

STATE OF NEW MEXICO
COUNTY OF TORRANCE

FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION
(WITH INDEPENDENT AUDITOR'S
REPORT THEREON)

JUNE 30, 1994

STATE OF NEW MEXICO
COUNTY OF TORRANCE

AUDITED FINANCIAL STATEMENTS
Year Ended June 30, 1994

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COUNTY OF TORRANCE

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COUNTY OF TORRANCE

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STATE OF NEW MEXICO
COUNTY OF TORRANCE

OFFICIAL ROSTER
June 30, 1994

Elected Officials

Bill R. Williams	Chairman
Roy B. Spencer	Commissioner
Bill L. Carter	Commissioner
Carla Clayton	County Clerk
Marilyn Autrey	County Treasurer
Walter Glazewski	County Assessor
Bobby Chavez	Sheriff
Woodrow Woodburn	Probate Judge

Administrative Officials

Patricia Marciano	County Manager
Babette Berkshire	Administrative Assistant
Rubin Miranda	Finance Officer
Mary Jo Hopson	Senior Citizens Director

INDEPENDENT AUDITOR'S REPORT

Robert E. Vigil, CPA
State Auditor
Santa Fe, New Mexico
and
Board of County Commissioners
County of Torrance
Estancia, New Mexico

We have audited the accompanying general purpose financial statements of the County of Torrance, State of New Mexico, as of and for the year ended June 30, 1994 as listed in the table of contents. These general purpose financial statements are the responsibility of the County of Torrance's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards and 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

We were unable audit the financial statements supporting the financial activities of the Fixed Asset Group of Accounts because the County's records of fixed assets are incomplete. Those financial activities are included in the fixed assets account group and represent 100 percent of the assets of that account type.

The County is required by generally accepted accounting principles to accrue the current portion of costs for the closure and postclosure care of its solid waste landfill, as further explained in Note 15. The County has made no current accrual due to the fact that the information is not available.

EH Emmons, Hagood & Company
Certified Public Accountants

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to audit the financial statements of the Fixed Assets Group of Accounts, and except for the effect of the accrual of the current portion of closure and post closure care costs, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of County of Torrance, State of New Mexico as of June 30, 1994 and the results of its operation and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and the accompanying financial information presented on Schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the financial statements of County of Torrance, State of New Mexico. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Emmons Hagood & Company

October 5, 1994

GENERAL PURPOSE FINANCIAL STATEMENTS

STATE OF NEW MEXICO
County of Torrance

Exhibit 1

Combined Balance Sheet
All Fund Types and Account Groups
June 30, 1994

	Governmental Fund Type				Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency	General Fixed Assets	General Long-Term Debt	
ASSETS									
Cash and investments	\$ 343,048	\$ 171,142	\$ 84,808	\$ 820,521	\$	\$ 55,371	\$		\$ 1,474,890
Cash (restricted)									0
Receivables (net, where applicable, of allowance for doubtful accounts)	430,267	39,410	3,141	0	3,849				476,667
Due from other funds (Note 5)	2,350	10,658	37,470	20,020					70,498
Prepaid expenses	45,123	0							45,123
Other assets				28,439	13,538				41,977
Fixed assets (Note 2)					29,670		3,877,633		3,907,303
Amount to be provided for retirement of long-term debt								2,436,987	2,436,987
Total assets	\$ 820,788	\$ 221,210	\$ 125,419	\$ 868,980	\$ 47,057	\$ 55,371	\$ 3,877,633	\$ 2,436,987	\$ 8,453,445
LIABILITIES AND FUND EQUITY									
Liabilities:									
Bank overdraft	\$	\$ 131,935	\$	\$	\$ 21,996	\$	\$	\$	\$ 153,931
Accounts payable	356,303	28,630			5,381				390,314
Accrued compensation	69,604	10,364	37,002		7,416			52,672	177,058
Due to other funds (Note 5)	67,680	2,350			468				70,498
Due to other taxing units						46,003			46,003
Taxes paid in advance						9,368			9,368
Contracts payable (Note 3)								1,084,315	1,084,315
Bonds payable					330,000			1,300,000	1,630,000
Total liabilities	493,587	173,279	37,002	0	365,261	55,371	0	2,436,987	3,561,487
Fund equity:									
Reserved for capital projects				868,980					868,980
Reserved for debt service		0	88,417						88,417
Unreserved and undesignated	327,201	47,931							375,132
Investment in general fixed assets							3,877,633		3,877,633
Retained earnings (deficit)-Unreserved					(318,204)				(318,204)
Total fund equity	327,201	47,931	88,417	868,980	(318,204)	0	3,877,633	0	4,891,958
Total liabilities and fund equity	\$ 820,788	\$ 221,210	\$ 125,419	\$ 868,980	\$ 47,057	\$ 55,371	\$ 3,877,633	\$ 2,436,987	\$ 8,453,445

STATE OF NEW MEXICO
County of Torrance

Exhibit 2

Combined Statement of Revenues, Expenditures and Changes in
Fund Balances - All Governmental Fund Types
For the Year Ended June 30, 1994

	Governmental Fund Types				Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	1994	1993
Revenues:						
Taxes	\$ 2,178,540	\$ 39,838	\$ 159,053	\$	\$ 2,377,431	\$ 2,056,927
Licenses and permits	8,675				8,675	1,025
Intergovernmental	485,109	661,744			1,146,853	1,205,484
Charges for services	2,855,792				2,855,792	4,762,899
Miscellaneous	613,130	44,012	3,906	27,675	688,723	287,157
Total revenues	6,141,246	745,594	162,959	27,675	7,077,474	8,313,492
Expenditures:						
Current:						
General government	1,057,702				1,057,702	1,156,069
Public safety	3,699,659	199,591			3,899,250	5,701,761
Highways and streets	1,087,692				1,087,692	1,086,037
Health and welfare		576,395			576,395	618,701
Culture and recreation		19,250			19,250	21,050
Debt service			75,010		75,010	27,579
Capital projects		0		68,410	68,410	116,796
Total expenditures	5,845,053	795,236	75,010	68,410	6,783,709	8,727,993
Revenues over (under) expenditures	296,193	(49,642)	87,949	(40,735)	293,765	(414,501)
Other financing sources (uses):						
Bond & loan proceeds						1,301,122
Operating transfers net	(63,952)	63,952			0	28,047
Total other financing sources ((63,952)	63,952	0	0	0	1,329,169
Revenues and other sources over (under) expenditures and other uses	232,241	14,310	87,949	(40,735)	293,765	914,668
Fund balance-beginning of year	94,960	33,621	468	909,715	1,038,764	124,096
Fund balance at end of year	\$ 327,201	\$ 47,931	\$ 88,417	\$ 868,980	\$ 1,332,529	\$ 1,038,764

STATE OF NEW MEXICO
County of Torrance

Exhibit 3

Statement of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual (Cash Basis)
General and Special Revenue Fund Types
For the Year Ended June 30, 1994

	General Fund			Special Revenue Funds		
	Budget	1994 Actual	Variance Favorable (Unfavorable)	Budget	1994 Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$ 2,095,679	\$ 2,148,532	\$ 52,853	\$ 37,970	\$ 48,591	\$ 10,621
Licenses and permits	275	8,675	8,400			
Intergovernmental	1,099,592	582,803	(516,789)	731,370	642,204	(89,166)
Charges for services	4,816,630	2,810,031	(2,006,599)			
Fines and forfeits						
Miscellaneous	168,150	561,474	393,324	90,694	51,986	(38,708)
Total revenues	8,180,326	6,111,515	(2,068,811)	860,034	742,781	(117,253)
Expenditures:						
General government	1,131,132	1,031,857	99,275			
Public safety	5,540,340	3,676,008	1,864,332	269,303	168,902	100,401
Highways and streets	1,293,725	1,044,848	248,877			
Health and welfare	0	0	0	713,270	614,026	99,244
Culture and recreation				19,250	19,250	0
Conservation	0	0	0	0	0	0
Total expenditures	7,965,197	5,752,713	2,212,484	1,001,823	802,178	199,645
Revenues over (under) expenditures	215,129	358,802	143,673	(141,789)	(59,397)	82,392
Other financing sources (uses):						
Operating transfers net	73,439	(63,952)	(137,391)	74,290	63,952	(10,338)
Beginning cash balance	(288,568)		288,568	67,499		(67,499)
Total other financing sources (uses)	(215,129)	(63,952)	151,177	141,789	63,952	(77,837)
Revenues and other sources over (under) expenditures and other uses	\$ 0	\$ 294,850	\$ 294,850	\$ 0	\$ 4,555	\$ 4,555

STATE OF NEW MEXICO
County of Torrance
Proprietary Fund
Statement of Revenues, Expenses and
Changes in Retained Earnings
For the Year Ended June 30, 1994

Exhibit 4

Revenues:		
Solid waste system fees	\$ 31,842	
Gross receipts tax	66,731	
Miscellaneous	0	
	<hr/>	
Total revenues		\$ 98,573
Operating expenses:		
Professional services	72,658	
Personal services	73,897	
Amortization	2,288	
Supplies	1,631	
Printing	142	
Depreciation	6,071	
Workshops	360	
Repairs & maintenance	4,269	
Utilities	611	
Interest	15,266	
	<hr/>	
Total operating expenses		177,193
		<hr/>
Net income (loss) from operations		(78,620)
Other financing sources (uses):		
Transfers out		0
		<hr/>
Net income (loss)		(78,620)
Retained earnings, beginning of year		(239,584)
		<hr/>
Retained earnings, end of year	\$	(318,204)
		<hr/> <hr/>

STATE OF NEW MEXICO
County of Torrance
Proprietary Fund
Statement of Cash Flows
For the Year Ended June 30, 1994

Exhibit 5

Cash flows from operating activities:	
Operating income (loss)	\$ (78,620)
Adjustments to reconcile net operating loss to net cash provided by operating activities:	
Depreciation	6,071
Amortization	2,288
(Increase) in accounts receivable	(599)
Increase in accounts payable	(6,056)
Increase in accrued expenses	5,820
Increase in due to other funds	0

Net cash used by operating activities	(71,096)
Cash flows provided by financing activities:	
Retirement of revenue bonds	(20,000)
Bond issuance costs	0

Net cash provided by financing activities	(20,000)
Cash flows used by capital and related activities:	
Purchase of plant and equipment	0

Net increase (decrease) in cash	(91,096)
Cash, July 1, 1993	69,100

Cash (overdraft), June 30, 1994	\$ (21,996)
	=====

STATE OF NEW MEXICO
COUNTY OF TORRANCE

NOTES TO FINANCIAL STATEMENTS
June 30, 1994

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Torrance is created by Section 4-30-1, New Mexico Statutes Annotated, 1978 Compilation. The powers of the County as a body politic and corporate are exercised by a Board of Commissioners who are elected. At each general election in the State of New Mexico a County Assessor, County Clerk, County Sheriff and County Treasurer are elected.

The County assesses, collects and distributes property taxes; records property and legal documents; provides ambulance service and law enforcement services and maintains County roads.

The accounting policies of the County of Torrance conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

A. Reporting Entity

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic - but not the only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these

STATE OF NEW MEXICO
COUNTY OF TORRANCE

NOTES TO FINANCIAL STATEMENTS
June 30, 1994

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

criteria, the following is a brief review of each potential component unit addressed in defining the government's reporting entity.

No potential component units were identified or excluded from the reporting entity.

B. Fund Accounting

The accounts of the County are organized on the basis of funds and groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or disbursements, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into four generic fund types and three broad fund categories as follows:

GOVERNMENTAL FUNDS

Government Funds are used to account for all or most of government's general activities, including the collection and disbursement of earmarked funds (Special Revenue Funds).

General Fund - the General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specific purposes.

STATE OF NEW MEXICO
COUNTY OF TORRANCE

NOTES TO FINANCIAL STATEMENTS
June 30, 1994

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

Capital Projects Fund - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Enterprise Funds and Fiduciary Funds).

FIDUCIARY FUNDS

Agency Funds are used to account for assets held by the County as an agent for individuals private organizations, other governments, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations (a) that are financed primarily through user charges, or (b) where the governing body has decided that the determination of net income is appropriate.

C. Basis of Accounting for Fixed Assets & Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

STATE OF NEW MEXICO
COUNTY OF TORRANCE

NOTES TO FINANCIAL STATEMENTS
June 30, 1994

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Basis of Accounting for Fixed Assets and Long-Term Liabilities - Continued

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by non-current liabilities. Since they do affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Account Group.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement focus applied.

STATE OF NEW MEXICO
COUNTY OF TORRANCE

NOTES TO FINANCIAL STATEMENTS
June 30, 1994

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

D. Basis of Accounting - Continued

All governmental funds and agency funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, property, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenues when they are measurable and their validity seems certain. Except that federal grant reimbursements and ambulance fees are recognized, when earned, on the accrual principle of accounting.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) long-term accumulated unpaid vacation which is shown in the long-term debt group of accounts; and (2) principal and interest on general long-term debt which is recognized when due.

E. Budgets and Budgetary Accounting

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

1. Prior to June 1, the County submits a proposed budget to the Local Government Division of the Department of Finance and Administration;
2. The Local Government Division in relation to the County shall:
 - a. Examine each proposed budget, and on or before July 1 of each year, approve and certify for the County an operating budget for use pending approval of a final budget;
 - b. Hold public hearings on proposed budgets;
 - c. Make such corrections, revisions, and amendments to proposed budgets as may be

STATE OF NEW MEXICO
COUNTY OF TORRANCE

NOTES TO FINANCIAL STATEMENTS
June 30, 1994

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

F. Cash and Investments

The County follows the practice of pooling cash and investments of all funds. The County's deposits at year-end were entirely covered by federal depositing insurance or by collateral held by the County's custodial bank in the County's name. Each fund's portion of total cash and investments is summarized by fund type in the combined balance sheet as equity in pooled cash and investments.

The County's cash and investments at year-end are shown below:

	<u>Carrying Amount</u>	<u>Market Value</u>
State Treasurers Pool \$	400,000	\$ 400,000
Cash on Deposit	843,014	843,014
Certificate of Deposit	<u>100,000</u>	<u>100,000</u>
Total Cash	<u>\$ 1,343,014</u> =====	<u>\$ 1,343,014</u> =====

Deposits - All deposits with financial institutions must be collateralized in an amount equal to 50% of the funds on deposit in excess of the F.D.I.C. insurance. The collateral must be held by the pledging financial institution's trust department or the trust department of a correspondent bank. The collateral pledged at June 30, 1994 is more fully described in Note 12.

Investments - Statutes authorize the County to invest in obligations of the U.S. Treasury and U.S. Agencies and banks within the County's jurisdiction. The funds held by United New Mexico Trust Company for the capital project are invested in U.S. Treasury bills.

G. Inventory

There were no material amounts of inventory at June 30, 1994. Purchases for supplies are recorded as expenditures.

STATE OF NEW MEXICO
COUNTY OF TORRANCE

NOTES TO FINANCIAL STATEMENTS
June 30, 1994

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

H. Encumbrances

Encumbrance accounting is not employed by the County of Torrance.

I. Interfund Receivables and Payables

During the course of operations, transactions may occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "Due from Other Funds" or "Due to Other Funds". They also include short-term loans between funds.

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 1994, are recorded as prepaid items.

K. Fund Equity

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

L. Total Columns on Combined Statements - Overview

Total columns on the Combined Statements - Overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

STATE OF NEW MEXICO
COUNTY OF TORRANCE

NOTES TO FINANCIAL STATEMENTS
June 30, 1994

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

M. Method of Presentation of Activities of the County Treasurer

The County Treasurer receives deposits of monies from and collects taxes for the various County funds and other governmental entities located within the County. These monies are deposited by the Treasurer in banks. In the accompanying financial statements monies held for other than County entities are presented as Agency Fund principles.

Taxes are collected directly from taxpayers by the County with the Treasurer acting as an employee of the County and as an agent for the entities for whom the collections are ultimately distributed.

The County property tax bills must be mailed by November 1st, the first half of the assessed tax is due November 10th and becomes delinquent December 10th, the second half of the assessed tax becomes due April 10th and becomes delinquent May 10th. When property taxes are delinquent three years, the property is transferred to the State Property Tax Department for public sale.

Articles 35 through 38, Chapter 7 New Mexico Statutes Annotated, 1978 is the Property Tax Code. The code provides for valuation, administration and enforcement of property taxes. The Department of Finance and Administration sets tax rates for the governmental units sharing in the tax.

The Constitution of the State of New Mexico provides the following maximum tax rates and restrictions concerning the use of tax proceeds.

"Taxes levied upon tangible property shall be in proportion to the value thereof, and taxes shall be equal and uniform upon subjects of taxation of the same class. Different methods may be provided by law to determine value of different kinds of property, but the percentage of value against which tax rates are assessed shall not exceed thirty-three and one-third percent.

STATE OF NEW MEXICO
COUNTY OF TORRANCE

NOTES TO FINANCIAL STATEMENTS
June 30, 1994

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

M. Method of Presentation of Activities of the County
Treasurer - Continued

Taxes levied upon real or personal property for state revenue shall not exceed four mills annually on each dollar of the assessed valuation thereof except for the support of the educational, penal and charitable institutions of the state, payment of the state debt and interest thereon; and the total annual tax levy upon such property for all state purposes exclusive of necessary levies for the state debt shall not exceed ten mills; provided, however, that taxes levied upon real or personal tangible property for all purposes, except special levies on specific classes of property and except necessary levies for public debt, shall not exceed twenty mills annually on each dollar of the assessed valuation thereof, but laws may be passed authorizing additional taxes to be levied outside of such limitations when approved by at least a majority of the qualified electors of the taxing district who paid a property tax therein during the preceding year voting on such proposition."

N. Capitalization of Interest

The County does not capitalize interest costs.

O. Compensated Absences

Sick leave accumulates at the rate of one day per calendar month. Accrued sick leave is forfeited upon termination of the employee.

Vacation annual leave with pay is earned or accrued by classified employees based on one and one quarter (1 1/4) days per one hundred twenty eight (128) work hours, one and one half (1 1/2) days per one hundred forty-four (144) work hours, one and three quarter (1 3/4) days per one hundred sixty (160) work hours, with any fraction thereof prorated. No more than thirty (30) calendar days may be carried over to the next year. Upon termination, separation or dismissal, the employee shall be paid all accrued annual vacation leave at the pay rate last held.

STATE OF NEW MEXICO
COUNTY OF TORRANCE

NOTES TO FINANCIAL STATEMENTS
June 30, 1994

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

O. Compensated Absences - Continued

The accumulated amount in excess of a normal year's accumulation is shown in the long-term debt group of accounts. The amount expected to be expended from current resources is shown in each particular fund.

P. Financial Statements

The financial statements of the County of Torrance, New Mexico as of and for the year ended June 30, 1994 have been prepared by Emmons, Hagood & Company.

(2) CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance June 30, 1993	Additions	Deletions	Balance June 30, 1994
Land	\$ 58,941	\$ -	\$ -	\$ 58,941
Right-of-way	21,084	-	-	21,084
Buildings and improvements	1,191,911	-	-	1,191,911
Furniture and equipment	<u>2,443,942</u>	<u>161,755</u>	<u>-</u>	<u>2,605,696</u>
	<u>\$ 3,715,878</u>	<u>\$ 161,755</u>	<u>\$ -</u>	<u>\$ 3,877,633</u>

STATE OF NEW MEXICO
COUNTY OF TORRANCE

NOTES TO FINANCIAL STATEMENTS
June 30, 1994

(3) CHANGES IN LONG-TERM DEBT - CONTINUED

<u>Description</u>	<u>Date of Contract</u>	<u>Original Amount</u>	<u>Principal Balance June 30, 1994</u>
9. Banc One			
Five Motor Graders	March 1994	\$ 533,315	\$ 478,104
Total			\$ 1,084,316

Payment requirements are as follows:

<u>Contract Number</u>	<u>Year Ended</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
(1)	1995	\$ 1,469	\$ 67,098	\$ 68,567
		=====	=====	=====
(2)	1995	\$ 742	\$ 6,312	\$ 7,054
		=====	=====	=====
(3)	1995	\$ 1,601	\$ 2,399	\$ 4,000
	1996	1,409	2,591	4,000
	1997	1,202	2,798	4,000
	1998	978	3,022	4,000
	1999	736	3,264	4,000
	2000	475	3,525	4,000
	2001	193	2,416	2,609
		\$ 6,594	\$ 20,015	\$ 26,609
		=====	=====	=====
(4)	1995	\$ 9,772	17,908	27,680
	1996	1,297	124,865	126,162
		\$ 22,173	\$ 142,773	\$153,842
		=====	=====	=====
(5)	1995	\$ 3,932	\$ 4,432	\$ 8,364
	1996	3,512	4,852	8,364
	1997	3,051	5,313	8,364
	1998	2,667	5,697	8,364
	1999-2000	3,272	24,022	27,294
		\$ 16,434	\$ 44,316	\$ 60,750
		=====	=====	=====

STATE OF NEW MEXICO
COUNTY OF TORRANCE

NOTES TO FINANCIAL STATEMENTS
June 30, 1994

(3) CHANGES IN LONG-TERM DEBT - CONTINUED

<u>Contract Number</u>	<u>Year Ended</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
(6)	1995	\$ -	\$ 20,324	\$ 20,324
	1996	-	20,324	20,324
	1997	-	20,324	20,324
	1998	-	20,324	20,324
	1999	-	20,324	20,324
	2000	-	20,324	20,324
	2001	-	20,323	20,323
		<u>\$ -0-</u>	<u>\$142,267</u>	<u>\$142,267</u>
(7)	1995	\$ 640	\$ 5,382	\$ 6,022
		<u>=====</u>	<u>=====</u>	<u>=====</u>
(8)	1995	\$ 11,125	\$ 18,715	\$ 29,840
	1996	9,878	19,962	29,840
	1997	<u>6,541</u>	<u>139,372</u>	<u>145,913</u>
		<u>\$ 27,544</u>	<u>\$178,049</u>	<u>\$205,593</u>
(9)	1995	\$ 51,945	\$ 84,914	\$136,859
	1996	41,844	95,015	136,859
	1997	30,540	106,319	136,859
	1998	17,892	118,967	136,859
	1999	<u>3,740</u>	<u>72,889</u>	<u>76,629</u>
		<u>\$145,961</u>	<u>\$478,104</u>	<u>\$624,065</u>

General Obligation Bonds

During the prior year the County issued \$1,300,000 of General Obligation bonds to be used \$1,000,000 to design, construct, and acquire services and equipment for a regional landfill system and \$300,000 for construction and repairs to County roads. The bonds are secured by the full faith and credit of the County and are payable from taxes levied on all property located within the County.

STATE OF NEW MEXICO
COUNTY OF TORRANCE

NOTES TO FINANCIAL STATEMENTS
June 30, 1994

(3) CHANGES IN LONG-TERM DEBT - CONTINUED

The annual requirements to amortize to maturity in general obligation bonds are as follows:

<u>Year Ended</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
1995	\$ 74,004	\$ 75,000	\$ 149,004
1996	69,129	80,000	149,129
1997	64,129	90,000	154,129
1998	58,504	100,000	158,504
1999	52,504	120,000	172,504
2000	45,304	135,000	180,304
2001	38,284	150,000	188,284
2002	30,184	165,000	195,184
2003	20,944	185,000	205,944
2004	<u>11,000</u>	<u>200,000</u>	<u>211,000</u>
Total	\$ 463,986 =====	\$ 1,300,000 =====	\$ 1,663,986 =====

(4) FUND DEFICITS

The following funds have deficit fund balances or retained earnings at June 30, 1994:

Recreation Fund
Civil Defense Fund
Senior Citizens Program Fund
Maternal Health Care Fund
Solid Waste System Fund
DWI Grant Fund

It is expected that future revenue will be provided or transfers will be made from the General Fund.

Fund balance deficits occur when budgets are overspent, when receivables are not established, and when transfers are not timely made.

STATE OF NEW MEXICO
COUNTY OF TORRANCE

NOTES TO FINANCIAL STATEMENTS
June 30, 1994

(5) OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosure as a part of the combined statements. Overview, of certain information concerning individual funds including:

- A. Summary of disclosures of debt service requirements to maturity for all types of outstanding debt. The requirement is met by Note 3.
- B. Summary disclosures of changes in general fixed assets by major class. The requirement is met by Note 2.
- C. Summary disclosure of changes in general long-term debt. This requirement is met by Note 3.
- D. Individual fund interfund receivable and payable balances. Such balances at June 30, 1994 were:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General fund	\$ 2,350	\$ 67,680
Fire funds	9,000	-
Farm and range fund	1,658	-
General Obligation bond acquisition fund	20,020	-
Solid waste system fund	-	468
Recreation fund	-	2,350
Solid waste debt service fund	<u>37,470</u>	<u>-</u>
	<u>\$ 70,498</u> =====	<u>\$ 70,498</u> =====

(6) TAXES RECEIVABLE

Taxes receivable by the County Treasurer are not considered available for distribution until collected. Therefore, the taxes are not accrued in the accompanying financial statements. The amount of taxes receivable at June 30, 1994 was \$488,065.

STATE OF NEW MEXICO
COUNTY OF TORRANCE

NOTES TO FINANCIAL STATEMENTS
June 30, 1994

(11) RETIREMENT PLAN - CONTINUED

Retirement Eligibility

PERA membership is a condition of employment with the County of Torrance, with certain exceptions. Examples of the exceptions are seasonal employees and independent contractors.

Eligibility for receiving the monthly benefit equal to the number of years of credited service x 2.5% of their final average monthly salary, the thirty-six consecutive months of credited service producing the largest average, is as follows:

Any age with 25 or more years of credited service; or age 60 or older with 20 or more years of credited service; or Age 61 or older with 17 or more years of credited service; or Age 62 or older with 14 or more years of credited service; or Age 63 or older with 11 or more years of credited service; or Age 64 or older with 8 or more years of credited service; or Age 65 or older with 5 or more years of credited service. Benefits vest after 5 years of credited service.

Funding Policy

Covered employees are required by state statute to contribute 9.15 percent of their gross salary. The County is required by state statute to contribute 10 percent. The contribution requirement for the year ended June 30, 1994 was \$233,591 which consisted of \$119,975 from the County and \$113,616 from employees.

If a member's employment is terminated before the member is eligible for any other benefits under PERA, the member may receive a refund of the member's contribution and interest accrued based on rates established biannually by the retirement board.

The payroll for employees covered by PERA for the year ended June 30, 1994 was \$1,292,598; the total payroll for all employees of the County was \$1,369,088.

STATE OF NEW MEXICO
COUNTY OF TORRANCE

NOTES TO FINANCIAL STATEMENTS
June 30, 1994

(12) BANK SURETY

In accordance with Section 6-10-7, NMSA, 1978 Compilation, deposits of public monies are to be collateralized in an aggregate equal to 50% of deposits in excess of Federal Deposit Insurance Corporation insurance coverage of \$100,000.

Cash in checking account and
Certificates of Deposit:

Name of Financial Institution

United New Mexico Bank

Total amount of deposit

\$ 291,691

Less F.D.I.C. coverage

(100,000)

Total uninsured public funds

\$ 191,691

=====

50% collateral requirement

\$ 95,845

=====

Pledged collateral:

Maturity Date

Amount

Hagerman NM Municipal

School District #006

06-01-95

\$ 51,850

Torrance & Socorro Counties

10-01-93

30,909

Torrance & Socorro Counties

10-01-94

42,916

Torrance & Socorro Counties

10-01-96

32,658

Torrance & Socorro Counties

10-01-97

49,243

\$ 207,576

=====

Over (under)

\$ 111,731

=====

Location of pledged securities is Nations Bank, Dallas, Texas.

STATE OF NEW MEXICO
COUNTY OF TORRANCE

NOTES TO FINANCIAL STATEMENTS
June 30, 1994

(12) BANK SURETY - CONTINUED

First National Bank of Belen	
Total amount of deposit	\$ 140,898
Less F.D.I.C. coverage	<u>100,000</u>
Total uninsured public funds	\$ 40,898
	=====
50% collateral requirement	\$ 20,449
	=====
Pledged collateral:	
U.S. Treasury Note @ 7.875%	
Matures 1-15-98	416,625
Federal Home Loan Bank Bond @ 8.25%	
Matures 5-27-96	<u>103,875</u>
	<u>520,500</u>
Over (under)	\$ 500,051
	=====

Pledged securities are stated at market value.

The amount pledged by each bank is in an aggregate amount more than one-half of the amount of public money on deposit.

(13) RETIREE HEALTH CARE ACT CONTRIBUTIONS

The Retiree Health Care Act (10-7C-1 to 10-7C-16, NMSA 1978) provides comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The purpose is to provide eligible retirees, their spouses, dependents, and surviving spouses and dependents with health insurance consisting of a plan, or optional plans, of benefits that can be purchased by funds flowing into the Retiree Health Care Fund and by co-payments or out-of-pocket payments of eligible retirees.

Monies flow to the Retiree Health Care Fund on a pay-as-you-go basis from eligible employers and eligible retirees. Eligible employers are institutions of higher education, school districts, or other entities participating in the public school insurance authority and state agencies, state courts, magistrate courts, municipalities or counties, which are affiliated under or covered by the Education Retirement Act or the Magistrate Retirement Act or the Public Employees Retirement Act.

STATE OF NEW MEXICO
COUNTY OF TORRANCE

NOTES TO FINANCIAL STATEMENTS
June 30, 1994

(13) RETIREE HEALTH CARE ACT CONTRIBUTIONS - CONTINUED

Eligible retirees are: (1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the Retiree Health Care Act on the person's behalf unless that person retires on or before July 1, 1995, in which event the time period required for employee and employer contributions shall become the period of time between July 1, 1990, and the date of retirement; or (2) retirees defined by the Act who retired prior to July 1, 1990.

Each participating employer makes contributions to the fund in the amount of one percent of each participating employee's annual salary. Each participating employee contributes to the fund an employee contribution in an amount equal to one-half of one percent of the employee's annual salary. Each participating retiree pays a monthly premium of fifty-three dollars and five cents (\$53.05) for the basic single plan and an additional participation fee of five dollars (\$5.00) if eligible participant retired prior to July 1, 1990 and made no contributions to the plan.

Contributions from participating employers and participating employees become the property of the Retiree Health Care Fund and are not refundable under any circumstances, including termination of employment or termination of the participating employer's operation or participation in the Retiree Health Care Act. The employer, employee, and retiree contributions are required to be remitted to the Retiree Health Care Authority on a monthly basis.

The post employment benefit revenues and expenditures for the year ended June 30, 1994 as of August 29, 1994 from an un-audited financial statement of June 30, 1994, consisted of premiums paid in the amount of \$7,104,555 and claims paid in the amount of \$29,923,832 for a total of \$37,028,387. Participant contributions were \$14,887,075; therefore, the net expenditures for the year were \$22,141,312.

For the fiscal year ended June 30, 1994, employers, employees and retirees remitted \$17,386,876, \$8,735,565, and \$14,887,075 respectively. The County of Torrance remitted \$12,926 in employer contributions and \$6,495 in employee contributions. As of June 30, 1994, 13,079 retirees were eligible to receive benefits.

STATE OF NEW MEXICO
COUNTY OF TORRANCE

NOTES TO FINANCIAL STATEMENTS
June 30, 1994

(14) RECONCILIATION OF GAAP BASIS TO NON-GAAP BASIS

The budgetary basis is the cash basis. Under the cash basis, revenues are recognized when received and expenditures are recognized when paid. Counties are required to report on the cash basis to the Local Government Division of the New Mexico Department of Finance and Administration. The following is a reconciliation between the budgetary basis (Non-GAAP) amounts and financial statements on the GAAP basis by fund type.

General Fund:

Revenues, GAAP Basis, Exhibit 2	\$ 6,141,246
Plus:	
Accounts receivable, prior year	400,537
Less:	
Accounts receivable, current year	<u>(430,267)</u>
Revenues, Non-GAAP Basis, Exhibit 3	\$ 6,111,515 =====

Special Revenue Funds:

Revenues, GAAP Basis, Exhibit 2	\$ 745,594
Plus:	
Accounts receivable, prior year	36,597
Less: Accounts receivable, current year	<u>(39,410)</u>
Revenues, Non-GAAP Basis, Exhibit 3	\$ 742,781 =====

STATE OF NEW MEXICO
COUNTY OF TORRANCE

NOTES TO FINANCIAL STATEMENTS
June 30, 1994

(14) RECONCILIATION OF GAAP BASIS TO NON-GAAP BASIS - CONTINUED

General Fund:

Expenditures, GAAP Basis, Exhibit 2 \$ 5,845,053

Plus:

Prior year's accounts payable	287,556
Prior year's accrued expenses	51,198
Current year's prepaid expenses	45,123
Bond amortization	638

Less:

Current year accounts payable	(356,303)
Current year accrued expenses	(69,604)
Less prior year's prepaid expenses	<u>(50,948)</u>

Expenditures, Non-GAAP Basis, Exhibit 3 \$ 5,752,713
=====

Special Revenue Funds:

Expenditures, GAAP Basis, Exhibit 2 \$ 795,236

Plus:

Prior year's accounts payable	46,459
Prior year's accrued expenses	6,011

Less:

Prior year's prepaid expenses	(6,534)
Current year's accounts payable	(28,630)
Current year's accrued expenses	<u>(10,364)</u>

Expenditures, Non-GAAP Basis, Exhibit 3 \$ 802,178
=====

(15) CLOSURE AND POST CLOSURE COSTS

State and federal laws and regulations require that the County of Torrance place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The County is in the process of acquiring and constructing the landfill site. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill used during the current year.

The County does not have available the information necessary to perform the current year accrual calculation.

STATE OF NEW MEXICO
COUNTY OF TORRANCE

GENERAL FUND
June 30, 1994

To account for resources traditionally associated with governments
which are not required to be accounted for in another fund.

STATE OF NEW MEXICO
County of Torrance

A-1

General Fund
Balance Sheet
June 30, 1994

Assets

Cash and investments	\$	343,048
Due from other funds		2,350
Accounts receivable		430,267
Prepaid expenses		45,123

Total assets	\$	820,788
		=====

Liabilities and Fund Balance

Liabilities:		
Accounts payable	\$	356,303
Accrued compensation		69,604
Due to other funds		67,680

Total liabilities		493,587
Fund balance:		
Unreserved		327,201

Total liabilities and fund balance	\$	820,788
		=====

STATE OF NEW MEXICO
County of Torrance

A-2

General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended June 30, 1994

Revenues:	
Taxes	\$ 2,178,540
Licenses and permits	8,675
Intergovernmental	485,109
Charges for services	2,855,792
Miscellaneous	613,130
	<hr/>
Total revenues	6,141,246
	<hr/>
Expenditures:	
General government	1,057,702
Public safety	3,699,659
Highways and streets	1,087,692
	<hr/>
Total expenditures	5,845,053
	<hr/>
Excess (deficiency) of revenues over expenditures	296,193
Other financing sources (uses):	
Operating transfers in	240,765
Operating transfers out	(304,717)
	<hr/>
Total other sources (uses)	(63,952)
	<hr/>
Excess (deficiency) of revenues and other sources over expenditures and other uses	232,241
Fund balance at beginning of year (restated)	94,960
	<hr/>
Fund balance at end of year	\$ 327,201
	<hr/> <hr/>

STATE OF NEW MEXICO
County of Torrance

A-3

General Fund
Statement of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual (Cash Basis)
For the Year Ended June 30, 1994

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 2,095,679	\$ 2,148,532	\$ 52,853
Licenses and permits	275	8,675	8,400
Intergovernmental	1,099,592	582,803	(516,789)
Charges for services	4,816,630	2,810,031	(2,006,599)
Miscellaneous	168,150	561,474	393,324
Total revenues	8,180,326	6,111,515	(2,068,811)
Expenditures:			
General government	1,131,132	1,031,857	99,275
Public safety	5,540,340	3,676,008	1,864,332
Highways and streets	1,293,725	1,044,848	248,877
Health and welfare			
Conservation			
Total expenditures	7,965,197	5,752,713	2,212,484
Excess (deficiency) of revenues over expenditures	215,129	358,802	143,673
Other financing sources (uses):			
Operating transfers in	106,929	240,765	133,836
Operating transfers out	(33,490)	304,717	338,207
Increase in Cash	(288,568)		288,568
Total other sources (uses)	(215,129)	545,482	760,611
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 0	\$ 904,284	\$ 904,284

STATE OF NEW MEXICO
County of Torrance

A-4
(1 of 3)

General Fund
Statement of Expenditures Compared to Budget (Non-GAAP Basis)
and Actual (Cash Basis)
For the Year Ended June 30, 1994

	Budget	Actual	Variance Favorable (Unfavorable)
General government:			
Judicial:			
Personal services	\$ 6,977	\$ 6,974	\$ 3
Other charges and services	500	605	(105)
Total Judicial	7,477	7,579	(102)
Executive:			
Personal services	82,563	75,218	7,345
Other charges and services	18,388	15,257	3,131
Total Executive	100,951	90,475	10,476
Treasurer:			
Personal services	90,234	90,474	(240)
Other charges and services	9,050	8,823	227
Total Treasurer	99,284	99,297	(13)
Administrator:			
Personal services	17,386	18,151	(765)
Other charges and services	7,145	6,414	731
Capital outlay	0	0	0
Total Administrator	24,531	24,565	(34)
Legislative:			
Personal services	42,834	38,154	4,680
Other charges and services	285,397	254,537	30,860
Total Legislative	328,231	292,691	35,540
Recording & Filing:			
Personal services	84,857	85,222	(365)
Other charges and services	17,675	18,529	(854)
Total Recording & Filing	102,532	103,751	(1,219)
Elections:			
Other charges and services	20,691	19,641	1,050
Capital outlay	10,700	10,700	0
Total Elections	31,391	30,341	1,050

STATE OF NEW MEXICO
County of Torrance

A-4 (cont.)
(2 of 3)

General Fund
Statement of Expenditures Compared to Budget (Non-GAAP Basis)
and Actual (Cash Basis)
For the Year Ended June 30, 1994

	Budget	Actual	Variance Favorable (Unfavorable)
Re-appraisal:			
Personal services	4,720	954	3,766
Other charges and services	13,557	11,247	2,310
Capital outlay	0	0	0
Total Re-appraisal	18,277	12,201	6,076
Maintenance:			
Personal services	25,609	24,624	985
Other charges and services	74,490	49,540	24,950
Capital outlay	0	0	0
Total Maintenance	100,099	74,164	25,935
Assessor:			
Personal services	209,426	199,103	10,323
Other charges and services	4,270	4,151	119
Total Assessor	213,696	203,254	10,442
Data processing:			
Personal services	33,990	35,194	(1,204)
Other charges and services	21,080	20,763	317
Capital outlay	0	0	0
Total Data Processing	55,070	55,957	(887)
Economic Development:			
Personal services	4,988	6,981	(1,993)
Other charges and services	16,161	6,181	9,980
Total Economic Development	21,149	13,162	7,987
Planning & Zoning:			
Personal services	21,084	18,913	2,171
Other charges and services	7,360	5,507	1,853
Capital outlay	0	0	0
Total Planning & Zoning	28,444	24,420	4,024
Total General Government	1,131,132	1,031,857	99,275

STATE OF NEW MEXICO
County of Torrance

A-4 (cont.)
(3 of 3)

General Fund
Statement of Expenditures Compared to Budget (Non-GAAP Basis)
and Actual (Cash Basis)
For the Year Ended June 30, 1994

	Budget	Actual	Variance Favorable (Unfavorable)
	<u> </u>	<u> </u>	<u> </u>
Public safety:			
Law Enforcement:			
Personal services	\$ 330,882	\$ 332,406	\$ (1,524)
Other charges and services	169,194	168,967	227
	<u> </u>	<u> </u>	<u> </u>
Total Law Enforcement:	500,076	501,373	(1,297)
	<u> </u>	<u> </u>	<u> </u>
Jail:			
Personal services	0	0	0
Other charges and services	4,800,000	2,952,153	1,847,847
Capital outlay	0	0	0
	<u> </u>	<u> </u>	<u> </u>
Total Jail	4,800,000	2,952,153	1,847,847
	<u> </u>	<u> </u>	<u> </u>
Emergency 911			
Personal services	12,040	3,240	8,800
Other charges and services	4,500	4,366	134
Capital outlay	0	0	0
	<u> </u>	<u> </u>	<u> </u>
Total Emergency 911	16,540	7,606	8,934
	<u> </u>	<u> </u>	<u> </u>
Dispatch Center:			
Personal services	120,188	121,353	(1,165)
Other charges and services	14,256	9,108	5,148
Capital outlay	0	0	0
	<u> </u>	<u> </u>	<u> </u>
Total Dispatch Center	134,444	130,461	3,983
	<u> </u>	<u> </u>	<u> </u>
Ambulance:			
Other charges and services	89,280	84,415	4,865
	<u> </u>	<u> </u>	<u> </u>
Total Ambulance	89,280	84,415	4,865
	<u> </u>	<u> </u>	<u> </u>
Total Public Safety	5,540,340	3,676,008	1,864,332
	<u> </u>	<u> </u>	<u> </u>
Highways and streets:			
Personal services	407,366	394,907	12,459
Other charges and services	324,952	255,930	69,022
Capital outlay	561,407	394,011	167,396
	<u> </u>	<u> </u>	<u> </u>
Total Highways and Streets	1,293,725	1,044,848	248,877
	<u> </u>	<u> </u>	<u> </u>
Total expenditures	\$ 7,965,197	\$ 5,752,713	\$ 2,212,484
	=====	=====	=====

STATE OF NEW MEXICO
COUNTY OF TORRANCE

SPECIAL REVENUE FUNDS
June 30, 1994

SUMMER FOOD SERVICE PROGRAM FUND

To account for a grant from the State of New Mexico to provide summer lunches to children at various locations throughout the County.

FARM AND RANGE FUND

To account for predatory animal and insect control. Financing is provided from distributions made under the Taylor Grazing Act.

RECREATION FUND

To account for recreational expenditures financed by state shared cigarette tax one cent, which is required by state law to be used for recreation purposes.

CIVIL DEFENSE FUND

To account for a grant from the State of New Mexico for the operation of the Civil Defense Unit.

LAW ENFORCEMENT FUND

To account for a grant from the State of New Mexico Correction Department to be used for law enforcement improvements.

FIRE FUNDS

To account for the operations of the five fire districts, which are accounted for by the area served. Financing is provided by state fire allotments. The individual fire districts are: Duran, Tajique-Torreon, McIntosh, Indian Hills, and Sweetwater Hills.

FAIR FUND

To account for the proceeds and expenditure of a special sales tax. The purpose of the tax is to fund the fair.

EMERGENCY MEDICAL SERVICES FUND

To account for a grant from the State of New Mexico to be used for the acquisition of emergency medical services equipment.

STATE OF NEW MEXICO
COUNTY OF TORRANCE

SPECIAL REVENUE FUNDS
June 30, 1994

U.S. WEST YOUTH PROGRAM FUND

To account for a grant from U.S. West to provide youth to assist the Senior Citizens program at various sites throughout the County.

SENIOR CITIZENS' CAPITAL OUTLAY GRANT

To account for a special grant for senior citizen capital outlay.

MATERNAL HEALTH CARE PROGRAM FUND

To account for a grant from the State of New Mexico to provide educational and counseling services to teenagers in the County.

D.W.I. GRANT FUND

To account for a grant from the State of New Mexico for D.W.I. detection and prevention.

STATE OF NEW MEXICO
County of Torrance

B-1
(1 of 3)

Special Revenue Funds
Combining Balance Sheet
June 30, 1994

	Summer Food Service Fund	Farm & Range Fund	Recreation Fund	Civil Defense Fund	Law Enforcement Fund	Northeast Torrance Fire Fund	Indian Hills Fire Fund	Sub- total Page 1
<u>Assets</u>								
Cash	\$ 0	\$ 110	\$ 463	\$ 3,130	\$ 0	\$ 15,323	\$ 16,934	\$ 35,960
Accounts receivable	0					1,179	1,179	2,358
Due from other funds		1,658					2,250	3,908
Prepaid expenses	0							0
	<u>\$ 0</u>	<u>\$ 1,768</u>	<u>\$ 463</u>	<u>\$ 3,130</u>	<u>\$ 0</u>	<u>\$ 16,502</u>	<u>\$ 20,363</u>	<u>\$ 42,226</u>
Total assets	=====	=====	=====	=====	=====	=====	=====	=====
<u>Liabilities and Fund Balance</u>								
Accounts payable	\$ 0	\$	\$	\$ 515	\$ 2,206	\$ 2,552	\$ 618	\$ 5,891
Accrued expenses				1,510	916			2,426
Due to other funds			2,350					2,350
Cash overdraft				0	59			59
	<u>0</u>	<u>0</u>	<u>2,350</u>	<u>2,025</u>	<u>3,181</u>	<u>2,552</u>	<u>618</u>	<u>10,726</u>
Total liabilities								
Fund balance (deficit):								
Reserved							0	0
Unreserved and undesignated	0	1,768	(1,887)	1,105	(3,181)	13,950	19,745	31,500
	<u>0</u>	<u>1,768</u>	<u>(1,887)</u>	<u>1,105</u>	<u>(3,181)</u>	<u>13,950</u>	<u>19,745</u>	<u>31,500</u>
Total liabilities and fund balance (deficit)	<u>\$ 0</u>	<u>\$ 1,768</u>	<u>\$ 463</u>	<u>\$ 3,130</u>	<u>\$ 0</u>	<u>\$ 16,502</u>	<u>\$ 20,363</u>	<u>\$ 42,226</u>
	=====	=====	=====	=====	=====	=====	=====	=====

STATE OF NEW MEXICO
County of Tarrant

B-1
(2 of 3)

Special Revenue Funds
Combining Balance Sheet
June 30, 1994

	Sub-total From Page 1	Duran Fire Fund	Mc Intosh Fire Fund	Tajique- Torreon Fire Fund	Fair Fund	E.M.S. Fund	U. S. West Youth Fund	Sub- total Page 2
<u>Assets</u>								
Cash	\$ 35,960	\$ 29,639	\$ 27,688	\$ 72,063	\$ 0	\$ 5,577	\$ 0	170,927
Accounts receivable	2,358		1,337		0			3,695
Due from other funds	3,908	2,250	2,250	2,250				10,658
Prepaid expenses	0							0
	<u>\$ 42,226</u>	<u>\$ 31,889</u>	<u>\$ 31,275</u>	<u>\$ 74,313</u>	<u>\$ 0</u>	<u>\$ 5,577</u>	<u>\$ 0</u>	<u>185,280</u>
Total assets	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
<u>Liabilities and Fund Balance</u>								
Accounts payable	\$ 5,891	\$ 70	\$ 374	\$ 307	\$ 0	\$ 1,775	\$ 0	8,417
Accrued expenses	2,426						0	2,426
Due to other funds	2,350							2,350
Cash overdraft	59			0				59
Deferred revenue							0	0
	<u>10,726</u>	<u>70</u>	<u>374</u>	<u>307</u>	<u>0</u>	<u>1,775</u>	<u>0</u>	<u>13,252</u>
Total liabilities	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
Fund balance (deficit):								
Reserved	0	0	0	0				0
Unreserved and undesignated	31,500	31,819	30,901	74,006	0	3,802		172,028
	<u>31,500</u>	<u>31,819</u>	<u>30,901</u>	<u>74,006</u>	<u>0</u>	<u>3,802</u>	<u></u>	<u>172,028</u>
Total liabilities and fund balance (deficit)	<u>\$ 42,226</u>	<u>\$ 31,889</u>	<u>\$ 31,275</u>	<u>\$ 74,313</u>	<u>\$ 0</u>	<u>\$ 5,577</u>	<u>\$ 0</u>	<u>185,280</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

STATE OF NEW MEXICO
County of Torrance

B-1
(3 of 3)

Special Revenue Funds
Combining Balance Sheet
June 30, 1994

	Sub-total From Page 2	Senior Citizen Program Fund	Maternal Health Care Fund	D.W.I. Grant Fund	Total
<u>Assets</u>					
Cash	\$ 170,927	\$ 0	\$ 215	\$ 0	\$ 171,142
Accounts receivable	3,695	4,481	31,234	0	39,410
Due from other funds	10,658				10,658
Prepaid expenses	0				0
	<u>\$ 185,280</u>	<u>\$ 4,481</u>	<u>\$ 31,449</u>	<u>0</u>	<u>\$ 221,210</u>
Total assets	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
<u>Liabilities and Fund Balance</u>					
Accounts payable	\$ 8,417	\$ 4,526	\$ 8,310	\$ 7,377	\$ 28,630
Accrued expenses	2,426	6,125	708	1,105	10,364
Due to other funds	2,350				2,350
Cash overdraft	59	76,221	47,065	8,590	131,935
Deferred revenue	0				0
	<u>13,252</u>	<u>86,872</u>	<u>56,083</u>	<u>17,072</u>	<u>173,279</u>
Total liabilities	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
Fund balance (deficit):					
Reserved	0				0
Unreserved and undesignated	172,028	(82,391)	(24,634)	(17,072)	47,931
	<u>172,028</u>	<u>(82,391)</u>	<u>(24,634)</u>	<u>(17,072)</u>	<u>47,931</u>
Total liabilities and fund balance (deficit)	<u>\$ 185,280</u>	<u>\$ 4,481</u>	<u>\$ 31,449</u>	<u>0</u>	<u>\$ 221,210</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

STATE OF NEW MEXICO
County of Torrance

B-2
(1 of 3)

Special Revenue Fund
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 1994

	Summer Food Program Fund	Farm & Range Fund	Recreation Fund	Civil Defense Fund	Law Enforcement Fund	North- East Torrance Fire Fund	Indian Hills Fire Fund	Sub- total Page 1
Revenues:								
Intergovernmental	\$ 65,066	\$	\$	\$ 23,542	\$ 20,000	\$ 24,333	\$ 24,333	\$ 157,274
Taxes			194				10,978	11,172
Miscellaneous (Refunds)	(19,374)	2,226				12,230	5,280	362
Total revenue	45,692	2,226	194	23,542	20,000	36,563	40,591	168,808
Expenditures:								
Public safety				37,806	30,182	22,969	29,998	120,955
Health and welfare	45,692	10,000						55,692
Culture and recreation			250					250
Conservation								0
Total expenditures	45,692	10,000	250	37,806	30,182	22,969	29,998	176,897
Excess (deficiency) of revenues over expenditures	0	(7,774)	(56)	(14,264)	(10,182)	13,594	10,593	(8,089)
Other financing sources:								
Transfers in (out)		7,700	0	49,605		(5,000)	(5,000)	47,305
Excess (deficiency) of revenues and other sources over expenditures and other uses	0	(74)	(56)	35,341	(10,182)	8,594	5,593	39,216
Fund balance (deficit) at beginning of year	0	1,842	(1,831)	(34,236)	7,001	5,356	14,152	(7,716)
Fund balance (deficit) at end of year	\$ 0	\$ 1,768	\$ (1,887)	\$ 1,105	\$ (3,181)	\$ 13,950	\$ 19,745	\$ 31,500

STATE OF NEW MEXICO
County of Torrance

B-4

Farm and Range Fund
Statement of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual (Cash Basis)
For the Year Ended June 30, 1994

	Budget	Actual	Variance Favorable (Unfavorable)
	-----	-----	-----
Revenues:			
Miscellaneous:			
Taylor grazing fees	\$ 2,300	\$ 2,226	\$ (74)
	-----	-----	-----
Total revenue	2,300	2,226	(74)
	-----	-----	-----
Expenditures:			
Health and welfare:			
Predatory animal control	10,000	10,000	0
	-----	-----	-----
Total expenditures	10,000	10,000	0
	-----	-----	-----
Excess (deficiency) of revenues over expenditures	(7,700)	(7,774)	(74)
	-----	-----	-----
Other financing sources:			
Operating transfers in	7,650	7,700	50
Beginning cash	50		(50)
	-----	-----	-----
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 0	\$ (74)	\$ (74)
	=====	=====	=====

STATE OF NEW MEXICO
County of Torrance

B-5

Recreation Fund
Statement of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual (Cash Basis)
For the Year Ended June 30, 1994

	Budget	Actual	Variance Favorable (Unfavorable)
	<hr/>	<hr/>	<hr/>
Revenues:			
Intergovernmental:			
Cigarette tax	\$ 250	\$ 194	\$ (56)
	<hr/>	<hr/>	<hr/>
Total revenue	250	194	(56)
	<hr/>	<hr/>	<hr/>
Expenditures:			
Culture and recreation:			
Library	250	250	0
	<hr/>	<hr/>	<hr/>
Total expenditures	250	250	0
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	0	(56)	(56)
Other financing sources:			
Transfers in (out)	840		(840)
Beginning cash	(840)		840
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 0	\$ (56)	\$ (56)
	<hr/>	<hr/>	<hr/>

STATE OF NEW MEXICO
County of Torrance

B-6

Civil Defense Fund
Statement of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual (Cash Basis)
For the Year Ended June 30, 1994

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental:			
Grant	\$ 23,013	\$ 23,542	\$ 529
Miscellaneous	500	0	(500)
Total revenue	23,513	23,542	29
Expenditures:			
Public safety:			
Personal services	30,916	30,831	85
Operating expenses	8,650	6,136	2,514
Capital outlay	0	0	0
Total expenditures	39,566	36,967	2,599
Excess (deficiency) of revenues over expenditures	(16,053)	(13,425)	2,628
Other financing sources:			
Operating transfers in (out)		49,605	49,605
Beginning cash	16,053		(16,053)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 0	\$ 36,180	\$ 36,180

STATE OF NEW MEXICO
County of Torrance

B-9

Indian Hills Fire Special Revenue Fund
Statement of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual (Cash Basis)
For the Year Ended June 30, 1994

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 24,333	\$ 24,333	\$ 0
Taxes	3,744	9,799	6,055
Miscellaneous	600	5,280	4,680
Total revenue	28,677	39,412	10,735
Expenditures:			
Public safety:			
Operating expenses	17,570	18,033	(463)
Capital Outlay	12,163	11,347	816
Total expenditures	29,733	29,380	353
Excess (deficiency) of revenues over expenditures	(1,056)	10,032	11,088
Other financing sources:			
Operating transfers (out)	(2,000)	(5,000)	(3,000)
Beginning cash	3,056		(3,056)
Excess (deficiency) of revenues and other sources (uses) over expenditures	\$ 0	\$ 5,032	\$ 5,032

STATE OF NEW MEXICO
County of Torrance

B-10

Duran Fire Special Revenue Fund
Statement of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual (Cash Basis)
For the Year Ended June 30, 1994

	Budget	Actual	Variance Favorable (Unfavorable)
	-----	-----	-----
Revenues:			
Intergovernmental	\$ 24,333	\$ 24,333	\$ 0
Taxes	3,744	0	(3,744)
Miscellaneous	1,100	1,642	542
	-----	-----	-----
Total revenue	29,177	25,975	(3,202)
	-----	-----	-----
Expenditures:			
Public safety:			
Operating expenses	9,750	3,980	5,770
Capital outlay	22,000	8,513	13,487
	-----	-----	-----
Total expenditures	31,750	12,493	19,257
	-----	-----	-----
Excess (deficiency) of revenues over expenditures	(2,573)	13,482	16,055
Other financing sources:			
Increase in cash	4,773		(4,773)
Transfers (out)	(2,200)	(5,000)	(2,800)
	-----	-----	-----
Total other financing sources (uses):	2,573	(5,000)	(7,573)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 0	\$ 8,482	\$ 8,482
	=====	=====	=====

STATE OF NEW MEXICO
County of Torrance

B-12

Torreon-Tajique Fire Special Revenue Fund
Statement of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual (Cash Basis)
For the Year Ended June 30, 1994

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 24,333	\$ 24,333	\$ 0
Taxes	3,744	0	(3,744)
Miscellaneous	2,100	2,226	126
Total revenue	30,177	26,559	(3,618)
Expenditures:			
Public safety:			
Operating expenses	12,800	8,923	3,877
Capital outlay	49,000	0	49,000
Total expenditures	61,800	8,923	52,877
Excess (deficiency) of revenue over expenditures	(31,623)	17,636	49,259
Other financing sources (uses):			
Beginning cash	31,623	0	(31,623)
Transfers (out)	0	(5,000)	(5,000)
Total other financing sources (uses)	31,623	(5,000)	(36,623)
Excess (deficiency) of revenue over expenditures	\$ 0	\$ 12,636	\$ 12,636

STATE OF NEW MEXICO
County of Torrance

B-13

Fair Special Revenue Fund
Statement of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual (Cash Basis)
For the Year Ended June 30, 1994

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Special sales tax	\$ 19,000	\$ 19,000	\$ 0
Total revenue	19,000	19,000	0
Expenditures:			
Culture and recreation:			
Distribution to Fair Bd	19,000	19,000	0
Total expenditures	19,000	19,000	0
Excess (deficiency) of revenue over expenditures	\$ 0	\$ 0	\$ 0

STATE OF NEW MEXICO
County of Torrance

B-14

Emergency Medical Services Special Revenue Fund
Statement of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual (Cash Basis)
For the Year Ended June 30, 1994

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 16,000	\$ 10,795	\$ (5,205)
Total revenue	16,000	10,795	(5,205)
Expenditures:			
Public safety:			
Operating expenses	14,555	8,979	5,576
Capital outlay	0	0	0
Total expenditures	14,555	8,979	5,576
Excess (deficiency) of revenue over expenditures	1,445	1,816	371
Other financing sources (uses):			
Increase in cash	(1,445)		1,445
Excess (deficiency) of revenue over expenditures	\$ 0	\$ 1,816	\$ 1,816

STATE OF NEW MEXICO
County of Torrance

B-18

D.W.I. Grant Special Revenue Fund
Statement of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual (Cash Basis)
For the Year Ended June 30, 1994

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 117,493	\$ 6,184	\$ (111,309)
Miscellaneous	0	0	0
Total revenue	117,493	6,184	(111,309)
Expenditures:			
Health and welfare:			
Operating expenses	117,493	14,775	102,718
Capital outlay	0	0	0
Total expenditures	117,493	14,775	102,718
Excess (deficiency) of revenue over expenditures	0	(8,591)	(8,591)
Other financing sources (uses):			
Beginning cash	0	0	0
Transfers (out)	0	0	0
Total other financing sources (uses)	0	0	0
Excess (deficiency) of revenue over expenditures	\$ 0	\$ (8,591)	\$ (8,591)

STATE OF NEW MEXICO
COUNTY OF TORRANCE

DEBT SERVICE FUNDS
June 30, 1994

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

GENERAL OBLIGATION BOND FUND - To accumulate monies for payment of the 1993 General Obligation Serial bonds. The County is authorized to levy ad valorem taxes and other funds for the payment of principal and interest.

SOLID WASTE REVENUE BOND - To accumulate monies for payment of the 1992 Environmental Gross Receipts Tax Bonds. Bond interest and principal is payable from a 1/8 cent gross receipts tax as authorized by Section 7-1-6, NMSA 1978, and from landfill fees.

STATE OF NEW MEXICO
County of Torrance
Debt Service Funds
Combining Balance Sheet
June 30, 1994

C-1

	Solid Waste Revenue Bonds	General Obligation Bonds	Total
	-----	-----	-----
Assets			

Cash in bank	\$ 3,141	\$ 81,667	\$ 84,808
Due from other funds	37,470		37,470
Accounts receivable	3,141		3,141
	-----	-----	-----
Total assets	\$ 43,752	\$ 81,667	\$ 125,419
	=====	=====	=====
Liabilities and fund Balance			

Accrued expenses	\$ 37,002	\$ 0	\$ 37,002
	-----	-----	-----
	37,002	0	37,002
Fund Balance			

Fund balance:			
Unreserved and undesignated	6,750	81,667	88,417
	-----	-----	-----
Total liabilities and fund balance	\$ 43,752	\$ 81,667	\$ 125,419
	=====	=====	=====

STATE OF NEW MEXICO
COUNTY OF TORRANCE

ENTERPRISE FUND
June 30, 1994

SOLID WASTE SYSTEM FUND - To account for the provision of solid waste disposal services to the residents of the County.

STATE OF NEW MEXICO
County of Torrance
Solid Waste System Fund

D-1

Balance Sheet
June 30, 1994

Assets	
Current assets:	
Cash in bank	\$ 0
Accounts receivable	3,849
	<hr/> 3,849
Restricted assets:	
Cash in bank	0
	<hr/>
Total current assets	3,849
Property, plant & equipment	
Plant & equipment	36,658
Less accumulated depreciation	(6,988)
	<hr/>
Net plant & equipment	29,670
Other assets:	
Bond issuance costs (net)	13,538
	<hr/>
Total assets	\$ 47,057
	=====
Liabilities and Fund Balance	
Current liabilities:	
Cash overdraft	\$ 21,996
Accounts payable	5,381
Accrued expenses	7,416
Due to other funds	468
Current portion of bonds payable	0
	<hr/>
Total current liabilities	35,261
Long-term debt:	
Revenue bonds payable	330,000
	<hr/>
Total liabilities	365,261
Retained earnings:	
Retained earnings (deficit)	(318,204)
	<hr/>
Total liabilities and fund equity	\$ 47,057
	=====

STATE OF NEW MEXICO
County of Torrance
Solid Waste System Fund
Statement of Revenues, Expenses and
Changes in Retained Earnings
For the Year Ended June 30, 1994

D-2

Revenues:		
Solid waste system fees	\$ 31,842	
Gross receipts tax	66,731	
Miscellaneous	0	
	<hr/>	
Total revenues		\$ 98,573
Operating expenses:		
Professional services	72,658	
Personal services	73,897	
Amortization	2,288	
Supplies	1,631	
Printing	142	
Depreciation	6,071	
Workshops	360	
Repairs & maintenance	4,269	
Utilities	611	
Interest	15,266	
	<hr/>	
Total operating expenses		177,193
		<hr/>
Net income (loss) from operations		(78,620)
Other financing sources (uses):		
Transfers out		0
		<hr/>
Net income (loss)		(78,620)
Retained earnings, beginning of year		(239,584)
		<hr/>
Retained earnings, end of year	\$	(318,204)
		<hr/> <hr/>

STATE OF NEW MEXICO
County of Torrance
Solid Waste System Fund
Statement of Cash Flows
For the Year Ended June 30, 1994

D-3

Cash flows from operating activities:	
Operating income (loss)	\$ (78,620)
Adjustments to reconcile net operating loss to net cash provided by operating activities:	
Depreciation	6,071
Amortization	2,288
(Increase) in accounts receivable	(599)
Increase in accounts payable	(6,056)
Increase in accrued expenses	5,820
Increase in due to other funds	0

Net cash used by operating activities	(71,096)
Cash flows provided by financing activities:	
Retirement of revenue bonds	(20,000)
Bond issuance costs	0

Net cash provided by financing activities	(20,000)
Cash flows used by capital and related activities:	
Purchase of plant and equipment	0

Net increase (decrease) in cash	(91,096)
Cash, July 1, 1993	69,100

Cash (overdraft), June 30, 1994	\$ (21,996)
	=====

STATE OF NEW MEXICO
County of Torrance
Solid Waste System Fund
Statement of Revenues and Expenses
Budget (Non-GAAP) and Actual (Cash Basis)
For the Year Ended June 30, 1994

D-4

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Revenues:					
Solid waste system fees	\$ 31,842	\$ (176)	\$ 31,666	\$ 40,000	\$ (8,334)
Gross receipts tax	66,731	(423)	66,308	50,000	16,308
Miscellaneous	0	0	0		0
Total revenues	98,573	(599)	97,974	90,000	7,974
Operating expenses:					
Professional services	72,658	6,340	78,998	102,500	23,502
Personal services	73,897	(3,930)	69,967	65,735	(4,232)
Amortization	2,288	0	2,288	0	(2,288)
Supplies	1,631	11	1,642	3,000	1,358
Printing	142	0	142	1,000	858
Depreciation	6,071	0	6,071	0	(6,071)
Workshops	360	(110)	250	1,000	750
Repairs & maintenance	4,269	(106)	4,163	13,500	9,337
Fuel	611	(78)	533	1,000	467
Miscellaneous	15,266	(1,891)	13,375	0	(13,375)
Total operating expenses	177,193	236	177,429	187,735	10,306
Net income (loss) from operations	(78,620)	(835)	(79,455)	(97,735)	18,280
Other financing sources (uses):					
Transfers out				(28,047)	(28,047)
Beginning cash balance				125,782	125,782
Revenue Bonds					
Total other financing sources (uses)	0	0	0	97,735	97,735
Net income (loss)	\$ (78,620)	\$ (835)	\$ (79,455)	\$ 0	\$ (79,455)

STATE OF NEW MEXICO
County of Torrance
General Obligation Bond Acquisition Capital Project Fund

E-1

Balance Sheet
June 30, 1994

Assets

Current assets:

Cash in bank	\$ 820,521
Accounts receivable	0
Due from other funds	20,020

Total current assets	840,541

Other assets:

Bond issuance costs (net)	28,439

Total assets	\$ 868,980
	=====

Liabilities and Fund Balance

Current liabilities:

Accounts payable	\$ 0

Total current liabilities	

Fund equity:

Fund balance, reserved for future expenditures	868,980

	\$ 868,980
	=====

STATE OF NEW MEXICO
COUNTY OF TORRANCE

AGENCY FUND
June 30, 1994

To account for the collection of taxes and distribution to other taxing entities. The fund is custodial in nature and does not involve measurement of results of operations.

STATE OF NEW MEXICO
County of Torrance

F-1

Statement of Assets and Liabilities
All Agency Funds
For the year ended June 30, 1994

Property Tax Fund

	July 1, 1993	Additions	Deletions	June 30, 1994
ASSETS				
Cash	\$ 49,386	\$ 1,643,798	\$ 1,637,813	\$ 55,371
Total assets	<u>\$ 49,386</u>	<u>\$ 1,643,798</u>	<u>\$ 1,637,813</u>	<u>\$ 55,371</u>
LIABILITIES				
Taxes paid in advance	\$ 8,021	\$ 1,347	\$ 0	\$ 9,368
Due to other taxing units	41,365	\$ 1,642,451	1,637,813	46,003
Total liabilities	<u>\$ 49,386</u>	<u>\$ 1,643,798</u>	<u>\$ 1,637,813</u>	<u>\$ 55,371</u>

INDEPENDENT AUDITOR'S
REPORT ON INTERNAL CONTROL STRUCTURE BASED
ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS

Robert E. Vigil, CPA
State Auditor
Santa Fe, New Mexico
and
Board of County Commissioners
County of Torrance
Estancia, New Mexico

We have audited the general purpose financial statements of the County of Torrance, New Mexico for the period ended June 30, 1994, and have issued our report thereon dated October 5, 1994.

Except as discussed in the following paragraphs, we conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

We were unable audit the financial statements supporting the financial activities of the Fixed Asset Group of Accounts because the County's records of fixed assets are incomplete. Those financial activities are included in the fixed assets account group and represent 100 percent of the assets of that account type.

In planning and performing our audit of the general purpose financial statements of County of Torrance, New Mexico, for the year ended June 30, 1994, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

Recommendation

We recommend that the County:

1. Establish policies for recording and controlling fixed assets and documenting them;
2. Ensure fixed asset records contain adequate and appropriate data including:
 - a. Property listings, including additions, contain data that is compatible with the financial records. The two records should agree;
 - b. All fixed assets are included on the property listings and that the property listings do not include fixed assets no longer maintained by the County;
 - c. Using the actual date the fixed asset was acquired for the acquisition date;
 - d. Using the invoice amount for recording the fixed asset's value; and
 - e. Acquisition document number (voucher, warrant, etc.).
4. Accounting for the fixed assets in the general ledger, and
5. Reconciling the property listings to the financial records.

Response

We agree with the auditor's recommendation and have been preparing a detailed fixed asset inventory as time allows. We expect to have this project completed during the current fiscal year.

CURRENT YEAR FINDINGS

SUMMER FOOD SERVICE PROGRAM

Condition

A grant was awarded to the County during the current fiscal year to provide food service to low income children throughout the County. The County contracted with an outside entity to provide services and operate the program. The revenue received and expenditures made were recorded directly on the books of the contractor without being processed through the accounting records of the County. This process completely bypassed the normal budgetary controls of the County. The County, however, is still liable for the proper expenditure of those funds. There was no W-4's, Form 1099's, nor Form 941's in the files of the Summer Food Program. We were unable to determine if these forms had been properly filed with the Internal Revenue Service. In addition, it appears that the program director met the criteria of the Internal Revenue Service to be treated as an employee. However, she was treated as an independent contractor. The program also had a cost overrun of \$5,825 which was paid back to the State of New Mexico.

Criteria

The grant funds are public monies and are subject to all of the laws, rules, and regulations of other County funds.

Effect

The County could have improper expenditures in excess of budget without being aware of the problem.

Cause

The County was not aware of the fact that these funds could not be handled in this manner.

Recommendation

We recommend that the County immediately bring those funds under their control and employ normal accounting policies and procedures.

Response

The County has discontinued this program and repaid funds to the State of New Mexico.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH THE GENERAL REQUIREMENTS APPLICABLE TO
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Robert E. Vigil, CPA
State Auditor
Santa Fe, New Mexico
and
Board of County Commissioners
County of Torrance
Estancia, New Mexico

We have audited the general purpose financial statements of County of Torrance, as of and for the year ended June 30, 1994, and have issued our report thereon dated October 5, 1994.

We have applied procedures to test County of Torrance's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended June 30, 1994:

- Political activity
- Davis-Bacon Act
- Civil rights
- Cash management
- Relocation Assistance and
Real Property Acquisition
- Federal financial reports
- Allowable costs/cost principles
- Drug-free Workplace Act
- Administrative requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement or Single Audits of State and Local Governments". Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on County of Torrance's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

Material instances of noncompliance consist of failures to follow the general requirements that caused us to conclude that the misstatements resulting from those failures are material to the programs listed on Schedule 1. The results of our tests of compliance disclosed the following material instances of noncompliance.

FIXED ASSET INVENTORY

The County does not have a fully priced and reconciled list of property, plant and equipment as required by OMB Circular A-102, Attachment N. This finding is discussed further on page 74.

We considered this material instance of noncompliance in forming our opinion on whether County of Torrance's 1994 general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated October 5, 1994, on those financial statements.

Except as described above, the results of our procedures to determine compliance indicate that, with respect to the items tested, County of Torrance, complied, in all material respects, with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that County of Torrance, had not complied, in all material respects, with those requirements.

This report is intended for the information of the management and the State Auditor. However, this report is a matter of public record and its distribution is not limited.

Emmons Hagood & Company

October 5, 1994

SINGLE AUDIT REPORT ON COMPLIANCE WITH SPECIFIC
REQUIREMENTS APPLICABLE TO NON-MAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Robert E. Vigil, CPA
State Auditor
Santa Fe, New Mexico
and
Board of County Commissioners
County of Torrance
Estancia, New Mexico

We have audited the accompanying balance sheets and the combining balances sheets of the County of Torrance, State of New Mexico, as of June 30, 1994 as listed in the table of contents. These balance sheets are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We were unable audit the financial statements supporting the financial activities of the Fixed Asset Group of Accounts because the County's records of fixed assets are incomplete. Those financial activities are included in the fixed assets account group and represent 100 percent of the assets of that account type.

In connection with our audit of the general purpose financial statements of County of Torrance, New Mexico, and with our consideration of County of Torrance, New Mexico's, internal control systems used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1994.

As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed and eligibility; that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on County of Torrance, New Mexico, compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that County of Torrance, New Mexico, had not complied, in all material respects, with those requirements.

This report is intended for the information of management, and the State Auditor. However, this report is a matter of public record and its distribution is not limited.

Emmons, Hagood & Company

October 5, 1994

INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL
CONTROL STRUCTURE USED IN ADMINISTERING
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Robert E. Vigil, CPA
State Auditor
Santa Fe, New Mexico
and
Board of County Commissioners
County of Torrance
Estancia, New Mexico

We have audited the general purpose financial statements of the County of Torrance, New Mexico, as of and for the year ended June 30, 1994, and have issued our report thereon dated October 5, 1994.

Except as discussed in the following paragraph, we conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

We were unable audit the financial statements supporting the financial activities of the Fixed Asset Group of Accounts because the County's records of fixed assets are incomplete. Those financial activities are included in the fixed assets account group and represent 100 percent of the assets of that account type.

In planning and performing our audit for the year ended June 30, 1994, we considered the internal control structure of the County of Torrance in order to determine our auditing procedures for the purpose of expressing our opinions on the general purpose financial statements of the County of Torrance and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated October 5, 1994.

Specific Requirements

- * Types of service
- * Matching
- * Reporting
- * Special tests and provisions
- * Eligibility
- * Cost allocation

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1994, County of Torrance, New Mexico, had no major federal financial assistance programs and expended 100 percent of its total federal financial assistance under non-major federal financial assistance programs as shown on Schedule 1.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the County's non-major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the County's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

Prior year findings that have not been resolved and are still in effect:

FEDERAL FINANCIAL REPORTS

Condition

The monthly reports filed by the Senior Citizens' Fund for reimbursement under Federal grants do not always agree with the Commissioners expenditure report for some of the months in the fiscal year. Part of the difference is because of a different cut-off date for compiling each of the reports. The official records of the County are the Commissioner's Expenditure Report and various reports produced by the County's accounting system.

Criteria

Generally accepted accounting principles requires that the grantee maintain an adequate and effective system to support financial statements. Circular A-128 also requires that all federal financial reports be reconciled to the County's accounting records.

Effect

Without an adequate system to report expenditures the County could lose reimbursable revenues or misreport federal expenditures.

Cause

The County has failed to recognize the importance of maintaining an adequate and effective system for the reporting of grant expenditures.

Recommendation

We recommend that all grant reports be reconciled to the Commissioner's Expenditure Report which is the official records of the County.

Response

Starting in July, 1994 we have adhered to the auditor's recommendation.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of management and the State Auditor. However, this report which is a matter of public record and its distribution is not limited.

Emmons Hagood & Company

October 5, 1994

INDEPENDENT AUDITOR'S
REPORT ON COMPLIANCE BASED ON AN AUDIT
OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH THE GOVERNMENT AUDITING STANDARDS

Robert E. Vigil, CPA
State Auditor
Santa Fe, New Mexico
and
Board of County Commissioners
County of Torrance
Estancia, New Mexico

We have audited the general purpose financial statements of the County of Torrance, New Mexico as of and for the year ended June 30, 1994, and have issued our report thereon dated October 5, 1994.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

We were unable audit the financial statements supporting the financial activities of the Fixed Asset Group of Accounts because the County's records of fixed assets are incomplete. Those financial activities are included in the fixed assets account group and represent 100 percent of the assets of that account type.

Compliance with laws, regulations, contracts, and grants applicable to County of Torrance, New Mexico is the responsibility of County of Torrance's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of County of Torrance's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, the County of Torrance, complied in all material respects with those laws and regulations referred to above, except for the immaterial noncompliance described in the following paragraphs. With respect to items not tested, nothing came to our attention that caused us to believe that County of Torrance had not complied, in all material respects, with those provisions.

FEDERAL FINANCIAL REPORTS

Condition

The monthly reports filed by the Senior Citizens' Fund for reimbursement under Federal grants do not reconcile with the County Budget report. Part of the difference is because of a different cut-off date for compiling each of the reports. The official records of the County are the County Budget Report and various reports produced by the County's accounting system.

Criteria

Generally accepted accounting principles requires that the grantee maintain an adequate and effective system to support financial statements. Circular A-128 also requires that all federal financial reports be reconciled to the County's accounting records.

Effect

Without an adequate system to report expenditures, the County could lose reimbursable revenues or misreport federal expenditures.

Cause

The County does not maintain an adequate reconciliation between the federal financial reports and County records and reports.

Recommendation

We recommend that all grant reports be reconciled to the County Budget Report which is an official statement of the County.

Response

Starting in July, 1994 we will comply with the auditor's recommendation.

BUDGET OVEREXPENDITURES

Condition

The County incurred expenditures in excess of the approved budgets in the following funds:

<u>Fund</u>	<u>Approved Budget</u>	<u>Actual Expenditures</u>	<u>Amount Overexpended</u>
L.E.P.F. Fund	\$ 28,314	\$ 28,373	\$ (59)
Senior Citizens	\$ 280,022	\$ 310,670	\$ (30,648)
U.S. West Fund	\$ 5,015	\$ 5,478	\$ (463)

Criteria

A budget is a proposed plan of financial operations for a given period of time. The annual budget authorizes and provides the basis for control of financial operations during the fiscal year. The budget should be analyzed monthly to insure expenditures remain within the legally adopted budget and revisions should be made whenever necessary.

Effect

State statute may have been violated subjecting those responsible to the penalty provisions of the statute.

Cause

Purchases were approved in excess of available budget or budget adjustments were not approved to cover the expenditures approved.

Recommendation

We recommend that purchases not be approved which would cause the budget to be exceeded.

Response

These types of overexpenditures are handled by doing budget adjustments approved by the commission.

This report is intended for the information of the management and the State Auditor. However, this report is a matter of public record and its distribution is not limited.

Emmons Hagood & Company
October 5, 1994

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Robert E. Vigil, CPA
State Auditor
Santa Fe, New Mexico
and
Board of County Commissioners
County of Torrance
Estancia, New Mexico

We have audited the general purpose financial statements of the County of Torrance, New Mexico, for the period ended June 30, 1994, and have issued our report thereon dated October 5, 1994. These general purpose financial statements are the responsibility of the County of Torrance, New Mexico's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

Except as set forth in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We were unable audit the financial statements supporting the financial activities of the Fixed Asset Group of Accounts because the County's records of fixed assets are incomplete. Those financial activities are included in the fixed assets account group and represent 100 percent of the assets of that account type.

STATE OF NEW MEXICO
County of Torrance

Schedule 1

Schedule of Federal Financial Assistance
June 30, 1994

Federal Grantee/Pass Through Grantor/Program Title	Federal C.F.D.A. Number	Program or Grant Award	Cash/ Receivable 6/30/93	Receipts Transfers	Expenditures	Cash/ Receivable 6/30/94
<u>U.S. Department of Human Resources</u>						
Passed through New Mexico State Agency on Aging: Older Americans Act Title III B and C	93.633	\$ 46,829	\$ (59,334)	\$ 37,757	\$ 37,757	\$ (59,334)
<u>U.S. Department of Agriculture</u>						
Passed through New Mexico State Agency on Aging: Cash in Lieu of Commodities (Accounted for within the Senior Citizen's Special Revenue Fund)	10.570	13,060	0	15,646	15,646	0
<u>U.S. Federal Emergency Management Agency</u>						
Passed through the Office of Military Affairs: Civil Defense Division	83.503	0	0	23,542	23,542	0
Total:			\$ (59,334)	\$ 76,945	\$ 76,945	\$ (59,334)
<u>Per Financial Statements:</u>						
Senior Citizens, B-16			\$ (59,334)	\$ 37,757	\$ 37,757	\$ (59,334)
Title III B & C			0	15,646	15,646	0
Cash in lieu			7,468	202,910	257,267	(16,889)
Other revenue/expenditures/transfers						
Total Senior Citizens			\$ (51,866)	\$ 256,313	\$ 310,670	\$ (76,223)
Civil Defense, B-6						
Federal grants			\$ 0	\$ 23,542	\$ 23,542	\$ 0
Transfers & other			(33,052)	49,605	13,425	3,128
Total Civil Defense			\$ (33,052)	\$ 73,147	\$ 36,967	\$ 3,128

STATE OF NEW MEXICO
County of Torrance
Reconciliation of Tax Rolls
For the Year Ended June 30, 1994

Schedule 2

Uncollected taxes, July 1, 1993		\$	407,332
Plus:			
Taxes assessed, current year			2,864,630
Less:			
Taxes collected			2,783,897
			<hr/>
Uncollected taxes, June 30, 1994		\$	488,065
			=====
Undistributed taxes, July 1, 1993		\$	42,512
Taxes collected			2,783,897
			<hr/>
Taxes available for distribution			2,826,409
Undistributed taxes, June 30, 1994			55,176
			<hr/>
Taxes distributed		\$	2,771,233
			=====
Detail of taxes distributed:			
County general fund		\$	1,264,599
Municipalities:			
Willard	\$	904	
Estancia		7,779	
Moriarty		22,946	
Mountainair		26,119	
Encino		866	
			<hr/>
			58,614
State:			
Dairy and hogs levy		793	
State levy		164,846	
Cattle levy		35,433	
Sheep levy		1,288	
Cost to state		4,325	
Penalty and interest		11,208	
			<hr/>
			217,893
Schools:			
Operational		44,940	
Debt Service		938,581	
Capital improvements		210,033	
			<hr/>
			1,193,554
Soil and Water Districts:			
Claunch Pinto		9,397	
Carrizozo		8	
Edgewood		27,168	
			<hr/>
			36,573
			<hr/>
Total taxes distributed		\$	2,771,233
			=====