

***STATE OF NEW MEXICO***

***COUNTY OF TORRANCE***

***AUDIT REPORT***

***For the Year Ended June 30, 2001***

***(with Auditor's Report Thereon)***

***RICE & ASSOCIATES***  
***CERTIFIED PUBLIC ACCOUNTANTS***

STATE OF NEW MEXICO

COUNTY OF TORRANCE

AUDIT REPORT

For The Year Ended June 30, 2001

(with Auditor's Report Thereon)

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
TABLE OF CONTENTS  
Year Ended June 30, 2001

	<u>Page</u>
Introduction Section	
Official Roster	i
Financial Section	
Independent Auditor's Report	1
<u>Exhibit</u>	
Combined Statements - Overview:	
1    Combined Balance Sheet - All Fund Types and Account Groups	3
2    Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types	5
3    Combined Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	6
Notes to Financial Statements	8
<u>Statement/Schedule</u>	
Special Revenue Funds:	
A-1    Combining Balance Sheet	28
A-2    Combining Statement of Revenues, Expenditures and Changes in Fund Balances	36
A-3    Road Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	44
A-4    Farm & Range Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	45
A-5    Recreation Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	46

# Table of Contents (Continued)

	<u>Page</u>
A-6 Northeast Torrance Fire District Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	47
A-7 Torrance County District II Fire District Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	48
A-8 Duran Fire District Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	49
A-9 McIntosh Fire District Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	50
A-10 Torreon-Tajique Fire District Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	51
A-11 Law Enforcement Protection Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	52
A-12 County Indigent Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	53
A-13 Emergency Medical Services Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	54
A-14 Maternal Health Care Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	55
A-15 Senior Citizens Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	56
A-16 Civil Defense Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	57
A-17 DWI Grant Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	58



# Table of Contents (Continued)

	<u>Page</u>
A-18 Reappraisal Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	59
A-19 Clerk's Equipment Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	60
A-20 Medicaid Transportation Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	61
A-21 Domestic Violence Court Fee Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	62
A-22 1/4% Fire Excise Tax Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	63
A-23 Cops More Grant Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	64
A-24 Cops in School Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	65
A-25 Universal Hiring Grant Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	66
A-26 Legislative Appropriations Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	67
A-27 Emergency 911 Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	68
A-28 Fair Board Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	69
A-29 Dr. Saul Scholarship Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	70

Table of Contents (Continued)

	<u>Page</u>
A-30 U.S. Forest Co-op Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	71
A-31 Lodger's Tax Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	72
A-32 Domestic Violence Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	73
A-33 Drug Education Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	74
A-34 Safety Program Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	75
A-35 Rural Addressing Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	76
A-36 Energy Conservation Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	77
A-37 Law Enforcement Block Grant Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	78
A-38 Jail Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	79
A-39 Environmental Gross Receipts Tax Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	80
A-40 Seniors Cash in Lieu Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	81
A-41 Estancia Basin Water Study Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	82

Table of Contents (Continued)

	<u>Page</u>
A-42 Traffic Safety Grant Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	83
A-43 Options Grant Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	84
A-44 Small Communities Grant Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	85
A-45 Senior Employment Program Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	86
Capital Projects Funds:	
B-1 Combining Balance Sheet	87
B-2 Combining Statement of Revenues, Expenditures and Changes in Fund Balances	88
B-3 C.D.B.G. Grant Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	89
B-4 Mountainair Clinic Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	90
B-5 Judicial Complex Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	91
B-6 Fire Substation Planning Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	92
Debt Service Funds:	
C-1 Combining Balance Sheet	93
C-2 Combining Statement of Revenues, Expenditures and Changes in Fund Balances	94

# Table of Contents (Continued)

	<u>Page</u>
C-3     General Obligation Bond: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	95
C-4     General Obligation Bond: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	96
Agency Funds:	
D-1     Combining Statement of Changes in Assets and Liabilities - All Agency Funds	97
Account Groups:	
E-1     Statement of Changes in General Fixed Assets	98
E-2     Statement of Changes in General Long-Term Debt	99
Supplementary Information:	
F-1     Schedule of Expenditures of Federal Awards	100
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	102
Report on Compliance with Requirements Applicable to each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	104
Status of Comments	106
Schedule of Finding and Questioned Costs	125

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Official Roster  
Year Ended June 30, 2001

COUNTY COMMISSION

<u>Name</u>	<u>Title</u>
Mr. Bill R. Williams	Chairman
Mr. Rodger E. Rayner	Commissioner
Mr. Chester Riley, Jr.	Commissioner

ELECTED OFFICIALS

Ms. Linda Jaramillo	County Clerk
Ms. Dorothy Sandoval	County Treasurer
Mr. Cris Pohl	County Assessor
Mr. Pete Golden	Sheriff
Ms. Mary Ann C. Anaya	Probate Judge

ADMINISTRATIVE OFFICIALS

Mr. Bob Ayre	County Manager
Ms. Tracy Sedillo	Assistant County Manager

**FINANCIAL STATEMENTS**



*Rice and Associates, C.P.A.*

AUDITING  
BOOKKEEPING

CERTIFIED PUBLIC ACCOUNTANTS

11805 Menaul NE  
Albuquerque, NM 87112  
(505) 292-8275

TAX PLANNING  
TAX PREPARATION

INDEPENDENT AUDITOR'S REPORT

Mr. Domingo P. Martinez, CGFM  
State Auditor  
and  
Mr. Bill R. Williams, Chairman  
and County Commissioners  
County of Torrance  
Estancia, New Mexico

We have audited the accompanying general purpose financial statements and the combining and individual fund and account group financial statements of the County of Torrance as of and for the year ended June 30, 2001, as listed in the table of contents. These 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 paragraphs, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose and the combining and individual fund and account group financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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.

The County of Torrance does not have detailed records to support the recorded amounts of buildings, improvements and land in the General Fixed Assets Account Group. As a result, we were not able to audit all of the actual additions and deletions of fixed assets occurring during the year ended June 30, 2001. In addition, we were not able to audit the recorded amounts for fixed assets as of June 30, 2001 in the General Fixed Assets Account Group.

Also, the records of the Medicaid Transportation Fund were inaccurate and, as a result, the Attorney General of New Mexico has claimed that the County owes the State of New Mexico \$269,905, which the County disputes. As this matter had not been resolved, we were unable to determine total liabilities and total expenses of the Medicaid Transportation Fund.

In our opinion, except for the effects of such adjustments as might have been determined to be necessary had we been able to audit detailed records supporting recorded amounts of buildings, improvements and land as discussed in the preceding paragraph, and except for the effects of any adjustments required as a result of the claim by the Attorney General of New Mexico the general-purpose financial statements and combining, individual and account group financial statements referred to above present fairly, in all material respects, the financial position of the County of Torrance as of June 30, 2001 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, except for the effects of such adjustments as might have been determined to be necessary had we been able to audit detailed records supporting recorded amounts of buildings, improvements and land as discussed in the preceding paragraph, the combining and individual fund and account group financial statements and except for the effects of any adjustments required as a result of the claim by the Attorney General of New Mexico referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the County as of June 30, 2001, and the results of operations of such funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 8, 2003 on our consideration of the County of Torrance's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements and combining, individual and account group financial statements of the County of Torrance taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information, has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

*Reed & Associates, C.P.A.*

July 8, 2003



Exhibit 1

Types		Fiduciary Fund Types	Account Groups	
Capital Projects	Debt Service	Agency	General Fixed Assets	General Long Term Debt
\$ 2,396,867	\$ 164,469	\$ 96,114	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
69,081	-	-	-	-
-	-	-	7,760,097	-
-	-	-	-	164,469
-	-	-	-	4,145,361
<u>\$ 2,465,948</u>	<u>\$ 164,469</u>	<u>\$ 96,114</u>	<u>\$ 7,760,097</u>	<u>\$ 4,309,830</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
69,081	-	-	-	-
-	-	96,114	-	-
-	-	-	-	53,817
-	-	-	-	3,050,000
-	-	-	-	172,637
-	-	-	-	1,033,376
<u>69,081</u>	<u>-</u>	<u>96,114</u>	<u>-</u>	<u>4,309,830</u>
-	-	-	7,760,097	-
-	164,469	-	-	-
<u>2,396,867</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>2,396,867</u>	<u>164,469</u>	<u>-</u>	<u>7,760,097</u>	<u>-</u>
<u>\$ 2,465,948</u>	<u>\$ 164,469</u>	<u>\$ 96,114</u>	<u>\$ 7,760,097</u>	<u>\$ 4,309,830</u>



STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Combined Statement of Revenues, Expenditures and Changes in  
Fund Balance - All Governmental Fund Types  
Year Ended June 30, 2001

	Governmental Fund Types			
	General	Special Revenue	Capital Projects	Debt Service
<b>REVENUES</b>				
Taxes	\$ 2,401,591	\$ -	\$ -	\$ -
Charges for services	87,343	21,328	-	-
Local sources	126,347	324,117	-	766,104
State sources	18,830	1,777,250	-	-
State shared taxes	390,317	682,732	-	-
Federal sources	137,393	731,204	164,026	-
Earnings on investments	37,813	26,782	14,260	5,716
Total revenues	<u>3,199,634</u>	<u>3,563,413</u>	<u>178,286</u>	<u>771,820</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,376,376	47,372	-	-
Public safety	1,034,176	2,071,328	-	-
Highways and streets	-	975,335	-	-
Health and welfare	-	1,152,397	-	-
Culture and recreation	-	19,250	-	-
Capital outlay	-	-	281,419	-
Debt service:				
Principal	-	-	-	700,000
Interest	-	-	-	38,390
Total expenditures	<u>2,410,552</u>	<u>4,265,682</u>	<u>281,419</u>	<u>738,390</u>
Excess (deficiency) revenues over expenditures	789,082	(702,269)	(103,133)	33,430
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond proceeds	-	-	2,500,000	-
Transfers in	-	1,113,590	-	-
Transfers out	<u>1,108,099</u>	<u>(5,491)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>1,108,099</u>	<u>1,108,099</u>	<u>2,500,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	(319,017)	405,830	2,396,867	33,430
Fund balance beginning of year	<u>892,600</u>	<u>150,699</u>	<u>-</u>	<u>131,039</u>
Fund balance end of year	<u>\$ 573,583</u>	<u>\$ 556,529</u>	<u>\$ 2,396,867</u>	<u>\$ 164,469</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Combined Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Taxes	\$ 2,398,754	\$ 2,401,591	\$ 2,837	\$ -	\$ -	\$ -
Charges for services	113,317	87,343	(25,974)	19,670	21,328	1,658
Local sources	125,456	126,347	891	386,970	333,822	(53,148)
State sources	40,000	25,894	(14,106)	1,988,504	1,687,231	(301,273)
State shared taxes	433,743	390,317	(43,426)	958,432	683,505	(274,927)
Federal sources	132,374	137,393	5,019	1,436,854	577,504	(859,350)
Earnings on investments	42,000	37,813	(4,187)	28,230	26,782	(1,448)
Total revenues	<u>\$ 3,285,644</u>	<u>\$ 3,206,698</u>	<u>\$ (78,946)</u>	<u>\$ 4,818,660</u>	<u>\$ 3,330,172</u>	<u>\$ (1,488,488)</u>
EXPENDITURES						
Current:						
General government	\$ 1,597,845	\$ 1,377,640	\$ 220,205	\$ 167,742	\$ 66,496	\$ 101,246
Public safety	949,972	1,034,176	(84,204)	2,868,813	2,187,458	681,355
Highways and streets	-	-	-	1,244,221	977,180	267,041
Health and welfare	-	-	-	1,607,823	1,188,926	418,897
Culture and recreation	-	-	-	22,098	19,250	2,848
Total expenditures	<u>\$ 2,547,817</u>	<u>\$ 2,411,816</u>	<u>\$ 136,001</u>	<u>\$ 5,910,697</u>	<u>\$ 4,439,310</u>	<u>\$ 1,471,387</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ -	\$ -	\$ -	\$ 1,114,664	\$ 1,121,172	\$ (6,508)
Transfer out	(1,111,083)	(1,109,173)	1,910	(5,491)	(5,491)	-
Total other financing sources (uses)	<u>\$ (1,111,083)</u>	<u>\$ (1,109,173)</u>	<u>\$ 1,910</u>	<u>\$ 1,109,173</u>	<u>\$ 1,115,681</u>	<u>\$ (6,508)</u>
BUDGETED CASH BALANCE	<u>\$ 866,374</u>			<u>\$ 517,517</u>		

See accompanying notes to financial statements.



STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Combined Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Capital Projects Fund			Debt Service Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-
Local sources	-	-	-	207,676	766,104	558,428
State sources	100,000	-	(100,000)	-	-	-
State shared taxes	-	-	-	-	-	-
Federal sources	641,750	94,945	(546,805)	-	-	-
Earnings on investments	-	14,260	14,260	-	5,716	5,716
Total revenues	<u>\$ 741,750</u>	<u>\$ 109,205</u>	<u>\$ (632,545)</u>	<u>\$ 207,676</u>	<u>\$ 771,820</u>	<u>\$ 564,144</u>
EXPENDITURES						
Current:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	3,241,750	281,419	2,960,331	-	-	-
Debt Service - Bonds	-	-	-	150,000	700,000	(550,000)
Debt Service - Interest	-	-	-	26,794	38,390	(11,596)
Total expenditures	<u>\$ 3,241,750</u>	<u>\$ 281,419</u>	<u>\$ 2,960,331</u>	<u>\$ 176,794</u>	<u>\$ 738,390</u>	<u>\$ (561,596)</u>
OTHER FINANCING SOURCES (USES)						
Bond proceeds	\$ 2,500,000	\$ 2,500,000	\$ -	\$ -	\$ -	\$ -
Transfers in	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-
Total other financing sources (uses)	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>\$ -</u>			<u>\$ -</u>		

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Notes to Financial Statements  
Year Ended June 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Torrance was 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 three-member 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, law enforcement services and maintains County roads.

A. Reporting Entity

The financial statements of Torrance County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Governmental Accounting Standards Board Statement (GASBS) 14, "The Financial Reporting Entity," effective for periods beginning after December 15, 1992, established standards for defining and reporting on the financial reporting entity. GASBS 14 supersedes previous standards issued by the national Council on Governmental Accounting. The requirements of GASBS 14 apply at all levels to all state and local governments.

GASBS 14 defines the financial reporting entity as consisting of primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. This definition of the reporting entity is based primarily on the notion of financial accountability as the "cornerstone of all financial reporting in government." A primary government is any state government or general purpose local government, consisting of all the organizations that make up its legal entity. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are, for financial reporting purposes, part of the primary government.

In evaluating how to define the County, 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 generally accepted accounting principles (GAAP) and Government Accounting Standards Board (GASB) Statement 14.

## Notes to Financial Statements (Continued)

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 a 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 County and is generally available to citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of fiscal dependence, regardless of whether the government is able to exercise oversight responsibilities. In determining fiscal independence or dependence, a government entity is considered fiscally independent if it has the authority to do all three of the following:

- (a) Determine its budget without another government having the authority to approve and modify that budget
- (b) Levy taxes or set rates or changes without approval by another government, and
- (c) Issue bonded debt without approval by another government.

The County had no blended or discreetly presented component units during the year.

### B. Fund Accounting

The accounts of the County are organized and operated on the basis of funds and account groups. The fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

The County has the following fund types and account groups:

*Governmental Funds* are used to account for the government's general government activities. Governmental fund types use the flow of current financial resources measurement focus and modified accrual

## Notes to Financial Statements (Continued)

basis of accounting. 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.

Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers all property tax revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property tax and interest revenue are susceptible to accrual. Gross receipt taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the County and are recognized as revenue at that time.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Governmental funds include the following fund types:

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

The *Special Revenue Funds* account for revenue sources that are legally restricted to expenditures for specific purposes (other than special assessments, expendable trusts, or major capital projects).

The *Capital Projects Funds* are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The *Debt Service Funds* account for the servicing of general long-term debt not being financed by proprietary or non-expendable trust funds.



## Notes to Financial Statements (Continued)

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

The Agency Funds are custodial in nature and does not represent results of operations or have a measurement focus. These funds are used to account for assets that the County holds for others in an agency capacity.

Accounts Groups. The General Fixed Assets Account Group is used to account for fixed assets not accounted for in proprietary or trust funds. The General Long-Term Debt Account Group is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

### C. Assets, liabilities and equity

#### 1. Deposits and investments

The County's cash and investments are considered to be cash on hand, demand deposits and short-term investments with original maturities of one year or less from the date of acquisition. State statutes (Public Monies Act 6-10-1 through 6-10-63 NMSA 1978) authorize the County to invest in (1) bond or negotiable securities of the United States, the state or any county, municipality or school district which has a taxable valuation of real property for the last preceding year of at least one million dollars (\$1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding; or (2) securities that are issued by the United States government or by its agencies or instrumentality and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government. The County may also invest in repurchase agreements and in the State Treasurer's Investment Pool. Sections 6-10-16 and 6-10-17 NMSA 1978, requires that the deposit of public money be secured by securities of the United States, its agencies or instrumentality or by securities of the State of New Mexico, its agencies instrumentality, counties, municipalities or other subdivisions or by securities that are guaranteed by the United States or the State of New Mexico equal to one-half of the amount of public money on deposit.

#### 2. Receivables and payables

Transactions between funds that are representatives of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". All property tax and intergovernmental receivables are deemed fully collectible and no allowance for uncollectibles is recorded.

## Notes to Financial Statements (Continued)

### 3. Fixed assets

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. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset's lives are not included in the General Fixed Assets Account Group.

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. The General Fixed Assets Account Group is not a fund. It is concerned with the measurement of financial position and is not involved with measurement of results of operations.

### D. Property Taxes

The County Treasurer receives deposits of monies from and collects taxes for the various County funds and other 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 monies.

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. The applicable property is subject to lien and penalties and interest is assessed when property taxes become delinquent. When property taxes are delinquent three years, the property is transferred to the State Property Tax Department for public sale.

Chapter 7, Articles 35 through 38, 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.



## Notes to Financial Statements (Continued)

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. The legislature shall provide by law for the valuation of residential property. The limitation may be applied to classes of residential property taxpayers based on owner-occupancy, age or income. The limitations may be authorized statewide or at the option of a local jurisdiction and may include conditions under which the limitation is applied. Any valuation limitations authorized as a local jurisdiction option shall provide for applying statewide or multi-jurisdictional property tax rates to the value of the property as if the evaluation increase limitation did not apply.

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 or property and except necessary levies for public debt, shall not exceed twenty mills annually on cash 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.

### 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;

Notes to Financial Statements (Continued)

- c. Make such corrections, revisions, and amendments to proposed budgets as may be necessary to meet the requirements of law;
  - d. Certify a final budget for the County prior to the first Monday in September of each year. Such budgets, when approved, shall be binding upon all officials of the state;
  - e. Upon the approval of the director of the Department of Finance and Administration, authorize the transfer of funds from one budget item to another when such transfer is requested and an emergency condition exists meriting such transfer and such transfer is not prohibited by law. In case of emergency necessitating the expenditure for item or items not provided for in the budget, upon approval of the director of the Department of Finance and Administration, the budget may be revised to authorize such expenditures;
  - f. With written approval of the director of the Department of Finance and Administration, increase the total budget of the County in the event the County undertakes an activity, service, project or construction program which was not contemplated at the time the final budget was adopted and approved and which activity, service, project or construction program will produce sufficient revenue to cover such increase in the budget or the County has surplus funds on hand not necessary to meet the expenditures provided for in the budget with which to cover such increase in the budget;
  - g. Supervise the disbursement of funds to the end that expenditures will not be made in excess of budgeted items or for items not budgeted and that there will not be illegal expenditures;
  - h. Prescribe the form for all budgets, books, records and accounts for the County, and
  - i. With the approval of the director of the Department of Finance and Administration, make rules and regulations relating to budgets, records, reports, handling and disbursement of public funds, or in any matter relating to the financial affairs of the County.
3. The County Manager is authorized to transfer budgeted amounts between departments within any fund;
4. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Projects Fund, and Debt Service Funds. The County did not adopt a budget for the General Obligation Bond Debt Service Fund, and the General Obligation Bond Acquisition Capital Projects Fund.



## Notes to Financial Statements (Continued)

Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis inconsistent with generally accepted accounting principles (GAAP). Budgetary and actual comparisons presented for these funds in this report are on the non-GAAP (cash) budgetary basis;

5. Budgeted amounts are as originally adopted, or as amended by the County Commissioners and the Department of Finance and Administration. Individual amendments were not material in relation to the original budgets.
6. The level of classification detail in which expenditures may not legally exceed appropriation for budget is at the fund level.

### F. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the General Long-Term Debt Account Group as "Compensated absences payable" with a corresponding "Amount to be provided for payment of General Long-Term Debt" because they are not expected to be liquidated with expendable available financial resources.

### G. Interfund Transactions

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are property applicable to another fund, are recorded as expenditures in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

## 2. CASH ON DEPOSIT

New Mexico statutes provide that deposits of public monies in financial institutions must be secured by pledged collateral in an aggregate value equal to one-half of the amount of the public monies deposited after deducting the amount of Federal Deposit Insurance Corporation insurance coverage for each financial institution.

# Notes to Financial Statements (Continued)

The following is a description of cash on deposit by financial institution and the related pledged collateral at June 30, 2001:

	<u>Wells Fargo Bank</u>
Cash on deposit - checking	\$ 535,133
Less F.D.I.C.	<u>(100,000)</u>
Uninsured funds	435,133
50% Collateral requirement	<u>217,567</u>
Pledged collateral	<u>883,674</u>
Excess of pledged collateral	<u>\$ 666,107</u>

Pledged collateral of the financial institution consists of the following:

<u>Wells Fargo Bank MINN-MPLS</u>	<u>Maturity Date</u>	
FNMA 303913 CUSIP#31373USA6	05-01-26	\$ 797,406
FNMA 303913 CUSIP#31373USA6	05-01-26	<u>86,269</u>
		<u>\$ 883,674</u>

The County's cash on deposit is categorized to give an indication of the level of risk assumed by the County at year end.

Category 1 - This includes cash and investments that are insured or collateralized or for which the securities are held by the County or its agent in the County's name. Category 1 indicates that the exposure of cash or investments to potential custodial credit risk is low. Category 1 deposits are \$100,000.

Category 2 - This includes collateralized cash and investments for which the securities are held by the counter parties trust department or agent in the County's name. Category 2 indicates that the exposure of cash or investments is higher than Category 1. Category 2 deposits are \$435,133.

Category 3 - This includes uncollateralized investments for which the securities are held by the counter party or by its department or agent, but not in the County's name. Category 3 indicates that the exposure of cash or investments is at the highest level. Category 3 deposits is none. (All money is collateralized by Category 1 and 2).



Notes to Financial Statements (Continued)

The County invests cash in the Local Government Investment Pool operated by the New Mexico State Treasurer.

Total cash invested with New Mexico State Treasurer \$3,223,709

The Local Government Investment Pool operated by the New Mexico State Treasurer is responsible for enforcing collateralization requirements not the County.

The credit risk for the balances above for the New Mexico State Treasurers Investment Pool cannot be determined. The risk would be determined at the State Treasurers Investment Pool level. The accounts of the State Treasurers Investment Pool are monitored by the State Treasurers Office and the State Treasurer issues separate financial statements which disclose the collateral pledged to secure these deposits.

The investments are valued at fair value based on quoted market prices as of the valuation date. The State Treasurer Local Government Investment Pool is not SEC registered. Section 6-10-10 1, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States government or by its departments or agencies and are either direct obligations of the United States or are backed by the full faith and credit of the United States government or are agencies sponsored by the United States government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments.

The Local Government Investment Pool does not have unit shares. Per Section 6-10-10. 1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts in the fund were invested. Participation in the local government investment pool is voluntary.

The following reconciles the cash in bank to the financial statements.

Local Government Investment Pool	\$3,223,709
Petty Cash	300
Wells Fargo Bank	535,133
Deposit in transit	6,469
Outstanding checks	<u>(460,789)</u>
Total reconciled cash	3,304,822
Total per financial statements	<u>3,304,822</u>
Difference	<u>\$ - 0 -</u>

Notes to Financial Statements (Continued)

3. DR. SAUL SCHOLARSHIP

A Scholarship fund was started to help high school kids applying to the health field. This originated as a benefit dinner. Three to five judges were appointed by the County Commission. This fund is currently being discontinued.

4. RECEIVABLES

Receivables at June 30, 2001, consist of the following:

	<u>General</u>	<u>Special Revenue</u>
Intergovernmental	<u>\$13,942</u>	<u>\$316,219</u>

All amounts are considered collectible.

5. DUE FROM GRANTOR

The amount shown as due from grantor represents federal/state projects expenditures in excess of revenues. Most federal/state projects earn revenue as expenditures are incurred and are subsequently reimbursed by the grantor.

6. CHANGES IN LONG-TERM DEBT

Leases

At June 30, 2001, the County had the following purchase contracts payable:

	<u>Date of Contract</u>	<u>Original Amount</u>	<u>Principal Balance June 30, 2001</u>
1. Informaton Leasing Corporation Pierce Contender	06/2001	\$ 119,090	\$ 119,090
2. NM State Board of Finance-voting machines-no interest	12/1992	107,000	10,700
3. Wells Fargo-(3) Crown Victorias-6.77%	08/1999	119,762	32,669
4. LaSalle National Bank-Fire Truck-6%	10/1994	68,881	11,631



# Notes to Financial Statements (Continued)

	<u>Date of Contract</u>	<u>Original Amount</u>	<u>Principal Balance June 30, 2001</u>
5. NM Taxation and Revenue-re-appraisal computer system-no interest	12/1994	142,267	20,323
6. LaSalle National Bank-(5) Ford Expeditions-5.0%	06/1999	150,000	39,630
7. Banc One-(9) Motor Graders-5.64%	03/2001	780,106	735,041
8. LaSalle National Bank-Energy Conservation Program-6.09%	03/1998	<u>84,675</u>	<u>64,292</u>
		<u>\$1,571,781</u>	<u>\$ 1,033,376</u>

The annual requirements to amortize to maturity in capital leases payable are as follows:

<u>Year Ended</u>	<u>Total Payments</u>
2002	\$ 290,717
2003	170,495
2004	170,495
2005	170,495
2006	170,495
Thereafter	<u>290,025</u>
Total	1,262,722
Less amount representing interest payments	<u>(229,346)</u>
Present value of minimum lease payments	<u>\$ 1,033,376</u>

The County has entered into non-cancelable operating leases with IKON Capital for various office equipment. Future minimum payments are shown in the following schedule.

<u>Year Ended</u>	<u>Total Payments</u>
2002	\$ 36,936
2003	<u>8,300</u>
Total future minimum payments	<u>\$ 45,236</u>

Notes to Financial Statements (Continued)

**General Obligation Bonds**

During the fiscal year ended June 30, 2001, the County issued \$3,050,000 of General Obligation Bonds, to acquire and improve a necessary site for and acquiring constructing, furnishing, equipping and improving a new County Courthouse. 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.

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

<u>Year Ended</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2002	\$ 110,241	\$ -	\$ 110,241
2003	144,831	75,000	219,831
2004	140,519	75,000	215,519
2005	135,487	100,000	235,487
2006	129,019	125,000	254,019
Thereafter	<u>789,800</u>	<u>2,675,000</u>	<u>3,464,800</u>
Total	<u>\$1,449,897</u>	<u>\$ 3,050,000</u>	<u>\$ 4,499,897</u>

**Long-Term Notes**

The County's long-term notes consist of two obligations incurred in 1995 and 1996 with the New Mexico Finance authority in the amounts of \$107,000 and \$27,000, respectively. These notes were obtained for the purpose of defraying the cost of acquiring equipment for fire protection in various areas of the County. The interest rates for the notes are 6.152% and 4.998%, respectively. The principal and interest payments are provided by the Fire Protection Fund and the Fire Protection Excise Tax Revenues, respectively. The New Mexico Finance Authority is intercepting these revenues. The County also entered into a long-term note with the New Mexico Finance Authority in 1999 in the amount of \$82,052. This note was also obtained for the purpose of defraying the cost of acquiring equipment for fire protection in the County. The interest rate for the note ranges from 3.8% to 4.55%. The principal and interest payments are provided by the Fire Protection Fund and the Fire Protection Excise Tax Revenues, respectively. The New Mexico Finance Authority is intercepting these revenues.

<u>Year Ended</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2002	\$ 8,620	\$ 23,148	\$ 31,768
2003	7,743	23,643	31,386
2004	6,843	24,158	31,001
2005	5,897	25,688	31,585
2006	4,894	8,000	12,894
Thereafter	<u>25,343</u>	<u>68,000</u>	<u>93,343</u>
Total	<u>\$ 59,340</u>	<u>\$ 172,637</u>	<u>\$ 231,977</u>

Notes to Financial Statements (Continued)

**Accrued Compensated Absences**

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave. Sick leave accumulates at the rate of 3.69 hours per pay period. Accrued sick leave is forfeited upon termination of employment.

Full-time County employees accrue annual leave according to the following schedule.

<u>Hours Per Pay Period</u>	<u>Accrual Rate Per Pay Period</u>	<u>Year of Service</u>
32	2.46	Less than 3 years of service
32	2.95	3 or more but less than 7
32	3.68	7 or more but less than 11
32	4.43	11 or more but less than 15
32	4.92	15 or more years of service
36	2.77	Less than 3 years of service
36	3.32	3 or more but less than 7
36	4.15	7 or more but less than 11
36	4.99	11 or more but less than 15
36	5.44	15 or more years of service
40	3.08	Less than 3 years of service
40	3.69	3 or more but less than 7
40	4.61	7 or more but less than 11
40	5.54	11 or more but less than 15
40	6.15	15 or more years of service

Annual leave must be taken within the calendar year. Employees are only allowed to carry over forty (40) hours of annual leave to the next calendar year.

7. DEFICIT FUND BALANCE

The following individual Special Revenue Funds have deficit fund balances for the year ended June 30, 2001. These are a result of the expenditure of grant funds in excess of reimbursements. If collections or reimbursements in future years are not sufficient, it is likely that the General Fund will be required to make up these deficits.

<u>Fund</u>	<u>Deficit June 30, 2001</u>
Farm and Range Fund	\$ 697
Maternal Health Care Fund	\$ 42,239
DWI Grant Fund	\$ 49,548
Rural Addressing Fund	\$ 44,062
Energy Conservation Fund	\$ 3,758
Jail Fund	\$ 129,478
Seniors Capital Outlay Appropriation Fund	\$ 87,616



Notes to Financial Statements (Continued)

8. EXCESS OF EXPENDITURES OVER BUDGET

For the fiscal year ended June 30, actual expenditures exceeded budgeted expenditures at the overall fund level in the following funds:

Special Revenue Funds

Farm & Range Fund	\$	124
DWI Grant Fund	\$	5,572
Universal Hiring Grant	\$	21,713
Rural Addressing Fund	\$	2,717
Energy Conservation Fund	\$	3,758
Jail Fund	\$	113,747

Debt Service Fund

General Obligation Bond	\$	561,596
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9. TAX ROLL RECONCILIATION

Uncollected taxes, July 1, 2000	\$	904,138
Plus: Net taxes assessed, current year		5,214,535
Adjustment to current year's assessments		18,349
Less: taxes collected		(5,111,824)
Less: Charge off of taxes receivable		(4,908)

Uncollected taxes, June 30, 2001	<u>\$</u>	<u>1,020,290</u>
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Undistributed taxes, July 1, 2000	\$	214,612
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Taxes collected	<u></u>	<u>5,111,824</u>
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Taxes available for distribution		5,326,436
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Undistributed taxes, June 30, 2001	<u></u>	<u>(218,360)</u>
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Taxes distributed	<u>\$</u>	<u>5,108,076</u>
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Property taxes receivable by years:

<u>Tax Year</u>	<u>Amount</u>
2000	\$ 626,716
1999	223,938
1998	77,467
1997	19,614
1996	(1,925)
1995	24,681
1994	32,555
1993	11,257
1992	3,186
1991	<u>2,801</u>
	<u>\$ 1,020,290</u>

Notes to Financial Statements (Continued)

COLLECTIONS AND DISTRIBUTIONS

	Balance 6/30/2000	Taxes Collected	Taxes Distributed	Balance 6/30/2001
<u>County Funds</u>				
Current Taxes	\$ -	\$2,056,653	\$ 2,056,653	\$ -
Delinquent Taxes	-	233,841	233,841	-
Debt Service	<u>131,039</u>	<u>216,104</u>	<u>188,390</u>	<u>158,753</u>
Total	<u>131,039</u>	<u>2,506,598</u>	<u>2,478,884</u>	<u>158,753</u>
<u>Special Districts</u>				
Claunch/Pinto	1,436	19,665	20,626	475
Carrizozo	-	8	8	-
East Torrance	2,131	50,715	51,506	1,340
Edgewood	<u>1,810</u>	<u>55,692</u>	<u>56,127</u>	<u>1,375</u>
Total	<u>5,377</u>	<u>126,080</u>	<u>128,267</u>	<u>3,190</u>
<u>Municipalities</u>				
Willard	64	1,359	1,381	42
Estancia	361	11,980	12,135	206
Moriarty	1,100	39,529	40,108	521
Mountainair	2,650	41,057	42,332	1,375
Encino	<u>36</u>	<u>1,311</u>	<u>1,301</u>	<u>46</u>
Total	<u>4,211</u>	<u>95,236</u>	<u>97,257</u>	<u>2,190</u>
<u>State of New Mexico</u>				
State Debt Service	10,238	311,840	315,008	7,070
Cattle	201	28,169	27,829	541
Sheep	5	368	372	1
Equines	(196)	1,563	1,356	11
Dairy Cattle	<u>195</u>	<u>5,325</u>	<u>5,520</u>	<u>-</u>
Total	<u>10,443</u>	<u>347,265</u>	<u>350,085</u>	<u>7,623</u>
<u>Schools</u>				
Operational	2,865	85,698	86,697	1,866
Debt Service	46,940	1,494,388	1,506,086	35,242
Capital				
Improvements	12,927	407,782	411,463	9,246
Encino Ed Tech				
Debt	<u>810</u>	<u>48,777</u>	<u>49,337</u>	<u>250</u>
Total	<u>63,542</u>	<u>2,036,645</u>	<u>2,053,583</u>	<u>46,604</u>
Grand Total	<u>\$ 214,612</u>	<u>\$5,111,824</u>	<u>\$ 5,108,076</u>	<u>\$ 218,360</u>

10. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries insurance through the New Mexico Insurance authority and the New Mexico Association of Counties Multi-Line Pool. The following is a summary of some of the more significant insurance coverage information related to the County.



## Notes to Financial Statements (Continued)

Coverage provided to the County through membership in the New Mexico County Insurance authority Multi-Line Pool (Authority) includes tort liability limits for casualty coverage (general automobile, civil rights and public officials liability) on a "claims made" basis with an additional \$200,000 for defense costs above the tort limits. Property is subject to a limit of \$50,000,000 each occurrence, with sublimits for certain coverage extensions. Crime coverage has a limit of \$200,000. The County pays a deductible of \$500 for each property or crime loss and deductible of \$3,000 for each civil rights claim. The Authority pays losses up to \$150,000 for property and \$250,000 for liability per occurrence.

Coverage provided by the Authority's Worker's Compensation Pool includes up to \$300,000 for each accident and up to \$300,000 for each employee or occupational disease. The County also has volunteer firefighters and boiler and machine insurance coverage through the Authority's multi-line pool.

Coverage provided to the County through membership in the New Mexico Association of Counties Law Enforcement Liability Program (Association) includes tort liability limits for police professional liability coverage on a claims made basis. The County pays an operational deductible of \$10,000 per occurrence. The Association pays covered losses above the deductible up to \$250,000 per occurrence from the Association's funds collected for law enforcement only. Excess coverage is provided in an amount up to \$12,750,000 for the annual pool aggregate, for covered claims which exceed the self-insured retention.

### 11. BUDGET TO GAAP RECONCILIATION

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>
<u>Revenue</u>				
Exhibit 2	\$3,199,634	\$3,563,413	\$ 178,286	\$ 771,820
Exhibit 3	<u>3,206,698</u>	<u>3,330,172</u>	<u>109,205</u>	<u>771,820</u>
(Decrease) Increase in accounts receivable/ Due from Grantor	<u>\$ (7,064)</u>	<u>\$ 233,241</u>	<u>\$ 69,081</u>	<u>\$ -</u>
<u>Expenditures</u>				
Exhibit 2	\$2,410,552	\$4,265,682	\$ 281,419	\$ 738,390
Exhibit 3	<u>2,411,816</u>	<u>4,439,310</u>	<u>281,419</u>	<u>738,390</u>
(Decrease) Increase in accounts payable	<u>\$ (1,264)</u>	<u>\$ (173,628)</u>	<u>\$ -</u>	<u>\$ -</u>

## Notes to Financial Statements (Continued)

### 12. RETIREMENT PLAN

*Plan Description.* Substantially all of the County's full-time employees participate in a public employee retirement system authorized under the Public Employees' Retirement Act (Chapter 10, Article 11 NMSA 1978). The Public Employees' Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement, disability benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, New Mexico 87504-2123.

*Funding Policy.* Plan members are required to contribute 9.15% of their gross salary for regular County employees and 7.0% of gross salary for Sheriff's Department employees. The County is required to contribute 9.15% for regular employees and 10.0% for Sheriff's Department employees. The contribution requirements of the plan members and the County are established under Chapter 10, Article II NMSA 1978. The requirements may be amended by acts of the Legislature. The County's contributions to PERA for the years ended 2001, 2000 and 1999 were \$187,093, \$170,731 and \$154,042, respectively, equal to the amount of the required contributions for each year.

### 13. RETIREE HEALTH CARE ACT CONTRIBUTIONS

The Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978) provides comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The Retiree Health Care Authority is the Administrator of the plan. 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, or 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 consist of institutions of higher education, school districts, or other entities participating in the Public School Insurance Authority, state agencies, state courts, magistrate courts, municipalities or counties, which are affiliated under or covered by the Educational Retirement Act, the Public Employees Retirement Act, Volunteer Firefighters Retirement Act, Judicial Retirement Act, or the Magistrate Retirement Act.



## Notes to Financial Statements (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 equal to one-half of one percent of the employee's annual salary. For the year ended June 30, 2000, each participating retiree paid a monthly premium from \$56.00 if on Medicare and \$59.38 if not on Medicare for the basic single plan plus an additional five dollars (\$5.00) if the 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 Retiree Health Care Authority issues a separate, publicly available audited financial report that includes post employment benefit expenditures of premiums and claims paid, participant contributions (employer, employee, and retiree), and net expenditures for the fiscal year. The report also includes approximate number of retirees participating in the plan. That report may be obtained by writing to the Retiree Health Care Authority, 810 W. San Mateo Road, Santa Fe, New Mexico 87505.

For the fiscal year ended June 30, 2001, the County remitted \$19,721 for employer contributions and \$9,861 in employee contributions to the Retiree Health Care Authority.

### 14. MEDICAID FUND LIABILITY

The Attorney General completed an investigation of the County. They found discrepancies in the use of billings to the New Mexico Medicaid Program. Currently the Attorney General is willing to settle the matter in the amount of \$269,905. The County's attorney is currently vigorously fighting the settlement. Therefore, no liability has been included in the financial statements.

Notes to Financial Statements (Continued)

15. CONTINGENT LIABILITIES

The County accepts prisoners from the State of New Mexico Department of Corrections and U.S. Marshall Service and subcontracts with the Corrections Corporation of America (CCA) for housing those prisoners. If CCA fails to meet the contract requirements, the County could be liable to the State and U.S. Marshall Service, or could be liable for awards or damages resulting from legal actions filed by prisoners.

16. PREPARATION OF FINANCIAL STATEMENTS

The financial statements contained herein were primarily prepared from the original books and records of the County as of June 30, 2001 by Rice & Associates, CPA with substantial advice from County employees. The County is responsible for the financial statements contained herein.

17. EXIT CONFERENCE

An exit conference was held at the county on July 22, 2003, to discuss the current audit report and auditors' comments. In attendance were Ms. Tracy Sedillo, Assistant County Manager, Ms. Dorothy Sandoval, County Treasurer, Mr. Bob Ayre, County Manager and Ms. Pamela A. Rice, CPA, Contract Auditor.

### SPECIAL REVENUE FUNDS

**ROAD FUND** - To account for funds used to maintain roads for which the County has responsibility. Financing is provided by motor vehicles fees flowing through the state. Expenditures are restricted to the construction and maintenance of County Roads. Authority is Section 67-4-1 NMSA 1978.

**FARM AND RANGE FUND** - To account for the operations of farm and range activities, including soil and water conservation, predatory animal and insect control. Financing is provided from distributions made under the Taylor Grazing Act. Authority is Section 6-11-6, NMSA 1978.

**RECREATION FUND** - To account for the operations and maintenance of County owned recreational facilities. Financing is provided by state shared one-cent cigarette tax, which is required by state law to be used for recreational facilities and salaries of instructors and other employees necessary to the operation of such facilities. Authority is Section 7-12-15, NMSA 1978.

**FIRE DISTRICT FUNDS** - To account for the operations of the five fire districts, which are defined by the area served. Financing is provided by state fire allotments. The individual fire districts are North Torrance, Torrance County District II, Duran, McIntosh, and Torreon-Tajique. Financing is provided from the County's share of the fire allotment issued by the State Fire Marshall under NMSA 59A-53-5, NMSA 1978, and also by gross receipts tax approved by the voters of the County.

**LAW ENFORCEMENT PROTECTION FUND** - To account for a grant from the State of New Mexico Correction Department through the Law Enforcement Protection Act. The funding is to be used for law enforcement improvements. Authority is 29-13-1, NMSA 1978.

**COUNTY INDIGENT FUND** - To account for expenditures incurred in providing services for the care of indigents. Financing is provided by the County's share of gross receipts tax and may be used only for that purpose. Authority is 27-5-7, NMSA 1978.

**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 to County residents. Sources of funds are the State of New Mexico Health Department Emergency Medical Services Bureau. Authority is Section 24-10A-3 through 10, NMSA 1978.



**SPECIAL REVENUE FUNDS**, continued

**MATERNAL HEALTH CARE FUND** - To account for a grant from the State of New Mexico Department of Health, to provide maternal child health coordination, adolescent pregnancy prevention, prenatal care coordination, information and referral services and maternal child health tracking services. Authority is Section 24-1B-1 to 24-1B-7, NMSA 1978.

**SENIOR CITIZENS FUND** - To account for the operations of various senior citizens centers funded by Eastern New Mexico Area Agency on Aging, fund raising income, and the County's contributions. Resources received by a grant from Area Agency on Aging from the Older Americans Act, Title III-B, III C-1, and III C-2, monies and monies appropriated in Chapter 12, 1996 Laws of New Mexico (HB2). Authority is the Older Americans Act and HB2.

**CIVIL DEFENSE FUND** - To account for a grant from the State of New Mexico for the operation of the Civil Defense Unit. Proceeds are 25% from the State of New Mexico and 75% from FEMA reimbursements. Authority is FEMA.

**DWI GRANT FUND** - To account for a grant from the State of New Mexico for D.W.I. detection and prevention pursuant to Chapter 65, New Mexico Laws of 1993. Authority is Section 6-4-8, NMSA 1978.

**REAPPRAISAL FUND** - To account for the operations of a fund to help with reappraisal of County property to insure valuation reflects current fair market value. Financing is provided by retainage of 1% of tax collections. Authority is Section 7-38-38.1, NMSA 1978.

**CLERK'S EQUIPMENT FUND** - To account for an additional \$3.00 recording fee collected by the Clerk's office to pay for equipment/supplies for the Clerk's office. Authority is the Absentee-Early Voting Act (Section 14-8-12.2, NMSA 1978).

**MEDICAID TRANSPORTATION FUND** - To account for service contract funds that are to be used to pay for non-emergency medical transportation services of Medicaid eligible clients through senior citizen transportation programs. Financing is provided by a Memorandum of Understanding with the New Mexico Human Services Department and the New Mexico State Agency on Aging who are acting as a passthrough for funds originating from the U.S. Department of Health and Human Services. Authority is the U.S. Department of Health and Human Services.

**DOMESTIC VIOLENCE COURT FEE FUND** - To account for court fees levied by the Moriarty Magistrate Court which will be used as matching revenues for the domestic Violence Grant. Authority is Section 6-11-6 NMSA 1978.

**SPECIAL REVENUE FUNDS**, continued

**1/4% FIRE EXCISE TAX FUND** - To account for expenditures incurred in providing services and equipment purchases for the fire districts. Financing is provided by the County's share of gross receipts tax and may be used only for that purpose. Authority granted by Section 7-20E-15 and 7-20E-16, NMSA 1978.

**COPS (COMMUNITY ORIENTED POLICING SERVICES) MORE GRANT FUND** - To account for grant monies provided by the U.S. Department of Justice for making officer redeployment effective. The grant is to be used to fund an officer position. Authority is the U.S. Department of Justice.

**COPS IN SCHOOL FUND** - To account for a grant from the U.S. Department of Justice, Office of Community Oriented Policing Services (COPS), to be used to hire four new, additional full-time officers. Authority is the U.S. Department of Justice.

**UNIVERSAL HIRING GRANT FUND** - To account for grant funds provided by the U.S. Department of Justice to hire additional officers for the Torrance County Sheriff's Department. Authority is the U.S. Department of Justice.

**LEGISLATIVE APPROPRIATIONS FUND** - To account for appropriations from the State of New Mexico for capital outlay purchases of police vehicles for the Torrance County Sheriff's Department. Authority is the Legislature.

**EMERGENCY 911 GRANT FUND** - To account for grant funds that are to be used to pay for 911 training. Financing is provided by a grant from New Mexico Department of Finance and Administration pursuant to Section 63-9D-1, NMSA 1978, "Enhanced 911 Act".

**FAIR BOARD FUND** - To account for the proceeds and expenditures of a special gross receipts tax. The purpose of the tax is to fund the annual county fair. Authority is the County Commission.

**DR. SAUL SCHOLARSHIP FUND** - To account for monies received on behalf of a local citizen, which proceeds are to be used for scholarships for County youth interested in the medical profession. Authority is the County Commission.

**U.S. FOREST CO-OP FUND** - To account for funds received under a cooperative agreement with the U.S. Forest Service for police protection of Forest Service areas. Authority is the U.S. Forest Service.

**LODGER'S TAX FUND** - To account for funds received from the imposition of the lodger's tax on the overnight accommodations of area motels. Funds are to be used for the promotion of tourism-related activities. Authority is 3-38-13 to 3-38-24 NMSA 1978.



**SPECIAL REVENUE FUNDS**, continued

**DOMESTIC VIOLENCE FUND** - To account for a grant from the U.S. Department of Justice to be used for the prevention of domestic violence. Authority is the U.S. Department of Justice.

**DRUG EDUCATION FUND** - To account for fees received from offenders (instead of a fine) to be used to educate people about the dangers of drug abuse. Authority is 9-7-17 NMSA 1978.

**SAFETY PROGRAM FUND** - To be used to account for fees received from the use of a separate dumping area (asbestos and construction). The proceeds are used in the County's safety program. Authority is the County Commission.

**RURAL ADDRESSING FUND** - To account for the proceeds of a part of the 1/4% gross receipts tax, to be used to mark rural addresses for use by emergency personnel. Authority is Section 67-3-28.2 NMSA 1978.

**ENERGY CONSERVATION** - To account for funds which are used to update various fixed assets with more efficient units. Authority is the County Commission.

**LAW ENFORCEMENT BLOCK GRANT** - To account for funds designated for law enforcement expenditures relating to training and equipping law enforcement personnel. Authority is 29-13-1, NMSA 1978.

**JAIL FUND** - To account for funds received from the City of Estancia for housing municipal prisoners. Also, from administrative fees charged to CCA for administering their monies received from the U.S. Department of Justice. Authority is the U.S. Department of Justice.

**ENVIRONMENTAL GROSS RECEIPTS TAX FUND** - To account for funds received for environmental gross receipts taxes that are then provided to the Torrance County Solid Waste Authority to help pay a NMFA Loan Agreement. Authority is the County Commission.

**C.D.B.G. GRANT** - To account for funds received through a grant from the U.S. Department of Housing and Urban Development to build a Senior Center for County residents. Authority is the U.S. Department of Housing and Urban Development.

**SENIORS CASH IN LIEU FUND** - To account for funds received from the U.S. Department of Agriculture through the North Central New Mexico Economic Development District Area Agency on Aging to be used solely for the purchase of United States Agricultural commodities and other foods produced in the United States for use in the food operations at the Senior Center. Authority is the U.S. Department of Agriculture.

**SPECIAL REVENUE FUNDS**, continued

**ESTANCIA BASIN WATER STUDY FUND** - To account for funds received from sales of Water Conservation booklets to help inform and educate the County's residents about the Estancia Basin. Authority is the County Commission.

**TRAFFIC SAFETY GRANT** - To account for funds received from the U.S. Department of Transportation passed through the State of New Mexico Highway and Transportation Department for the purpose of helping local law enforcement officers reduce highway deaths and injuries resulting from individuals riding unrestrained or improperly restrained in motor vehicles, to increase seat belt use rates, and to encourage New Mexico to establish a 0.08 percent blood alcohol concentration as the legal limit for drunk driving. Authority is the U.S. Department of Transportation.

**OPTIONS GRANT** - To account for funds received Pounders - Options organization to reimburse the County for 32 hours of training time for instructors in Options classes. Authority is the County Commission.

**COPS SMALL COMMUNITIES GRANT** - To account for funds received from the U.S. Department of Justice to help pay the salary of a local law enforcement officer. Authority is the U.S. Department of Justice.

**SENIOR EMPLOYMENT PROGRAM** - To account for funds received from the North Central New Mexico Economic Development District Area Agency on Aging originating from the General Appropriations Act, House Bill 2 (Chapter 3 (ss), 1998 Laws of New Mexico) to administer a regional (State Funded) Senior Employment Program. The pay is for community service assignments not to exceed twenty hours.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue Funds  
Combining Balance Sheet  
June 30, 2001

	Road Fund	Farm and Range Fund	Recreation Fund	N.E. Torrance Fire District Fund	Torrance County District II Fire District Fund	Duran Fire District Fund
ASSETS						
Cash on deposit	\$ 267,281	\$ -	\$ 1,007	\$ 20,888	\$ 35,002	\$ 58,066
Accounts receivable	34,387	-	-	-	-	1,762
Due from grantor	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	<u>\$ 301,668</u>	<u>\$ -</u>	<u>\$ 1,007</u>	<u>\$ 20,888</u>	<u>\$ 35,002</u>	<u>\$ 59,828</u>
LIABILITIES						
Cash overdraft	\$ -	\$ 697	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>697</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Unreserved:						
Designated for subsequent year's expenditures	<u>301,668</u>	<u>(697)</u>	<u>1,007</u>	<u>20,888</u>	<u>35,002</u>	<u>59,828</u>
Total liabilities and fund equity	<u>\$ 301,668</u>	<u>\$ -</u>	<u>\$ 1,007</u>	<u>\$ 20,888</u>	<u>\$ 35,002</u>	<u>\$ 59,828</u>

See accompanying notes to financial statements.



STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue Funds  
Combining Balance Sheet  
June 30, 2001

	McIntosh Fire District Fund	Torreon- Tajique Fire District Fund	Law Enforcement Fund	County Indigent Fund	EMS Fund	Maternal Health Care Fund
<b>ASSETS</b>						
Cash on deposit	\$ 27,879	\$ 127,787	\$ -	\$ 64,934	\$ 1,570	\$ -
Accounts receivable	-	-	-	-	-	-
Due from grantor	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 27,879</b>	<b>\$ 127,787</b>	<b>\$ -</b>	<b>\$ 64,934</b>	<b>\$ 1,570</b>	<b>\$ -</b>
<b>LIABILITIES</b>						
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,239
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,239</b>
<b>FUND BALANCES</b>						
Unreserved:						
Designated for subsequent year's expenditures	27,879	127,787	-	64,934	1,570	(42,239)
<b>Total liabilities and fund equity</b>	<b>\$ 27,879</b>	<b>\$ 127,787</b>	<b>\$ -</b>	<b>\$ 64,934</b>	<b>\$ 1,570</b>	<b>\$ -</b>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue Funds  
Combining Balance Sheet  
June 30, 2001

Statement A-1  
Page 3 of 8

	Senior Citizens Fund	Civil Defense Fund	DWI Grant Fund	Reappraisal Fund	Clerk's Equipment Fund	Medicaid Transportation Fund
<b>ASSETS</b>						
Cash on deposit	\$ -	\$ 1,110	\$ -	\$ 90,480	\$ 14,060	\$ -
Accounts receivable	35,129	-	9,699	-	-	-
Due from grantor	3,428	-	-	-	-	492
Due from other funds	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 38,557</b>	<b>\$ 1,110</b>	<b>\$ 9,699</b>	<b>\$ 90,480</b>	<b>\$ 14,060</b>	<b>\$ 492</b>
<b>LIABILITIES</b>						
Cash overdraft	\$ 38,557	\$ -	\$ 59,247	\$ -	\$ -	\$ 492
<b>Total liabilities</b>	<b>38,557</b>	<b>-</b>	<b>59,247</b>	<b>-</b>	<b>-</b>	<b>492</b>
<b>FUND BALANCES</b>						
Unreserved:						
Designated for subsequent year's expenditures	-	1,110	(49,548)	90,480	14,060	-
<b>Total liabilities and fund equity</b>	<b>\$ 38,557</b>	<b>\$ 1,110</b>	<b>\$ 9,699</b>	<b>\$ 90,480</b>	<b>\$ 14,060</b>	<b>\$ 492</b>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue Funds  
Combining Balance Sheet  
June 30, 2001

	Domestic Violence Court Fee Fund	1/4% Fire Excise Tax Fund	Cops More Fund	Cops in School Fund	Universal Hiring Fund	Legislative Appropriations Fund
<b>ASSETS</b>						
Cash on deposit	\$ 270	\$ 45,192	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	134,801	65,293
Due from grantor	-	-	9,153	4,947	56,520	-
Due from other funds	-	-	7,454	-	-	-
Total assets	<u>\$ 270</u>	<u>\$ 45,192</u>	<u>\$ 16,607</u>	<u>\$ 4,947</u>	<u>\$ 191,321</u>	<u>\$ 65,293</u>
<b>LIABILITIES</b>						
Cash overdraft	\$ -	\$ -	\$ 16,607	\$ 4,947	\$ 191,321	\$ 65,293
Total liabilities	<u>-</u>	<u>-</u>	<u>16,607</u>	<u>4,947</u>	<u>191,321</u>	<u>65,293</u>
<b>FUND BALANCES</b>						
Unreserved:						
Designated for subsequent year's expenditures	<u>270</u>	<u>45,192</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund equity	<u>\$ 270</u>	<u>\$ 45,192</u>	<u>\$ 16,607</u>	<u>\$ 4,947</u>	<u>\$ 191,321</u>	<u>\$ 65,293</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue Funds  
Combining Balance Sheet  
June 30, 2001

	Emergency 911 Fund	Fair Board Fund	Dr. Saul Scholarship Fund	U.S. Forest Co-op Fund	Lodger's Tax Fund	Domestic Violence Fund
ASSETS						
Cash on deposit	\$ -	\$ -	\$ 101	\$ -	\$ 6,830	\$ -
Accounts receivable	-	-	-	-	-	-
Due from grantor	9,458	-	-	-	-	8,554
Due from other funds	-	-	-	-	-	-
Total assets	<u>\$ 9,458</u>	<u>\$ -</u>	<u>\$ 101</u>	<u>\$ -</u>	<u>\$ 6,830</u>	<u>\$ 8,554</u>
LIABILITIES						
Cash overdraft	\$ 9,458	\$ -	\$ -	\$ -	\$ -	\$ 8,554
Total liabilities	<u>9,458</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,554</u>
FUND BALANCES						
Unreserved:						
Designated for subsequent year's expenditures	-	-	101	-	6,830	-
Total liabilities and fund equity	<u>\$ 9,458</u>	<u>\$ -</u>	<u>\$ 101</u>	<u>\$ -</u>	<u>\$ 6,830</u>	<u>\$ 8,554</u>

See accompanying notes to financial statements.



STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue Funds  
Combining Balance Sheet  
June 30, 2001

	Drug Education Fund	Safety Program Fund	Rural Addressing Fund	Energy Conservation Fund	Law Enforcement Block Grant Fund
<b>ASSETS</b>					
Cash on deposit	\$ 12,994	\$ 7,624	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-
Due from grantor	-	-	-	-	-
Due from other funds	-	-	-	-	-
Total assets	<u>\$ 12,994</u>	<u>\$ 7,624</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES</b>					
Cash overdraft	\$ -	\$ -	\$ 44,062	\$ 3,758	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>44,062</u>	<u>3,758</u>	<u>-</u>
<b>FUND BALANCES</b>					
Unreserved:					
Designated for subsequent year's expenditures	<u>12,994</u>	<u>7,624</u>	<u>(44,062)</u>	<u>(3,758)</u>	<u>-</u>
Total liabilities and fund equity	<u>\$ 12,994</u>	<u>\$ 7,624</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue Funds  
Combining Balance Sheet  
June 30, 2001

	Jail Fund	Environmental Gross Receipts Tax Fund	Seniors Cash in Lieu Fund	Estancia Water Basin Study Fund	Traffic Safety Grant Fund
<b>ASSETS</b>					
Cash on deposit	\$ -	\$ -	\$ -	\$ 7,087	\$ -
Accounts receivable	34,150	-	-	-	630
Due from grantor	-	-	12	-	2,438
Due from other funds	-	-	-	-	-
<b>Total assets</b>	<b>\$ 34,150</b>	<b>\$ -</b>	<b>\$ 12</b>	<b>\$ 7,087</b>	<b>\$ 3,068</b>
<b>LIABILITIES</b>					
Cash overdraft	\$ 163,628	\$ -	\$ 12	\$ -	\$ 3,068
<b>Total liabilities</b>	<b>163,628</b>	<b>-</b>	<b>12</b>	<b>-</b>	<b>3,068</b>
<b>FUND BALANCES</b>					
Unreserved:					
Designated for subsequent year's expenditures	(129,478)	-	-	7,087	-
<b>Total liabilities and fund equity</b>	<b>\$ 34,150</b>	<b>\$ -</b>	<b>\$ 12</b>	<b>\$ 7,087</b>	<b>\$ 3,068</b>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue Funds  
Combining Balance Sheet  
June 30, 2001

	Options Grant Fund	Small Communities Grant Fund	Senior Employment Program Fund	Totals
ASSETS				
Cash on deposit	\$ -	\$ -	\$ -	\$ 790,162
Accounts receivable	-	-	368	316,219
Due from grantor	1,239	-	-	96,241
Due from other funds	-	-	-	7,454
Total assets	<u>\$ 1,239</u>	<u>\$ -</u>	<u>\$ 368</u>	<u>\$ 1,210,076</u>
LIABILITIES				
Cash overdraft	\$ 1,239	\$ -	\$ 368	\$ 653,547
Total liabilities	<u>1,239</u>	<u>-</u>	<u>368</u>	<u>653,547</u>
FUND BALANCES				
Unreserved:				
Designated for subsequent year's expenditures	-	-	-	556,529
Total liabilities and fund equity	<u>\$ 1,239</u>	<u>\$ -</u>	<u>\$ 368</u>	<u>\$ 1,210,076</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue Funds  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Year Ended June 30, 2001

Statement A-2  
Page 1 of 8

	Road Fund	Farm and Range Fund	Recreation Fund	N.E. Torrance Fire District Fund	Torrance County District II Fire District Fund	Duran Fire District Fund
REVENUES						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local sources	23,853	-	-	-	1,185	285
State sources	541,111	-	-	29,159	27,338	30,340
State shared taxes	241,113	-	272	25,986	25,986	12,959
Federal sources	8,452	1,427	-	-	-	-
Earnings on investments	14,834	-	-	1,763	2,357	1,983
Total revenues	<u>829,363</u>	<u>1,427</u>	<u>272</u>	<u>56,908</u>	<u>56,866</u>	<u>45,567</u>
EXPENDITURES						
General government	-	-	-	-	-	-
Public safety	-	-	-	81,683	72,153	28,020
Highways and streets	956,211	19,124	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	250	-	-	-
Total expenditures	<u>956,211</u>	<u>19,124</u>	<u>250</u>	<u>81,683</u>	<u>72,153</u>	<u>28,020</u>
Excess (deficiency) of revenues over expenditures	<u>(126,848)</u>	<u>(17,697)</u>	<u>22</u>	<u>(24,775)</u>	<u>(15,287)</u>	<u>17,547</u>
Other financing sources (uses):						
Operating transfers in	353,453	16,062	92	-	-	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>353,453</u>	<u>16,062</u>	<u>92</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	<u>226,605</u>	<u>(1,635)</u>	<u>114</u>	<u>(24,775)</u>	<u>(15,287)</u>	<u>17,547</u>
Fund balance, beginning of year	<u>75,063</u>	<u>938</u>	<u>893</u>	<u>45,663</u>	<u>50,289</u>	<u>42,281</u>
Fund balance, end of year	<u>\$ 301,668</u>	<u>\$ (697)</u>	<u>\$ 1,007</u>	<u>\$ 20,888</u>	<u>\$ 35,002</u>	<u>\$ 59,828</u>

See accompanying notes to financial statements.



STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue Funds  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Year Ended June 30, 2001

Statement A-2  
Page 2 of 8

	McIntosh Fire District Fund	Torreon- Tajique Fire District Fund	Law Enforcement Fund	County Indigent Fund	EMS Fund	Maternal Health Care Fund
REVENUES						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local sources	2,700	-	-	104	-	345
State sources	29,016	28,148	29,600	-	17,240	332,692
State shared taxes	26,460	12,959	-	224,843	-	-
Federal sources	-	-	-	-	-	149,938
Earnings on investments	1,516	4,329	-	-	-	-
Total revenues	59,692	45,436	29,600	224,947	17,240	482,975
EXPENDITURES						
General government	-	-	-	-	-	-
Public safety	68,352	22,798	29,600	-	10,474	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	142,617	-	510,393
Culture and recreation	-	-	-	-	-	-
Total expenditures	68,352	22,798	29,600	142,617	10,474	510,393
Excess (deficiency) of revenues over expenditures	(8,660)	22,638	-	82,330	6,766	(27,418)
Other financing sources (uses):						
Operating transfers in	5,491	-	-	-	-	-
Operating transfers out	-	-	-	-	(5,491)	-
Total other financing sources (uses)	5,491	-	-	-	(5,491)	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	(3,169)	22,638	-	82,330	1,275	(27,418)
Fund balance, beginning of year	31,048	105,149	-	(17,396)	295	(14,821)
Fund balance, end of year	\$ 27,879	\$ 127,787	\$ -	\$ 64,934	\$ 1,570	\$ (42,239)

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue Funds  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Year Ended June 30, 2001

Statement A-2

Page 3 of 8

	Senior Citizens Fund	Civil Defense Fund	DWI Grant Fund	Reappraisal Fund	Clerk's Equipment Fund	Medicaid Transportation Fund
REVENUES						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 21,328	\$ -
Local sources	37,572	-	-	28,909	-	-
State sources	130,218	4,725	209,042	-	-	-
State shared taxes	-	-	-	-	-	-
Federal sources	46,312	14,174	-	-	-	37,031
Earnings on investments	-	-	-	-	-	-
Total revenues	<u>214,102</u>	<u>18,899</u>	<u>209,042</u>	<u>28,909</u>	<u>21,328</u>	<u>37,031</u>
EXPENDITURES						
General government	-	-	-	36,117	11,255	-
Public safety	-	35,542	213,189	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	214,102	-	-	-	-	42,582
Culture and recreation	-	-	-	-	-	-
Total expenditures	<u>214,102</u>	<u>35,542</u>	<u>213,189</u>	<u>36,117</u>	<u>11,255</u>	<u>42,582</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(16,643)</u>	<u>(4,147)</u>	<u>(7,208)</u>	<u>10,073</u>	<u>(5,551)</u>
Other financing sources (uses):						
Operating transfers in	-	9,929	-	21,624	-	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>9,929</u>	<u>-</u>	<u>21,624</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	<u>-</u>	<u>(6,714)</u>	<u>(4,147)</u>	<u>14,416</u>	<u>10,073</u>	<u>(5,551)</u>
Fund balance, beginning of year	<u>-</u>	<u>7,824</u>	<u>(45,401)</u>	<u>76,064</u>	<u>3,987</u>	<u>5,551</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 1,110</u>	<u>\$ (49,548)</u>	<u>\$ 90,480</u>	<u>\$ 14,060</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue Funds  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Year Ended June 30, 2001

Statement A-2  
Page 4 of 8

	Domestic Violence Court Fee Fund	1/4% Fire Excise Tax Fund	Cops More Grant Fund	Cops in School Fund	Universal Hiring Fund
REVENUES					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Local sources	270	6,869	7,454	-	-
State sources	-	-	-	-	-
State shared taxes	-	12,959	-	-	-
Federal sources	-	-	13,354	4,947	316,112
Earnings on investments	-	-	-	-	-
Total revenues	<u>270</u>	<u>19,828</u>	<u>20,808</u>	<u>4,947</u>	<u>316,112</u>
EXPENDITURES					
General government	-	-	-	-	-
Public safety	-	31,150	17,806	4,947	346,910
Highways and streets	-	-	-	-	-
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Total expenditures	<u>-</u>	<u>31,150</u>	<u>17,806</u>	<u>4,947</u>	<u>346,910</u>
Excess (deficiency) of revenues over expenditures	<u>270</u>	<u>(11,322)</u>	<u>3,002</u>	<u>-</u>	<u>(30,798)</u>
Other financing sources (uses):					
Operating transfers in	-	-	-	-	49,983
Operating transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,983</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	<u>270</u>	<u>(11,322)</u>	<u>3,002</u>	<u>-</u>	<u>19,185</u>
Fund balance, beginning of year	<u>-</u>	<u>56,514</u>	<u>(3,002)</u>	<u>-</u>	<u>(19,185)</u>
Fund balance, end of year	<u>\$ 270</u>	<u>\$ 45,192</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue Funds  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Year Ended June 30, 2001

Statement A-2  
Page 5 of 8

	Legislative Appropriations Fund	Emergency 911 Fund	Fair Board Fund	Dr. Saul Scholarship Fund	U.S. Forest Co-op Fund
REVENUES					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Local sources	-	-	-	-	-
State sources	226,213	2,755	-	-	-
State shared taxes	-	-	19,000	-	-
Federal sources	-	-	-	-	6,794
Earnings on investments	-	-	-	-	-
Total revenues	<u>226,213</u>	<u>2,755</u>	<u>19,000</u>	<u>-</u>	<u>6,794</u>
EXPENDITURES					
General government	-	-	-	-	-
Public safety	222,739	2,755	-	-	6,794
Highways and streets	-	-	-	-	-
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	19,000	-	-
Total expenditures	<u>222,739</u>	<u>2,755</u>	<u>19,000</u>	<u>-</u>	<u>6,794</u>
Excess (deficiency) of revenues over expenditures	<u>3,474</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):					
Operating transfers in	-	-	-	-	-
Operating transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	<u>3,474</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	<u>(3,474)</u>	<u>-</u>	<u>-</u>	<u>101</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101</u>	<u>\$ -</u>

See accompanying notes to financial statements.



STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue Funds  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Year Ended June 30, 2001

Statement A-2  
Page 6 of 8

	Lodger's Tax Fund	Domestic Violence Fund	Drug Education Fund	Safety Program Fund	Rural Addressing Fund	Energy Conservation Fund
REVENUES						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local sources	6,932	-	18,206	7,681	757	-
State sources	-	-	-	-	74,245	-
State shared taxes	-	-	-	-	13,027	-
Federal sources	-	93,319	-	-	-	-
Earnings on investments	-	-	-	-	-	-
Total revenues	<u>6,932</u>	<u>93,319</u>	<u>18,206</u>	<u>7,681</u>	<u>88,029</u>	<u>-</u>
EXPENDITURES						
General government	-	-	-	-	-	-
Public safety	-	-	-	9,401	69,633	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	102,749	20,378	-	-	19,758
Culture and recreation	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>102,749</u>	<u>20,378</u>	<u>9,401</u>	<u>69,633</u>	<u>19,758</u>
Excess (deficiency) of revenues over expenditures	<u>6,932</u>	<u>(9,430)</u>	<u>(2,172)</u>	<u>(1,720)</u>	<u>18,396</u>	<u>(19,758)</u>
Other financing sources (uses):						
Operating transfers in	-	-	-	-	-	36,379
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,379</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	<u>6,932</u>	<u>(9,430)</u>	<u>(2,172)</u>	<u>(1,720)</u>	<u>18,396</u>	<u>16,621</u>
Fund balance, beginning of year	<u>(102)</u>	<u>9,430</u>	<u>15,166</u>	<u>9,344</u>	<u>(62,458)</u>	<u>(20,379)</u>
Fund balance, end of year	<u>\$ 6,830</u>	<u>\$ -</u>	<u>\$ 12,994</u>	<u>\$ 7,624</u>	<u>\$ (44,062)</u>	<u>\$ (3,758)</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue Funds  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Year Ended June 30, 2001

Statement A-2  
Page 7 of 8

	Law Enforcement Block Grant Fund	Jail Fund	Environmental Gross Receipts Tax Fund	Seniors Cash in Lieu Fund	Estancia Water Basin Study Fund
REVENUES					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Local sources	-	180,225	-	-	770
State sources	-	51,752	-	-	-
State shared taxes	-	-	67,168	-	-
Federal sources	-	-	-	18,018	-
Earnings on investments	-	-	-	-	-
Total revenues	-	231,977	67,168	18,018	770
EXPENDITURES					
General government	-	-	-	-	-
Public safety	-	776,370	-	-	-
Highways and streets	-	-	-	-	-
Health and welfare	-	-	67,168	18,018	976
Culture and recreation	-	-	-	-	-
Total expenditures	-	776,370	67,168	18,018	976
Excess (deficiency) of revenues over expenditures	-	(544,393)	-	-	(206)
Other financing sources (uses):					
Operating transfers in	-	613,939	-	-	6,638
Operating transfers out	-	-	-	-	-
Total other financing sources (uses)	-	613,939	-	-	6,638
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	-	69,546	-	-	6,432
Fund balance, beginning of year	-	(199,024)	-	-	655
Fund balance, end of year	\$ -	\$ (129,478)	\$ -	\$ -	\$ 7,087

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue Funds  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Year Ended June 30, 2001

Statement A-2

Page 8 of 8

	Traffic Safety Grant Fund	Options Grant Fund	Small Communities Grant Fund	Senior Employment Program Fund	Totals
REVENUES					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 21,328
Local sources	-	-	-	-	324,117
State sources	-	-	-	13,656	1,777,250
State shared taxes	-	-	-	-	682,732
Federal sources	21,326	-	-	-	731,204
Earnings on investments	-	-	-	-	26,782
Total revenues	21,326	-	-	13,656	3,563,413
EXPENDITURES					
General government	-	-	-	-	47,372
Public safety	21,012	-	-	-	2,071,328
Highways and streets	-	-	-	-	975,335
Health and welfare	-	-	-	13,656	1,152,397
Culture and recreation	-	-	-	-	19,250
Total expenditures	21,012	-	-	13,656	4,265,682
Excess (deficiency) of revenues over expenditures	314	-	-	-	(702,269)
Other financing sources (uses):					
Operating transfers in	-	-	-	-	1,113,590
Operating transfers out	-	-	-	-	(5,491)
Total other financing sources (uses)	-	-	-	-	1,108,099
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	314	-	-	-	405,830
Fund balance, beginning of year	(314)	-	-	-	150,699
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -	\$ 556,529

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Road Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 20,500	\$ 23,853	\$ 3,353
State sources	538,815	542,987	4,172
State shared taxes	349,603	241,886	(107,717)
Federal sources	8,832	8,452	(380)
Earnings on investments	17,815	14,834	(2,981)
Total revenues	<u>\$ 935,565</u>	<u>\$ 832,012</u>	<u>\$ (103,553)</u>
EXPENDITURES			
Highways and streets	<u>\$ 1,244,221</u>	<u>\$ 977,180</u>	<u>\$ 267,041</u>
Total expenditures	<u>\$ 1,244,221</u>	<u>\$ 977,180</u>	<u>\$ 267,041</u>
Other Financing Sources			
Transfers in	<u>\$ 353,453</u>	<u>\$ 353,453</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>\$ 58,998</u>		

See accompanying notes to financial statements.



STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Farm & Range Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ 2,000	\$ 1,427	\$ (573)
Total revenues	<u>\$ 2,000</u>	<u>\$ 1,427</u>	<u>\$ (573)</u>
EXPENDITURES			
General government	\$ 19,000	\$ 19,124	\$ (124)
Total expenditures	<u>\$ 19,000</u>	<u>\$ 19,124</u>	<u>\$ (124)</u>
Other Financing Sources			
Transfers in	<u>\$ 16,062</u>	<u>\$ 16,062</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>\$ 938</u>		

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Recreation Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State shared taxes	\$ 315	\$ 272	\$ (43)
Total revenues	<u>\$ 315</u>	<u>\$ 272</u>	<u>\$ (43)</u>
EXPENDITURES			
Culture and recreation	\$ 1,300	\$ 250	\$ 1,050
Total expenditures	<u>\$ 1,300</u>	<u>\$ 250</u>	<u>\$ 1,050</u>
Other Financing Sources			
Transfers in	<u>\$ 92</u>	<u>\$ 92</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>\$ 893</u>		

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - McIntosh Fire District Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ -	\$ 2,700	\$ 2,700
State sources	27,338	29,016	1,678
State shared taxes	45,000	26,460	(18,540)
Earnings on investments	<u>1,569</u>	<u>1,516</u>	<u>(53)</u>
Total revenues	<u>\$ 73,907</u>	<u>\$ 59,692</u>	<u>\$ (14,215)</u>
EXPENDITURES			
Public safety	<u>\$ 110,997</u>	<u>\$ 72,021</u>	<u>\$ 38,976</u>
Total expenditures	<u>\$ 110,997</u>	<u>\$ 72,021</u>	<u>\$ 38,976</u>
Other Financing Sources			
Transfers in	<u>\$ 5,491</u>	<u>\$ 5,491</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>\$ 34,718</u>		

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Torreon-Tajique Fire District Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State sources	\$ 27,338	\$ 28,148	\$ 810
State shared taxes	25,000	12,959	(12,041)
Earnings on investments	<u>2,864</u>	<u>4,329</u>	<u>1,465</u>
Total revenues	<u>\$ 55,202</u>	<u>\$ 45,436</u>	<u>\$ (9,766)</u>
EXPENDITURES			
Public safety	<u>\$ 157,737</u>	<u>\$ 23,411</u>	<u>\$ 134,326</u>
Total expenditures	<u>\$ 157,737</u>	<u>\$ 23,411</u>	<u>\$ 134,326</u>
BUDGETED CASH BALANCE	<u>\$ 105,762</u>		

See accompanying notes to financial statements.



STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Law Enforcement Protection Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
State sources	\$ 29,600	\$ 29,600	\$ -
Total revenues	<u>\$ 29,600</u>	<u>\$ 29,600</u>	<u>\$ -</u>
EXPENDITURES			
Public safety	\$ 29,600	\$ 29,600	\$ -
Total expenditures	<u>\$ 29,600</u>	<u>\$ 29,600</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - County Indigent Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ -	\$ 104	\$ 104
State shared taxes	<u>290,573</u>	<u>224,843</u>	<u>(65,730)</u>
Total revenues	<u>\$ 290,573</u>	<u>\$ 224,947</u>	<u>\$ (65,626)</u>
EXPENDITURES			
Health and welfare	<u>\$ 282,289</u>	<u>\$ 161,729</u>	<u>\$ 120,560</u>
Total expenditures	<u>\$ 282,289</u>	<u>\$ 161,729</u>	<u>\$ 120,560</u>
BUDGETED CASH BALANCE	<u>\$ 1,716</u>		

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Emergency Medical Services Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State sources	\$ 17,240	\$ 17,240	\$ -
Total revenues	<u>\$ 17,240</u>	<u>\$ 17,240</u>	<u>\$ -</u>
EXPENDITURES			
Public safety	\$ 12,044	\$ 10,474	\$ 1,570
Total expenditures	<u>\$ 12,044</u>	<u>\$ 10,474</u>	<u>\$ 1,570</u>
Other Financing (Uses)			
Transfers out	<u>\$ (5,491)</u>	<u>\$ (5,491)</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>\$ 295</u>		

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Maternal Health Care Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ -	\$ 345	\$ 345
State sources	386,713	343,502	(43,211)
Federal sources	<u>231,928</u>	<u>149,938</u>	<u>(81,990)</u>
Total revenues	<u>\$ 618,641</u>	<u>\$ 493,785</u>	<u>\$ (124,856)</u>
EXPENDITURES			
Health and welfare	<u>\$ 609,871</u>	<u>\$ 527,254</u>	<u>\$ 82,617</u>
Total expenditures	<u>\$ 609,871</u>	<u>\$ 527,254</u>	<u>\$ 82,617</u>

See accompanying notes to financial statements.



STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Senior Citizens Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 30,000	\$ 37,572	\$ 7,572
State sources	137,790	97,135	(40,655)
Federal sources	<u>46,312</u>	<u>40,838</u>	<u>(5,474)</u>
Total revenues	<u>\$ 214,102</u>	<u>\$ 175,545</u>	<u>\$ (38,557)</u>
EXPENDITURES			
Health and welfare	<u>\$ 214,102</u>	<u>\$ 214,102</u>	<u>\$ -</u>
Total expenditures	<u>\$ 214,102</u>	<u>\$ 214,102</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Civil Defense Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State sources	\$ 4,538	\$ 4,725	\$ 187
Federal sources	<u>13,615</u>	<u>14,174</u>	<u>559</u>
Total revenues	<u>\$ 18,153</u>	<u>\$ 18,899</u>	<u>\$ 746</u>
EXPENDITURES			
Public safety	<u>\$ 35,906</u>	<u>\$ 35,542</u>	<u>\$ 364</u>
Total expenditures	<u>\$ 35,906</u>	<u>\$ 35,542</u>	<u>\$ 364</u>
Other Financing Sources			
Transfers in	<u>\$ 9,929</u>	<u>\$ 9,929</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>\$ 7,824</u>		

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - DWI Grant Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
State sources	\$ 261,852	\$ 208,177	\$ (53,675)
Total revenues	<u>\$ 261,852</u>	<u>\$ 208,177</u>	<u>\$ (53,675)</u>
EXPENDITURES			
Public safety	\$ 209,257	\$ 214,829	\$ (5,572)
Total expenditures	<u>\$ 209,257</u>	<u>\$ 214,829</u>	<u>\$ (5,572)</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Reappraisal Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Local sources	\$ 27,397	\$ 28,909	\$ 1,512
Total revenues	<u>\$ 27,397</u>	<u>\$ 28,909</u>	<u>\$ 1,512</u>
EXPENDITURES			
General government	\$ 125,085	\$ 36,117	\$ 88,968
Total expenditures	<u>\$ 125,085</u>	<u>\$ 36,117</u>	<u>\$ 88,968</u>
Other Financing Sources			
Transfers in	<u>\$ 21,624</u>	<u>\$ 21,624</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>\$ 76,064</u>		

See accompanying notes to financial statements.



STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Clerk's Equipment Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services	\$ 19,670	\$ 21,328	\$ 1,658
Total revenues	<u>\$ 19,670</u>	<u>\$ 21,328</u>	<u>\$ 1,658</u>
EXPENDITURES			
General government	\$ 23,657	\$ 11,255	\$ 12,402
Total expenditures	<u>\$ 23,657</u>	<u>\$ 11,255</u>	<u>\$ 12,402</u>
BUDGETED CASH BALANCE	<u>\$ 3,987</u>		

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Medicaid Transportation Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ 125,000	\$ 36,539	\$ (88,461)
Total revenues	<u>\$ 125,000</u>	<u>\$ 36,539</u>	<u>\$ (88,461)</u>
EXPENDITURES			
Health and welfare	\$ 125,000	\$ 42,582	\$ 82,418
Total expenditures	<u>\$ 125,000</u>	<u>\$ 42,582</u>	<u>\$ 82,418</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Domestic Violence Court Fee Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ -	\$ 270	\$ 270
Total revenues	<u>\$ -</u>	<u>\$ 270</u>	<u>\$ 270</u>
EXPENDITURES			
Health and Welfare	\$ -	\$ -	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - 1/4% Fire Excise Tax Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 5,446	\$ 6,869	\$ 1,423
State shared taxes	<u>21,773</u>	<u>12,959</u>	<u>(8,814)</u>
Total revenues	<u>\$ 27,219</u>	<u>\$ 19,828</u>	<u>\$ (7,391)</u>
EXPENDITURES			
Public safety	<u>\$ 83,733</u>	<u>\$ 31,150</u>	<u>\$ 52,583</u>
Total expenditures	<u>\$ 83,733</u>	<u>\$ 31,150</u>	<u>\$ 52,583</u>
BUDGETED CASH BALANCE	<u>\$ 56,514</u>		

See accompanying notes to financial statements.



STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Cops More Grant Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ 20,808	\$ 4,202	\$ (16,606)
Total revenues	<u>\$ 20,808</u>	<u>\$ 4,202</u>	<u>\$ (16,606)</u>
EXPENDITURES			
Public safety	\$ 17,806	\$ 17,806	\$ -
Total expenditures	<u>\$ 17,806</u>	<u>\$ 17,806</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Cops in School Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Federal sources	\$ 379,465	\$ -	\$ (379,465)
Total revenues	<u>\$ 379,465</u>	<u>\$ -</u>	<u>\$ (379,465)</u>
EXPENDITURES			
Public safety	\$ 379,465	\$ 4,947	\$ 374,518
Total expenditures	<u>\$ 379,465</u>	<u>\$ 4,947</u>	<u>\$ 374,518</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Universal Hiring Grant Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ 357,330	\$ 187,722	\$ (169,608)
Total revenues	<u>\$ 357,330</u>	<u>\$ 187,722</u>	<u>\$ (169,608)</u>
EXPENDITURES			
Public safety	\$ 325,197	\$ 346,910	\$ (21,713)
Total expenditures	<u>\$ 325,197</u>	<u>\$ 346,910</u>	<u>\$ (21,713)</u>
Other Financing Sources			
Transfers in	<u>\$ 49,983</u>	<u>\$ 49,983</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Legislative Appropriations Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State sources	\$ 266,670	\$ 160,920	\$ (105,750)
Total revenues	<u>\$ 266,670</u>	<u>\$ 160,920</u>	<u>\$ (105,750)</u>
EXPENDITURES			
Public safety	\$ 263,196	\$ 222,739	\$ 40,457
Total expenditures	<u>\$ 263,196</u>	<u>\$ 222,739</u>	<u>\$ 40,457</u>

See accompanying notes to financial statements.



STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Emergency 911 Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State sources	\$ 9,458	\$ -	\$ (9,458)
Total revenues	<u>\$ 9,458</u>	<u>\$ -</u>	<u>\$ (9,458)</u>
EXPENDITURES			
Public safety	\$ 2,755	\$ 2,755	\$ -
Total expenditures	<u>\$ 2,755</u>	<u>\$ 2,755</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Fair Board Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State shared taxes	\$ 19,000	\$ 19,000	\$ -
Total revenues	<u>\$ 19,000</u>	<u>\$ 19,000</u>	<u>\$ -</u>
EXPENDITURES			
Culture and recreation	\$ 19,000	\$ 19,000	\$ -
Total expenditures	<u>\$ 19,000</u>	<u>\$ 19,000</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Dr. Saul Scholarship Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ -	\$ -	\$ -
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES			
Health and welfare	\$ -	\$ -	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - U.S. Forest Co-op Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ 13,510	\$ 11,000	\$ (2,510)
Total revenues	<u>\$ 13,510</u>	<u>\$ 11,000</u>	<u>\$ (2,510)</u>
EXPENDITURES			
Public safety	\$ 11,000	\$ 6,794	\$ 4,206
Total expenditures	<u>\$ 11,000</u>	<u>\$ 6,794</u>	<u>\$ 4,206</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Lodger's Tax Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 1,900	\$ 6,932	\$ 5,032
Total revenues	<u>\$ 1,900</u>	<u>\$ 6,932</u>	<u>\$ 5,032</u>
EXPENDITURES			
Culture and recreation	\$ 1,798	\$ -	\$ 1,798
Total expenditures	<u>\$ 1,798</u>	<u>\$ -</u>	<u>\$ 1,798</u>

See accompanying notes to financial statements.



STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Domestic Violence Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ 175,384	\$ 84,766	\$ (90,618)
Total revenues	<u>\$ 175,384</u>	<u>\$ 84,766</u>	<u>\$ (90,618)</u>
EXPENDITURES			
Health and welfare	\$ 175,384	\$ 103,305	\$ 72,079
Total expenditures	<u>\$ 175,384</u>	<u>\$ 103,305</u>	<u>\$ 72,079</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Drug Education Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 25,235	\$ 18,206	\$ (7,029)
Total revenues	<u>\$ 25,235</u>	<u>\$ 18,206</u>	<u>\$ (7,029)</u>
EXPENDITURES			
Health and welfare	\$ 40,401	\$ 20,378	\$ 20,023
Total expenditures	<u>\$ 40,401</u>	<u>\$ 20,378</u>	<u>\$ 20,023</u>
BUDGETED CASH BALANCE	<u>\$ 15,166</u>		

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Safety Program Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 7,726	\$ 7,681	\$ (45)
Total expenditures	<u>\$ 7,726</u>	<u>\$ 7,681</u>	<u>\$ (45)</u>
EXPENDITURES			
Public safety	\$ 17,170	\$ 9,401	\$ 7,769
Total revenues	<u>\$ 17,170</u>	<u>\$ 9,401</u>	<u>\$ 7,769</u>
BUDGETED CASH BALANCE	<u>\$ 9,444</u>		

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Rural Addressing Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ -	\$ 757	\$ 757
State sources	138,420	74,245	(64,175)
State shared taxes	<u>25,000</u>	<u>13,027</u>	<u>(11,973)</u>
Total revenues	<u>\$ 163,420</u>	<u>\$ 88,029</u>	<u>\$ (75,391)</u>
EXPENDITURES			
Public safety	<u>\$ 66,916</u>	<u>\$ 69,633</u>	<u>\$ (2,717)</u>
Total expenditures	<u>\$ 66,916</u>	<u>\$ 69,633</u>	<u>\$ (2,717)</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Energy Conservation Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ -	\$ -	\$ -
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES			
Health and welfare	\$ 16,000	\$ 19,758	\$ (3,758)
Total expenditures	<u>\$ 16,000</u>	<u>\$ 19,758</u>	<u>\$ (3,758)</u>
Other Financing Sources			
Transfers in	<u>\$ 36,379</u>	<u>\$ 36,379</u>	<u>\$ -</u>

See accompanying notes to financial statements.



STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Law Enforcement Block Grant Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ 18,320	\$ -	\$ (18,320)
Total revenues	<u>\$ 18,320</u>	<u>\$ -</u>	<u>\$ (18,320)</u>
EXPENDITURES			
Public safety	\$ 11,812	\$ -	\$ 11,812
Total expenditures	<u>\$ 11,812</u>	<u>\$ -</u>	<u>\$ 11,812</u>
Other Financing Sources			
Transfers in	<u>\$ 1,074</u>	<u>\$ 7,582</u>	<u>\$ 6,508</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Jail Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 228,327	\$ 197,384	\$ (30,943)
State sources	<u>42,000</u>	<u>51,752</u>	<u>9,752</u>
Total revenues	<u>\$ 270,327</u>	<u>\$ 249,136</u>	<u>\$ (21,191)</u>
EXPENDITURES			
Public safety	<u>\$ 766,523</u>	<u>\$ 880,270</u>	<u>\$ (113,747)</u>
Total expenditures	<u>\$ 766,523</u>	<u>\$ 880,270</u>	<u>\$ (113,747)</u>
Other Financing Sources			
Transfers in	<u>\$ 613,939</u>	<u>\$ 613,939</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Environmental Gross Receipts Tax Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State shared taxes	\$ 67,168	\$ 67,168	\$ -
Total revenues	<u>\$ 67,168</u>	<u>\$ 67,168</u>	<u>\$ -</u>
EXPENDITURES			
Health and welfare	\$ 67,168	\$ 67,168	\$ -
Total expenditures	<u>\$ 67,168</u>	<u>\$ 67,168</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Seniors Cash in Lieu Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ 18,018	\$ 18,006	\$ (12)
Total revenues	<u>\$ 18,018</u>	<u>\$ 18,006</u>	<u>\$ (12)</u>
EXPENDITURES			
Health and welfare	\$ 18,018	\$ 18,018	\$ -
Total expenditures	<u>\$ 18,018</u>	<u>\$ 18,018</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Estancia Basin Water Study Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 35,000	\$ 770	\$ (34,230)
Total revenues	<u>\$ 35,000</u>	<u>\$ 770</u>	<u>\$ (34,230)</u>
EXPENDITURES			
Health and welfare	\$ 42,293	\$ 976	\$ 41,317
Total expenditures	<u>\$ 42,293</u>	<u>\$ 976</u>	<u>\$ 41,317</u>
Other Financing Sources			
Transfers in	<u>\$ 6,638</u>	<u>\$ 6,638</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>\$ 655</u>		

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Traffic Safety Grant Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ 26,332	\$ 19,698	\$ (6,634)
Total revenues	<u>\$ 26,332</u>	<u>\$ 19,698</u>	<u>\$ (6,634)</u>
EXPENDITURES			
Public safety	\$ 24,578	\$ 21,012	\$ 3,566
Total expenditures	<u>\$ 24,578</u>	<u>\$ 21,012</u>	<u>\$ 3,566</u>

See accompanying notes to financial statements.



STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Options Grant Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 5,439	\$ -	\$ (5,439)
Total revenues	<u>\$ 5,439</u>	<u>\$ -</u>	<u>\$ (5,439)</u>
EXPENDITURES			
Public safety	\$ 5,439	\$ -	\$ 5,439
Total expenditures	<u>\$ 5,439</u>	<u>\$ -</u>	<u>\$ 5,439</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Small Communities Grant Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ -	\$ 742	\$ 742
Total revenues	<u>\$ -</u>	<u>\$ 742</u>	<u>\$ 742</u>
EXPENDITURES			
Public safety	\$ -	\$ -	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Senior Employment Program Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State sources	\$ 18,718	\$ 14,709	\$ (4,009)
Total revenues	<u>\$ 18,718</u>	<u>\$ 14,709</u>	<u>\$ (4,009)</u>
EXPENDITURES			
Health and welfare	\$ 17,297	\$ 13,656	\$ 3,641
Total expenditures	<u>\$ 17,297</u>	<u>\$ 13,656</u>	<u>\$ 3,641</u>

See accompanying notes to financial statements.

### CAPITAL PROJECTS FUNDS

**C.D.B.G. Grant** - To account for funds received through a grant from the U.S. Department of Housing and Urban Development to build a Senior Center for County Residents. Authority is Title I of the Housing and Community Development Act and 1974 (Public Law 93-383).

**Mountainair Clinic** - To account for funds received through a grant from the U.S. Department of Housing and Urban Development to build a 5000 square foot medical facility in Estancia. Authority is Title I of the Housing and Community Development Act and 1974 (Public Law 93-383).

**Judicial Complex** - To account for resources from General Obligation Bonds issued for the purpose of securing funds for acquiring and improving a necessary site for and improving a necessary site for and acquiring, constructing, furnishing, equipping and improving a new County Courthouse.

**Fire Substation Planning Fund** - To account for resources received from a Local Government Division, Special Appropriation Project, Laws of 1998, Chapter 7, for \$100,000, to plan, design, construct, equip and furnish a volunteer fire department facility in Torrance County.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Capital Projects Funds  
Combining Balance Sheet  
June 30, 2001

	C.D.B.G. Grant Fund	Mountainair Clinic Fund	Judicial Complex Fund	Fire Substation Planning Fund	Totals
ASSETS					
Cash on deposit	\$ -	\$ -	\$ 2,484,483	\$ (87,616)	\$ 2,396,867
Due from grantor	<u>69,081</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,081</u>
Total assets	<u>\$ 69,081</u>	<u>\$ -</u>	<u>\$ 2,484,483</u>	<u>\$ (87,616)</u>	<u>\$ 2,465,948</u>
LIABILITIES					
Due to other funds	<u>\$ 69,081</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,081</u>
Total liabilities	<u>69,081</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,081</u>
FUND BALANCES					
Unreserved:					
Designated for subsequent year's expenditures	<u>-</u>	<u>-</u>	<u>2,484,483</u>	<u>(87,616)</u>	<u>2,396,867</u>
Total liabilities and fund equity	<u>\$ 69,081</u>	<u>\$ -</u>	<u>\$ 2,484,483</u>	<u>\$ (87,616)</u>	<u>\$ 2,465,948</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Capital Projects Funds  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Year Ended June 30, 2001

Statement B-2

	C.D.B.G. Grant Fund	Mountainair Clinic Fund	Judicial Complex Fund	Fire Substation Planning Fund	Totals
REVENUES					
State sources	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	158,682	5,344	-	-	164,026
Earnings on investments	-	-	14,260	-	14,260
Total revenues	158,682	5,344	14,260	-	178,286
EXPENDITURES					
Capital outlay	158,682	5,344	29,777	87,616	281,419
Total expenditures	158,682	5,344	29,777	87,616	281,419
Excess (deficiency) of revenues over expenditures	-	-	(15,517)	(87,616)	(103,133)
Other financing sources (uses):					
Bond proceeds	-	-	2,500,000	-	2,500,000
Total other financing sources (uses)	-	-	2,500,000	-	2,500,000
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	-	-	2,484,483	(87,616)	2,396,867
Fund balance, beginning of year	-	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 2,484,483	\$ (87,616)	\$ 2,396,867

See accompanying notes to financial statements.



STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Capital Projects - C.D.B.G. Grant Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ 316,750	\$ 89,601	\$ (227,149)
Total revenues	<u>\$ 316,750</u>	<u>\$ 89,601</u>	<u>\$ (227,149)</u>
EXPENDITURES			
Capital outlay	\$ 316,750	\$ 158,682	\$ 158,068
Total expenditures	<u>\$ 316,750</u>	<u>\$ 158,682</u>	<u>\$ 158,068</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Capital Projects - Mountainair Clinic Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ 325,000	\$ 5,344	\$ (319,656)
Total revenues	<u>\$ 325,000</u>	<u>\$ 5,344</u>	<u>\$ (319,656)</u>
EXPENDITURES			
Capital outlay	\$ 325,000	\$ 5,344	\$ 319,656
Total expenditures	<u>\$ 325,000</u>	<u>\$ 5,344</u>	<u>\$ 319,656</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Capital Projects - Judicial Complex Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Earnings on investments	\$ -	\$ 14,260	\$ 14,260
Total revenues	<u>\$ -</u>	<u>\$ 14,260</u>	<u>\$ 14,260</u>
EXPENDITURES			
Capital outlay	\$ 2,500,000	\$ 29,777	\$ 2,470,223
Total expenditures	<u>\$ 2,500,000</u>	<u>\$ 29,777</u>	<u>\$ 2,470,223</u>
OTHER FINANCING SOURCES			
Bond proceeds	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Capital Projects - Fire Substation Planning Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
State sources	\$ 100,000	\$ -	\$ (100,000)
Total revenues	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ (100,000)</u>
EXPENDITURES			
Capital outlay	\$ 100,000	\$ 87,616	\$ 12,384
Total expenditures	<u>\$ 100,000</u>	<u>\$ 87,616</u>	<u>\$ 12,384</u>

See accompanying notes to financial statements.

#### DEBT SERVICE FUNDS

**General Obligation Bond Debt Service Fund** - To accumulate monies for payment of the 1994 General Obligation Serial Bonds. The County is authorized to levy ad valorem taxes and other funds for the payment of principal and interest.

**General Obligation Bond Debt Service Fund** - To accumulate monies for payment of the 2001 General Obligation Serial Bonds. The County is authorized to levy ad valorem taxes and other funds for the payment of principal and interest.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Debt Service Funds  
Combining Balance Sheet  
June 30, 2001

	General Obligation Bond	General Obligation Bond	Totals
ASSETS			
Cash on deposit	\$ 158,753	\$ 5,716	\$ 164,469
Total assets	<u>\$ 158,753</u>	<u>\$ 5,716</u>	<u>\$ 164,469</u>
FUND BALANCE			
Reserved for Debt Service	\$ 158,753	\$ 5,716	\$ 164,469
Total fund balance	<u>\$ 158,753</u>	<u>\$ 5,716</u>	<u>\$ 164,469</u>

See accompanying notes to financial statements.



STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Debt Service Fund  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Year Ended June 30, 2001

	General Obligation Bond	General Obligation Bond	Totals
REVENUES			
Local sources	\$ 766,104	\$ -	\$ 766,104
Earnings on investments	<u>-</u>	<u>5,716</u>	<u>5,716</u>
Total revenues	<u>766,104</u>	<u>5,716</u>	<u>771,820</u>
EXPENDITURES			
Principal paid	700,000	-	700,000
Interest paid	<u>38,390</u>	<u>-</u>	<u>38,390</u>
Total expenditures	<u>738,390</u>	<u>-</u>	<u>738,390</u>
Excess (deficiency) of revenues over expenditures	27,714	5,716	33,430
Fund balance, beginning of year	<u>131,039</u>	<u>-</u>	<u>131,039</u>
Fund balance, end of year	<u>\$ 158,753</u>	<u>\$ 5,716</u>	<u>\$ 164,469</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Debt Service Fund - General Obligation Bond  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Local sources	\$ 207,676	\$ 766,104	\$ 558,428
Total revenues	<u>\$ 207,676</u>	<u>\$ 766,104</u>	<u>\$ 558,428</u>
EXPENDITURES			
Principal paid	\$ 150,000	\$ 700,000	\$ (550,000)
Interest paid	<u>26,794</u>	<u>38,390</u>	<u>(11,596)</u>
Total expenditures	<u>\$ 176,794</u>	<u>\$ 738,390</u>	<u>\$ (561,596)</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Debt Service Fund - General Obligation Bond  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Earnings on investments	\$ -	\$ 5,716	\$ 5,716
Total revenues	<u>\$ -</u>	<u>\$ 5,716</u>	<u>\$ 5,716</u>
EXPENDITURES			
Principal paid	\$ -	\$ -	\$ -
Interest paid	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

### AGENCY FUNDS

Agency Funds are used to account for the collection of taxes and distributions to other taxing entities and for monies paid to the County by the State of New Mexico and the Federal U.S. Marshall's Office, which are then forwarded to the Corrections Corporation of America (CCA). The funds are custodial in nature and do not involve measurement of results of operations.

**CHILDREN'S TRUST FUND** - To account for a \$15.00 fee collected by the County Clerk for issuing, acknowledging and recording a marriage license and marriage certificate in accordance with Section 40-1-11E NMSA 1978. The \$15.00 fee shall be remitted by the County Treasurer to the State Treasurer within 15 days of the last day of each month, for credit to the Children's Trust Fund.

**TREASURER - UNDISTRIBUTED TAXES** - To account for property taxes collected by the County Treasurer and distributed to other governmental units in accordance with Section 7-38-43 NMSA 1978.

**TREASURER - OVERPAYMENT OF TAXES 7-38-38** - To account for the overpayment of property taxes in accordance with Section 7-38-38B NMSA 1978. The fund is used to account for excess property taxes paid until a refund can be made to the taxpayer.

**TREASURER - TAXES PAID IN ADVANCE** - To account for the prepayment of property taxes in accordance with Section 7-38-38.2 NMSA 1978, which are not legally due.

**FEDERAL PRISONER AGREEMENT** - To account for monies which are received from the Federal U.S. Marshall's Office under contract with the County which are then submitted to CCA in payment for the cost of housing federal prisoners.

**STATE PRISONER AGREEMENT** - To account for monies which are received from the State of New Mexico Correction's Department under contract with the County which are then submitted to CCA in payment for the cost of housing state prisoners.

**COST TO STATE/PENALTY AND INTEREST** - To account for costs collected for the State of New Mexico and for penalty and interest on delinquent taxes collected for the state.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Combining Statement of Changes in Assets and Liabilities  
All Agency Funds  
Year Ended June 30, 2001

	Balances June 30, 2000	Additions	Deletions	Balances June 30, 2001
<b>ASSETS</b>				
Cash on deposit	\$ 743,814	\$ 3,659,940	\$ 4,307,640	\$ 96,114
Total assets	<u>\$ 743,814</u>	<u>\$ 3,659,940</u>	<u>\$ 4,307,640</u>	<u>\$ 96,114</u>
<b>LIABILITIES</b>				
Deposits held for others				
Childrens Trust Fund	\$ 160	\$ 1,775	\$ 1,815	\$ 120
Treasurer-Undistributed Taxes	83,574	2,605,225	2,629,192	59,607
Treasurer-Overpayment of Taxes	1,931	22,072	21,741	2,262
Treasurer-Taxes Paid in Advance	36,797	-	6,535	30,262
Federal Prisoner Agreement	411,990	680,760	1,092,750	-
State Prisoner Agreement	206,607	309,734	516,341	-
Cost to State/Penalty and Interest	2,755	40,374	39,266	3,863
Total liabilities	<u>\$ 743,814</u>	<u>\$ 3,659,940</u>	<u>\$ 4,307,640</u>	<u>\$ 96,114</u>

See accompanying notes to financial statements.

**ACCOUNT GROUPS**



STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Statement of Changes in General Fixed Assets  
Year Ended June 30, 2001

	Balances June 30, 2000	Additions	Deletions	Balances June 30, 2001
General Fixed Assets:				
Land	\$ 60,741	\$ -	\$ -	\$ 60,741
Right of way	21,084	-	-	21,084
Building and improvements	2,164,782	4,629	-	2,169,411
Furniture, fixtures and equipment	5,400,874	42,429	-	5,443,303
Vehicles	-	65,558	-	65,558
	<u>-</u>	<u>65,558</u>	<u>-</u>	<u>65,558</u>
Total	<u>\$ 7,647,481</u>	<u>\$ 112,616</u>	<u>\$ -</u>	<u>\$ 7,760,097</u>
Investment in General Fixed Assets:				
Acquisition prior to June 30, 1985				
not identifiable by source	\$ 822,432	\$ -	\$ -	\$ 822,432
General Fund	2,069,160	112,616	-	2,181,776
Special Revenue Fund	3,929,056	-	-	3,929,056
Capital Projects Fund	826,833	-	-	826,833
	<u>826,833</u>	<u>-</u>	<u>-</u>	<u>826,833</u>
Total	<u>\$ 7,647,481</u>	<u>\$ 112,616</u>	<u>\$ -</u>	<u>\$ 7,760,097</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
General Long-Term Debt  
Statement of Changes in General Long-Term Debt  
Year Ended June 30, 2001

	Balances June 30, 2000	Additions	Deletions	Balances June 30, 2001
Amount available in debt service funds	\$ 131,038	\$ 221,821	\$ 188,390	\$ 164,469
Amount to be provided for retirement of general long-term debt	<u>1,349,192</u>	<u>2,796,169</u>	<u>-</u>	<u>4,145,361</u>
Total	<u><u>\$ 1,480,230</u></u>	<u><u>\$ 3,017,990</u></u>	<u><u>\$ 188,390</u></u>	<u><u>\$ 4,309,830</u></u>
Capital leases payable	\$ 617,968	\$ 587,740	\$ 172,332	\$ 1,033,376
General obligation bonds	700,000	3,050,000	700,000	3,050,000
Notes payable	112,000	82,052	21,415	172,637
Accrued compensated absences payable	<u>50,262</u>	<u>3,555</u>	<u>-</u>	<u>53,817</u>
Total	<u><u>\$ 1,480,230</u></u>	<u><u>\$ 3,723,347</u></u>	<u><u>\$ 893,747</u></u>	<u><u>\$ 4,309,830</u></u>

See accompanying notes to financial statements.

**SUPPLEMENTARY INFORMATION**

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2001

Originating Funding Source and Program	Pass Through Number	Catalog of Federal Domestic Assistance Number	Federal Expenditures
<u>U.S. Department of the Interior</u>			
Bureau of Land Management			
*Payments in Lieu of Taxes (PILT)	-	15.226	\$ 121,981
Bankhead-Jones	-	15.000	8,452
Passed through Department of Finance and Administration			
Taylor Grazing Act	-	15.227	1,427
Total Department of the Interior			131,860
<u>U.S. Department of Agriculture</u>			
Passed Through North Central New Mexico Economic Development District Area on Aging:			
Cash in Lieu of Commodities	-	10.570	18,018
<u>U.S. Department of Housing and Urban Development</u>			
Passed through New Mexico Department of Finance and Administration			
Community Development Block Grant	99-C-RS-I-3-G-08	14.218	158,682
Community Development Block Grant	00-C-RS-I-3-G-8	14.218	5,344
Total U.S. Department of Housing and Urban Development			164,026
<u>U.S. Department of Justice</u>			
COPS MORE	2000-CMWX-0435	16.710	13,355
COPS in Schools	2001-SHWX-0208	16.710	4,947
*COPS Universal Hiring Supplemental Award	95CFWX4761	16.710	259,592
*Domestic Violence and Child Victimization Enforcement	97-WR-VX-0021	16.589	102,900
Total U.S. Department of Justice			380,794
<u>U.S. Department of Health and Human Services</u>			
Passed through Medical Assistance Division			
*Medicaid Transportation	-	93.778	47,226
Passed through New Mexico Department of Health			
Families First Program	-	93.000	22,814
Passed through North Central New Mexico Economic Development District Area Agency on Aging:			
Title III B	-	93.044	23,195
Title III C1	-	93.045	18,662
Title III C2	-	93.045	4,455
*Rural Health Outreach	-	93.912	149,911
Total U.S. Department of Health and Human Services			266,263
<u>Federal Emergency Management Agency</u>			
Passed through the State of New Mexico			
Department of Finance and Administration	-	83.007	14,174
<u>U.S. Department of Transportation</u>			
Passed through NM State Highway and Transportation Department:			
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	-	20.601	7,848
Safety Incentive Grants for Use of Seatbelts	-	20.604	11,040
Total U.S. Department of Transportation			18,888
Total Expenditures of Federal Awards			\$ 994,023

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2001

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Accounting

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the County of Torrance and is presented on the cash basis of accounting, which is not the same basis as was used to prepare the financial statements. The financial statements were prepared using the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

2. Non-Cash Assistance

The County did not receive any federal awards in the form of non-cash assistance during the year.

3. Subrecipients

The County did not provide any federal awards to subrecipients during the year.

\*Treated as a Major Program

AUDITING  
BOOKKEEPING

*Rice and Associates, C.P.A.*

CERTIFIED PUBLIC ACCOUNTANTS

11805 Menaul NE

Albuquerque, NM 87112

(505) 292-8275

TAX PLANNING  
TAX PREPARATION

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

Mr. Domingo P. Martinez, CGFM  
State Auditor

and

Mr. Bill R. Williams, Chairman  
and County Commissioners  
County of Torrance  
Estancia, New Mexico

We have audited the financial statements of the County of Torrance, as of and for the year ended June 30, 2001, and have issued our report thereon dated July 8, 2003, in which we qualify the opinion due to a lack of detailed records for certain of the fixed assets of the General Fixed Assets Account Group and because the Attorney General's Office is seeking \$269,905 in funds resulting from potential errors in the Medicaid Transportation Fund. Except for the preceding, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the County of Torrance's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect of the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*, those comments are 00-01, 00-07, 01-04, 01-05, 01-06, 01-07 and 01-08.



### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the County's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described as 96-01, 97-22, 00-02, 00-03, 00-06, 01-01, 01-02, 01-03 and 01-09.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited 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 over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be a material weaknesses. However, of the reportable conditions described above, we consider the following items to be material weaknesses: 96-01 and 97-22.

This report is intended solely for the information and use of the County Commission, management of the County and the New Mexico State Auditor and the Department of Finance and Administration and is not intended to be and should not be used by anyone other than these specified parties.

*Rice & Associates, C.P.A.*

July 8, 2003

*Rice and Associates, C.P.A.*

AUDITING  
BOOKKEEPING

CERTIFIED PUBLIC ACCOUNTANTS  
11805 Menaul NE  
Albuquerque, NM 87112  
(505) 292-8275

TAX PLANNING  
TAX PREPARATION

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133

Mr. Domingo P. Martinez, CGFM  
New Mexico State Auditor  
and  
Mr. Bill R. Williams, Chairman  
and County Commissioners  
County of Torrance  
Estancia, New Mexico

Compliance

We have audited the compliance of the County of Torrance (County) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal program for the year ended June 30, 2001. The County's major federal programs are identified in the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs are the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

As described in items 00-04 and 00-05, in the accompanying Schedule of Findings and Questions Costs, the County did not comply with requirements regarding accounting for federal grants that are applicable to its major program. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.



STATUS OF COMMENTS

Federal Required Comments

Prior Year Audit Findings

1. Medicaid Reimbursement Requests - (00-04) - Repeated.
2. Medicaid Transportation Logs - (00-05) - Repeated.

Current Year Audit Findings

NONE

State Auditor Required Comments

Prior Year Audit Findings

1. Fixed Assets - (96-01) - Repeated.
2. Grant Reimbursements - (97-22) - Repeated but modified as Receipt of Grant Monies.
3. County's Matching Share - (00-01) - Repeated.
4. Payroll Classifications - (00-02) - Repeated.
5. Multiple Programs in One Fund - (00-03) - Repeated.
6. Coding of Receipts - (00-06) - Repeated.
7. Late Audit Report - (00-07) - Repeated.

Current Year Audit Findings

1. Disbursements Charged to the Wrong Fund (01-01)
2. Grant Payments (01-02)
3. CCA Jail Contract (01-03)
4. Bid Award (01-04)
5. Compensating Tax (01-05)
6. Social Security Withholding (01-06)
7. Budget Overruns (01-07)
8. Expenditure Category Overruns (01-08)
9. General Fund Supporting Smaller Funds (01-09)

**FEDERAL REQUIRED FINDINGS**

Medicaid Reimbursement Requests  
(00-04)

CONDITION	Medicaid reimbursements were overstated due to the travel logs being misstated. (Medicaid Transportation Fund received from the U.S. Department of Health and Human Services through the Medical Assistance Division, CFDA #93.778)
CRITERIA	All reimbursement requests should be created using correct supporting documents.
CAUSE	The underlying documents used to create these reimbursements were either non-existent or incorrect.
EFFECT	The County received payments not actually earned.
RECOMMENDATION	All reimbursement requests (and supporting documents) should be reviewed by the County Managers Office before submission.
RESPONSE	Currently the Medicaid Transportation is not operating. The County shut the program down when the Senior Services Program left the County. In the event that the County should re-instate this program, the County Manager would review all reimbursements and the supporting documents before submission.

Medicaid Transportation Logs  
(00-05)

CONDITION	Medicaid transportation logs were created using incorrect mileage distances. (Medicaid Transportation Fund received from the U.S. Department of Health and Human Services through the Medical Assistance Division, CFDA #93.778)
CRITERIA	All Medicaid transportation logs should use actual miles driven or map miles.
CAUSE	The Medicaid transportation logs were created using incorrect mileage distances.
EFFECT	Total miles used on reimbursement claims was exaggerated creating an overpayment to the County.
RECOMMENDATION	All Medicaid transportation logs should be reviewed by the County Managers Office before reimbursement requests are created and submitted.
RESPONSE	If the County re-instates the Medicaid Transportation Program the County Manager will review all the transportation logs and ensure that the correct mileage distances are being used as stated by the mileage chart on the State of New Mexico map.



**STATE AUDITOR REQUIRED FINDINGS**

Fixed Assets

(96-01)

CONDITION	The fixed asset listing which we obtained during our audit was incomplete in that it did not include all fixed assets.
CRITERIA	The County should maintain detailed fixed asset records.
CAUSE	The staff of the County has made considerable progress in this area, however, the listing was still not complete.
EFFECT	The failure to maintain adequate fixed asset records results in the inability of the County to maintain control over the fixed assets.
RECOMMENDATION	We recommend that control accounts be established and maintained by category of the County's fixed assets; detailed land, building and equipment records be prepared and reconciled to control accounts; and that the physical inventory conducted by the school district be reconciled to the amount recorded on the fixed assets control ledger.
RESPONSE	The County is currently working on a complete fixed assets listing. A physical inventory will be completed by December, 2003.

Receipt of Grant Monies  
(97-22)

CONDITION	The County has not received all grant monies owed to them.
CRITERIA	The County should ensure that all monies owed and receivable be collected within a reasonable time period.
CAUSE	An employee has not been assigned the task of collecting any monies due.
EFFECT	Grant monies could be lost because grant periods have lapsed.
RECOMMENDATION	An employee should be assigned the duties of collecting monies owed.
RESPONSE	The County Manager will oversee that all grant monies are collected.

County's - Matching Share  
(00-01)

CONDITION	The County is not recording/transferring their matching share of funds for certain grant programs, thus creating a negative cash balance.
CRITERIA	The County should budget and transfer all grant monies so that cash deficits are not created.
CAUSE	An employee has not been assigned the duty of investigating these cash deficits or ensuring that the County share has been transferred.
EFFECT	Negative cash balances are created.
RECOMMENDATION	We recommend that one employee be assigned the duties of ensuring all County matching monies have been correctly transferred so as to eliminate cash overdrafts.
RESPONSE	The County was unaware of some grant matching requirements until just recently. The original Universal Hiring Grant was obtained with the approval of the County Commission and therefore, the County was unaware of the matching requirement. We have been researching this problem and are transferring matching funds as they are available. The County has covered the matching portion from the General Fund, so the obligation of the grant has been fulfilled. We are not trying to clear the negative fund balances by the transfer of other funds.

Payroll Classifications  
(00-02)

CONDITION	Salaries for certain employees are not always charged to the correct fund.
CRITERIA	Salaries for all employees should be budgeted for in the fund designated and then charged as an expenditure as it is earned.
CAUSE	The different departments are not specifying exactly where each persons salary (or overtime) should be charged.
EFFECT	Funds are paying for employee salaries that are not budgeted or funded to do so. In reverse the fund that should be charged is not receiving the budgeted grant monies because they are not expending the salaries from that fund.
RECOMMENDATION	Each department should provide detailed accurate records to the payroll department so that each employee's salary will be charged correctly.
RESPONSE	The County has implemented several changes to help remedy this problem. We have revised the payroll change notice and the request to hire to be signed off by the County Manager and the Finance Department. This will be a double check that the right budgetary line item is being charged. Payroll is also self-audited by the Assistant County Manager on a bi-weekly basis to insure that the correct line items are being charged.

Multiple Programs in One Fund  
(00-03)

CONDITION	The Traffic Safety Fund has several different grant programs funding it. The County has not provided sub-accounts (as in the Seniors Fund) to "break out" each grant programs revenues and expenditures.
CRITERIA	If multiple sources of revenue are received to fund a program, sub-accounts should be used.
CAUSE	The Business Office was not aware that there were several different grants funding this program.
EFFECT	Reimbursements may not be received because the expenditures are not shown or reported in the correct grant/program.
RECOMMENDATION	Management should create sub-accounts to ensure the correct expenditures and revenues are recorded under the correct grant/program.
RESPONSE	Sub-accounts have been created in the FY04 budget. We had revised the time sheet to reflect which sub-account was being charged.



Coding of Receipts  
(00-06)

CONDITION	Certain grant reimbursements were deposited into the wrong fund.
CRITERIA	All monies received should be posted to the correct fund when received.
CAUSE	The department providing this information to the Treasurers office was incorrect.
EFFECT	Financial statements show a receivable or deficit cash balance when in reality the monies have been received.
RECOMMENDATION	A detailed review of all accounts should be made to ensure correct revenue codes. Also, when a deposit is posted, the Treasurers office should receive copies of all correspondence so they can ensure the account receiving the monies is correct.
RESPONSE	A memo will be issued by the County Manager instructing each department of the correct deposit line items for their department.

Late Audit Report  
(00-07)

CONDITION	The June 30, 2001 audit report was submitted to the State Auditor after the required deadline.
CRITERIA	County audits are required to be submitted to the State Auditor by November 15. This is the State Auditors Office Rule 2.2.2.9A(1){c}.
CAUSE	The previous years audit report was not submitted timely. Also, there was finally a decision made concerning whether the Solid Waste Authority should be included as a component unit. It is no longer considered a component unit.
EFFECT	State Auditor regulations have not been adhered to.
RECOMMENDATION	Now that the component issue has been resolved all future audit reports should be submitted timely.
RESPONSE	The County will work with the auditor to make sure that the audit report is submitted timely.

Disbursements Charged to the Wrong Fund  
(01-01)

CONDITION	The County has a department that is charging certain expenditures to the wrong funds. These funds include special funds that have grants that were closed out in previous years.
CRITERIA	An employee in each department should be adequately trained and experienced so that they can process, post and record transactions to the correct funds.
CAUSE	The employee in charge of these disbursement postings has since left the County.
EFFECT	Expenditures are overstated/understated depending on the fund.
RECOMMENDATION	The County now has an experienced employee in the department, however, the County should ensure that these postings are reviewed periodically for accuracy.
RESPONSE	The County Manger's Office will review the general ledger each month for every department to monitor expenditures properly.

Grant Payments  
(01-02)

CONDITION	The General Fund has been making payments (disbursements) on behalf of other funds. This is so the vendor can be paid timely, however, the Special Revenue Fund does not have the resources yet to make the payment. Then when the payment is made from the Special Revenue Fund back to the General Fund the receipt of these monies is posted as revenue instead of a reduction of expenditures or a receivable.
CRITERIA	Payments made between funds should be posted to the correct accounts, not as revenues.
CAUSE	The department receipting these payments is not aware that these amounts are not revenues.
EFFECT	Expenditures and revenues are overstated.
RECOMMENDATION	The department receipting these resources should either be notified by the department issuing the check or someone in the Managers office should actually fill out the receipt to ensure the correct account and fund are used.
RESPONSE	The County will not borrow monies from the General Fund to make payments to contractors. The expenditure and revenue will be posted to the Special Revenue Fund only.

CCA Jail Contract  
(01-03)

CONDITION	The County is not receiving a detailed print out of all inmates being housed and the corresponding .75¢ per day that is provided to the County for its management fee.
CRITERIA	Per the contract with CCA the County is to receive .75¢ per day per inmate as management fees.
CAUSE	The County is not ensuring that this detailed information is provided to the County.
EFFECT	The County has no documentation to support the payments being received from CCA. Therefore, revenues could be understated/overstated.
RECOMMENDATION	The County Mangers Office should request this information from CCA immediately to ensure payments received are supported.
RESPONSE	The County Manager has requested that copies of the checks received by CCA be sent to the County each month along with the billing. This will provide the necessary information to determine what is owed to the County by CCA.

Bid Award  
(01-04)

CONDITION	The County hired an agency for professional services not to exceed \$18,000. The agency was actually paid \$24,264. This payment violates the Small Purchases Statute 13-1-125B and the Boards approval not to exceed \$18,000.
CRITERIA	The State Statute 13-1-125B states that all professional services to be purchased exceeding \$20,000 should be advertised and obtain competitive sealed bids.
CAUSE	Management of the County allowed the agency to perform services and paid for those services even when they exceeded the \$18,000 approved by the board.
EFFECT	The County violated the State Procurement Code and the Board approval not to exceed \$18,000.
RECOMMENDATION	The employee reviewing and approving all purchase orders should be fully trained and experienced to ensure that all procurements of goods and services are made within the legal limits of the Procurement Code and Board approval.
RESPONSE	Purchase orders are not issued for contract services, so the oversight is not in purchase order review and/or approval. There were two legal actions on gravel pit issues that required a substantial amount of attorney hours. These two issues caused us to run over budget on attorney costs. The budget overrun was unavoidable. We have fixed this issue for future fiscal years by going out to bid for attorney services each year.



Compensating Tax  
(01-05)

CONDITION	The County has no procedures in place to determine when compensating tax is due. The employees presumably responsible for determining and paying the compensating tax were unaware of the compensating tax requirements.
CRITERIA	Compensating tax should be paid as required. The County should have procedures in effect to determine when compensating tax is due. Compensating tax is required under State Statute 7-9-7.
CAUSE	County employees were unaware of the compensating tax requirements.
EFFECT	The failure to determine and pay the compensating tax could result in significant liabilities.
RECOMMENDATION	The proper employees should become familiar with the compensating tax regulations and the County should implement procedures to determine when the tax is due and when it is due to be paid.
RESPONSE	Checking compensating taxes will be implemented into the accounts payable review process to make sure all taxes are paid when due.

Social Security Withholding  
(01-06)

CONDITION	The payroll department is not withholding social security on a number of employees, nor is the County paying the matching social security.
CRITERIA	Social security should be withheld as required and matched by the County. Social security withholding is required by Internal Revenue Code Section 3102.
CAUSE	It appears that the non-withholding of social security is due to the possible misinterpretation of Internal Revenue Service guidelines. The County has no documentation to support the non-withholding.
EFFECT	The failure to withhold taxes as required could result in significant liabilities.
RECOMMENDATION	The County should determine whether it is required to withhold social security, and to match the withholding, on the employees that do not have social security withheld. The determination could be made by a tax attorney, or the IRS.
RESPONSE	The County will request a copy of its Section 218 agreement with the IRS and review it to determine if social security should be withheld from employees that do not have social security taxes withheld currently.

Budget Overruns  
(01-07)

CONDITION	The County had budget overruns in numerous funds.
CRITERIA	All expenditures may not exceed approved budgets. According to 6-6-6 NMSA 1978.
CAUSE	Budgetary adjustments did not occur to correct budget deficits.
EFFECT	Department of Finance and Administration regulations have not been adhered to.
RECOMMENDATION	Review financial statements periodically for possible overruns and request the appropriate budgetary increases before expenditures exceed budget.
RESPONSE	The County Manager's office will review the monthly budget reports to determine possible overruns and take the necessary actions to prevent overruns.

Expenditure Category Overruns  
(01-08)

CONDITION	The County had a budget overrun at the end of the year in the General Fund.
CRITERIA	Expenditures may not exceed approved budgeted amounts, by function level. According to 6-6-6 NMSA 1978.
CAUSE	Budgetary adjustments did not occur to correct function deficits.
EFFECT	Budgetary controls are circumvented and Department of Finance and Administration regulations are violated.
RECOMMENDATION	Review financial statements periodically for possible overruns and request the appropriate budgetary increases before expenditures exceed budget.
RESPONSE	The County Manager's office will review the monthly budget reports to determine possible overruns by category and make the necessary adjustments to prevent the overrun.

General Fund Supporting Smaller Funds  
(01-09)

CONDITION	Management is not ensuring that grant monies or other revenue sources are received to cover expenditures made in the smaller Special Revenue Funds. This then creates a situation where the General Fund has to now cover the cash overdraft created.
CRITERIA	All Special Revenue Funds should be self supporting.
CAUSE	Management is not ensuring that all departments receiving special revenue sources are actually requesting them and receiving them.
EFFECT	The General Fund is being depleted unnecessarily.
RECOMMENDATION	Management should implement policies to ensure that all grant or other special revenue sources are received to cover all expenditures actually made.
RESPONSE	The County Manager's office will review all special revenue and grant funds monthly to ensure all revenues are received to cover expenditures.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2001

Part 1 - Summary of Auditor Results

1. Type of Report - Qualified
2. Reportable Conditions - 96-01, 97-22, 00-02, 00-03, 00-06, 01-01, 01-02, 01-03 and 01-09
3. Non-Compliance - 00-01, 00-07, 01-04, 01-05, 01-06, 01-07 and 01-08
4. Reportable Conditions Over Major Programs - None
5. Type of Report Issued on Compliance with the Major Program - Qualified
6. Audit Findings - 00-04 and 00-05
7. Major Programs - Payments in Lieu of Taxes (PILT), CFDA #15.226, Universal Hiring Grant, CFDA #16.710, Domestic Violence Grant, CFDA #16.589, Medicaid Transportation Grant, CFDA #93.778 and Rural Outreach Grant, CFDA #93.912
8. Dollar Threshold Used to Distinguish Type A and Type B Programs - \$300,000
9. The County of Torrance did not qualify as a low-risk auditee.

Part 2 - Findings

1. Audit Findings - 00-04 and 00-05

Part 3 - Questioned

1. Medical Assistance Program \$47,226



