides for payments to be made from the State general fund to reimburse local governments for revenues lost as a result of the deduction (the "Hold Harmless Distributions"). Those distributions are included within the first and third one-eighth percent County Gross Receipts Tax portion of the Pledged Revenues.

In 2013, the Legislature enacted House Bill 641, which amended several provisions of New Mexico's tax code, including a phased reduction in the Hold Harmless Distributions to certain municipalities and counties over 15 years beginning June 15, 2015. In order to offset the reduced Hold Harmless Distributions, the law allows municipalities and counties to impose a local option gross receipts tax up to 3/8ths of a percent (the "Hold Harmless Gross Receipts Tax").

It is possible that the Legislature will further make changes impacting gross receipts taxes. During the 2017 Regular Legislative Session a number of proposed bills were considered which attempted to rescind or otherwise modify the County Gross Receipts Tax and the Hold Harmless Gross Receipts Tax. While none of the proposed bills was enacted in that session, a Special Legislative Session is expected to be called by the Governor in May 2017, and resulting legislation could eliminate or reduce the County Gross Receipts Tax and/or the Hold Harmless Gross Receipts Tax. There is no assurance that any future revisions to State laws will not adversely affect activities now subject to the gross receipts tax or distribution of gross receipts tax revenues to the County. Notwithstanding the foregoing, the State statute authorizing the issuance of revenue bonds payable from the County Gross Receipts Tax (such as the Bonds), includes a provision stating: "Any law that authorized the pledge of any or all of the pledged revenues to the payment of any revenue bonds issued pursuant to Chapter 4, Article 62 NMSA 1978 or that affects the pledged revenues, or any law supplemental thereto or otherwise appertaining thereto, shall not be repealed or amended or otherwise modified in such a manner as to impair any outstanding revenue bonds, unless such outstanding revenue bonds have been discharged in full or provision has been fully made therefor." See Section 4-62-6(C), NMSA 1978. Similarly, the State statute authorizing the imposition of the County Hold Harmless Gross Receipts Tax includes a provision stating: "Any law that imposes or authorizes the imposition of county hold harmless gross receipts tax or that affects the county hold harmless gross receipts tax, or any law supplemental thereto or otherwise appertaining to, shall not be repealed or amended or otherwise directly or indirectly modified in such a manner as to impair adversely any outstanding revenue bonds that may be secured by a pledge of such county hold harmless gross receipts tax unless such outstanding revenue bonds have been discharged in full or provision has been made therefor." See Section 7-20E-28 NMSA 1978. The County makes a similar covenant in the Bond Ordinance, subject to provisions permitting amendment with consent of owners of a requisite percentage of Bonds.

Gross Receipts Tax Hold Harmless Distributions

In 2013 the New Mexico Legislature enacted House Bill 641 which amended several provisions of New Mexico's tax code, including a phased reduction in the Hold Harmless Distributions to certain municipalities and counties over 15 years starting in Fiscal Year beginning June 15, 2015. In order to offset the reduced Hold Harmless Distributions, the law allows municipalities and counties to impose a local option gross receipts tax up to 3/8ths of a percent (the "Hold Harmless Gross Receipts Tax"). The portion of the County's Hold Harmless Distribution that constituted Pledged Revenues for the period July 1, 2016 through February 28, 2017 was $2,796.

The law as currently enacted will result in annual reductions and ultimately the elimination of the Hold Harmless Distributions to the County, which began on June 15 2015, as follows:

Fiscal year beginning June 15	% of Total Hold Harmless Distribution*
2015	94%
2016	88%
2017	82%
2018	76%
2019	70%
2020	63%
2021	56%
2022	49%
2023	42%
2024	35%
2025	28%
2026	21%
2027	14%
2028	7%
2029	-0-

* Based on percentage of total deductions from gross receipts claimed for sale of food at retail food stores and services provided by health care practitioners.

The County is subject to the phase-out of the Hold Harmless Distributions as a result of enacting a three-eighths of one percent Hold Harmless Gross Receipts Tax effective January 1, 2016. See "PLEDGED REVENUES" herein.

County Cannot Increase Distribution of Taxes

The County has no control over the rate at which the Pledged Revenues are distributed to the County; the rate of distribution can be increased only by action of the Legislature. Although it is possible that the Legislature will increase the rate of distribution to the County, there is currently no legislation proposed or pending to increase the rate of distribution to the County.

Forward-Looking Statements

This Official Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "forecast," "intend," "expect" and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward looking statements and actual results. Those differences could be material and could impact the availability of Pledged Revenues to pay debt service on the Bonds.

DESCRIPTION OF THE BONDS

General

The Bonds are being issued in the aggregate principal amount of $1,240,000 in order to provide funds for the Project. See "PURPOSE AND PLAN OF FINANCING" herein.

The Bonds will be dated the date of delivery. The Bonds will bear interest from their dated date at the rates, and will mature in the amounts and on the dates, as set forth on the inside cover page of this Official Statement. Interest on the Bonds will be payable semi-annually on June 15 and December 15 of each year, commencing December 15, 2017. The Bonds will bear interest from the most recent interest payment date to which interest has been fully paid or duly provided for or, if no interest has been paid, from the date of issuance. The Bonds will be issued as fully registered bonds without coupons in denominations of $25,000 or any integral multiple of $5,000 in excess thereof.

Payment-Regular Record Date

The principal of any Bond shall be payable to the registered owner thereof as shown on the registration books kept by BOKF, NA, Albuquerque, New Mexico (the "Registrar") for the Bonds, upon maturity or prior redemption thereof and upon presentation and surrender at the office of BOKF, NA, Albuquerque, New Mexico (the "Paying Agent"). If any Bond shall not be paid upon such presentation and surrender at or after maturity or on a designated prior redemption date on which the County may have exercised its right to prior redeem any Bond, it shall continue to draw interest at the rate borne by the Bond until the principal thereof is paid in full. Payment of interest on any Bond will be made by check or draft mailed by the Paying Agent, on or before each interest payment date (or, if such interest payment date is not a business day, on or before the next succeeding business day), to the registered owner thereof as of the last day of the calendar month (whether or not a business day) preceding each regularly scheduled interest payment date on the Bonds (the "Regular Record Date") at the address as it last appears on the registration books with respect to the Bonds on the Regular Record Date (or by such other arrangements as may be mutually agreed to by the Paying Agent and any registered owner on such Regular Record Date) notwithstanding any transfer or exchange thereof subsequent to such Regular

Record Date and prior to such interest payment date. Any interest not so timely paid or duly provided for will cease to be payable as described above and will be payable to the person in whose name any Bond is registered at the close of business on a special record date to be fixed by the Registrar (the "Special Record Date") whenever moneys become available for payment of any such defaulted interest. Notice of the Special Record Date will be given not less than ten (10) days prior thereto, by first-class mail, to the registered owners of the Bonds.

All payments of principal and interest on the Bonds will be made in lawful money of the United States of America. The County and the Registrar may treat the registered owner of a Bond as the absolute owner thereof for all purposes except as otherwise provided in the Bond Ordinance with respect to the Regular Record Date and the Special Record Date for the payment of interest. Payment of or on account of either principal or redemption price or interest on any Bond will be made only to or upon the written order of the registered owner thereof or his legal representative. All such payments will be valid and effectual to discharge the liability upon the Bond to the extent of the sum or sums so paid.

Prior Redemption

Optional Redemption of Bonds

The Bonds maturing on or after June 15, 2037 are subject to prior redemption at the County's option in one or more units of principal of $25,000 on and after June 15, 2027 in whole or in part at any time, in such order of maturities as the County may determine (and by lot if less than all Bonds of such maturity is called, such selection by lot to be made by the Registrar in such manner as considered appropriate and fair) for the principal amount of each $25,000 unit of principal so redeemed plus accrued interest to the redemption date. Redemption shall be made upon prior notice mailed to each registered owner of each Bond selected for redemption as shown on the registration books kept by the Registrar in the manner and upon the conditions provided in the Bond Ordinance.

Mandatory Sinking Fund Redemption

The Bonds maturing on June 15, 2037 are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date. As and for a sinking fund for the redemption of Bonds maturing on June 15, 2037, the County shall cause to be deposited in the interest and sinking fund for the Bonds a sum which is sufficient to redeem the following principal amounts of such Bonds:

Redemption Dates (June 15)	Principal Amount
2033	$95,000
2034	95,000
2035	100,000
2036	105,000
2037*	110,000

*Final Maturity.

The Bonds maturing on June 15, 2043 are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date. As and for a sinking fund for the redemption of Bonds maturing on June 15, 2043, the County shall cause to be deposited in the interest and sinking fund for the Bonds a sum which is sufficient to redeem the following principal amounts of such Bonds:

Redemption Dates (June 15)	Principal Amount
2038	$115,000
2039	120,000
2040	125,000
2041	125,000
2042	125,000
2043*	125,000

*Final Maturity.

Not more than 70 days nor less than 40 days prior to each sinking fund redemption date, the Registrar shall proceed to select for redemption (by lot in such manner as the Registrar may determine) from the Bonds maturing on June 15, 2037 and June 15, 2043 a principal amount of such Bonds equal to the aggregate principal amount of such Bonds redeemable with the required sinking fund payment, shall call such Bonds for such redemption on such sinking fund redemption date, and shall give notice of such call.

Redemption Procedures

Notice of redemption shall be given by the Registrar by sending a copy of such notice in the manner required by the Depository or by first-class, postage prepaid mail at least thirty (30) days prior to the redemption date to the registered owner of each Bond, or portion thereof, to be redeemed at the address shown as of the close of business of the Registrar on the fifth (5th) day prior to the mailing of notice on the registration books kept by the Registrar. The County shall give notice of optional redemption of the Bonds to the Registrar at least forty-five (45) days prior to the redemption date (unless such deadline is waived by the Registrar). The Registrar's failure to give such notice to the registered owner of any Bond, or any defect therein, shall not affect the validity of the proceedings for the redemption of any Bonds for which proper notice was given. Notices of redemption shall specify the maturity dates and the number or numbers of the Bonds to be redeemed (if less than all are to be redeemed) and if less than the full amount of any Bond is to be redeemed, the amount of such Bond to be redeemed, the date fixed for redemption, and that on such redemption date there will become and be due and payable upon each Bond to be redeemed at the office of the Paying Agent the principal amount to be redeemed plus accrued interest to the redemption date and that from and after such date interest will cease to accrue on such amount. Notice having been given in the manner hereinbefore provided, the Bond or Bonds so called for redemption shall become due and payable on the redemption date so designated and if an amount of money sufficient to redeem all Bonds called for redemption shall on the redemption date be on deposit with the Paying Agent, the Bonds to be redeemed shall be deemed not outstanding and shall cease to bear interest from and after such redemption date. Upon presentation of the Bonds to be redeemed at the office of the Paying Agent, the Paying Agent will pay the Bond or Bonds so called for redemption with funds deposited with the Paying Agent by the County.

Conditional Redemption

If money or Defeasance Obligations sufficient to pay the optional redemption price of the Bonds to be called for optional redemption are not on deposit with the Paying Agent prior to the giving of notice of optional redemption referred to above, such notice shall state such Bonds will be redeemed in whole or in part on the optional redemption date in a principal amount equal to that part of the optional redemption price received by the Paying Agent on the applicable optional redemption date. If the full amount of the optional redemption price is not received as set forth in the preceding sentence, the notice shall be effective only for those Bonds for which the optional redemption price is on deposit with the Paying Agent. If all Bonds called for optional redemption cannot be redeemed, the Bonds to be redeemed shall be selected in the manner deemed reasonable and fair by the County and the Registrar shall give notice, in the manner in which the original notice of optional redemption was given, that such money was not received. In that event, the Registrar shall promptly return to the Owners thereof the Bonds or certificates which it has received evidencing the part thereof which have not been optionally redeemed.

Registration, Transfer and Exchange of Bonds

The County shall cause books for registration, transfer, and exchange of the Bonds to be kept at the principal office of the Registrar. Upon surrender for transfer or exchange of any fully registered Bond at the principal office of the Registrar duly endorsed by the registered owner or his attorney duly authorized in writing, or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Registrar and duly executed, the Registrar shall authenticate and deliver, not more than three (3) business days after receipt of the Bond or Bonds to be transferred, in the name of the transferee or registered owner, as appropriate, a new Bond or Bonds in authorized denominations, in fully registered form of the same aggregate principal amount, maturity and interest rate.

The Registrar shall not be required to transfer or exchange any Bond (i) during the period of fifteen (15) days next preceding the mailing of notice calling any Bonds for redemption, or (ii) after the mailing to registered owners of notice calling such Bonds or portion thereof for redemption. The Registrar shall close books for change of registered owners' addresses on each Record Date; transfers will be permitted within the period from each Record Date to each Interest Payment Date, but such transfers shall not include a transfer of accrued interest payable.

The person in whose name any Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of either the principal of or interest on any such Bond shall be made only to or upon the order of the registered owner thereof or his legal representative as stated in the Bond Ordinance, but such registration may be changed as provided in the Bond Ordinance. All such payments shall be valid and effectual to satisfy and discharge liability upon such Bond to the extent of the sum or sums so paid.

If any Bonds shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such Bond, if mutilated, and such evidence, information or indemnity relating thereto as the Registrar may reasonably require, if lost, stolen or destroyed, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount and of the same maturity and interest rate, bearing a number or numbers not contemporaneously outstanding. If any such lost, stolen, destroyed or mutilated Bond shall have matured or have been called for redemption, the Registrar may request the Paying Agent to pay such bond in lieu of replacement.

Book-Entry System

Unless otherwise noted, the information contained under the caption "General" below has been provided by DTC. Neither the County nor the Underwriter makes any representations as to the accuracy or the completeness of such information. The Beneficial Owners of the Bonds should confirm the following information with DTC, the Direct Participants or the Indirect Participants.

NEITHER THE COUNTY NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT

PARTICIPANT; (B) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE BONDS UNDER THE BOND ORDINANCE, (C) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE BONDS; (D) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR INTEREST DUE WITH RESPECT TO THE OWNER OF THE BONDS; (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNERS OF BONDS; OR (F) ANY OTHER MATTER REGARDING DTC.

General

The Bonds will be issued in book entry form. DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to Direct Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The County undertakes no responsibility for and makes no representations as to the accuracy or the completeness of the content of such material contained on that website as described in the preceding sentence, including, but not limited to, updates of such information or links to other Internet sites accessed through the aforementioned website.

Purchases of the Bonds under the DTC system must be made by or through Direct or Indirect Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices will be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC will mail an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal of and sinking fund and interest payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, on each payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the date payable. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC or the Paying Agent, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor securities depository is not obtained, security certificates are required to be printed and delivered as described in the Indenture.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Bonds will be printed and delivered as described in the Bond Ordinance.

The County cannot and does not give any assurances that DTC will distribute to Participants, or that Participants or others will distribute to the Beneficial Owners, payments of principal of and interest and premium, if any, on the Bonds paid or any redemption or other notices or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. The County is not responsible or liable for the failure of DTC or any Direct Participant or Indirect Participant to make any payments or give any notice to a Beneficial Owner with respect to the Bonds or any error or delay relating thereto.

The foregoing description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal of and interest and other payments with respect to the Bonds to Direct Participants, Indirect Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in such Bonds and other related transactions by and between DTC, the Direct Participants, the Indirect Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the Direct Participants, the Indirect Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should instead confirm the same with DTC or the Participants, as the case may be.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE HOLDERS SHALL MEAN CEDE & CO., AS AFORESAID, AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

The information in this Official Statement concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but neither the City nor the Underwriter takes any responsibility for the accuracy thereof.

Source of Payment

The Bonds are payable and collectible solely from the Pledged Revenues, with a first lien (though not necessarily an exclusive first lien) on the Pledged Revenues on parity with the lien thereon of Parity Obligations. See "SECURITY FOR THE BONDS" herein.

All of the Bonds, together with the interest accruing thereon, shall be payable and collectible solely out of the Pledged Revenues, which are irrevocably so pledged by the Bond Ordinance. The registered owner or owners of the Bonds may not look to any general or other fund for the payment of the principal of or interest on such obligations, except the designated special funds pledged therefor. The Bonds shall not constitute an indebtedness or a debt within the meaning of any constitutional or statutory provision or limitation; nor shall they be considered or held to be general obligations of the County; and each of the Bonds shall recite that it is payable and collectible solely from the Pledged Revenues, the income from which is so pledged, and that the registered owners thereof may not look to any general or other fund for the payment of principal and interest on the Bonds.

Funds and Accounts

The Bond Ordinance creates a Revenue Fund, an Acquisition Fund, a Debt Service Fund, a Reserve Fund and a Rebate Fund.

Deposit Agreement

Pursuant to the Bond Ordinance and the Deposit Agreement, the County has agreed to pay to the Paying Agent/Registrar for deposit into the Debt Service Fund held by the Paying Agent/Registrar from the Revenue Fund, or other sources legally available to the County: (a) on the date of delivery of the Bonds, an amount equal to one-twelfth (1/12) of the first principal payment and one-sixth (1/6) of the first interest payment due on the Bonds (provided that the first deposit shall be made by the County from legally available funds of the County and not from proceeds of the Bonds); (b) monthly, on the first day of the month following the date of delivery of the Bonds, an amount in equal monthly installments which is necessary to pay the first principal payment and the first interest payment due on the Bonds; and (c) on the first day of each month thereafter, an amount equal to one-twelfth (1/12) of the next maturing principal payment and one-sixth (1/6) of the next interest payment due on the Bonds. The Paying Agent/Registrar will withdraw from the Debt Service Fund on or before each June 15 and December 15, commencing December 15, 2017, an amount sufficient to pay the interest on the Bonds due and payable on each such date, and will cause the same to be applied to the payment of interest due with respect to the Bonds on such dates. The Paying Agent/Registrar will withdraw from the Debt Service Fund on or before each June 15, from June 15, 2018 through the final maturity of the Bonds, an amount sufficient to pay the principal due and payable on the Bonds on such date, and will cause the same to be applied to the payment of principal due with respect to the Bonds on such dates.

Disposition of Bond Proceeds

The Bond Ordinance provides that proceeds from the sale of the Bonds shall be applied by the County simultaneously with the delivery of the Bonds to the Purchaser in the following manner and priority:

Expenses. Fist, an amount necessary to pay Expenses shall be used for payment of the Expenses in compliance with applicable law.

Reserve Fund. Second, immediately upon delivery of the Bonds, the County will deposit bond proceeds in the amount of the Minimum Reserve to the Reserve Fund so that the Minimum Reserve is accumulated upon delivery of the Bonds. The Bond Ordinance establishes the Minimum Reserve as an amount which is equal to the least of (i) ten percent (10%) of the proceeds of the Bonds as the term proceeds is used in Section 148(d)(1) of the Code, (ii) the maximum annual debt service on the Bonds, or (iii) one hundred twenty-five percent (125%) of the average annual debt service on the Bonds. The Bond Ordinance establishes the Minimum Reserve as $111,342.58. Any money or investments in lieu thereof deposited in the Reserve Fund are irrevocably and exclusively pledged to payment of the Bonds.

Acquisition Fund Deposit. Third, remaining Bond proceeds after payment of Expenses and deposit of the Minimum Reserve shall be deposited promptly upon receipt thereof in the Acquisition Fund.

Deposit of Pledged Revenues and Flow of Funds

So long as any Bonds are outstanding, the Pledged Revenues shall, immediately upon receipt thereof by the County, be set aside and deposited into the Revenue Fund. All money deposited into the Revenue Fund shall be held separate and apart from the County's general fund and applied only in accordance with the provisions of the Bond Ordinance and any other County ordinance authorizing the issuance of Parity Obligations.

(A) Debt Service Fund. As a first charge on the Revenue Fund, the following amounts shall be withdrawn from the Revenue Fund and shall be credited to the Debt Service Fund held by the Paying Agent/Registrar pursuant to the Deposit Agreement:

(1) Monthly, commencing on the first day of the month immediately succeeding the delivery of the Bonds, an amount in equal monthly installments necessary, together with any other moneys therein and available therefor, to pay the next maturing installment of interest on the Bonds, and monthly thereafter, commencing on each Interest Payment Date, one-sixth (1/6) of the amount necessary to pay the next maturing installment of interest on the Bonds then outstanding.

(2) Monthly, commencing on the first day of the month immediately succeeding the delivery of the Bonds, an amount in equal monthly installments necessary, together with any other moneys therein and available therefor, to pay the next maturing installment of principal of the outstanding Bonds and monthly thereafter, commencing on each principal payment date, one-twelfth (1/12) of the amount necessary to pay the next maturing installment of principal on the Bonds then outstanding.

(B) Credit. In making the deposits required to be made into the Debt Service Fund, if there are any amounts then on deposit in the Debt Service Fund available for the purpose for which such deposit is to be made, the amount of the deposit to be made pursuant to paragraph B above shall be reduced by the amount available in such fund for such purpose.

(C) Transfer of Money out of Debt Service Fund. Each payment of principal and interest becoming due on the Bonds shall be made from the Debt Service Fund by the Paying Agent.

(D) Payment of Parity Obligations. Concurrently with the payment of the Pledged Revenues as described in subparagraphs (A), (E) and (G) under the heading "Flow of Funds," any amounts on deposit in the Pledged Revenue Fund shall be used by the County for the payment of principal of, interest on and debt service reserve fund deposits relating to Parity Obligations, if any, authorized to be issued and payable from the Pledged Revenues, as applicable, as the same accrue. If funds on deposit in the Pledged Revenue Fund are not sufficient to pay when due the required payments of principal of, interest on and debt service reserve fund deposits relating to the Bonds and any outstanding Parity Obligations, then the available funds in the Pledged Revenue Fund will be used, first, on a pro rata basis, based on the amount of principal and interest then due with respect to each series of outstanding Parity Obligations, for the payment of principal of and interest on all series of outstanding Parity Obligations and, second, to the extent of remaining available funds in the Pledged Revenue Fund on a pro rata basis, based on the amount of debt service reserve fund deposits then required with respect to each series of outstanding Parity Obligations, for the required debt service reserve fund deposits for all series of outstanding Parity Obligations.

(E) Reserve Fund. Amounts on deposit in the Debt Service Reserve Fund shall be applied solely to the payment of debt service due on the Bonds. After funding the Reserve Fund in an amount equal to the Minimum Reserve, no additional payments need be made into the Reserve Fund so long as the moneys therein shall equal not less than the Minimum Reserve. The moneys in the Reserve Fund shall be accumulated and maintained as a continuing reserve to be used, except as hereinafter provided in paragraph F below, only to prevent deficiencies in the payment of the principal of and interest on the Bonds resulting from failure to deposit into the Debt Service Fund sufficient funds to pay the principal and interest as the same accrue.

(F) Termination upon Deposits to Maturity. No payment need be made into the Debt Service Fund, the Reserve Fund, or both, if the amount in such funds (excluding the amount of any Reserve Fund Insurance Policy) totals a sum at least equal to the entire amount of Bonds then outstanding, both as to principal and interest to their respective maturities, and both accrued and unaccrued, in which case, moneys in the Debt Service Fund and Reserve Fund in an amount at least equal to such principal and interest requirements shall be used solely to pay such as the same accrue and any moneys in excess thereof in the Debt Service Fund and Reserve Fund and any other moneys derived from the Pledged Revenues may be used in any lawful manner determined by the County.

(G) Defraying Delinquencies in Debt Service Fund and Reserve Fund. If, in any month, the County shall, for any reason, fail to pay into the Debt Service Fund the full amount above stipulated from the Pledged Revenues, then an amount shall be paid into the Debt Service Fund in such month from the Reserve Fund (if moneys are then on deposit in the Reserve Fund) equal to the difference between that paid from the Pledged Revenues and the full amount so stipulated. If the moneys paid into the Debt Service Fund from the Reserve Fund are not equal to the amount required to be paid into the Debt Service Fund for such month, then in the following month, an amount equal to the difference between the amount paid and the amount required shall be deposited into the Debt Service Fund, in addition to the normal payment required to be paid in such month, from the first Pledged Revenues thereafter received and not required to be otherwise applied. The money deposited in the Debt Service Fund from the Reserve Fund, if any, shall be replaced in the Reserve Fund from the first Pledged Revenues thereafter received not required to be otherwise applied. If, in any month, the County shall, for any reason, fail to pay into the Reserve Fund the full amount required, the difference between the amount paid and the amount so stipulated shall in a like manner be paid therein from the first Pledged Revenues thereafter received and not required to be otherwise applied. The moneys in the Reserve Fund shall be used solely and only for the purpose of paying any deficiencies in the payment of the principal of and the interest on the Bonds; provided, however, that any moneys at any time in excess of the Minimum Reserve in the Reserve Fund may be withdrawn therefrom and applied to any other lawful purpose. Cash accumulated in the Reserve Fund shall not be invested in a manner which could cause the Bonds to become arbitrage bonds within the meaning of the Code. Any investments held in the Reserve Fund shall be valued annually, on or about July 1, at their current fair market value and, if the amount then on deposit in the Reserve Fund exceeds the Minimum Reserve, all amounts in excess of the Minimum Reserve shall be transferred to the Debt Service Fund and used to pay principal of and interest on the Bonds.

(H) Use of Surplus Pledged Revenues. After making all the payments described under the heading “Flow of Funds” above, the remaining Pledged Revenues, if any, may be applied to any other lawful purpose, as the County may from time to time determine.

General Administration of Funds

Pursuant to the Bond Ordinance, the funds designated above shall be administered and invested as follows:

(A) Places and Times of Deposits. The funds shall be separately maintained as a trust fund or funds for the purposes established and shall be deposited in one or more bank accounts in an Insured Bank or Bank. Each account shall be continuously secured to the extent required by law and shall be irrevocable and not withdrawable by anyone for any purpose other than the designated purpose. Payments shall be made into the proper account on the first day of the month except when the first day shall not be a Business Day, then payment shall be made on the next succeeding Business Day. No later than four Business Days prior to each Interest Payment Date, moneys sufficient to pay interest and principal then due on the Bonds shall be transferred to the Paying Agent. Nothing in the Bond Ordinance shall prevent the County from establishing one or more bank accounts in an Insured Bank or Banks for all the funds required by the Bond Ordinance or shall prevent the combination of such funds and accounts with any other bank account or accounts for other funds and accounts of the County.

(B) Investment of Moneys. Moneys in any fund or account not immediately needed may be invested in any investment permitted by law. Investments of amounts in the Reserve Fund, if any, shall have maturities not exceeding five years from their date of acquisition and their value shall be determined annually at the end of each Fiscal Year or more frequently if required by accounting standards applicable to the County. The obligations so purchased as an investment of moneys in any fund or account shall be deemed to be part of such fund or account, and the interest accruing thereon and any profit realized therefrom shall be credited to such fund or account, and any loss resulting from such investment shall be charged to such fund or account. The County Treasurer shall present for redemption or sale on the prevailing market any obligations so purchased as an investment of moneys in the fund or account whenever it shall be necessary to do so in order to provide moneys to meet any payment or transfer from such fund.

Lien on Pledged Revenues

The Bond Ordinance provides that the Pledged Revenues and the amounts and securities on deposit in the Revenue Fund, the Debt Service Fund and the Reserve Fund, and the proceeds thereof, are authorized to be pledged to, and are thereby pledged, and that the County grants a security interest therein for, the payment of the principal of, premium, if any, and interest on the Bonds, subject to the uses thereof permitted by, and the priorities set forth in, the Bond Ordinance. The Bonds constitute an irrevocable first lien, but not necessarily an exclusive first lien, on the Pledged Revenues on parity with the lien thereon of Parity Obligations.

Default, Remedies and County Duties

Each of the following events is declared in the Bond Ordinance to be an "Event of Default":

(A) Failure to pay the principal of any of the Bonds when the same becomes due and payable, either at maturity or otherwise; or

(B) Failure to pay any installment of interest when the same becomes due and payable; or

(C) Default by the County in the due and punctual performance of its covenants or conditions, agreements and provisions contained in the Bonds or in the Bond Ordinance on its part to be performed, and the continuance of such default (other than a default set forth in subparagraphs A and B of this Section) for sixty (60) days after written notice specifying such default and requiring the same to be remedied has been given to the County by the holders of twenty-five percent (25%) in aggregate principal amount of the Bonds then outstanding; or

(D) The County (i) files a petition or application seeking reorganization, arrangement under Federal bankruptcy law, or other debtor relief under the laws of any jurisdiction, or (ii) is the subject of such petition or application which the County does not contest or is not dismissed or discharged with sixty (60) days.

Upon the happening and continuance of any of the events of default described above, then and in every case, the holder or holders of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then outstanding, including, but not limited to, a trustee or trustees therefor, may proceed against the County, the Board of County Commissioners and its agents, officers and employees, but only in their official capacities, to protect and enforce the rights of any holder of Bonds under the Bond Ordinance by mandamus or other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained in the Bond Ordinance or in an award relating to the execution of any power therein granted for the enforcement of any legal or equitable remedy as such holder or holders may deem most effectual to protect and enforce the rights provided above, or to enjoin any act or thing which may be unlawful or in violation of any right of any Bondholder, or to require the Board of County Commissioners to act as if it were the trustee of an express trust, or any combination of such remedies. All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all holders of the Bonds then outstanding. The failure of any Bondholder so to proceed shall not relieve the County or any of its officers, agents or employees of any responsibility for failure to perform, in their official capacities, any duty. Each right or privilege of such holder (or trustee thereof) is in addition and cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of any holder shall not be deemed a waiver of any other right or privilege.

Upon the happening of any of the events of default described above, the County, in addition, will do and perform all proper acts on behalf of and for the owners of the Bonds to protect and preserve the security created for the payment of the Bonds and to insure the payment of the principal of and interest on the Bonds promptly as the same become due. All proceeds derived therefrom, so long as any of the Bonds, either as to principal or interest, are outstanding and unpaid, shall be applied as set forth in the Bond Ordinance. In the event the County fails or refuses to proceed, the holder or holders of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then outstanding, after demand in writing, may proceed to protect and enforce the rights of the owners of the Bonds.

Defeasance

When all principal, interest and prior redemption premium, if any, in connection with the Bonds have been duly paid, the pledge and lien for the payment of the Bonds shall be discharged and the Bonds shall no longer be deemed to be outstanding within the meaning of the Bond Ordinance. Payment shall be deemed made with respect to any Bond or Bonds when the County has placed in escrow with a commercial bank exercising trust powers, an amount sufficient (including the known minimum yield from Defeasance Obligations) to meet all requirements of principal, interest and prior redemption premium, if any, as the same become due to their final maturities or upon designated redemption dates. Any Defeasance Obligations shall become due when needed in accordance with a schedule agreed upon between the County and such bank at the time of the creation of the escrow. Defeasance Obligations within the meaning of this Section, shall include only (i) cash, (ii) non-callable direct obligations of the United States of America ("Treasuries"), (iii) evidences of ownership of proportionate interest in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (iv) pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, or (v) securities eligible for "AAA" defeasance under then existing criteria of S&P or any combination thereof.

Amendment of Bond Ordinance

The Bond Ordinance may be amended without the consent of the holder of any Bond to cure any ambiguity or to cure, correct or supplement any defect or inconsistent provision contained in the Bond Ordinance. Prior to the date of the initial delivery of the Bonds to the Underwriter, the provisions of the Bond Ordinance may be amended with the written consent of the Underwriter, with respect to any changes which are not inconsistent with the substantive provisions of the Bond Ordinance. In addition, the Bond Ordinance may be amended without receipt by the County of any additional consideration, but with the written consent of the holders of seventy-five percent (75%) of the Bonds then outstanding (not including Bonds which may be held for the account of the County); but no ordinance adopted without the written consent of the holders of all outstanding Bonds shall have the effect of permitting:

(A) An extension of the maturity of any Bond; or

(B) A reduction of the principal amount or interest rate of any Bond; or

(C) The creation of a lien upon the Pledged Revenues ranking prior to the lien or pledge created by the Bond Ordinance; or

(D) A reduction of the principal amount of Bonds required for consent to such amendatory ordinance; or

(E) The establishment of priorities as between Bonds issued and outstanding under the provisions of the Bond Ordinance; or

(F) The modification of or otherwise affecting the rights of the holders of less than all the outstanding Bonds.

SECURITY FOR THE BONDS

Pledge and Security

Subject to the uses permitted by, and the priorities set forth in the Bond Ordinance, the County will pledge and grant a security interest in the Pledged Revenues and the amounts and securities on deposit in the Revenue Fund, the Debt Service Fund and the Reserve Fund and the proceeds thereof are pledged to, and the County will grant a security interest therein, for the payment of principal of and interest on the Bonds, subject to the uses thereof permitted by, and the priorities set forth in, the Bond Ordinance. The Bonds constitute an irrevocable and first lien, but not necessarily an exclusive first lien, on the Pledged Revenues as set forth in the Bond Ordinance.

Special Limited Obligations

All of the Bonds and all payments of principal, premium, if any, and interest thereon whether at maturity or on a redemption date, together with any interest accruing thereon, shall be special limited obligations of the County and shall be payable and collectible solely from the Pledged Revenues. The owner or owners of the Bonds may not look to any general or other fund for the payment of the principal of or interest on such obligations, except the designated special funds pledged therefor. The Bonds shall not constitute an indebtedness or a debt of the County within the meaning of any constitutional or statutory provision or limitation, nor shall they be considered or held to be general obligations of the County, and each of the Bonds shall recite that it is payable and collectible solely out of the Pledged Revenues, and that the lien of the Bonds thereon is an irrevocable and first lien, but not necessarily an exclusive first lien, as set forth in the Bond Ordinance, and that the holders thereof may not look to any general or other municipal fund for the payment of the principal of and interest on the Bonds. Nothing herein shall prevent the County from applying other funds of the County legally available therefor to the payment of the Bonds, in its sole discretion.

PURPOSE AND PLAN OF FINANCING

Purpose

The proceeds received by the County from the sale of the Bonds, together with other available funds of the County, will be used to provide funds for the Project. The Project consists of planning, designing, constructing, rehabilitating, renovating, equipping, and furnishing of the Mora County

Complex. The County undertook construction of a new courthouse and County administration building in 2007. Construction ceased in 2011 due to inadequate funding, at which point the building foundation and exterior shell had been completed. The Mora County Complex has remained a shell since that point. The building is two stories and 41,747 square feet.

The County anticipates completing a portion of the complex in three phases. Phase I consists of structural remediation and improvement of a portion of the building to house the County Sheriff's Office, and is expected to cost approximately $1,513,000. The County will pay for Phase I improvements with available capital outlay appropriations previously received from the State. Phase II consists of improving a portion of the Complex for use by County administration and staff. The County will use proceeds of the Bonds to finance a portion of the cost of the Phase II improvements, and the proceeds of the Bank Loan to finance the remainder of the Phase II improvements. Phase III consists of further improvements for use by County administration and staff, and is expected to be funded with proceeds of one or more future bond issues. The County also anticipates future improvement of a portion of the Complex to house magistrate court facilities.

Sources and Uses of Funds

The sources and uses for the Bonds are as follows:

SOURCES OF FUNDS	
Par Amount of Bonds	$1,240,000.00
Net Original Issue Premium (Discount) on the Bonds	(21,303.85)
TOTAL SOURCES	$1,218,696.15
USES OF FUNDS	
Deposit to Acquisition Fund	$1,004,825.72
Deposit to Reserve Fund	111,342.58
Underwriter's Discount	19,636.48
Costs of Issuance[1]	82,891.37
TOTAL USES	$1,218,696.15

[1] Includes financial advisory fees, legal fees and other miscellaneous costs and contingencies.

ANNUAL DEBT SERVICE SUMMARY

The following table sets forth for each period ending June 15 from 2018 through 2043 the amounts required in each such period to pay scheduled annual debt service on the Bonds, the combined debt service requirements for the Bonds and the Bank Loan, as well as the debt service coverage ratio, based on unaudited fiscal year 2017 Pledged Revenues.[1]

Mora County, New Mexico
Debt Service/Coverage

Period Ending June 15	Debt Service on Series 2017 Bonds	Combined Debt Service on Bank Loan and Bonds	Estimated Pledged Revenues[1]	Aggregate Coverage Ratio
2018	$54,588	$143,256	$193,136	1.35x
2019	50,519	140,090	193,136	1.38x
2020	50,519	143,359	193,136	1.35x
2021	50,519	141,484	193,136	1.37x
2022	50,519	139,609	193,136	1.38x
2023	50,519	142,733	193,136	1.35x
2024	50,519	140,714	193,136	1.37x
2025	50,519	143,694	193,136	1.34x
2026	50,519	141,531	193,136	1.36x
2027	50,519	139,367	193,136	1.39x
2028	50,519	137,203	193,136	1.41x
2029	50,519	140,039	193,136	1.38x
2030	50,519	137,731	193,136	1.40x
2031	50,519	140,423	193,136	1.38x
2032	50,519	137,971	193,136	1.40x
2033	145,519	145,519	193,136	1.33x
2034	141,719	141,719	193,136	1.36x
2035	142,919	142,919	193,136	1.35x
2036	143,919	143,919	193,136	1.34x
2037	144,719	144,719	193,136	1.33x
2038	145,319	145,319	193,136	1.33x
2039	145,575	145,575	193,136	1.33x
2040	145,625	145,625	193,136	1.33x
2041	140,469	140,469	193,136	1.37x
2042	135,313	135,313	193,136	1.43x
2043	130,156	130,156	193,136	1.48x
Total	$2,323,101	$3,670,454		

(1) Pledged Revenues are based on average gross receipts tax collections for Fiscal Years 2015 and 2016 and for the period July 1, 2016 through February 28, 2017. The estimated Pledged Revenues shown above do not include the projected phase-out of Hold Harmless Distributions. The portion of the Pledged Revenues that constituted Hold Harmless Distributions for the period July 1, 2016 through February 28, 2017 was $2,796. This amount is being phased out through Fiscal Year 2029. See “RISK FACTORS RELATING TO THE BONDS – Gross Receipts Tax Hold Harmless Distributions” herein. There is no assurance that Pledged Revenues received in the future will equal the Pledged Revenues used in coverage computations. See “PLEDGED REVENUES” herein.

PLEDGED REVENUES

The Bonds are special obligations of the County payable from the Pledged Revenues and moneys in the Revenue Fund and Debt Service Fund created under the Bond Ordinance. The Bonds have a first lien, but not necessarily an exclusive first lien, on the Pledged Revenues on parity with the lien thereon of any Parity Bonds now or subsequently outstanding.

"Pledged Revenues" means the amounts of money derived from all of the revenues attributable to (i) the first one-eighth of one percent County Gross Receipts Tax enacted pursuant to Section 7-20E-9, NMSA 1978 and a County Ordinance adopted January 15, 1988, as restated by Ordinance No. 2016-02, (ii) the third one-eighth of one percent County Gross Receipts Tax enacted pursuant to Section 7-20E-9, NMSA 1978 and County Ordinance No. 2014-01 and (iii) the three-eighths of one percent County Hold Harmless Gross Receipts Tax enacted pursuant to Section 7-20E-28, NMSA 1978 and County Ordinance No. 2015-02; which revenues are remitted to the County monthly by the New Mexico Department of Taxation and Revenue pursuant to Section 7-1-6.13 NMSA 1978, and which remittances currently equal five-eighths of one percent (0.625%) of the taxable gross receipts reported by persons engaging in business in the County; and which include the distribution to the County made pursuant to Section 7-1-6.47 NMSA 1978, which amounts are collected and, after any deductions for administrative costs and any disbursements for tax credits, refunds and the payment of interest applicable to such gross receipts tax and subject to any increase or decrease pursuant to Section 7-1-6.15 NMSA 1978, are distributed monthly (together with the balance of the County's gross receipt tax) by the Revenue Division of the Taxation and Revenue Department of the State of New Mexico to the County pursuant to Section 7-1-6.13 NMSA 1978. The New Mexico Department of Taxation and Revenue collects the gross receipts tax on behalf of the counties that impose it and distributes to the county the amount collected on behalf of that county, less an administration fee not exceeding three percent of the tax collected, in the month following the month of collection.

Taxed Activities

For the privilege of engaging in business in the State, the gross receipts tax is imposed upon any person engaging in business in the County. "Gross Receipts" is defined in the Gross Receipts and Compensating Tax Act as the total amount of money or value of other consideration received from selling property in the State (including tangible personal property handled on consignment in the State), from leasing property employed in the State, from selling certain research and development services performed outside the State the product of which is initially used in the State and from performing services in the State.

Exemptions

Some activities and industries are exempt from the gross receipts tax, many by virtue of their taxation under other laws. Exemptions include but are not limited to receipts of governmental agencies and certain organizations (some of which are taxable by the State, with no local distribution), receipts from the sale of vehicles, occasional sales of property or services, wages, certain agricultural products, dividends, receipts from the sale of prescription drugs and certain federal government paid medical expenses and interest and receipts from the sale of or leasing of natural gas, oil or mineral interests. Various deductions are also allowed, including, but not limited to, receipts from various types of sales or leases of tangible personal property or services, receipts from sales to governmental agencies or certain organizations, receipts from processing certain agricultural products, receipts from certain publication sales, certain receipts from interstate commerce transactions and receipts from the sale of certain food and certain medical services. In spite of the numerous specified exemptions and deductions from gross receipts taxation, the general presumption is that all receipts of a person engaging in business in the County are subject to the gross receipts tax.

Administration of the Tax

Businesses must make their payments of gross receipts tax on or before the twenty-fifth day of each month for taxable events in the prior month. Collection of the gross receipts tax is administered by the Revenue Division of the Taxation and Revenue Department of the State (the "Revenue Division"), pursuant to Section 7-1-6 NMSA 1978. Collections are first deposited into a suspense fund for the purpose of making disbursements for refunds, among other items. The Revenue Division remits monthly to counties, including the County, the moneys derived from the gross receipts tax, less applicable deductions and disbursements, attributable to the gross receipts tax of businesses located in the County.

Legislative Changes

Revisions to laws of the State affecting taxed activities and distributions of gross receipts tax revenues could be adopted in the future by the State Legislature. Proposals affecting taxed activities and distributions are frequently considered by the State Legislature. There is no assurance that any future revisions to State laws will not adversely affect activities now subject to the gross receipts tax or distribution of gross receipts tax revenues to the County. See "RISK FACTORS RELATING TO THE BONDS – State Legislation" herein.

Remedies for Delinquent Taxes

The Department may assess gross receipts taxes to a taxpayer who has not paid the taxes due to the State. If any taxpayer to whom gross receipts taxes have been assessed does not make payment (or protest the assessment or furnish security for payment) before 30 days after the date of the assessment, the taxpayer becomes a delinquent taxpayer. A delinquent taxpayer remains delinquent until payment of all taxes due, including interest and penalties, or until security is furnished for the payment. The Department may, under certain circumstances, enter into an agreement with a delinquent taxpayer to permit monthly installment payments for a period of not more than 60 months. Interest is due on any delinquent taxes from the first day following the day on which it is due at the rate of 15.0% per year, computed on a daily basis until paid, without regard to any installment agreement. However, if the gross receipts taxes are paid within 10 days after the demand is made, no interest accrues.

The Department may levy upon all property or rights to property of a delinquent taxpayer and sell the same in order to collect all the delinquent tax. The amount of delinquent gross receipts taxes is also a lien in favor of the State upon all property and rights to property of the delinquent taxpayer, which lien may be foreclosed as provided by the State statutes.

First and Third 1/8 Percent Increment County Gross Receipts Tax Report. Set forth below is a ten year history of the Gross Receipts Tax Revenues received by the County which are derived from the First and Third 1/8 of one percent County Gross Receipts Tax increments imposed by the County.

Fiscal Year Ended June 30	Gross Receipts Tax Rate	Gross Receipts Tax Revenues	Percent Increase (Decrease)
2017[1]	0.25%	$80,278	(5.53%)
2016	0.25%	84,980	22.73%
2015	0.25%	69,240	36.14%
2014	0.25%	50,858	(14.80%)
2013	0.25%	59,692	33.05%
2012	0.25%	44,864	(9.63%)
2011	0.25%	49,644	(1.11%)
2010	0.25%	50,202	(15.19%)
2009	0.25%	59,220	13.73%
2008	0.25%	52,068	

Source: Mora County Financial Director.
(1) Unaudited; assumes no change in collection for 3rd and 4th quarters in Fiscal 2017 from Fiscal Year 2016.

Hold Harmless Gross Receipts Tax Report. The 3/8 Hold Harmless Gross Receipts Tax was enacted effective January 1, 2016. Assuming the 3/8 Hold Harmless Gross Receipts Tax had been in effect beginning in Fiscal Year 2008, the revenues derived from such tax would have been as follows:

Fiscal Year Ended June 30	Hold Harmless Gross Receipts Tax Rate	Hold Harmless Gross Receipts Tax Revenues	Percent Increase (Decrease)
2017[1]	0.375%	$113,581	(10.90%)
2016	0.375%	127,470	22.73%
2015	0.375%	103,860	36.14%
2014	0.375%	76,286	(14.80%)
2013	0.375%	89,539	33.05%
2012	0.375%	76,286	(9.63%)
2011	0.375%	74,466	(1.11%)
2010	0.375%	75,304	(15.19%)
2009	0.375%	88,829	13.73%
2008	0.375%	78,101	

Source: Mora County Financial Director.
(1) Unaudited; annualized based on average receipts for July, 2016 through February, 2017.

The amounts of Hold Harmless Gross Receipts Tax revenues above were calculated by multiplying by a factor of three the actual revenues derived from a County gross receipts tax imposed at a rate equal to one-eighth of one percent (0.125%) for Fiscal Years 2008 to 2017.

Historical Pro Forma Debt Service Coverage. The table below shows historical pro forma debt service coverage:

Fiscal Year Ended June 30	Gross Receipts Tax Revenues[1]	Aggregate Pro Forma Debt Service on Bonds and Bank Loan[2]	Aggregate Pro Forma Debt Service Coverage
2017[3]	$193,859	$142,000	1.37x
2016	212,450	142,000	1.50x
2015	173,100	142,000	1.22x
2014	127,144	142,000	0.90x
2013	149,232	142,000	1.05x
2012	112,162	142,000	0.79x
2011	124,110	142,000	0.87x
2010	125,507	142,000	0.88x
2009	148,048	142,000	1.04x
2008	130,168	142,000	0.92x

Source: Mora County Financial Director.
(1) Includes all Pledged Revenues, assuming 3/8 Hold Harmless Gross Receipts Tax had been in place.
(2) See "ANNUAL DEBT SERVICE SUMMARY" herein.
(3) Unaudited; assumes no change in collection for 3rd and 4th quarters in Fiscal Year 2017 from Fiscal Year 2016.

Other Gross Receipts Taxes (not pledged)

The County also imposes certain other gross receipts taxes which are not pledged to the repayment of the Bonds.

Gross Receipts Reported by Standard Industrial Classification

The following represents total taxable gross receipts reported in the County for the last ten fiscal years, by Standard Industrial Classification, as well as the total gross receipts reported in the County:

	Fiscal Year Ended June 30				
Mora County	2013	2014	2015	2016	2017[†]
Agriculture, Forestry, Fishing and Hunting	$ 300,361	$ 519,567	$ 393,037	$ 1,180,638	$ 469,676
Mining	*	*	*	*	*
Utilities	2,973,385	3,061,956	3,094,332	3,053,662	1,607,102
Construction	12,079,653	7,143,661	8,143,462	8,583,205	5,151,110
Manufacturing	180,642	210,269	245,529	290,963	113,553
Wholesale Trade	1,483,869	1,309,698	1,117,981	1,052,455	608,593
Retail Trade	4,406,693	5,066,667	9,069,018	7,513,126	3,767,378
Transportation and Warehousing	*	*	6,384,579	212,384	*
Information	5,768,258	3,980,826	3,240,128	3,617,536	2,070,395
Finance and Insurance	134,087	201,084	181,589	32,617	*
Real Estate Rental and Leasing	751,057	842,839	811,830	1,015,835	518,126
Professional, Scientific, and Technical Services	594,420	311,470	118,124	257,505	422,695
Management of Companies and Enterprises	*	*	*	*	*
Administration/Support/Waste Management	533,564	1,097,261	1,102,384	1,072,719	612,501
Educational Services	*	16,943	*	*	*
Health Care and Social Assistance	905,074	846,339	563,196	362,505	*
Arts, Entertainment, and Recreation	*	*	*	*	*
Accommodation and Food Services	*	401,896	862,787	652,515	121,146
Other Services (except Public Administration)	2,954,792	2,724,795	2,895,599	3,932,264	2,169,572
Public Administration	*	*	*	61,735	*
Unclassified	*	*	198,867	1,639,957	*
Total Taxable	34,000,753	28,122,593	38,588,883	34,691,243	18,095,146
Total Reported	41,692,333	33,918,546	48,108,427	43,556,934	22,390,626
State of New Mexico					
Total Taxable	$49,947,373,946	$51,174,138,495	$56,021,810,853	$52,727,453,839	$25,270,076,324

Source: New Mexico Taxation and Revenue Department.
[*] Not disclosed.
[†] Through January 2017.

Mora County	Fiscal Year Ended June 30 2008	2009	2010	2011	2012
Agriculture, Forestry, Fishing and Hunting	$ 710,587	$ 561,007	$ 558,416	$ 655,995	$ 538,141
Mining	*	*	*	*	*
Utilities	2,868,665	2,810,952	2,715,956	2,703,689	2,807,007
Construction	12,706,108	13,838,228	9,356,254	7,745,540	8,489,495
Manufacturing	307,422	208,454	425,029	286,147	260,796
Wholesale Trade	1,416,063	1,277,126	1,752,224	1,536,706	1,475,121
Retail Trade	4,402,091	4,672,994	3,676,734	3,850,761	3,865,736
Transportation and Warehousing	*	*	80,218	*	*
Information	1,667,190	2,134,018	2,906,177	2,722,322	2,962,549
Finance and Insurance	*	67,361	77,981	50,065	58,755
Real Estate Rental and Leasing	855,520	438,888	558,189	263,238	707,686
Professional, Scientific, and Technical Services	783,406	1,624,730	201,132	386,382	214,997
Management of Companies and Enterprises	*	*	*	*	*
Administration/Support/Waste Management	286,568	219,078	*	169,047	179,151
Educational Services	*	*	*	*	*
Health Care and Social Assistance	*	1,222,350	*	1,163,488	864,591
Arts, Entertainment, and Recreation	*	*	*	*	*
Accommodation and Food Services	*	*	*	576,594	447,651
Other Services (except Public Administration)	1,907,306	1,508,727	1,511,293	1,969,437	2,324,725
Public Administration	*	*	*	*	*
Unclassified	*	*	*	*	*
Total Taxable	29,955,415	31,405,945	26,351,320	24,912,643	25,549,984
Total Reported	39,942,665	41,857,888	34,964,582	31,906,482	30,847,314
State of New Mexico					
Total Taxable	$50,000,223,991	$49,144,368,503	$44,853,784,658	$48,064,508,544	$49,600,793,841

Source: New Mexico Taxation and Revenue Department.
* Not disclosed.

Historical Total Gross Receipts Reported For County and State

The following table shows the gross receipts generated (both in retail trade only and in total) in the County and the State for the last ten fiscal years. For the purposes of this table, gross receipts means the total amount of money received from selling property within the State, from leasing property located in the State and from performing services in the State. Gross Receipts includes, among other things, food sales and services such as legal and medical services.

	Mora County		State of New Mexico	
Fiscal Year	Total	Retail Trade	Total	Retail Trade
2016	$43,556,934	$12,096,633	$108,784,679,530	$24,532,529,977
2015	48,108,427	12,948,730	119,726,977,705	27,481,308,742
2014	33,918,546	6,792,020	107,584,699,939	24,395,913,091
2013	41,692,333	6,194,113	106,300,014,071	23,873,876,704
2012	30,847,314	4,845,035	104,221,140,556	24,009,569,591
2011	31,906,482	5,967,375	104,209,078,834	23,527,156,473
2010	34,964,582	7,747,489	95,632,434,973	23,936,894,300
2009	41,857,888	7,948,760	105,449,821,075	23,821,687,125
2008	39,942,665	7,716,909	111,658,328,633	25,721,094,912
2007	32,843,618	6,902,435	104,559,300,501	26,022,047,069

Source: New Mexico Taxation and Revenue Department.

Historical Taxable Gross Receipts Reported For County and State

Fiscal Year Ended June 30	Taxable Gross Receipts Reported in Mora County	Taxable Gross Receipts Reported in the State of New Mexico
2016	$34,691,243	$52,727,453,839
2015	38,588,883	56,021,810,853
2014	28,122,593	51,174,138,495
2013	34,000,753	49,947,373,946
2012	25,549,984	48,664,464,847
2011	24,912,643	48,064,508,544
2010	26,351,320	44,853,784,658
2009	31,405,945	49,144,368,503
2008	29,955,415	50,000,223,991
2007	24,083,450	48,322,989,539

Source: New Mexico Taxation and Revenue Department

ADDITIONAL OBLIGATIONS PAYABLE FROM PLEDGED REVENUES

Other Liens

At the time of issuance of the Bonds, there will be no outstanding Parity Obligations other than the Bank Loan.

Parity Bonds Test

The Bond Ordinance does not prevent the issuance of additional Parity Obligations payable from and constituting a lien upon the Pledged Revenues on parity with the lien of the Bonds.

(A) Before any additional Parity Obligations are actually issued, it must be determined that:

(1) The County is then current in the accumulation of all amounts which are required to have then been accumulated in the Debt Service Fund as required by the Bond Ordinance; and

(2) The requirements described in either of the following subparagraphs (a) or (b) of this subparagraph (A)(2) are met and a certificate or opinion as provided for in Paragraph (B) below has been obtained:

(a) The annual Pledged Revenues for the Fiscal Year immediately preceding the date of the ordinance authorizing the issuance of any Parity Bonds shall have been sufficient to pay an amount representing at least one hundred twenty-five percent (125%) of the maximum annual principal and interest coming due in subsequent Fiscal Years on (1) the outstanding Bonds, (2) other outstanding Parity Obligations payable from and constituting a lien upon the Pledged Revenues, and (3) the Parity Obligations proposed to be issued, excluding reserves therefor; or

(b) If, during the period beginning on the first day of the completed Fiscal Year immediately preceding the date of the ordinance authorizing the issuance of the Parity Obligations proposed to be issued and ending on the date of such ordinance, a change in the rate of Pledged Revenues has been adopted by law, the estimate of the Pledged Revenues (sometimes herein the "Estimated Revenues"), determined by changing the actual Pledged Revenues for the preceding Fiscal Year by the percentage of rate increase or decrease in the gross receipts tax rate, shall have been sufficient to pay an amount representing at least one hundred twenty-five percent (125%) of the maximum annual principal and interest coming due in subsequent Fiscal Years on (1) the outstanding Bonds, (2) other outstanding Parity Obligations payable from and constituting a lien upon the Pledged Revenues, and (3) the Parity Obligations proposed to be issued, excluding reserves therefor. The preceding Fiscal Year shall be determined as aforesaid from the date of adoption of the ordinance authorizing the issuance of additional Parity Obligations and shall not be determined from the date of publication of such ordinance or adoption of any ordinance which amends or supplements such ordinance.

(B) Certification or Opinion Regarding Revenues. A written certificate or opinion by an Independent Accountant or the County Treasurer that the Pledged Revenues or the Estimated Revenues, when determined as provided in Paragraph (A) above, are sufficient to pay the required amounts under the applicable test in Paragraph (A) above, shall conclusively determine the right of the County to issue additional Parity Obligations. The Independent Accountant or the County Treasurer may utilize the results of any annual audit to the extent it covers the applicable period.

(C) Subordinate Obligations Permitted. Nothing in the Bond Ordinance shall prevent the County from issuing bonds or other obligations payable from the Pledged Revenues and having a lien on the Pledged Revenues subordinate to the lien of the Bonds.

(D) Superior Obligations Prohibited. The Bond Ordinance provides that the County shall not issue any obligation having a lien on the Pledged Revenues which is prior and superior to the Bonds.

Refunding Bonds

The provisions concerning the issuance of additional bonds payable from Pledged Revenues in the Bond Ordinance are subject to the following exceptions:

(A) Privilege of Issuing Refunding Obligations. If at any time the County shall find it desirable to refund any Parity Obligations or other outstanding obligations constituting a lien upon the Pledged Revenues, the Bonds or other Obligations, or any part thereof, may be refunded, but only with the consent of the holders, unless the obligations shall then mature or be callable for redemption, or the plan of refunding calls for payment of the obligations at maturity or at a redemption date, regardless of whether the lien priority is changed by the refunding, except as provided in Paragraphs (B) and (C) below.

(B) Limitation Upon Issuance of Parity Refunding Obligations. No refunding obligations shall be issued with a lien on the Pledged Revenues on parity with the lien of the Bonds, unless:

(1) The lien on the Pledged Revenues of the outstanding obligations so refunded is on a parity with the lien on the Pledged Revenues of the Bonds; or

(2) The refunding obligations are issued in compliance with the provisions described Paragraph (B) under the heading "Additional Bonds Payable from Pledged Revenues" above.

(C) Refunding Part of an Issue. The refunding bonds or other refunding obligations issued shall enjoy complete equality of lien with the portion of any bonds or other obligations of the same issue which is not refunded, if any; and the holder or holders of such refunding bonds or other refunding obligations shall be subrogated to all of the rights and privileges enjoyed by the owner or owners of the same issue refunded thereby. If only a part of any issue or issues is refunded, then there may be no refunding without the consent of the holders of the unrefunded portion of such obligations, unless:

(1) The refunding obligations do not increase the aggregate principal and interest requirements for any Fiscal Year commencing prior to the last maturity date of such unrefunded obligations; or

(2) The refunding bonds or other refunding obligations are issued in compliance with the provisions described in Paragraph (A) under the heading "Additional Bonds Payable from Pledged Revenues" above.

(D) Limitation Upon Issuance of any Refunding Obligations. Any refunding obligations payable from Pledged Revenues shall be issued with such details as the County may by ordinance provide, subject to the inclusion of any such rights and privileges designated as described in Paragraph (C) above but without impairing any contractual obligation imposed by any proceedings authorizing any unrefunded portion of any issue or issues, including the Bonds.

Equality of Parity Bonds

The Parity Bonds, for any source of the Pledged Revenues, from time to time outstanding shall not be entitled to any priority one over the other in the application of the Pledged Revenues, as applicable, regardless of the time or times of their issuance or the date incurred, it being the intention of the Board that, except as set forth herein, there shall be no priority among Parity Bonds regardless of whether they are actually issued and delivered or incurred at different times.

COUNTY COVENANTS IN THE BOND ORDINANCE

The County covenants in the Bond Ordinance, among other things, that:

Use of Bond Proceeds. The County will proceed without delay to apply the proceeds of the Bonds as set forth in the Bond Ordinance.

Payment of Bonds. The County will promptly pay the principal of and the interest on every Bond at the place, on the date and in the manner specified in the Bond Ordinance and in the Bonds according to the true intent and meaning of the Bond Ordinance.

County's Existence. The County will maintain its corporate identity and existence so long as any of the Bonds remain outstanding, unless another political subdivision by operation of law succeeds to the liabilities and rights of the County, without adversely affecting to any substantial degree the privileges and rights of any owner of the Bonds.

Extension of Interest Payments. In order to prevent any accumulation of claims for interest after maturity, the County will not directly or indirectly extend or assent to the extension of time for the payment of any claim for interest on any of the Bonds, and the County will not directly or indirectly be a party to or approve any arrangements for any such extension. If the time for payment of any such interest shall be extended, such installment or installments of interest, after such extension or arrangement, shall not be entitled in case of default hereunder to the benefit or security hereof, except subject to the prior payment in full of the principal of all Bonds hereunder and then outstanding and of the matured interest on such Bonds, the payment of which has not been extended.

Records. So long as any of the Bonds remain outstanding, proper books of record and account will be kept by the County, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the Pledged Revenues.

Audits and Budgets. The County will, within two hundred and seventy (270) days following the close of each Fiscal Year, cause an audit of its books and accounts relating to the Pledged Revenues to be commenced by an Independent Accountant showing the receipts and disbursements in connection with such revenues. The County agrees to furnish forthwith a copy of each such audits and reports to the Purchaser and the holder of any of the Bonds as its written request.

Other Liens. Other than as described and identified by the Bond Ordinance, there are no liens or encumbrances of any nature whatsoever on or against the Pledged Revenues. The Bond Ordinance does not prohibit the issuance of Parity Obligations with a lien on the Pledged Revenues on parity with the lien thereon of the Bonds consistent with the requirements herein

Duty to Impose County Gross Receipts Tax. If State law or any County ordinance or part thereof, which in any manner affects the Pledged Revenues shall ever be held to be invalid or unenforceable, it shall be the duty of the County to take any legally permissible action necessary to produce sufficient Pledged Revenues to comply with the contracted obligations of the Bond Ordinance, except as is provided in Paragraph I of this Section.

Impairment of Contract. The County agrees that any law, ordinance or resolution of the County that in any manner affects the Pledged Revenues or the Bonds shall not be repealed or otherwise directly or indirectly modified, in such a manner as to impair adversely any Bonds outstanding, unless such Bonds have been discharged in full or provision has been fully made therefor or unless the required consents of the holders of the then outstanding Bonds are obtained pursuant to the Bond Ordinance.

Debt Service Fund and Reserve Fund. The Debt Service Fund and Reserve Fund shall be used solely and only, and those funds are pledged, for the purposes set forth in the Bond Ordinance.

Surety Bonds. Each County official and employee being responsible for receiving Pledged Revenues shall be bonded at all times, which bond shall be conditioned upon the proper application of Pledged Revenues.

Performing Duties. The County will faithfully and punctually perform all duties with respect to the Bonds required by the Constitution and laws of the State of New Mexico and the ordinances and resolutions of the County relating to the Bonds.

Tax Covenants. The County covenants that it will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary so that the Bonds will not constitute arbitrage bonds under Section 148 of the Code. The Chairperson of the Governing Body and other officers of the County having responsibility for the issuance of the Bonds shall give an appropriate certificate of the County, for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable expectations of the County regarding the amount and use of all the proceeds of the Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of interest on the Bonds.

The County covenants that it (a) will take or cause to be taken such actions which may be required of it for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes, and (b) will not take or permit to be taken any actions which would adversely affect that exclusion, and that it or persons acting for it, will, among other acts of compliance, (i) apply the proceeds of the Bonds to the governmental purpose of the borrowing, (ii) restrict the yield on investment property acquired with those proceeds, (iii) make timely rebate payments to the federal government, if required, (iv) maintain books and records and make calculations and reports, and (v) refrain from certain uses of proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code. The Chairperson of the Governing Body and appropriate officers are hereby authorized and directed to take any and all actions, make calculations and rebate payments, and make or give reports and certifications, if any, as may be required or appropriate to assure such exclusion of that interest.

Rebate Fund. In furtherance of the covenants set forth in the preceding paragraph, the County hereby establishes a fund separate from any other funds established and maintained hereunder designated as the Rebate Fund. Money and investments in the Rebate Fund shall not be used for the payment of the Bonds and amounts credited to the Rebate Fund shall be free and clear under any pledge under the Bond Ordinance. Money in the Rebate Fund shall be invested pursuant to the procedures in the manner provided in Section 19(B) for investment of money, and all amounts on deposit in the Rebate Fund shall be held by the County, or a designated trustee, in trust, to the extent required to pay rebatable arbitrage to the United States of America. The County shall unconditionally be entitled to accept and rely upon the recommendation, advice, calculation and opinion of an accounting firm or other person or firm with knowledge of or experience in advising with respect to the provisions of the Code relating to rebatable arbitrage. The County shall remit all rebate installments and the final rebate payment to the United States of America as required by the provisions of the Code. Any moneys remaining in the Rebate Fund after redemption and payment of all the Bonds and payment and satisfaction of any rebatable arbitrage shall be withdrawn and remitted to the County.

Continuing Disclosure Undertaking. The officers of the County are authorized to sign such documents and to take such actions in the future with respect to the County's continuing disclosure obligations as are necessary or desirable to comply with the Continuing Disclosure Undertaking and the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. Notwithstanding any other provisions of the Bond Ordinance, failure of the County to comply with the Continuing Disclosure Undertaking shall not be considered an "event of default," and holders and beneficial owners of Bonds shall be entitled to exercise only such rights with respect thereto as are provided in the Continuing Disclosure Undertaking.

THE COUNTY

General

Mora County (pop. 4,551, estimated 2017) is located in north central New Mexico and occupies a land area of 1,934 square miles. The village of Mora is the County seat. Also located in the County are a variety of agricultural villages and ranching communities, spread over terrain that includes river valleys and mountain ranges. The County offers year-round tourism possibilities, national parks and forests and historic landmarks as the principal attractions.

Mora County's economic activity centers around its natural resources. Logging, farming and ranching predominate. Hunting, fishing and tourism is a growing business and Mora County is home to several outfitters offering hunting and fishing trips into the mountains. Mora County is also home to the Mora National Fish Hatchery and Technology Center whose mission is preservation of endangered fish species, and the Mora Research Center, a New Mexico State University Research center for forest genetics and conservation.

Governing Body

The Board of County Commissioners consists of three individuals elected for four-year terms. The County is divided into three districts, each represented by an elected Commissioner. The function of the County is briefly addressed in the grant of powers provided all New Mexico counties pursuant to Section 4-37-1 NMSA 1978. The function is "... to provide for the safety, preserve the health, promote the prosperity and improve the morals, order, comfort and convenience of the county or its inhabitants...." The Board oversees:

1. the assessment, collection and distribution of *ad valorem* taxes by an elected Assessor and Treasurer;
2. law enforcement by an elected Sheriff;
3. recording and filing by an elected County Clerk;
4. fire protection by Volunteer Fire Departments;
5. road maintenance by the Public Works Division of the Growth Management Department;
6. managerial and administrative services by an appointed County Manager; and
7. planning, health, welfare, recreation and cultural affairs by appointed citizen advisory boards.

The members of the Board of County Commissioners and their respective terms are as follows:

Member	Position	Term Expires
Paula A. Garcia	Chair	12/31/2018
George A. Trujillo	Vice-Chair	12/31/2018
Alfonso J. Griego	Commissioner	12/31/2020

Administrative Officers

The current members of the County Administration are as follows:

Ben F. Sanchez has served as the County Manager since November, 2015. Prior to becoming County Manager, Mr. Sanchez was the Chief Administrative Officer of La Jicarita Enterprise Community, Inc. for 10 years. Mr. Sanchez's previous experience also includes serving as the Executive Director of the Rio Grande Long-Term Treatment Program. Mr. Sanchez studied sociology and social work at the University of New Mexico and New Mexico Highlands University. Mr. Sanchez is a native of Mora.

Doris Casados has served as County Finance Director since 2006. Ms. Casados began her employment with Mora County in 1995. She is a native of Mora.

Other Employees

The County has approximately 42 full-time employees. The County believes that relations with its employees are good.

Retirement Plan; Other Post-Employment Benefits

Public Employees Retirement Association

The County participates in a pension plan organized on a statewide basis and operated by the State of New Mexico. The Public Employees' Retirement Association of New Mexico ("PERA"), established by Section 10-11-1 *et seq.* NMSA 1978, as amended, requires contributions to its plan (the "Plan"), computed as a percentage of salary, from both employee and employer for all full-time employees. The majority of State and municipal employees in New Mexico participate in the Plan. As required by State law, the County contributes to the plan amounts a percentage of eligible employees' salaries. The County's contractual obligation under the Plan is limited to the periodic employer contributions that it is required to make for its participating employees. The contribution requirements of the plan members and the County are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The County's contributions to PERA for the fiscal years ended June 30, 2016, 2015 and 2014 were $91,469, $79,995 and $77,644, respectively, which were equal to the amount of the contributions due for each year.

On June 25, 2012, the Governmental Accounting Standards Board approved Statement No. 68 which requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. Statement No. 68 requires governmental participants in cost-sharing multi-employer plans, such as the County, to record a liability and expense equal to their proportionate share of the collective net pension liability and expense for the cost-sharing plan. Statement No. 68 became effective for fiscal years beginning after June 15, 2014. As reported in the County's fiscal year 2016 audited financial statements, the County's proportionate share of PERA's net pension liability was

$1,095,024 at June 30, 2016. These amounts were reported in the County's audited financial statements for Fiscal Year 2015 along with other information required by GASB Statement No. 68.

PERA issues a publicly available financial report that includes financial statements and additional information. A copy of this report can be obtained from PERA at www.nmpera.org/financial-overview.

Actuarial information is shown below:

State of New Mexico Public Employees Retirement Fund
Summary Information as of June 30, 2016

Membership[1]	100,974
Actuarial Information	
Actuarial Accrued Liability[2]	$19,474,241,384
Actuarial Value of Assets[3]	$14,654,814,373
Unfunded Actuarial Accrued Liability	$4,819,427,011
Funded Ratio	75.3%

Source: Public Employees Retirement Association
[1] Includes active, inactive and retired members of both the state and municipal divisions.
[2] Includes accrued liability of both the retired and active members.
[3] The valuation of assets is based on an actuarial value of assets whereby gains and losses relative to a 7.75% annual return are smoothed in over a four-year period.

As of June 30, 2016, PERA has an amortization or funding period of 56 years, based on the employer and member contribution rates in effect as of July 1, 2016. Member and employer rates are established pursuant to Section 10-11-1 through 10-11-142 NMSA 1978. The funded ratio (ratio of the actuarial value of assets to accrued actuarial liability) was 75.3% as of June 30, 2016 and the UAAL of the PERA Fund increased $108 million to approximately $4.8 billion. The State's portion of the UAAL of the PERA Fund is 52.9%, or $2.5 billion. Prior to a 2013 pension reform, the funded ratio was 65.3% and the UAAL of the PERA Fund was calculated to be approximately $6.2 billion. The primary cause of the slight increase in the funded ratio is due to use of pensionable wages and the increase in accrued actuarial liability is reflective of the lower than expected investment return from the 2016 plan years. On a market value basis, PERA's funded ratio is approximately 69.18% as of June 30, 2016. Current 30-year projections indicate the PERA Fund will be 76.8% funded in 2043.

New Mexico Retiree Health Care Authority

The County has elected not to participate in the State-sponsored New Mexico Retiree Health Care Fund, a cost-sharing multiple employer defined benefit postemployment healthcare plan administered by the Retiree Health Care Authority.

County Budgets

The County's budget is based on a fiscal year beginning July 1 and ending June 30 of the following year. The County Administration is responsible for preparing the budget. Prior to July 1, the Board is required to submit a working draft of the budget to the Local Government Division of the State Department of Finance and Administration (the "Finance Department") for its approval. By July 1of the new fiscal year, the Finance Department approves and certifies to the County an operating budget for use pending approval of the final budget. Prior to August 1, the County submits a final budget to the Finance Department for approval. Prior to the first Monday in September, the Finance Department must certify the final budget with whatever adjustments it deems necessary to comply with State statutes. Approval of the Finance Department is required for all budget increases, cash transfers between funds, and budget transfers between departments or between funds. If adequate fund balances are available from the prior year, the County budgets expenditures in excess revenues.

County Insurance Coverage

The County maintains insurance on its assets and operations as is customary and adequate, in its opinion, for similar entities insuring similar operations and assets. The County carries general liability insurance, auto damage and workers compensation through the New Mexico Association of Counties. There can be no assurance, however, that the County will continue to maintain the present level of coverage or that the insurance maintained will be sufficient.

ECONOMIC AND DEMOGRAPHIC STATISTICS

This section contains general information concerning the economic and demographic conditions in and surrounding the County. The information presented was obtained from the sources indicated, and the County makes no representation as to the accuracy or completeness of the data presented. All data in this subsection is presented on a calendar year basis

Labor Force and Percent Unemployed

The following table, derived from information supplied by the New Mexico Department of Workforce Solutions, presents information on employment within Mora County, the State and the United States, for the periods indicated. The annual unemployment figures indicate average rates for the entire year and do not reflect monthly or seasonal trends.

	Mora County		State of New Mexico		United States
Year	Labor Force	Percent Unemployed	Labor Force	Percent Unemployed	Percent Unemployed
2016	2,223	8.5%	927,355	6.7%	4.9%
2015	2,248	9.7%	919,889	6.6%	5.3%
2014	2,249	11.1%	921,380	6.7%	6.2%
2013	2,264	11.7%	923,685	7.0%	7.4%
2012	2,320	11.1%	928,739	7.1%	8.1%
2011	2,369	12.5%	930,356	7.5%	8.9%
2010	2,390	12.6%	936,088	8.1%	9.6%
2009	2,045	12.8%	940,352	7.5%	9.3%
2008	2,027	8.6%	944,548	4.5%	5.8%
2007	2,018	7.9%	934,027	3.8%	4.6%

Source: New Mexico Department of Workforce Solutions.

Non-Agricultural Wage and Salary

The following is a history of average yearly nonagricultural wage and salary employment for Mora County as reported by the New Mexico Department of Workforce Solutions.

	Calendar Year				
Industry	2012	2013	2014	2015	2016[(1)]
Mining	*	*	*	*	*
Utilities	*	*	26	25	*
Construction	66	54	51	53	64
Manufacturing	*	*	*	*	*
Wholesale Trade	*	*	*	*	*
Retail Trade	66	67	68	68	75
Transportation & Warehousing	*	33	27	18	*
Information	*	*	*	*	*
Finance & Insurance	14	15	16	14	15
Real Estate & Rental & Leasing	*	*	*	*	*
Professional & Technical Services	*	*	*	*	*
Management of Companies and Enterprises	*	*	*	*	*
Administrative & Waste Services	*	14	13	16	17
Educational Services	*	162	165	166	125
Health Care & Social Assistance	130	120	136	165	179
Arts, Entertainment & Recreation	*	*	30	29	*
Accommodation & Food Services	16	12	12	13	*
Other Services, Except Public Administration	16	12	22	21	18
Total Private Sector	408	378	396	426	459
Public Administration	311	296	294	286	256
Grand Total	719	674	690	712	715

Source: New Mexico Department of Workforce Solutions.
(1) Average, Third Quarter 2016.
* Withheld by New Mexico Department of Workforce Solutions to avoid disclosing confidential data. Data that are not disclosed for individual industries are always included in the totals; therefore, individual industry figures may not sum to total.

Per Capita Income

The following table sets forth per capita personal income levels for Mora County, the State of New Mexico and the United States.

Per Capita Personal Income

Year	Mora County	New Mexico	United States
2015	n/a	$38,457	$47,669
2014	$32,262	37,091	46,049
2013	29,733	35,254	44,438
2012	29,819	35,585	44,266
2011	29,067	34,556	42,453
2010	26,827	33,019	40,277
2009	26,471	32,293	39,376
2008	25,021	33,374	41,082
2007	22,830	31,832	39,821

Source: New Mexico Department of Workforce Solutions.

Effective Buying Income

The following table shows Effective Buying Income by income group for Mora County, the State of New Mexico and the United States:

Percent of Households by Effective Buying Income Groups

Effective Buying Income Group	Mora County	New Mexico	United States
Under $25,000	48.90%	27.94%	21.90%
$25,000 - $34,999	11.22%	10.75%	9.68%
$35,000 - $49,999	12.51%	14.09%	13.22%
$50,000 - $74,999	11.96%	16.63%	17.38%
$75,000 and over	15.43%	30.60%	37.82%
2012 Est. Median Household Income	$26,455	$41,958	$49,581
2013 Est. Median Household Income	$29,263	$43,273	$49,297
2014 Est. Median Household Income	$27,627	$44,292	$51,579
2015 Est. Median Household Income	$27,648	$45,633	$53,706
2016 Est. Median Household Income	$29,506	$45,445	$55,551
2017 Est. Median Household Income	$25,996	$47,043	$57,462

Source: The Nielson Company, February 2017.

Age Distribution

The following table sets forth a comparative age distribution profile for Mora County, the State of New Mexico, and the United States.

Percentage of Population

Age	Mora County	New Mexico	United States
0 - 17	18.39%	23.91%	22.77%
18 - 24	3.41%	4.13%	4.23%
25 - 34	4.50%	5.67%	5.52%
35 - 44	9.80%	13.28%	13.43%
45 - 54	9.14%	11.87%	12.62%
55 & Older	54.76%	41.13%	41.43%

Source: The Nielsen Company, February 2017.

Population

The following chart sets forth historical population data for Mora County and the State.

Year	Mora County	New Mexico
2022[1]	4,432	2,110,892
2017[1]	4,551	2,087,058
2016[2]	4,506	2,085,572
2010	4,881	2,065,826
2000	5,180	1,826,280
1990	4,273	1,515,069
1980	4,205	1,303,143
1970	4,673	1,017,055
1960	6,028	951,023

(1) Estimates. Source: The Nielsen Company, February 2017.
(2) Estimate. Source: U.S. Census Bureau: State and County QuickFacts.

Historical General Fund Balance Sheet

The following Historical General Fund Balance Sheet and Statement of Historical Revenues, Expenditures and Changes in Fund Balances have been included herein for informational purposes only. Except as otherwise noted, figures were taken from the audit reports prepared by the County's independent auditors. Audited figures are excerpts of the audit reports and do not purport to be complete. Reference is made to the complete audit reports which are available upon request. The County has not requested the consent of the firms which performed the audit of the County's Financial Statements for Fiscal Years 2012 through 2016 to the inclusion of the audit report and excerpts thereof in this Official Statement, and the auditors have not conducted post-audit reviews of those Financial Statements.

General Fund - Balance Sheet, Fiscal Years Ended June 30, 2012 through 2016

	2012	2013	2014	2015	2016
ASSETS					
Cash and Investments	$527,722	$491,546	$668,421	$950,299	$1,083,971
Receivables					
Property Taxes	186,035	197,410	192,973	199,154	215,236
Other Receivables	5,532	32,955	8,970	15,378	-
Due from Other Governments	10,041	6,240	25,694	-	32,356
Prepaid Expenses	-	-	-	-	75,943
Due from other funds	-	80,982	44,799	53,661	61,217
Total assets	$729,330	$809,133	$940,857	$1,218,492	$1,468,723
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$18,290	$14,411	$27,035	$17,987	$51,193
Accrued Salaries	13,238	12,686	16,888	21,361	34,416
Deferred Revenues	167,440	188,699	184,174	190,597	189,179
Total Liabilities	198,968	215,795	228,097	229,945	274,788
Fund balances (deficits):					
Nonspendable	-	-	-	-	130,298
Restricted					
Special Revenue Funds	-	-	-	-	-
Debt Service	-	-	-	-	-
Unassigned	530,362	593,337	712,760	988,547	1,117,992
Total fund balances	530,362	593,337	712,760	988,547	1,193,935
Total liabilities and fund balances	$729,330	$809,133	$940,857	$1,218,492	$1,468,723

Source: Mora County Annual Audit Reports for the fiscal years ended June 30, 2012 through 2016; these figures are excerpts only and do not purport to be complete.

Historical General Fund Revenues, Expenditures and Changes in Fund Balances

Statement of Revenues, Expenditures and Changes in Fund Balances
Fiscal Years Ended June 30, 2012 through 2016

	2012	2013	2014	2015	2016
REVENUES					
Taxes					
Property taxes	$ 944,720	$ 895,528	$ 1,044,194	$ 1,087,560	$ 1,226,936
Penalties and Interest	43,654	46,367	51,404	49,353	-
Payments in lieu	166,741	188,703	222,494	211,971	252,161
Gross Receipts	122,574	125,024	122,101	62,986	107,106
Other taxes	-	-	-	121,407	-
Intergovernmental	379,926	381,223	403,000	523,462	638,162
Licenses and Permits	59,885	65,475	101,770	54,962	-
Unrestricted Donations	-	-	-	527,276	-
Charges for Services	31,550	44,971	-	121,235	102,828
Earnings from Investments	530	577	727	727	1,047
Miscellaneous	40,777	52,545	25,454	-	-
Total Revenues	1,790,357	1,800,413	1,971,144	2,760,939	2,328,240
EXPENDITURES					
Current					
General government	1,109,653	1,142,853	1,354,487	1,205,263	1,344,649
Public safety	327,574	297,154	298,195	327,383	387,949
Public Works	144,709	150,603	184,963	200,446	225,584
Health and Welfare	-	-	-	-	-
Capital Outlay	34,120	-	17,655	572,771	81,995
Debt Service	-	-	-	-	4,817
Total expenditures	1,616,056	1,590,610	1,855,300	2,305,863	2,044,994
Excess (deficiency) of revenues over expenditures	174,301	209,803	115,844	455,076	283,246
Other financing sources (uses):					
Transfers from other funds	-	-	-	-	592
Transfers to other funds	(185,279)	(146,828)	(119,391)	(179,289)	(135,000)
Net other financing sources (uses)	(185,279)	(146,828)	(119,391)	(179,289)	(134,408)
Net Change in Fund Balance	**(10,978)**	**62,975**	**(3,547)**	**275,787**	**148,838**
Restatement	-	-	122,970	-	56,550
Fund balance beginning of year	541,340	530,362	716,307	712,760	1,045,097
Fund balance, end of year	**$530,362**	**$593,337**	**$712,760**	**$988,547**	**$1,193,935**

Source: Mora County Annual Audit Reports for the fiscal years ended June 30, 2016, 2015, 2014, 2013 and 2012; these figures are excerpts only and do not purport to be complete.

LITIGATION AND INSURANCE

At the time of the original delivery of the Bonds, the County will deliver a certificate to the effect that no litigation or administrative action of proceedings is pending or, to the knowledge of the appropriate officials, threatened, restraining or enjoining, or seeking to restrain or enjoin, the issuance and delivery of the Bonds, the effectiveness of the Bond Ordinance, the levying or collecting of taxes to pay the principal of and interest on the Bonds or contesting or questioning the proceedings and authority under which the Bonds have been authorized and are to be issued, sold, executed or delivered, or the validity of the Bonds (the "No Litigation Certificate").

The County maintains insurance on its assets and operations as is customary and adequate, in its opinion, for similar entities insuring similar operations and assets. The County carries general liability insurance, auto damage and workers compensation with the New Mexico County Insurance Authority for its errors and omissions coverage, emergency medical, volunteer fire fighters and law enforcement liability coverage. There can be no assurance, however, that the County will continue to maintain the present level of coverage or that the insurance maintained will be sufficient.

TRANSCRIPT AND CLOSING STATEMENTS

A complete transcript of proceedings and a no-litigation certificate (described above under "LITIGATION AND INSURANCE") will be delivered by the County when the Bonds are delivered. The County will at that time also provide a certificate of the County relating to the accuracy and completeness of this Official Statement.

TAX EXEMPTION

In the opinion of Modrall, Sperling, Roehl, Harris & Sisk, P.A., Bond Counsel, to be delivered at the time of original issuance of the Bonds, under existing laws, regulations rulings and judicial decisions, and assuming compliance with covenants described herein, interest on the Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax for individual corporations. Bond Counsel is also of the opinion, based on existing laws of the State of New Mexico as enacted and construed, that the Bonds and income from the Bonds are exempt from all taxation by the State of New Mexico or any political subdivision thereof.

The Internal Revenue Code of 1986, as amended (the "Code"), imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal tax purposes of interest on obligations such as the Bonds. The County has made various representations and warranties with respect to, and has covenanted in the Bond Ordinance and other documents, instruments and certificates to comply with the applicable provisions of the Code to assure that interest on the Bonds will not become includible in gross income. Failure to comply with these covenants or the inaccuracy of these representations and warranties may result in interest on the Bonds being included in gross income from the date of issue of the Bonds. The opinion of Bond Counsel assumes compliance with the covenants and the accuracy of such representations and warranties.

Although Bond Counsel has opined that interest on the Bonds is not a specific preference item for purposes of the alternative minimum tax provisions contained in the Code, interest on the Bonds will be included in the adjusted current earnings of certain corporations, and such corporation's adjusted current earnings over its alternative minimum taxable income (determined without regard to this adjustment and prior to reduction for certain net operating losses).

Although Bond Counsel has rendered an opinion that interest on the Bonds is excludable from gross income for federal income tax purposes, the accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. Bond Counsel expresses no opinion regarding any such consequences. Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of Social Security or Railroad Retirement benefits, taxpayers otherwise entitled to claim the earned income credit or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations are advised to consult their tax advisors as to the tax consequences of purchasing or owning the Bonds.

The opinions expressed by Bond Counsel are based upon existing law as of the date of issuance and delivery of the Bonds, and Bond Counsel expresses no opinion as of any date subsequent thereto or with respect to any pending legislation.

From time to time, there are legislative proposals in Congress that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted, it would apply to bonds issued prior to enactment. Each purchaser of the Bonds should consult his or her own tax advisor regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

Internal Revenue Service Audit Program

The Internal Revenue Service (the "Service") has an ongoing program auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service will treat the County as the taxpayer and the Bond owners may have no right to participate in such procedure. Neither the initial purchasers of the Bonds nor Bond Counsel is obligated to defend the tax-exempt status of the Bonds. The County has covenanted in the Bond Ordinance not to take any action that would cause the interest on the Bonds to become includable in gross income except to the extent described above for the owners thereof for federal income tax purposes. None of the County, the Underwriter, the initial purchasers of the Bonds or Bond Counsel is responsible to pay or reimburse the costs of any Bond owner with respect to any audit or litigation relating to the Bonds.

Original Issue Discount

The Bonds may be offered at a discount ("original issue discount") equal generally to the difference between public offering price and principal amount. For federal income tax purposes, original issue discount on a bond accrues periodically over the term of the bond as interest with the same tax exemption and alternative minimum tax status as regular interest. The accrual of original issue discount increases the holder's tax basis in the bond for determining taxable gain or loss from sale or from redemption prior to maturity. Holders of Bonds offered at an original issue discount should consult their tax advisors for an explanation of the accrual rules.

Original Issue Premium

The Bonds may be offered at a premium ("original issue premium") over their principal amount. For federal income tax purposes, original issue premium is amortizable periodically over the term of a bond through reductions in the holders' tax basis in the bond for determining taxable gain or loss from sale or from redemption prior to maturity. Amortizable premium is accounted for as reducing the tax-exempt interest on the bond rather than creating a deductible expense or loss. Holders of Bonds offered at an original issue premium should consult their tax advisors for an explanation of the amortization rules.

FINANCIAL STATEMENTS

Appendix A contains excerpts from audited Financial Statements of the County for the fiscal year ended June 30, 2016. The Bonds are not payable from any revenues or funds of the County other than as set forth in the Official Statement. The financial statements are included for informational purposes only.

LEGAL MATTERS

Modrall, Sperling, Roehl, Harris & Sisk, P.A., Albuquerque, New Mexico, Bond Counsel, will render an opinion with respect to the validity of the Bonds and with respect to tax matters described above under "TAX EXEMPTION." The form of such opinion is attached hereto as Appendix B. Certain legal matters will be certified for the County by Michael Aragon, Esq., County Attorney.

RATING

The Bonds have received a rating of "Baa1" from Moody's Investors Service ("Moody's"). An explanation of the significance of the rating given by Moody's may be obtained from Moody's. Such rating reflects only the views of Moody's. The rating is not a recommendation to buy, sell or hold the Bonds and there is no assurance that such rating will continue for any given period of time after obtained or that such rating will not be revised downward or withdrawn entirely by Moody's if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds. Neither the County nor the Underwriter of the Bonds have undertaken any responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of such rating once received or to oppose any such proposed revision.

CONTINUING DISCLOSURE

In connection with its issuance of the Bonds, the County will execute a Continuing Disclosure Undertaking, a form of which is attached as Appendix C hereto, under which it will agree for the benefit of the owners of the Bonds (i) to provide audited annual financial statements of the County when available after the end of each Fiscal Year, including Fiscal Year 2017, and to provide certain annual financial information and operating data relating to the County by March 31 of each year, beginning in 2018, and (ii) to provide timely notice of certain enumerated events, if material.

Prior Undertakings

For at least the past five years, the County has not had any outstanding continuing disclosure agreements in accordance with SEC Rule 15c2-12.

ADDITIONAL INFORMATION

All of the summaries of the statutes, ordinances, resolutions, opinions, contracts, agreements, financial and statistical data, and other related reports described in this Official Statement are subject to the actual provisions of such documents. The summaries do not purport to be complete statements of such provisions and reference is made to such document, copies of which are either publicly available or available for inspection during normal business hours at the offices of the County Clerk of Mora County, P.O. Box 580, Mora, New Mexico 87732 , or at the offices of RBC Capital Markets, LLC, Financial Advisor to the County, 6301 Uptown Blvd. NE, Suite 110, Albuquerque, New Mexico 87110.

OFFICIAL STATEMENT CERTIFICATION

As of the date hereof, to my knowledge and belief, this Official Statement is true, complete and correct in all material respects, and does not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they are made, not misleading.

The preparation of this Official Statement and its distribution has been authorized by the Board of County Commissioners of Mora County. The Official Statement is hereby duly approved by the Commissioners as of the date on the cover page hereof.

MORA COUNTY, NEW MEXICO

By /s/*Paula A. Garcia*
Paula A. Garcia, Chairperson
Board of County Commissioners

APPENDIX A

EXCERPTS FROM AUDITED FINANCIAL STATEMENTS OF
MORA COUNTY, NEW MEXICO
FOR THE YEAR ENDING JUNE 30, 2016

The County has not requested the consent of Burt & Company CPAs, LLC, which performed the audit of the County's financial Statements, to the inclusion of the audit report and excerpts thereof in this Official Statement, and the auditor has not conducted a post-audit review of those financial statements.

STATE OF NEW MEXICO
MORA COUNTY

Annual Financial Report with Supplemental Information
For the Year Ended June 30, 2016

INTRODUCTORY SECTION

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STATE OF NEW MEXICO
MORA COUNTY
Official Roster
As of June 30, 2016

Name	Title
ELECTED OFFICIALS	
Paula A. Garcia	Commission Chairman
George A. Trujillo	Commission Vice-Chairman
Alfonso J. Griego	County Commissioner
Joanne E. Padilla-Salas	County Clerk
Florence Romero	County Treasurer
Paul Duran	County Assessor
Greg Laumbach	County Sheriff
Edward Aragon	Probate Judge
ADMINISTRATIVE OFFICIALS	
Ben Sanchez	County Manager
Yolanda Medina	DWI Coordinator
Johnny Espinoza	Road Superintendent
Doris Casados	Finance Director

FINANCIAL SECTION

Burt & Company CPAs, LLC
Accounting, Tax, & Financial Advisors

Ronald E. Schranz, CPA, CVA
Robert D. Austin, CPA, CVA

Dennis R. Burt, CPA, CVA
Matthew Pacheco, CPA
Christopher Schmitz, CPA, CGMA
Misty L. Schuck, CPA, CGMA, CFE
Cheryl D. Silcox, CPA.CITP
Dennis S. Sterosky, CPA
Panda Townsend, CPA

INDEPENDENT AUDITORS' REPORT

Timothy Keller, State Auditor
Members of the Mora County Commission and
Management of Mora County
Mora, New Mexico

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the general fund and the major special revenue funds of Mora County, New Mexico (the "County"), as of and for the year ended June 30, 2016, and the related notes to the financial statements which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the County's nonmajor governmental funds and the budgetary comparisons for the major debt service fund, business-type activity funds, and all nonmajor governmental funds, presented as supplementary information, as of and for the year ended June 30, 2016, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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505/265-6604 • FAX: 505/268-9931 • Website: www.burtcpa.com

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue funds, for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental funds of the County as of June 30, 2016, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major debt service funds, business-type activity funds, and all nonmajor governmental funds, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the Schedule of the Proportionate Share of the Net Pension Liability on pages 54-55, the Schedule of Contributions on page 55, and the notes to the required supplementary information on page 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operations, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with the auditing standard generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the County's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The other schedules as required by 2.2.2 NMAC are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

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

The Schedule of Vendor Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2017, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Burt & Company CPAs, LLC

Burt & Company CPAs, LLC

February 17, 2017

STATE OF NEW MEXICO
MORA COUNTY
Statement of Net Position
Year Ended June 30, 2016

		Primary Government		
		Governmental Activities	Business-Type Activities	Total
Assets				
Cash and cash equivalents	$	3,256,413	174,262	3,430,675
Investments		198,687	-	198,687
Receivables:				
Delinquent property taxes receivable		256,637	-	256,637
Other receivables		7,647	61,865	69,512
Intergovernmental		191,668	15,976	207,644
Prepaids		97,863	-	97,863
Non-current:				
Non-depreciable assets		6,445,326	527	6,445,853
Depreciable capital assets, net		7,157,285	922,786	8,080,071
Total assets		17,611,526	1,175,416	18,786,942
Deferred Outflows of Resources				
Deferred outflows of resources due to pension plan		102,388	7,707	110,095
Total deferred outflows of resources		102,388	7,707	110,095
Liabilities				
Accounts payable		87,723	8,011	95,734
Accrued salaries		44,155	3,414	47,569
Accrued interest		31,077	-	31,077
Compensated absences:				
Due within one year		14,525	1,614	16,139
Due in more than one year		27,812	4,514	32,326
Long-term liabilities other than pensions:				
Due within one year		362,054	-	362,054
Due in more than one year		2,960,940	-	2,960,940
Aggregate net pension liability		1,018,373	76,652	1,095,025
Total liabilities		4,546,659	94,205	4,640,864
Deferred inflows of resources				
Deferred inflows of resources due to pension plan		29,377	2,211	31,588
Total deferred inflows of resources		29,377	2,211	31,588
Net position				
Net investment in capital assets		10,279,617	923,313	11,202,930
Restricted for:				
Nonspendable		97,863	-	97,863
Special revenue funds		2,221,612	-	2,221,612
Debt service		228,904	-	228,904
Unrestricted		309,882	163,394	473,276
Total net position	$	13,137,878	1,086,707	14,224,585

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
MORA COUNTY
Statement of Activities
Year Ended June 30, 2016

		Program Revenues			Net Program (Expense) Revenue and Changes in Net Position — Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Government Activities	Business-Type Activities	Total
Primary government:							
Governmental activities							
General government	$ 1,420,629	142,265	638,162	206,784	$ (640,202)	-	(640,202)
Public safety	1,690,006	45,982	1,048,094	-	(389,146)	-	(389,146)
Public works	914,477	150,857	288,057	-	(475,563)	-	(475,563)
Health and welfare	44,513	-	-	-	(44,513)	-	(44,513)
Interest expense	110,443	-	-	-	(110,443)	-	(110,443)
Total government activities	$ 4,180,068	339,104	1,974,313	206,784	(1,659,867)	-	(1,659,867)
Business-type activities							
Solid waste	$ 272,881	164,436	-	-	-	(108,445)	(108,445)
Ambulance	136,319	84,862	-	-	-	(51,457)	(51,457)
Total business-type activities	$ 409,200	249,298	-	-	-	(159,902)	(159,902)
General revenues:							
Taxes:							
Property taxes:							
General purposes					1,222,582	-	1,222,582
Debt service					228,638	-	228,638
Penalties and interest					-	-	-
Payments in lieu					252,161	-	252,161
Gross receipts					293,092	108,493	401,585
Gasoline					40,429	-	40,429
Grants and contributions not restricted					9,373	-	9,373
Unrestricted investment earnings					1,806	-	1,806
Transfers					-	-	-
Miscellaneous income					7,487	-	7,487
Total general revenues and transfers					2,055,568	108,493	2,164,061
Gain(loss) on asset disposal					(227,235)	-	(227,235)
Changes in net position					168,466	(51,409)	117,057
Net position - beginning as previously stated					13,864,860	213,496	14,078,356
Prior period adjustment					(895,448)	924,620	29,172
Net position - beginning as restated					12,969,412	1,138,116	14,107,528
Net position - ending					$ 13,137,878	1,086,707	14,224,585

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
MORA COUNTY
Balance Sheet - Governmental Funds
June 30, 2016

		General Fund #101	Road Fund #204	Jail Detention Fund #226	Chacon VFD Fund #241	Severance Bond SAP Fund #265	GOB Debt Service Fund #401	Other Governmental Funds	Total Governmental Funds
Assets									
Cash and cash equivalents	$	939,620	343,668	9,367	230,010	-	219,362	1,514,386	3,256,413
Investments		144,351	11,090	-	4,613	-	-	38,633	198,687
Receivables									
Property taxes		215,236	-	-	-	-	41,401	-	256,637
Due from other governments		32,356	33,450	-	-	40,266	-	85,596	191,668
Other		-	-	-	-	-	-	7,647	7,647
Prepaid expenses		75,943	-	-	1,715	-	-	20,205	97,863
Due from other funds		61,217	-	-	-	-	-	-	61,217
Total assets	$	1,468,723	388,208	9,367	236,338	40,266	260,763	1,666,467	4,070,132
Liabilities, deferred inflows, and fund balance									
Liabilities									
Accounts payable	$	51,193	4,499	18,788	102	-	-	13,141	87,723
Accrued salaries		34,416	9,297	-	-	-	-	442	44,155
Due to other funds		-	-	-	-	41,217	-	20,000	61,217
Total liabilities		85,609	13,796	18,788	102	41,217	-	33,583	193,095
Deferred inflows of resources:									
Delinquent property taxes		189,179	-	-	-	-	31,859	-	221,038
Fund balance:									
Nonspendable - prepaids		75,943	-	-	1,715	-	-	20,205	97,863
Restricted for:									
Special revenue funds		-	374,412	-	234,521	-	-	1,612,679	2,221,612
Debt service funds		-	-	-	-	-	228,904	-	228,904
Unassigned		1,117,992	-	(9,421)	-	(951)	-	-	1,107,620
Total fund balance		1,193,935	374,412	(9,421)	236,236	(951)	228,904	1,632,884	3,655,999
Total liabilities, deferred inflows of resources, and fund balances	$	1,468,723	388,208	9,367	236,338	40,266	260,763	1,666,467	4,070,132

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
MORA COUNTY
Reconciliation of the Balance Sheet – All Governmental Funds
To the Statement of Net Position
June 30, 2016

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

Fund Balances - Total governmental funds	$	3,655,999
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		
Capital assets		20,773,745
Accumulated depreciation		(7,171,134)
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property taxes receivable		221,038
Deferred inflow of resources are not financial resources, and therefore are not reported in the funds and include:		
Deferred inflows of resources due to pension plan		(29,377)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds		
Bonds payable		(3,322,994)
Accrued interest payable		(31,077)
Accrued vacation payable		(42,337)
Net pension liability		(1,018,373)
Deferred outflow of resources are not financial resources, and therefore are not reported in the funds and include:		
Deferred outflows of resources due to pension plan		102,388
Net position of governmental activities	$	13,137,878

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
MORA COUNTY
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
Year Ended June 30, 2016

		General Fund #101	Road Fund #204	Jail Detention Fund #226	Chacon VFD Fund #241	Severance Bond SAP Fund #265	GOB Debt Service Fund #401 & 403	Other Governmental Funds	Total Governmental Funds
Revenues:									
Taxes:									
Property	$	1,226,936	-	-	-	-	228,638	-	1,455,574
Penalties and interest		-	-	-	-	-	-	-	-
Payments in lieu		252,161	-	-	-	-	-	-	252,161
Gross receipts		107,106	38,435	-	-	-	-	147,551	293,092
Gasoline		-	40,429	-	-	-	-	-	40,429
Other		-	-	-	-	-	-	-	-
Intergovernmental - Federal grants		-	51,055	-	-	-	-	5,000	56,055
Intergovernmental - State grants		638,162	237,152	6,273	49,309	206,784	-	987,512	2,125,192
Contributions - Private grants		-	-	-	-	-	-	9,173	9,173
Licenses and permits		-	-	-	-	-	-	-	-
Unrestricted donations		-	200	-	-	-	-	-	200
Charges for services		102,828	150,857	-	-	-	-	85,419	339,104
Investment and interest income		1,047	19	-	86	-	-	654	1,806
Miscellaneous		-	-	-	-	-	-	7,487	7,487
Total revenues	$	2,328,240	518,147	6,273	49,395	206,784	228,638	1,242,796	4,580,273

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
MORA COUNTY
Statement of Revenues, Expenditures, and Changes in Fund Balance (continued)
Governmental Funds
Year Ended June 30, 2016

		General Fund #101	Road Fund #204	Jail Detention Fund #226	Chacon VFD Fund #241	Severance Bond SAP Fund #265	GOB Debt Service Fund #401 & 403	Other Governmental Fund	Total Governmental Funds
Expenditures:									
Current:									
General government	$	1,344,649	-	-	-	-	-	21,819	1,366,468
Public safety		387,949	-	186,893	18,716	-	-	589,164	1,182,722
Public works		225,584	506,484	-	-	-	-	17,391	749,459
Health and welfare		-	-	-	-	-	-	44,513	44,513
Capital outlay		81,995	-	-	-	154,074	-	99,367	335,436
Debt service:									
Principal retirement		4,400	47,795	-	-	-	175,000	126,885	354,080
Bond interest paid		417	9,439	-	-	-	48,338	50,559	108,753
Bond issuance costs		-	225	-	-	-	-	723	948
Total expenditures		2,044,994	563,943	186,893	18,716	154,074	223,338	950,421	4,142,379
Excess (Deficiency) of revenues over expenditures		283,246	(45,796)	(180,620)	30,679	52,710	5,300	292,375	437,894
Other financing sources and financing uses:									
Sale of bonds		-	-	-	-	-	-	-	-
Sale of capital assets		-	-	-	-	-	-	12,610	12,610
Transfers in		592	20,000	195,791	-	-	-	65,819	282,202
Transfers out		(135,000)	-	-	-	-	-	(147,202)	(282,202)
Total other financing sources and financing uses		(134,408)	20,000	195,791	-	-	-	(68,773)	12,610
Net change in fund balance		148,838	(25,796)	15,171	30,679	52,710	5,300	223,602	450,504
Fund balance beg of year - previously stated		988,547	413,383	(24,592)	203,842	(53,661)	223,604	1,389,884	3,141,007
Prior period adjustment		56,550	(13,175)	-	1,715	-	-	19,398	64,488
Fund balance beg of year - restated		1,045,097	400,208	(24,592)	205,557	(53,661)	223,604	1,409,282	3,205,495
Fund balance (deficit) at end of the year	$	1,193,935	374,412	(9,421)	236,236	(951)	228,904	1,632,884	3,655,999

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
MORA COUNTY
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
All Governmental Funds to the Statement of Activities
Year Ended June 30, 2016

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

Net change in fund balances - Total governmental funds	$	450,504
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year		
Capital outlay		245,067
Depreciation		(679,918)
Revenues in the statement of activities that do not provide current resources are not reported as revenues in the funds.		
Deferred property taxes at:		
June 30, 2015		(225,392)
June 30, 2016		221,038
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items which is the first issued, whereas these amounts are deferred and amortized in the statement of activities. these differences in the treatment of long-term debt and related items consist of:		
Current year principal payments		354,080
Bonds sold		-
Some expenses reported in the statement of activites do not require the use of current financial resources and , therefore, are not reported as expenditures in the governmental funds.		
Compensated absences at:		
June 30, 2015		34,688
June 30, 2016		(42,337)
Accrued interest at:		
June 30, 2015		30,335
June 30, 2016		(31,077)
Loss on asset disposal		(239,995)
Employer contributions subsequent to measurement date		91,469
Pension expense		(39,996)
Change in net position of governmental activities	$	168,466

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
MORA COUNTY
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
(Non-GAAP Budgetary Basis)
Year Ended June 30, 2016

		Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (Budgetary Basis)	Variances with Final Budget Positive (Negative)
Revenues:					
Taxes:					
Property	$	1,118,249	1,118,249	1,200,879	82,630
Penalties and interest		30,000	30,000	-	(30,000)
Payments in lieu		222,494	222,494	252,161	29,667
Gross receipts		176,407	176,407	82,831	(93,576)
Other		-	-	-	-
Intergovernmental - State grants		465,200	465,200	634,562	169,362
Licenses and permits		12,000	12,000	-	(12,000)
Unrestricted donations		-	-	-	-
Charges for services		65,000	65,000	98,347	33,347
Investment and interest income		600	600	1,047	447
Miscellaneous		35,000	35,000	-	(35,000)
Total revenues		2,124,950	2,124,950	2,269,827	144,877
Expenditures:					
Current:					
General government		1,513,019	1,527,989	1,358,036	169,953
Public safety		441,918	454,409	399,285	55,124
Public works		-	-	191,196	(191,196)
Sanitation		231,144	287,650	-	287,650
Capital outlay		-	-	81,995	(81,995)
Debt service:					
Principal		-	-	4,400	(4,400)
Interest		-	-	417	(417)
Total expenditures		2,186,081	2,270,048	2,035,329	234,719
Excess (Deficiency) of revenues over expenditures		(61,131)	(145,098)	234,498	379,596
Other financing sources (uses):					
Transfers in		592	592	592	-
Transfers out		(213,661)	(248,661)	(135,000)	113,661
Total other financial sources (uses):		(213,069)	(248,069)	(134,408)	113,661
Net change in fund balance		(274,200)	(393,167)	100,090	493,257
Beginning cash balance budgeted		950,299	950,299		
Total		676,099	557,132		
Fund balance at beginning of the year - previously stated		988,547	988,547	988,547	
Prior period adjustment		56,550	56,550	56,550	
Fund balance beg of year - restated		1,045,097	1,045,097	1,045,097	
Fund balance at the end of the year	$	770,897	651,930	1,145,187	
RECONCILIATION TO GAAP BASIS:					
Receivables				215,236	
Prepaids				75,944	
Payables				(51,193)	
Accrued liabilities				(34,416)	
Deferred property taxes				(189,179)	
Due to other governments				32,356	
Fund balance at the end of the year (GAAP basis)			$	1,193,935	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
MORA COUNTY
Road Fund – No. 204
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
(Non-GAAP Budgetary Basis)
Year Ended June 30, 2016

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (Budgetary Basis)	Variances With Final Budget Positive (Negative)
Revenues:				
Taxes:				
Gross receipts	$ 50,000	50,000	32,879	(17,121)
Gasoline	40,000	40,000	37,969	(2,031)
Intergovernmental - Federal grants	56,782	56,782	51,055	(5,727)
Intergovernmental - State grants	-	-	222,970	222,970
Unrestricted donations	72	72	200	128
Charges for services	160,000	160,000	139,605	(20,395)
Investment and interest income	-	-	19	19
Miscellaneous	362,000	362,000	-	(362,000)
Total revenues	668,854	668,854	484,697	(184,157)
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	608,928	628,928	492,688	136,240
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	46,850	46,850	47,795	(945)
Interest paid	10,750	10,750	9,439	1,311
Bond issuance costs	-	-	225	(225)
Total expenditures	666,528	686,528	550,147	136,381
Excess (Deficiency) of revenues over expenditures	2,326	(17,674)	(65,450)	(47,776)
Other financing sources (uses):				
Sale of bonds	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	-	20,000	20,000	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	20,000	20,000	-
Net change in fund balance	2,326	2,326	(45,450)	(47,776)
Beginning cash balance budgeted	312,310	312,310		
Total	314,636	314,636		
Fund balance at beg of year - previously stated	413,383	413,383	413,383	
Prior period adjustment	(13,175)	(13,175)	(13,175)	
Fund balance beg of year - restated	400,208	400,208	400,208	
Fund balance at the end of the year	$ 402,534	402,534	354,758	
RECONCILIATION TO GAAP BASIS:				
Receivables			33,450	
Prepaids			-	
Payables			(4,499)	
Accrued liabilities			(9,297)	
Due to other funds			-	
Fund balance at the end of the year (GAAP basis)			$ 374,412	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
MORA COUNTY
Jail Detention Fund – No. 226
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
(Non-GAAP Budgetary Basis)
Year Ended June 30, 2016

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (Budgetary Basis)	Variances With Final Budget Positive (Negative)
Revenues:				
Taxes:				
Gross receipts	$ 32,000	32,000	-	(32,000)
Intergovernmental - Federal grants	-	-	-	-
Intergovernmental - State grants	-	-	6,273	6,273
Unrestricted donations	-	-	-	-
Charges for services	-	-	-	-
Investment and interest income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	32,000	32,000	6,273	(25,727)
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	190,000	222,394	168,105	54,289
Public works	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest paid	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	190,000	222,394	168,105	54,289
Excess (Deficiency) of revenues over expenditures	(158,000)	(190,394)	(161,832)	28,562
Other financing sources (uses):				
Sale of bonds	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	163,397	195,791	195,791	-
Transfers out	-	-	-	-
Total other financing sources (uses)	163,397	195,791	195,791	-
Net change in fund balance	5,397	5,397	33,959	28,562
Beginning cash balance budgeted	18,540	18,540		
Total	23,937	23,937		
Fund balance at beginning of the year	(24,592)	(24,592)	(24,592)	
Fund balance at the end of the year	$ (19,195)	(19,195)	9,367	
RECONCILIATION TO GAAP BASIS:				
Receivables			-	
Prepaids			-	
Payables			(18,788)	
Accrued liabilities			-	
Due to other funds			-	
Fund balance at the end of the year (GAAP basis)			$ (9,421)	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
MORA COUNTY
Chacon VFD Fund – No. 241
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
(Non-GAAP Budgetary Basis)
Year Ended June 30, 2016

		Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (Budgetary Basis)	Variances With Final Budget Positive (Negative)
Revenues:					
Taxes:					
Gross receipts	$	-	-	-	-
Intergovernmental - Federal grants		-	-	-	-
Intergovernmental - State grants		49,309	49,309	49,309	-
Unrestricted donations		-	-	-	-
Charges for services		-	-	-	-
Investment and interest income		-	-	86	86
Miscellaneous		-	-	-	-
Total revenues		49,309	49,309	49,395	86
Expenditures:					
Current:					
General government		-	-	-	-
Public safety		-	-	20,329	(20,329)
Public works		152,207	152,207	-	152,207
Health and welfare		-	-	-	-
Capital outlay		96,347	96,347	-	96,347
Debt service:					
Principal retirement		-	-	-	-
Interest paid		-	-	-	-
Bond issuance costs		-	-	-	-
Total expenditures		248,554	248,554	20,329	228,225
Excess (Deficiency) of revenues over expenditures		(199,245)	(199,245)	29,066	228,311
Other financing sources (uses):					
Sale of bonds		-	-	-	-
Sale of capital assets		-	-	-	-
Transfers in		-	-	-	-
Transfers out		-	-	-	-
Total other financing sources (uses)		-	-	-	-
Net change in fund balance		(199,245)	(199,245)	29,066	228,311
Beginning cash balance budgeted		203,842	203,842		
Total		4,597	4,597		
Fund balance at beg of year - previously stated		203,842	203,842	203,842	
Prior period adjustment		1,715	1,715	1,715	
Fund balance beg of year - restated		205,557	205,557	205,557	
Fund balance at the end of the year	$	6,312	6,312	234,623	
RECONCILIATION TO GAAP BASIS:					
Receivables				-	
Prepaids				1,715	
Payables				(102)	
Accrued liabilities				-	
Due to other funds				-	
Fund balance at the end of the year (GAAP basis)			$	236,236	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
MORA COUNTY
Severance Bond SAP Fund – No. 265
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
(Non-GAAP Budgetary Basis)
Year Ended June 30, 2016

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (Budgetary Basis)	Variances With Final Budget Positive (Negative)
Revenues:				
Taxes:				
Gross receipts	$ 2,215,020	2,215,971	-	(2,215,971)
Intergovernmental - Federal grants	-	-	-	-
Intergovernmental - State grants	-	-	166,518	166,518
Unrestricted donations	-	-	-	-
Charges for services	-	-	-	-
Investment and interest income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	2,215,020	2,215,971	166,518	(2,049,453)
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	2,115,310	2,116,261	154,074	1,962,187
Debt service:				
Principal retirement	-	-	-	-
Interest paid	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	2,115,310	2,116,261	154,074	1,962,187
Excess (Deficiency) of revenues over expenditures	99,710	99,710	12,444	(87,266)
Other financing sources (uses):				
Sale of bonds	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	99,710	99,710	12,444	(87,266)
Beginning cash balance budgeted	-	-		
Total	99,710	99,710		
Fund balance at beginning of the year	(53,661)	(53,661)	(53,661)	
Fund balance at the end of the year	$ 46,049	46,049	(41,217)	
RECONCILIATION TO GAAP BASIS:				
Receivables			40,266	
Prepaids			-	
Payables			-	
Accrued liabilities			-	
Due to other funds			-	
Fund balance at the end of the year (GAAP basis)			$ (951)	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
MORA COUNTY
Balance Sheet – Proprietary Funds
June 30, 2016

	Business-Type Activities - Enterprise Funds		
	Solid Waste Fund #504	Ambulance Fund #510	Total Enterprise Funds
Assets			
Current assets:			
Cash and cash equivalents	$ 98,159	76,103	174,262
Receivables:			
Accounts (net of allowance for uncollectable)	29,051	32,814	61,865
Intergovernmental	5,305	10,671	15,976
Prepaids	-	-	-
Non-current:			
Non-depreciable assets	527	-	527
Depreciable capital assets, net	922,786	-	922,786
Total assets	1,055,828	119,588	1,175,416
Deferred outflows of resources:			
Deferred outflows of resources due to pension plan	7,707	-	7,707
Total assets and deferred outflows of resources	$ 1,063,535	119,588	1,183,123
Liabilities			
Current liabilities:			
Accounts payable	$ 8,011	-	8,011
Accrued salaries	3,414	-	3,414
Compensated absences	4,514	-	4,514
Total current liabilities	15,939	-	15,939
Non-current liabilities:			
Compensated absences	1,614	-	1,614
Aggregate net pension liability	76,652	-	76,652
Total non-current liabilities	78,266	-	78,266
Total liabilities	94,205	-	94,205
Deferred inflows of resources:			
Deferred inflows of resources due to pension plan	2,211	-	2,211
Total deferred inflows of resources	2,211	-	2,211
Net position			
Net investment in capital assets	923,313		923,313
Unrestricted	43,806	119,588	163,394
Total net position	967,119	119,588	1,086,707
Total liabilities, deferred inflows of resources, and net position (deficit)	$ 1,063,535	119,588	1,183,123

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
MORA COUNTY
Statement of Revenues, Expenditures, and Changes in Net Position – Proprietary Funds
Year Ended June 30, 2016

	Business-Type Activities - Enterprise Funds		
	Solid Waste Fund #504	Ambulance Fund #510	Total Enterprise Funds
Operating revenues:			
Charges for sales and services:			
Ambulance charges	$ -	84,862	84,862
Solid waste charges	164,436	-	164,436
Total operating revenues	164,436	84,862	249,298
Operating expenses:			
Personnel services	135,692	-	135,692
Operating expenses	100,566	136,319	236,885
Depreciation	36,623	-	36,623
Total operating expenses	272,881	136,319	409,200
Operating income (loss)	(108,445)	(51,457)	(159,902)
Non-operating revenues (expenses):			
Gross receipts tax	36,710	71,783	108,493
Income (loss) before contributions and transfers	(71,735)	20,326	(51,409)
Transfers in	-	-	-
Change in net position	(71,735)	20,326	(51,409)
Net position at beg of year - previously stated	78,918	134,578	213,496
Prior period adjustment	959,936	(35,316)	924,620
Net position at beginning of the year - restated	1,038,854	99,262	1,138,116
Net position at end of the year	$ 967,119	119,588	1,086,707

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
MORA COUNTY
Statement of Cash Flows – Proprietary Funds
Year Ended June 30, 2016

		Business-Type Activities - Enterprise Funds		
		Solid Waste Fund #504	Ambulance Fund #510	Total Enterprise Funds
Cash Flows from Operating Activities:				
Receipts from customers and users	$	148,777	37,700	186,477
Payments to supplier and vendors		(101,770)	(138,983)	(240,753)
Payments to employees		(103,913)	-	(103,913)
Net cash provided (used) by operating activities		(56,906)	(101,283)	(158,189)
Cash flows from noncapital financing activities:				
Taxes received		40,630	79,740	120,370
Transfers from other funds		-	-	-
Net cash provided (used) by noncapital and related financing activities		40,630	79,740	120,370
Net increase (decrease) in cash and cash equivalents		(16,276)	(21,543)	(37,819)
Cash and cash equivalents - Beginning of year		114,435	97,646	212,081
Cash and cash equivalents - End of year	$	98,159	76,103	174,262
Reconciliation of operating income to net cash provided (used) by operating activities				
Operating income (loss)	$	(108,445)	(51,457)	(159,902)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation expense		36,623	-	36,623
Accounts receivable decrease (increase)		(15,659)	(11,846)	(27,505)
Restatement of accounts receivable beginning balance		-	(35,316)	(35,316)
Changes in proportionate share of pension liability		(1,959)	-	(1,959)
Increase (decrease) in liabilities:				
Accounts payable		1,715	(2,664)	(949)
Accrued liabilities		1,125	-	1,125
Compensated absences payable		(2,085)	-	(2,085)
Net pension liability		42,825	-	42,825
Deferred outflows		(11,046)	-	(11,046)
Net difference between projected and actual investments		-	-	-
Total adjustments		51,539	(49,826)	1,713
Net cash used by operating activities	$	(56,906)	(101,283)	(158,189)

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
MORA COUNTY
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2016

Assets

Pooled cash and investments	$	64,940
Receivables:		
Delinquent property taxes		271,247
Total assets	$	336,187

Liabilities

Taxes due to others	$	271,247
Undistributed taxes		62,570
Taxes paid in advance		2,370
Total liabilities	$	336,187

The accompanying notes are an integral part of these financial statements.

I. Summary of Significant Accounting Policies

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental entities. A summary of Mora County, New Mexico's significant accounting policies applied in the preparation of these financial statements follows.

A. Reporting Entity

Mora County, New Mexico (the "County") was incorporated, and is administered by a manager, who is overseen by a Commission of three elected officials. The reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the County's financial statements to be misleading or incomplete. The County provides the usual municipal services with the exception of education, which is administered by other governmental agencies.

The County's financial statements include all entities over which the Board of Commissioners exercises oversight responsibility. Oversight responsibility includes such aspects as appointment of governing body members, designation of management, the ability to significantly influence operations, and accountability for fiscal matters. Based upon the application of these criteria, no component units or fiduciary units were included in the financial statements.

Generally Accepted Accounting Principles in the United States (U.S. GAAP) requires that financial statements present the County (primary government) and its component units. The County has no component units required to be presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements NO. 14 and No. 24.*

1. Blended Component Units

Legally separate component units for which the County is financially accountable are blended with the primary government because they are, in substance, part of the government's operations. Blended means the data from these units are combined with data of the primary government. The County had no blended component units during the fiscal year ended June 30, 2016.

I. Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

2. Discretely Presented Component Units

The financial data of component units are reported in separate columns to emphasize that they are legally separate from the County. The County had no discrete component units during the fiscal year ended June 30, 2016.

3. Related Organizations

The County appoints members to the boards, but the County's accountability for the organizations does not extend beyond making these appointments and there is no fiscal dependency of these organizations on the County.

During fiscal year 2016, Mora County adopted the following GASB Statements:

In June 2015, the GASB issued Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.* Statement No. 76, which supersedes Statement No. 55, aims to identify, in the context of the current governmental financial reporting environment, the hierarchy of U.S. GAAP, which consists of the sources of accounting principles used to prepare the financial statements of state and local governments entities in conformity with U.S. GAAP, as well as the framework for selecting those principles. GASB Statement No. 76 is effective for fiscal year beginning after June 15, 2015. The County has adopted GASB Statement No. 76 during fiscal year 2016, with no significant impact to the County's financial statements.

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*, aims to clarify the definition of fair value for reporting purposes, provide additional fair value application guidance and improve fair value disclosures. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The County adopted GASB Statement No. 72 during fiscal year 2016 with no significant impact to the County's financial statements.

The following GASB pronouncements have been issued, but are not yet effective at June 30, 2016.

- GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*

I. Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*
- GASB Statement No. 77, *Tax Abatement Disclosures*
- GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*

The County will implement the new GASB pronouncements in the fiscal year no later than the required effective date. The County believes that the above listed new GASB pronouncements will not have a significant financial impact to the County or in issuing its financial statements.

This summary of significant accounting policies of the County is presented to assist in the understanding of the County's financial statements. The financial statements and notes are the representation of the County's management who is responsible for their integrity and objectivity. The financial statements of the County have been prepared in conformity with GAAP as applied to governmental units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements have incorporated all applicable GASB statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures. The more significant of the County's accounting policies are described below.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. For the most part, 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.

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

I. Summary of Significant Accounting Policies (continued)

B. Government-Wide and Fund Financial Statements (continued)

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental funds, and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental funds and enterprise funds are aggregated and reported as non-major funds.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers all revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes, sales and use taxes, franchise taxes, occupational privilege taxes, interest revenue, grant revenue, and charges for services are susceptible to accrual. Other receipts, fines, licenses, and permits revenues become measurable and available when cash is received by the County and are recognized as revenue at that time. Grant revenue is considered available if expected to be collected within one year and all eligibility requirements are met. Expenditures are recorded when the related liability is incurred, except for debt service expenditures, and certain compensated absences and claims and judgements which are recognized when the payment is due.

The government reports the following major governmental funds:

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

Road Special Revenue Fund – County management is accounting for the distribution of gasoline taxes and motor vehicle registration fees to the County and the expenditures for construction, reconstruction, resurfacing or other improvement or maintenance of public roads as authorized by NMSA 1978 Section 7-24A-5.

Jail Detention Fund – To account for correction fees authorized by Section 66-8-116, NMSA, 1978. Such revenues are used to supplement general funds for the care of prisoners.

I. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Chacon VFD Fund – To account for revenues and expenditures of fire protection funds for the communities of Chacon, Mora, Guadalupita, Golondrinas, Ocate, Rainsville, Watrous, Chet, LMC, and Buena Vista. Funding is provided by allotments from the New Mexico State Fire Marshall's Office. The funds were created under the authority of state statute (section 59A-93-5-9 and 59A-53-5, NMSA 1978 compilation).

Severance Bonds SAP Fund – To account for grant funds provided by the State of New Mexico out of severance tax bonds. The funds are to be used for repairs to the courthouse.

GOB Debt Service Fund **-** The debt service fund is used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest, and related costs.

The County reports the following major proprietary funds:

Solid Waste Fund – accounts for fees collected and expenses incurred to operate the County Solid Waste.

Ambulance Fund – accounts for fees collected and expenses incurred to operate the County Ambulance Service.

Additionally, the government reports the following fund types:

Special Revenue Funds **-** account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Agency Funds – account for miscellaneous assets held by the County for other funds, governmental units, and individuals. The County's agency funds are used to account for the collection and payment of property taxes and special fees due to other governmental agencies. Agency funds are custodial in nature and do not involve measurement of results of operations.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing service in connection with the fund's principal ongoing operations. The principal operating revenue of the County's enterprise fund is charges for services for the County's water & sewer utilities. Operating expenses for enterprise funds include the cost 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.

I. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this practice include payments and other charges between the County's enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions affected.

Amounts reported as 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; 2) operating grants and contributions; and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes

D. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments

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

State statutes authorize the County to invest in a wide variety of instruments including Certificates of Deposit and other similar obligations, the State Treasurer's Investment Pool, and money market accounts. The County is also allowed to invest in United States Government obligations. All funds for the County must follow the above investment policies.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the County. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution. The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

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

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Net Position or Equity (continued)

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds or internal balances” (i.e., the current portion of interfund loans) or “advances to/from other funds or internal balances” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Under GASB Statement 33, property taxes are impressed non-exchange revenue. Assets from impressed non-exchange transactions are reported when the County has an enforceable legal claim to the asset. The enforceable legal claim date for the property taxes is the assessment date. Taxes are payable in two equal installments on November 10 and April 10, following the levy and become delinquent after 30 days. Therefore, the County has recorded a delinquent tax receivable and revenue for taxes received within the sixty days following year-end. Receivable and deferred inflows revenue have been recorded for uncollected delinquent taxes. On the government-wide financial statements, the County has recorded delinquent property taxes receivable and revenue for taxes assessed as of year-end that have not been collected, as prescribed in GASB 34. An allowance for refunds and uncollectible amounts has not been recorded.

Oil and gas taxes received from the County are recognized as revenue when received by the County.

Due from other governments includes amounts due from grantors for grants for specific programs and capital projects. Program and capital grants for capital assets are recorded as receivables and revenues when all eligibility requirements are met. Revenues received in advance of project costs being incurred or for which eligibility requirements have not been met are deferred inflows. In the governmental funds, revenue recognition depends on the timing of cash collections (availability).

The Sanitary Landfill enterprise fund is responsible for billing and collecting sanitation fees using a cycle billing system biannually. Revenues relating to future years are classified as deferred inflows. All trade receivables are shown net of an allowance for uncollectible. The County reviews accounts receivable on a regular basis and all receivables are reported net of uncollectible accounts.

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Net Position or Equity (continued)

2. Receivables and Payables (continued)

The Ambulance enterprise fund is responsible for billing and collecting ambulance service fees. Revenues relating to future years are classified as deferred inflows. All trade receivables are shown net of an allowance for uncollectible. The county reviews accounts receivable on a regular basis and all receivables are reported net of uncollectible accounts.

The County has reviewed its customer base for concentrations of credit risk and has determined that no individual customer or group of customers engaged in similar activities represent a material concentration of credit risk to the County.

3. Inventories

All inventories are valued cost. Inventory in all funds consists of expendable supplies for consumption. The cost of inventory is recorded as an expenditure/ expense when consumed (i.e. the consumption method) in the respective funds.

4. Prepaid Items

Payments made to vendors for services representing costs applicable to future accounting periods are recorded as prepaid items.

5. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Beginning July 1, 2005, the threshold for defining capital assets by the government was raised from $1,000 to assets with an initial, individual cost of more than $5,000 (amount not rounded) 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. Donated capital assets are recorded at estimated fair market value at the date of donation.

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Net Position or Equity (continued)

5. Capital Assets (continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Interest incurred during the construction phase of capital assets of business-type activities is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. Software costs have been included with the cost of computer equipment and are capitalized with that equipment. The County does not develop software for internal use or any other use.

Major outlay for capital assets and improvements are capitalized as projects are constructed. Interest on construction projects have not been capitalized.

Such assets are recorded at cost or estimated cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation. The capitalization threshold of the County is $5,000.

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Improvements other than buildings	10 to 50
Buildings and improvements	10 to 45
Infrastructure	10 to 50
Motor vehicles and motorized equipment	5 to 30
Furniture, machinery, equipment, and software	5 to 30

No depreciation is recorded for assets held for disposition. Library books and software are depreciated if the single individual cost is $5,000 or more.

6. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrued to employees. The County does not pay for unused sick leave upon termination; therefore, amounts are not accrued for sick leave liability. The compensated absences are paid from the general fund in the amount of $25,608, from the roads fund $11,383, from the cops fund $5,106, from the county property valuation fund $240, and from the solid waste fund $6,128, which totals $48,465 as reported in the statement of net position.

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Net Position or Equity (continued)

7. Long-term Obligations

In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as capita projects expenditures.

8. Pensions

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

9. Fund Balance

a. Non-Spendable

The non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Net Position or Equity (continued)

9. Fund Balance (continued)

b. Restricted

Fund balance is reported as restricted when constraints placed on the use of resources are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

c. Committed

Amounts that can only be used for specific purposes pursuant to constraints imposed by the formal action of the County should be reported as committed fund balance. The committed amounts cannot be used for any other purpose unless the County removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The County did not have committed fund balances for the year ended June 30, 2016.

d. Assigned

Assigned fund balance includes (a) all remaining amounts, except for negative balances, that are reported in governmental funds, other than the general fund, that are not classified as non-spendable and are neither restricted nor committed and amounts in the general fund that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Intent, and removal of, is expressed by the County or the finance committee. The County did not have assigned fund balances for the year ended June 30, 2016.

e. Unassigned

The remaining fund balance, after all other classifications, within the general fund is reported as unassigned fund balance. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In governmental funds other than the general fund, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, a negative fund balance will be reported as unassigned fund balance.

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Net Position or Equity (continued)

9. Fund Balance (continued)

When committed, assigned, and unassigned resources are available for use, it is the County's policy to use committed first followed by assigned and unassigned resources as they are needed.

10. Net Position

Net Position is presented on the Statement of Net Position and may be presented in any of three components.

a. Net Investment in Capital Assets

This component of Net Position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. That portion of the debt is included in restricted for capital projects.

b. Restricted Net Position

Net Position are reported as being restricted when the restriction is either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

c. Unrestricted Net Position

Unrestricted Net Position consists of Net Position that does not meet the definition of "net investment in capital assets" or "restricted."

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

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Net Position or Equity (continued)

10. Net Position

In the governmental environment, Net Position often is designated to indicate that management does not consider them to be available for general operations. In contract to restricted Net Position, these types of constraints on resources are internal and management can remove or modify them. However, enabling legislation established by the reporting government should not be construed as an internal constraint.

11. 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.

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual budgets are adopted for all funds except agency funds. All budgets are prepared on the Non-GAAP cash basis. All annual appropriations lapse at fiscal year-end. Carryover funds must be appropriated in the budget of the subsequent fiscal year. Because the budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year, such appropriated balance is legally restricted and is therefore presented as a reserve portion of fund balance.

Actual expenditures may not exceed the budget on a fund basis. Budgets may be amended by County Commission resolution with approval by the State Department of Finance and Administration. County department heads may make transfers of appropriations within a fund. The legal level of budgetary control is the fund level. Increases or decreases of appropriations between funds require the approval of the governing commission.

The County follows the following procedures in establishing the budgetary data reflected in the financial statements:

II. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

Prior to June 1, the County Manager submits to the County Commission a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayers comments. Prior to September 1, the budget is legally enacted through passage of a resolution.

The County Manager is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the County Commission. Expenditures of the County may not legally exceed appropriations at the level at which the budget is adopted, that is, expenditures in each fund may not exceed the budgeted appropriation for that fund.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

B. Budgetary Violations

The County did not exceed its legal budget in any individual funds during the year ended June 30, 2016.

C. Deficit Fund Equity

There were two deficit fund balances as of June 30, 2016. These deficits will be funded by future grants or by the Operational Fund.

		Deficit Fund Balance
Jail Detention	$	(9,421)
Severance Bond SAP	$	(951)

III. Detailed Notes on All Funds

A. Cash and Temporary Investments

At June 30, 2016, the carrying amount of the County's deposits was $3,495,614 and the bank balance was $3,884,471 with the difference consisting of deposits in transit and outstanding checks. Of this balance, $274,736 was covered by federal depository insurance and $2,580,182 was covered by collateral held in joint safekeeping by a third party.

All investments of the County in the amount of $198,687 are certificates of deposit and are not subject to interest rate risk or foreign currency risk.

III. Detailed Notes on All Funds (continued)

A. Cash and Temporary Investments (continued)

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. New Mexico State statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, the County for at least one half of the amount of deposit with the institution. The statement listed below will meet the State of New Mexico Office of the State Auditor's requirement in reporting the uninsured portion of the deposits. As of June 30, 2016, $1,028,553 of the County's bank balance of $3,883,471 was exposed to custodial credit risk as follows:

		Southwest Capital Bank	Community First Bank	New Mexico Finance Authority	Total
Uninsured and uncollateralized	$	1,028,553	-	-	1,028,553
Uninsured and collateral held by pledging bank's trust dept. not in the Organizations name		2,500,000	-	80,182	2,580,182
Total uninsured		3,528,553	-	80,182	3,608,735
Total (FDIC)		250,000	24,736	-	274,736
Total deposits	$	3,778,553	24,736	80,182	3,883,471
State of New Mexico collateral requirement:					
50% of uninsured public fund bank deposits	$	1,764,277	-	40,091	1,804,368
Pledged security		2,500,000	-	80,182	2,580,182
Over collateralization	$	735,723	-	40,091	775,814

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

According to the Federal Deposit Insurance Authority, public unit deposits are funds owned by the County. Time deposits, savings deposits and interest bearing "Now" accounts of a public unit in an institution in the same state will be insured up to $250,000 in aggregate and separate from the $250,000 coverage for public unit demand deposits at the same institution.

III. Detailed Notes on All Funds (continued)

B. Receivables

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

	General	Road	Severance Bond SAP Fund	GOB Debt Fund	Other Governmental Funds	Solid Waste	Ambulance
Accounts receivable	$ -	-	-	-	-	350,466	232,376
Property taxes	215,236	-	-	41,401	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Due from other governments	32,356	33,450	40,266	-	85,596	5,305	10,671
Due from other funds	61,217	-	-	-	-	-	-
Other	-	-	-	-	7,647	-	-
Gross receivables	308,809	33,450	40,266	41,401	93,243	355,771	243,047
Less: Allowance for uncollectible	-	-	-	-	-	(321,415)	(199,562)
Net receivables	$ 308,809	33,450	40,266	41,401	93,243	34,356	43,485

Revenues of the Enterprise Funds are reported net of uncollectible amounts. Total uncollectible amounts related to the revenue are as follows:

Uncollectible:	
Solid waste	$ 321,415
Ambulance	199,562
Total	$ 520,977

C. Inter-Fund Receivables and Payables

The inter-fund receivables and payables at June 30, 2016 were:

	Receivables	Payables
General fund	$ 61,217	-
Severance bond - SAP	-	41,217
Other governmental funds	-	20,000
Total due to/due from other funds	$ 61,217	61,217

The inter-fund loans were made for the purposes of cash shortfalls within the individual funds. All loans are expected to be repaid within the next fiscal year.

III. Detailed Notes on All Funds (continued)

D. Inter-Fund Transfers

The inter-fund transfers during the year ended June 30, 2016 were:

		Transfers out	Transfers in
Governmental funds:			
General fund	$	135,000	592
Jail detention		-	195,791
Road fund		-	20,000
Other governmental funds		147,202	65,819
Total transfers	$	282,202	282,202

E. Capital Assets

Capital asset activity for the year ended June 30, 2016 was as follows:

Governmental activities		Beginning Balance	Restatements	Increases	Decreases	Ending Balance
Capital assets not being depreciated:						
Land	$	450,481	-	-	-	450,481
Construction in progress		5,799,518	(527)	195,854	-	5,994,845
Total capital assets not being depreciated		6,249,999	(527)	195,854	-	6,445,326
Capital assets being depreciated:						
Land improvements		1,019,950	-	-	-	1,019,950
Buildings and improvements		5,564,560	(1,067,598)	-	-	4,496,962
Furniture, fixtures, and equipment		9,185,352	(128,093)	49,213	(294,965)	8,811,507
Total capital assets being depreciated		15,769,862	(1,195,691)	49,213	(294,965)	14,328,419
Less accumulated depreciation for:						
Land improvements		(597,605)	-	(41,062)	-	(638,667)
Buildings and improvements		(1,445,285)	201,908	(145,260)	-	(1,388,637)
Furniture, fixtures, and equipment		(4,739,579)	34,374	(493,596)	54,971	(5,143,830)
Total accumulated depreciation		(6,782,469)	236,282	(679,918)	54,971	(7,171,134)
Total capital assets being depreciated, net		8,987,393	(959,409)	(630,705)	(239,994)	7,157,285
Total capital assets, net	$	15,237,392	(959,936)	(434,851)	(239,994)	13,602,611

IV. Detailed Notes on All Funds (continued)

E. Capital Assets (continued)

Business-type activities		Beginning Balance	Restatements	Increases	Decreases	Ending Balance
Capital assets not being depreciated:						
Land	$	-	-	-	-	-
Construction in progress		-	527	-	-	527
Total capital assets not being depreciated		-	527	-	-	527
Capital assets being depreciated:						
Land improvements		-	-	-	-	-
Buildings and improvements		-	1,067,598	-	-	1,067,598
Furniture, fixtures, and equipment		-	128,093	-	-	128,093
Total capital assets being depreciated		-	1,195,691	-	-	1,195,691
Less accumulated depreciation for:						
Land improvements		-	-	-	-	-
Buildings and improvements		-	(201,908)	(32,182)	-	(234,090)
Furniture, fixtures, and equipment		-	(34,374)	(4,441)	-	(38,815)
Total accumulated depreciation		-	(236,282)	(36,623)	-	(272,905)
Total capital assets being depreciated, net		-	959,409	(36,623)	-	922,786
Total capital assets, net	$	-	959,936	(36,623)	-	923,313

Depreciation expense has been allocated to the functions/programs of the primary government as follows:

Governmental activities		
General government	$	73,965
Public safety		441,912
Public works		164,041
Total depreciation expense - governmental activities	$	679,918
Business-type activities		
Solid waste	$	36,623
Total depreciation expense - business-type activities	$	36,623

The Schedule of Capital Assets Used by Source, and the Schedule of Changes in Capital Assets by Function and Activity have not been prepared because the detailed information is unavailable.

III. Detailed Notes on All Funds (continued)

E. Capital Assets (continued)

Construction Commitments

The County is involved in long-term construction projects as part of their master plan for upgrading the County buildings. The amount in the capital projects fund designated for subsequent years expenditures are committed for funding these projects. Interest on construction projects is not capitalized.

F. Long-Term Debt

General Obligation Bonds

The County issues general obligation bonds to provide for the acquisition and construction of major capital facilities. Bonds are direct obligations and pledge the full faith and credit of the County. The bonds will be paid from taxes levied against property within the County boundaries. General obligation bonds in the amount of $1,280,000 were outstanding at the year ended June 30, 2016. The details of the bonds and notes as of June 30, 2016 are as follows:

General Obligations Bonds	Maturity Date	Original Amount	Interest Rates	Balance	Due Within One Year
Series 2002	8/1/2021	$ 2,650,000	2.40% to 3.71%	$ 1,280,000	185,000

Balances shown for bonds and notes do not include unamortized premiums or deferred amounts on refinancing.

The County is also required to establish a general obligation sinking fund into which there shall be set aside from net tax revenues, sufficient funds to pay interest and principal of the General Obligation bond series as they become due. The general obligation sinking fund amount at June 30, 2016 was $260,763.

Revenue Bonds

The County has issued bonds where the County pledges state fire allotment revenues, state gasoline tax revenue, and state law enforcement protection revenue.

III. Detailed Notes on All Funds (continued)

F. Long-Term Debt (continued)

Revenue Bonds	Maturity Date		Original Amount	Interest Rates		Balance	Due Within One Year
Chet Fire Station	5/1/2020	$	131,950	0.00%	$	52,780	13,195
Ocate Ojo Feliz Fire District	5/1/2029		81,200	0.00%		52,780	4,060
NM Finance Authority #11	5/1/2019		440,255	1.40% to 4.60%		141,299	46,807
Ledoux, Monte Aplando, El Carmel Fire District (USDA)	4/16/2034		125,220	4.00% to 4.50%		93,220	3,500
Ocate Ojo Feliz District (USDA)	8/6/2022		109,825	4.25%		59,825	7,000
NM Finance Authority #7	5/1/2020		75,000	2.50% to 4.00%		20,276	5,050
NM Finance Authority #16	5/1/2013		127,941	4.25%		83,450	10,567
Ledoux Fire District (USDA)	8/6/2022		76,730	4.25%		41,730	5,000
NM Finance Authority #19	5/1/2032		284,079	2.692%		234,645	12,430
Fire Protection (USDA)	2/21/2027		137,500	3.75%		108,237	8,000
Ledoux Fire Protection (USDA)	2/21/2027		52,100	3.75%		39,988	3,000
NM Finance Authority #17	5/1/2032		252,735	3.277%		220,285	10,707
Chet Fire Station (USDA)	2/21/2032		55,750	4.25%		47,750	2,000
NM Finance Authority #18	5/1/2030		304,500	3.352%		255,435	11,551
NM Finance Authority #20	5/1/2027		240,449	2.394%		222,449	3,000
NM Finance Authority #21	5/11/2028		267,071	0.048% to 2.95%		253,206	19,070
NM Finance Authority #22	5/11/2025		125,945	0.41% to 2.82%		115,639	12,117
		$	2,888,250		$	2,042,994	177,054

Balances shown for bonds and notes do not include unamortized premiums or deferred amounts on refinancing.

Annual debt service requirements to maturity for general obligation bonds are as follows:

III. Detailed Notes on All Funds (continued)

F. Long-Term Debt (continued)

General Obligation Bonds

Year Ending June 30,		Principal	Interest	Total Require-ments
2017	$	185,000	39,321	224,321
2018		195,000	33,915	228,915
2019		205,000	26,812	231,812
2020		220,000	19,816	239,816
2021		230,000	12,284	242,284
2022		245,000	4,202	249,202
Total	$	1,280,000	136,350	1,416,350

Annual debt service requirements to maturity for revenue bonds are as follows:

Revenue Bonds

Year Ending June 30,		Principal	Interest	Total Require-ments
2017	$	177,054	51,440	228,494
2018		180,160	47,076	227,236
2019		185,171	41,812	226,983
2020		159,063	40,458	199,521
2021		151,090	35,988	187,078
2022 - 2026		724,791	130,428	855,219
2027 - 2031		404,309	41,520	445,829
2032 - 2034		61,356	3,127	64,483
Total	$	2,042,994	391,849	2,434,843

Total remaining administrative fees on long-term debt are $15,488.

Pledged Revenues for Long-Term Debt

The County has pledged portions of future revenues to repay New Mexico Finance Authority and U.S. Department of Agriculture debt noted above. The debt is payable solely from these pledged sources of revenues. The pledged revenues are projected to be sufficient to provide enough funds to meet the debt service obligations. Should these revenues not be sufficient to meet the debt service obligations, the County, subject to annual appropriation and in its own discretion, may make such debt service payments from other funds though it is not obligated to do so. The County intends to appropriate funds sufficient to make all required payments.

III. Detailed Notes on All Funds (continued)

F. Long-Term Debt (continued)

Pledged Revenues for Long-Term Debt (continued)

		Revenue Pledged				Current Year	
Bond Issue	Use of Proceeds	Type	Percent of Total Debt Service	Term of Pledge	Remaining Principal and Interest	Principal and Interest Paid	Pledged Revenue Received
Series 2011A	Acquire, construct, and equip fire protection facilities for use by the Chet volunteer fire department	Annual fire protection fund distribution from the State Treasurer	100%	2012-2032	64,812	3,866	245,635
Series 2011B	Acquire, construct, and equipping and improving fire protection equipment and facilities for use by the LeDoux volunteer fire department	Annual fire protection fund distribution from the State Treasurer	100%	2012-2027	133,335	12,622	245,635
Series 2011C	Acquire, construct, and equipping and improving fire protection equipment and facilities for use by the LeDoux volunteer fire department	Annual fire protection fund distribution from the State Treasurer	100%	2012-2027	49,668	4,784	245,635
Series 2007A	Acquire, construct, and equipping and improving fire protection equipment and facilities for use by the LeDoux volunteer fire department	Annual fire protection fund distribution from the State Treasurer	100%	2008-2022	49,259	6,497	245,635
Series 2004A	Acquire, improve, construct, furnish and equip fire protection facilities for the LeDoux, Monte Aplanado, El Carmel fire district	Annual fire protection fund distribution from the State Treasurer	100%	2004-2034	136,870	7,785	245,635
Series 2007B	Acquire, construct, and equip fire protection facilities for use by the Ocate/Ojo Feliz volunteer fire department	Annual fire protection fund distribution from the State Treasurer	100%	2006-2022	68,389	9,691	245,635
Series 2005A	Acquire, construct, furnish and equip Buena Vista Fire Station	Annual fire protection fund distribution from the State Treasurer	100%	2005-2020	20,434	5,100	245,635
G.O. Bond Series 2006	Acquire, construct, furnish and equipping, improvement and finishing of a County Courthouse	Ad Valorem taxes levied on property within the county of Mora	100%	2006-2021	1,426,476	223,338	TBD
2008-1	Planning, designing, purchasing, and constructing a new fire substation	Annual fire protection fund distribution from the State Treasurer	100%	2008-2029	52,780	4,060	245,635
2009-1	Purchase of two motor graders for use on public roads	State Gasoline Tax revenues distributed to the County of Mora	100%	2009-2019	150,546	49,470	97,663
2009-2	Building improvements to existing Chet volunteer fire department station	Annual fire protection fund distribution from the State Treasurer	100%	2009-2020	52,780	13,195	245,635
2011	Purchase of a water tender fire truck for the Ocate/Ojo Feliz volunteer fire department	Annual fire protection fund distribution from the State Treasurer	100%	2011-2023	83,645	11,911	245,635
2012	Purchase of a fire pumper/tanker truck for use by the Golondrinas volunteer fire department	Annual fire protection fund distribution from the State Treasurer	100%	2012-2032	282,069	16,931	245,635
2012-2	Purchase of a fire pumper/tanker truck for use by the Buena Vista volunteer fire department	Annual fire protection fund distribution from the State Treasurer	100%	2012-2030	313,533	18,794	245,635
2012-3	Purchase of a fire tanker truck for use by the Mora volunteer fire department	Annual fire protection fund distribution from the State Treasurer	100%	2012-2032	290,975	18,420	245,635
2013	Purchase of a heavy haul tractor and heavy haul dump truck for use on public roads	State Gasoline Tax revenues distributed to the County of Mora	100%	2013-2027	263,049	7,764	97,663
2014	Purchase of an initial attack fire truck for use by the Guadalupita volunteer fire department	Annual fire protection fund distribution from the State Treasurer	100%	2014-2028	296,784	24,454	245,635
2014-2	Purchase of a fire truck for use by the Watrous volunteer fire department	Annual fire protection fund distribution from the State Treasurer	100%	2014-2025	129,277	14,099	245,635

During the year ended June 30, 2016, the following changes occurred in the long-term liabilities:

III. Detailed Notes on All Funds (continued)

F. Long-Term Debt (continued)

The liability of compensated absences is liquidated with resources from the general fund and several special revenue funds. The Bonds and Loans are paid from the general fund, debt service fund and the fire districts.

Changes in long-term debt - During the year ended June 30, 2016 the following changes occurred in liabilities reported in the general obligation bonds account group:

		Balance June 30, 2015	Additions	Retire- ments	Balance June 30, 2016	Due within one year
Compensated absences:						
Governmental activities	$	34,688	36,812	29,163	42,337	14,525
Business-type activities		8,213	4,842	6,927	6,128	1,614
Total compensated absences		42,901	41,654	36,090	48,465	16,139
General obligation bonds payable		1,455,000	-	175,000	1,280,000	185,000
Revenue bonds payable		2,222,074	-	179,080	2,042,994	177,054
		3,677,074	-	354,080	3,322,994	362,054
	$	3,719,975	41,654	390,170	3,371,459	378,193

G. Reserved Fund Balances

The New Mexico Department of Finance and Administration (DFA) requires that 1/12th of the general fund budgeted expenditures be reserved as subsequent year expenditures to maintain an adequate cash flow until the next significant property tax collection.

H. Operating Leases

The County leases property and equipment under non-cancelable operating leases. Rent expense amounted to approximately $31,800 for the year ended June 30, 2016. Future payments for leases are due as follows:

III. Detailed Notes on All Funds (continued)

H. Operating Leases (continued)

Year Ending June 30,		
2017	$	31,638
2018		31,990
2019		21,609
2020		6,952
2021		7,368
2022 to 2026		30,952
Total	$	130,509

IV. Other Information

A. Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries and natural disasters.

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

B. Employee Retirement Plan

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

IV. Other Information (continued)

B. Employee Retirement Plan (continued)

Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund.

PERA issues a publicly available financial report and a comprehensive annual financial report that can be obtained at www.pera.state.nm.us or www.saonm.org or writing:

PERA
P.O. Box 2123
Santa Fe, NM 87504-2123

Benefits provided. For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2015 available at:
http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2015.pdf.

Contributions. The contribution requirements of defined benefit plan members and the County are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY 15 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA FY15 annual audit report at:
http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2015.pdf. The PERA coverage options that apply to the County are: Municipal Division, General Division, and Police Division. Statutorily required contributions to the pension plan from the County were $91,469 for the year ended June 30, 2016.

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

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members, and legislative members) for whom separate contribution rates are determined each year pursuant to Chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred inflows and outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire

IV. Other Information (continued)

B. Employee Retirement Plan (continued)

members; state general members; state police members and legislative members. The County's proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity's percentage of that membership group's total employer contributions for the fiscal year ended June 30, 2015. Only employer contributions for the pay period end dates that fell within the period of July 1, 2014 to June 30, 2015 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2015 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allows for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

PERA Fund Municipal General Division

For PERA Municipal General Division, at June 30, 2016, the County reported a liability of $908,452 for its proportionate share of the net pension liability. At June 30, 2015, the County's proportion was 0.0891 percent, which was changed from it proportion measured as of June 30, 2014 of 0.0866.

For the year ended June 30, 2016, the County recognized PERA Fund Municipal General Division pension expense of $41,026.

At June 30, 2016, the County reported PERA Fund Division Municipal General Fund deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$	-	20,123
Change of assumptions		-	2,874
Net difference between projected and actual earnings on pension plan investments		-	354
Changes in proportion and differences between County contributions and proportionate share of contributions		14,892	-
County contributions subsequent to the measurement date		75,223	-
Total	$	90,115	23,351

IV. Other Information (continued)

B. Employee Retirement Plan (continued)

Deferred outflows of resources related to PERA Fund Division Municipal General Fund in the amount of $90,115 resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to PERA Fund Division Municipal General Fund will be recognized in pension expense as follows:

Year Ending June 30,		
2017	$	24,061
2018		24,061
2019		24,061
2020		(48,832)
2021		-
Thereafter		-
Total	$	23,351

PERA Fund Division Police Fund

For PERA Fund Division Police Fund at June 30, 2016, the County reported a liability of $186,572 for its proportionate share of the net pension liability. At June 30, 2015, the County's proportion was 0.0388 percent, which was changed from its proportion measured as of June 30, 2014 of 0.0373 percent.

For the year ended June 30, 2016, the County recognized PERA Fund Division Police Fund pension expense of $28,789.

At June 30, 2016, the County reported PERA Fund Division Police Fund deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

IV. Other Information (continued)

B. Employee Retirement Plan (continued)

		Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$	-	-
Change of assumptions		-	7,719
Net difference between projected and actual earnings on pension plan investments		-	518
Changes in proportion and differences between County contributions and proportionate share of contributions		3,734	-
County contributions subsequent to the measurement date		16,246	-
Total	$	19,980	8,237

Deferred outflows of resources related to PERA Police Division Fund in the amount of $19,980 resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to PERA Fund Division Police Fund will be recognized in pension expense as follows:

Year Ending June 30,		
2017	$	1,589
2018		1,589
2019		1,589
2020		3,470
2021		-
Thereafter		-
Total	$	8,237

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

IV. Other Information (continued)

B. Employee Retirement Plan (continued)

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

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

ALL FUNDS - Asset Class	Target Allocation %	Long-term Expected Real Rate of Return %
US Equity	21.10	5.00
International equity	24.80	5.20
Private equity	7.00	8.20
Core and global fixed income	26.10	1.85
Fixed income plus sectors	5.00	4.80
Real estate	5.00	5.30
Real assets	7.00	5.70
Absolute return	4.00	4.15
Total	100.00	

Discount rate: The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASB Statement 67. Therefore, the 7.75% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

IV. Other Information (continued)

B. Employee Retirement Plan (continued)

Payables to the pension plan. The County is legally required to make defined contributions to the cost sharing pension plan on behalf of its' participant employees. The County owed $0 ($0 employer and $0 employee) as payable to the pension plan as of June 30, 2016.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate Assumption

The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASBS 67.

Therefore, the 7.75% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate. The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present the County's net pension liability in each PERA Fund Division the County participate in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	1% Decrease 6.75%	Current Single Rate Assumption 7.75%	1% Increase 8.75%
County's proportionate share			
PERA Fund Division Municipal General Fund	$ 1,546,733	908,452	377,764
PERA Fund Division Police Fund	308,113	186,572	86,868

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FY15 PERA financial report. The report is available at http://www.pera.state.nm.us/publications.html.

C. Post-Employment Health Care Benefits

The County has elected not to participate in the Retiree Health Care Act (Section 10-7C-1 to 10-7c-16, NMSA 1978).

IV. Other Information (continued)

D. Trend Information

Information pertaining to the actuarially computed present value of vested accumulated plan benefits and nonvested accumulated plan benefits, the plan's net position available for benefits and the assumed rate of return used in computing the present value, and ten-year historical trend information presenting PERA's progress in accumulating sufficient assets to pay benefits when due is not available by individual government agencies participating in the plan. Actuarial pension data for the State of New Mexico, as employer, is provided at the state-wide level in a separately-issued financial report of the PERA.

E. Contingent Liabilities

The Mora County is insured through the New Mexico Self Insurer's Fund. Coverage provided included all-peril on building and contents: crime coverage, general liability, civil rights and personal injury: motor vehicle and fleet property damage and liability: and statutory workmen compensation coverage. The crime coverage portion of this insurance includes employee fidelity/faithful performance coverage up to $5,000 each occurrence.

Litigation

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government attorney the resolution of these mattes will not have a material adverse effect on the financial condition of the government.

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

F. Restatement

There was a restatement of the financials for $335,064 in the agency funds comprised of $263,463 related to taxes receivable and $71,601 related to cash. In the prior year they included the County's share of taxes and related cash for general and debt service in the agency funds report.

IV. Other Information (continued)

G. Joint Powers Agreements

Quay County Detention Center

Purpose: The agreement sets forth the terms and conditions under which Quay County will house prisoners in the Quay County Detention Center from Mora County. The agreement defines the process for and the payment due to Quay County for housing and board, prisoner information, medical care, transportation, right of rejection and terms for release for male adult and juvenile prisoners.

Participants: Quay County, Quay County Detention Center and Mora County

Responsible Party for Operation and Audit: Quay County and Mora County

Beginning and Ending Date of Agreement: Started January 1, 2014 and will end on January 1, 2018

Total Estimated Amount of Project and Actual Amount Contributed: Adult male prisoners will be housed at a rate of $125/day; Juvenile male prisoners will be housed at a rate of $75/day; all medical expenses incurred are billed at cost to Mora County. Expenses for prisoner housing and care for the period of July 1, 2015 to June 30, 2016 were $186,893.

Wagon Mound Transfer Station

Purpose: The agreement sets forth the terms for allowing storage of roll off open top 40 cubic yard solid waste bins at the Wagon Mound transfer station located on Hwy 120. The agreement defines the terms under which Mora County will pay for half the salary of the transfer station solid waste employee and the improvements it agrees to make to the former bin storage site in exchange for storing the waste bins at the Wagon Mound transfer station. Each Village will continue to be responsible for the tonnage deposited at the transfer station by the respective residents it serves.

Participants: Mora County and the Village of Wagon Mound

Responsible Party for Operation and Audit: Mora County and the Village of Wagon Mound

Beginning and Ending Date of Agreement: Originally started January 23, 2003 and revised March 24, 2009 and open until cancelled

Total Estimated Amount of Project and Actual Amount Contributed: Mora County agrees to pay half of the actual salary expense for the employee monitoring the transfer station.

IV. Other Information (continued)

H. Memorandum of Understanding

The County has an agreement with the New Mexico Department of Transportation to use a highway right-of-way property of less than ¼ acre for a solid waste convenience center. The Memoranda established the terms and conditions of use of the property. The initial agreement was established on April 6, 2004 for a 10 year period. The memoranda specified a process for extension for an additional 10 year period of use. The County elected to extend for an additional 10 years and remains responsible for the right-of-way property and the additional terms defined.

The County has an agreement with the Mora County Fire Administration to define cost sharing of maintenance to emergency radio communications (ECM) networks in Mora County. The memoranda details the establishment of an emergency communications fund subgroup within the Fire Protection Fund group to service such expenses. As part of the agreement the County obtained permission on May 16th from the Fire Administrator for the individual fire departments to allocate funds to contribute to the newly ECM fund. At the beginning of each fiscal year the Mora County Finance Director will transfer $3,000 from each fire department to the ECM fund starting in fiscal year 2017.

The County is party to an agreement with fifteen other Villages, Counties, Soil and Water Conservation Districts and Towns to participate in a groundwater resource study. The memoranda defines the proposed program activities and the responsibilities of each participant to cover the study in their respective jurisdiction. The agreement proposes a basic structure of a hydrology study to be performed in addition to a multi-year phased budget for this type of project. The agreement was entered into on February 9, 2014 and covers a five year period.

The County has an agreement with the Luna Community College (LCC) to define the terms under which LCC may use the David Cargo Library facilities to host satellite classes for Mora County residents. The memoranda specifies the roles and responsibilities, agreements, and the primary contacts involved. Under this agreement LCC agrees to provide staff, facility maintenance, insurance, IT infrastructure, and cover operating costs. Mora County is agreeing to provide a portion of space within the Library and limited architectural improvements to the space.

I. Prior Period Adjustment

The prior period statements were restated as a result of the following:

- Unrecorded prepaid expenses in the amount of $77,663, caused net position to increase by $77,663.

IV. Other Information (continued)

I. Prior Period Adjustment (continued)

- Over recorded receivables caused ambulance service receivables in the proprietary fund to be overstated by $35,316, resulting in net position to be understated by $35,316.

- Capital assets were restated between governmental and proprietary funds by $959,936, resulting in the proprietary fund net position to be understated by $959,936, and governmental net position to be overstated by $959,936.

- Over recorded receivables caused road fund receivables in the governmental funds to be overstated by $13,175, resulting in net position to be understated by $13,175.

J. Subsequent Events

The County has evaluated subsequent events through February 17, 2017, which is the date the financial statements were available for issuance. One subsequent event occurred for the purchase and equipping of two police vehicles and the related debt and law enforcement protection revenue intercept for loan payment service amounting to $75,054.

Subsequent to year-end, the County had a study performed and it was determined the County is required to demolish the old sheriff's building, at an estimated cost to the County of $100,000.

APPENDIX B

FORM OF BOND COUNSEL OPINION

May 16, 2017

$1,240,000
Mora County, New Mexico
Gross Receipts Tax Revenue Bonds
Series 2017

Ladies and Gentlemen:

We have acted as bond counsel to Mora County, New Mexico (the "County") in connection with the issuance and sale by the County of its $1,240,000 Gross Receipts Tax Revenue Bonds, Series 2017 (the "Bonds"). The Bonds are issued pursuant to the Constitution and laws of the State of New Mexico (the "State") and Bond Ordinance No. 2017-06 adopted on April 11, 2017, as supplemented by a Resolution adopted April 25, 2017 (collectively, the "Bond Ordinance"). Except as expressly defined herein, capitalized terms used herein have the same meanings as such terms have in the Bond Ordinance.

We have examined the laws of the State and the United States of America relevant to the opinions herein, and other proceedings and documents relevant to the issuance by the County of the Bonds. As to the questions of fact material to our opinion, we have relied upon representations of the County contained in the certified proceedings and other certifications furnished to us, without undertaking to verify the same by independent investigation.

Based upon such examination, we are of the opinion that:

1. The Bonds are valid and binding special, limited obligations of the County under and in accordance with the Bond Ordinance.

2. The Bond Ordinance has been duly authorized, executed and delivered by the County and the provisions of the Bond Ordinance are valid and binding on the County.

3. The Bonds are payable as to principal, interest and any prior redemption premium, solely from, and are secured by a first lien (but not an exclusive first lien) on certain Pledged Revenues, as defined and more fully described in the Bond Ordinance. The owners of the Bonds have no right to have ad valorem property taxes levied by the County for the payment of principal and interest on the Bonds and the Bonds do not represent or constitute a debt or pledge of, or a charge against, the general credit of the County.

4. The Bond Ordinance creates the lien on the Pledged Revenues that it purports to create.

5. Under existing laws, regulations, rulings and judicial decisions, interest on the Bonds is excludable from gross income for federal income tax purposes. We are also of the opinion that interest on the Bonds is not a specific preference item for purposes of the alternative minimum tax provisions contained in the Internal Revenue Code of 1986, as amended (the "Code"); however, such interest on the Bonds will be included in the adjusted current earnings of certain corporations, and such corporations are required to include in the calculation of alternative minimum tax 75% of the excess of a corporation's adjusted current earnings over its alternative minimum taxable income (determined without

regard to this adjustment and prior to reduction for certain net operating losses). Although we are of the opinion that interest on the Bonds is excludable from gross income for federal income tax purposes, the accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. We express no opinion regarding any such consequences.

6. Based on existing laws of the State of New Mexico as enacted and construed, the Bonds and income from the Bonds are exempt from all taxation by the State of New Mexico or any political subdivision thereof.

The opinions set forth above in paragraph 5 are subject to continuing compliance by the County with covenants regarding federal tax law contained in the proceedings and other documents relevant to the issuance by the County of the Bonds. Failure to comply with these covenants may result in interest on the Bonds being included in gross income retroactive to their date of issuance.

The opinions expressed herein are based upon existing legislation as of the date of issuance and delivery of the Bonds, and we express no opinion as of any date subsequent thereto or with respect to any pending legislation.

The obligations of the County related to the Bonds are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of the powers (including bankruptcy powers) delegated to it by the United States Constitution. The obligations of the County and the security provided therefore, as contained in the Bond Ordinance, may be subject to general principles of equity which permit the exercise of judicial discretion and are subject to the provisions of applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors rights generally, now or hereafter in effect.

The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of result.

We are passing upon only those matters set forth in this opinion and are not passing upon the accuracy or completeness of any statement made in connection with any sale of the Bonds or upon any tax consequences arising from the receipt or accrual of interest on, or the ownership of, the Bonds except those specifically addressed in Paragraphs 5 and 6 above.

Respectfully submitted,

APPENDIX C

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING

Section 1. Recitals. This Continuing Disclosure Undertaking (the "Undertaking") is executed and delivered by the County Commission of Mora County, New Mexico (the "County"), in connection with the issuance of the Mora County, New Mexico Gross Receipts Tax Revenue Bonds, Series 2017 (the "Bonds"). The Bonds are being issued pursuant to County Ordinance No. 2017-06 adopted by the County Commission on April 11, 2017, as supplemented by a Resolution adopted April 25, 2017 (collectively, the "Bond Ordinance"). Pursuant to the Bond Ordinance, to allow the underwriter of the Bonds to comply with the Rule (defined below), the County is required to make certain continuing disclosure undertakings for the benefit of owners (including beneficial owners) of the Bonds (the "Owners"). This Undertaking is intended to satisfy the requirements of the Rule.

Section 2. Definitions.

(a) "Annual Financial Information" means the financial information (which will be based on financial statements prepared in accordance with generally accepted accounting principles, as in effect from time to time ("GAAP"), for governmental units as prescribed by the Governmental Accounting Standards Board ("GASB")) and operating data with respect to the County, delivered at least annually pursuant to Sections 3(a) and 3(b) of this Undertaking, consisting of information of the type set forth under the captions "PLEDGED REVENUES," "ADDITIONAL OBLIGATIONS PAYABLE FROM PLEDGED REVENUES," and "THE COUNTY – Historical General Fund Balance Sheet" in the Official Statement.

(b) "Audited Financial Statements" means the County's annual financial statements which financial statements have been audited as may then be required or permitted by the laws of the State.

(c) "EMMA" means the MSRB's Electronic Municipal Market Access system located on its website at emma.msrb.org.

(d) "Event Information" means the information delivered pursuant to Section 3(d) of this Undertaking.

(e) "MSRB" means the Municipal Securities Rulemaking Board. The current address of the MSRB is 1900 Duke Street, Suite 600, Alexandria, Virginia 22314, telephone (703) 797-6600, fax (703) 797-6708.

(f) "Official Statement" means the Official Statement dated July 12, 2016, delivered in connection with the original issue and sale of the Bonds.

(g) "Report Date" means March 31 of each year, beginning in 2018.

(h) "Rule" means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended (17 C.F.R. Part 240, Section 240.15c2-12), as the same may be amended from time to time.

(i) "SEC" means the Securities and Exchange Commission.

(j) "State" means the State of New Mexico.

Section 3. Provision of Annual Financial Information and Reporting of Event Information.

(a) The County, or its designated agent, will provide the Annual Financial Information for the preceding fiscal year to EMMA on or before each Report Date while the Bonds are outstanding.

(b) If Audited Financial Statements are not provided as a part of the Annual Financial Information, the County will provide Audited Financial Statements to EMMA when and if available.

(c) The County, or its designated agent, may provide Annual Financial Information by specific reference to other documents, including information reports and official statements relating to other debt issues of the County, which have been submitted to EMMA or filed with the SEC; provided, however, that if the document so referenced is a "final official statement" within the meaning of the Rule, such final official statement must also be available from the MSRB.

(d) At any time the Bonds are outstanding and the County obtains knowledge of the occurrence of any of the following events with respect to the Bonds, the County shall file, in a timely manner not in excess of ten (10) business days after the occurrence of the event, a notice of such occurrence with EMMA:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

(vii) modifications to rights of Bondholders, if material;

(viii) bond calls, if material, or tender offers;

(ix) defeasances;

(x) release, substitution or sale of property securing repayment of the Bond, if material; and

(xi) rating changes.

(xii) bankruptcy, insolvency, receivership or a similar event with respect to the District or an obligated person;

(xiii) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(xiv) appointment of a successor or additional trustee, or a change of name of a trustee, if material.

(e) The County or its designated agent, will provide, in a timely manner not in excess of ten (10) business days after the occurrence of the event, to EMMA, notice of any: (i) failure of the County to timely provide the Annual Financial Information as specified in Sections 3(a) and 3(b); (ii) changes in its fiscal year-end; and (iii) amendment of this Undertaking.

Section 4. Method of Transmission. Unless otherwise required by law and subject to technical and economic feasibility, the County, or its designated agent, will employ such methods of electronic or physical information transmission as is requested or recommended from time to time by EMMA, the MSRB and the SEC.

Section 5. Enforcement. The obligations of the County under this Undertaking are for the benefit of the Owners. Each Owner is authorized to take action to seek specific performance by court order to compel the County to comply with its obligations under this Undertaking, which action will be the exclusive remedy available to it or any other Owner. The County's breach of its obligations under this Undertaking will not constitute an event of default under the Ordinance and none of the rights and remedies provided by the Ordinance will be available to the Owners with respect to such a breach.

Section 6. Term. The County's obligations under this Undertaking will be in effect from and after the issuance and delivery of the Bonds and will extend to the earliest of (i) the date all principal and interest on the Bonds has been paid or legally defeased pursuant to the terms of the Ordinance; (ii) the date on which the County is no longer an "obligated person" with respect to the Bonds within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this Undertaking are determined to be invalid or unenforceable by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

Section 7. Amendments. The County may amend this Undertaking from time to time, without the consent of any Owner, upon the County's receipt of an opinion of independent counsel experienced in federal securities laws to the effect that such amendment:

(a) is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the County;

(b) this Undertaking, as amended, would have complied with the Rule at the time of the initial issue and sale of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances; and

(c) the amendment does not materially impair the interests of the Owners.

Any Annual Financial Information containing amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided. If an amendment changes the accounting principles to be followed in preparing financial statements, the Annual Financial Information and Audited Financial Statements for the year in which the change is made will present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 8. Beneficiaries. This Undertaking binds and inures to the sole benefit of the County and the Owners and creates no rights in any other person or entity.

Section 9. Requesting Information. Persons seeking to obtain the Annual Financial Information, including the Audited Financial Statements, may obtain such information by contacting the County Manager at P.O. Box 580 Mora, New Mexico 87732.

Section 10. Special Funds. This Undertaking is subject to the availability of necessary funds from annual Pledged Revenues (as defined in the Ordinance) and shall not constitute a general obligation of the County.

Section 11. Governing Law. This Undertaking is governed by and is to be construed in accordance with the law of the State.

Date: May 16, 2017

MORA COUNTY, NEW MEXICO

By____
Chairperson, Board of County Commissioners