



Certified Public Accountants

*ricci&company llc*

**STATE OF NEW MEXICO  
COUNTY OF TORRANCE**

**FINANCIAL STATEMENTS**

**JUNE 30, 2008**

**STATE OF NEW MEXICO  
COUNTY OF TORRANCE**

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COUNTY OF TORRANCE**

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**STATE OF NEW MEXICO  
COUNTY OF TORRANCE**

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STATE OF NEW MEXICO  
COUNTY OF TORRANCE

*Official Roster*  
June 30, 2008

COUNTY COMMISSION

James Frost	Chairman
Paul Chavez	Commissioner
Leroy Candelaria	Commissioner

ELECTED OFFICIALS

Linda Kayser	County Clerk
James Hall	County Treasurer
Jim Shields	County Assessor
Clarence Gibson	Sheriff
Mary Ann C. Anaya	Probate Judge

ADMINISTRATIVE OFFICIALS

Joy Ansley	County Manager
Annette Ortiz	Deputy County Manager
Tracy Sedillo	Comptroller

## Independent Auditors' Report

Mr. Hector H. Balderas, State Auditor  
and

To the Honorable Members of the Board of County Commissioners  
State of New Mexico - County of Torrance  
Estancia, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information and the budgetary comparisons of the State of Mexico, County of Torrance (County), as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the County's nonmajor governmental funds and the budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no opinion. 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2008, and the respective changes in financial position and the respective budgetary comparisons for the General, Road, Jail and Civil Defense Special Revenue Funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the County as of June 30, 2008, and the respective changes in financial position and the respective budgetary comparisons for the nonmajor governmental funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Mr. Hector H. Balderas, State Auditor

and

To the Honorable Members of the Board of County Commissioners

State of New Mexico - County of Torrance

Estancia, New Mexico

In accordance with *Government Auditing Standards*, we have also issued our report dated July 1, 2010 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Torrance County has not presented its Management's Discussion and Analysis for the year ended June 30, 2008. The Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by Accounting Principles Generally Accepted in the United States of America and the Governmental Accounting Standards Board.

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the County's basic financial statements and on the combining and individual fund financial statements and the budgetary comparisons. 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 basic financial statements and the combining and individual fund financial statements of the County. The accompanying financial information listed as Supplementary Information - Supporting Schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements and the combining and individual fund financial statements of the County. Such schedule and such information have been subjected to the auditing procedures applied to the audit of the basic financial statements and the combining and individual fund financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

***Ricci & Company LLC***

Albuquerque, New Mexico

July 1, 2010

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
GOVERNMENT WIDE STATEMENT OF NET ASSETS  
June 30, 2008

	Governmental Activities
<b>ASSETS</b>	
Current assets:	
Cash and investments	\$ 3,014,784
Taxes receivable	764,521
Accounts receivables	54,397
Prepays	117,468
Due from other governments	488,987
Total current assets	<u>4,440,157</u>
Noncurrent assets:	
Capital assets	16,774,473
Less accumulated depreciation	<u>(5,091,220)</u>
Total noncurrent assets	<u>11,683,253</u>
<b>Total assets</b>	<u>16,123,410</u>
<b>LIABILITIES</b>	
Current liabilities:	
Due to other governmental units	91,297
Accounts payable	766,377
Accrued payroll and taxes	107,794
Current portion of long-term obligations	<u>384,494</u>
Total current liabilities	<u>1,349,962</u>
Noncurrent liabilities	
Noncurrent portion of long-term obligations	<u>3,073,102</u>
Total noncurrent liabilities	<u>3,073,102</u>
<b>Total liabilities</b>	<u>4,423,064</u>
<b>NET ASSETS</b>	
Investment in capital assets, net of related debt	8,310,141
Restricted for:	
Debt service	329,302
Capital projects	(339,238)
Special projects	1,350,803
Unrestricted	<u>2,049,338</u>
<b>Total net assets</b>	<u>\$ 11,700,346</u>

See Notes to Financial Statements.



STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
GOVERNMENT WIDE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			Net (Expenses) Revenues and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Expenses</b>					
Governmental activities					
General government	\$ (1,573,462)	323,118	1,096,747	1,328,126	1,174,529
Public safety	(4,664,832)	62,241	821,259	843,856	(2,937,476)
Highways and streets	(1,667,741)	-	1,232	-	(1,666,509)
Health and welfare	(1,295,864)	1,200	656,875	-	(637,789)
Culture and recreations	(2,391)	-	-	44,908	42,517
Interest on long-term debt	(144,519)	-	-	-	(144,519)
Total governmental activities	<u>\$ (9,348,809)</u>	<u>386,559</u>	<u>2,576,113</u>	<u>2,216,890</u>	<u>(4,169,247)</u>

General Revenues	
Property taxes	\$ 3,558,741
Local and state share taxes	3,059,720
Investment income	115,819
Loss on disposal of capital assets	(68,871)
Total general revenues and transfers	<u>6,665,409</u>
Change in net assets	<u>2,496,162</u>
Net assets, beginning	<u>9,204,184</u>
Net assets, ending	<u>\$ 11,700,346</u>

See Notes to Financial Statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
COMBINED BALANCE SHEET - GOVERNMENTAL FUNDS  
June 30, 2008

		Major Funds
	401	402
	General	Road Fund
<b>ASSETS</b>		
Cash and investments	\$ 3,014,784	-
Due from other funds	439,220	359,371
Due from other funds other	117,468	-
Accounts receivable	-	-
Intergovernmental receivable	75,244	87,740
Property tax receivable	764,521	-
<b>Total assets</b>	<b>\$ 4,411,237</b>	<b>447,111</b>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Due to other funds	\$ 2,002,638	-
Due to other governmental units	91,297	-
Accounts payable	115,229	54,527
Accrued payroll and taxes	68,251	15,053
Deferred revenue - grants	-	-
Deferred revenue - property taxes	628,682	-
<b>Total liabilities</b>	<b>2,906,097</b>	<b>69,580</b>
Fund Balances		
Reserved for:		
Debt service	-	-
Subsequent year's expenditures	622,760	125,493
Unreserved:		
General Fund	882,380	-
Special Revenue Funds	-	252,038
Capital Projects Funds	-	-
<b>Total fund balances</b>	<b>1,505,140</b>	<b>377,531</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,411,237</b>	<b>447,111</b>

See Notes to Financial Statements.

420	604	803		
Jail	Civil	Legislative	Non-Major	
Fund	Defense	Appropriations	Funds	Total
-	-	-	-	3,014,784
77,285	663,847	-	921,298	2,461,021
-	-	-	-	117,468
-	-	54,397	-	54,397
46,750	44,454	-	234,799	488,987
-	-	-	-	764,521
124,035	708,301	54,397	1,156,097	6,901,178
-	62,443	140,931	255,009	2,461,021
-	-	-	-	91,297
67,036	96,168	252,705	180,712	766,377
-	2,964	-	21,526	107,794
-	-	-	-	-
-	-	-	-	628,682
67,036	161,575	393,636	457,247	4,055,171
-	-	-	329,302	329,302
-	-	-	-	748,253
-	-	-	-	882,380
56,999	546,726	-	369,547	1,225,310
-	-	(339,239)	1	(339,238)
56,999	546,726	(339,239)	698,850	2,846,007
124,035	708,301	54,397	1,156,097	6,901,178

**STATE OF NEW MEXICO**  
**COUNTY OF TORRANCE**  
**RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO STATEMENT OF NET ASSETS - GOVERNMENTAL ACTIVITIES**  
**June 30, 2008**

Total fund balances - Governmental Funds (Balance Sheet - Governmental Funds)		\$	2,846,007
Amounts reported for governmental activities in the Statement of Net Assets are different at June 30, 2008 because:			
Delinquent property taxes receivable net of allowance for doubtful accounts are not considered available financial resources and therefore are reported as deferred revenue in the fund financial statements			628,682
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund. These assets consist of:			
Total capital assets	\$	16,774,473	
Less accumulated depreciation		(5,091,220)	
Related debt		(3,373,112)	
Total capital assets, net of related debt and depreciation			8,310,141
Some liabilities are not due and payable in the current period and therefore are not reported in the fund:			
Compensated absences		(84,484)	
Total other liabilities			(84,484)
<b>Net assets of governmental activities</b> <b>(Statement of Net Assets)</b>		\$	<u>11,700,346</u>

*See Notes to Financial Statements.*

**STATE OF NEW MEXICO**  
**COUNTY OF TORRANCE**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2008**

	Major Funds	
	401	402
	General	Road Fund
<b>Revenues</b>		
Intergovernmental sources	\$ 428,188	660,225
Local and state shared taxes	907,845	731,876
Property taxes	3,275,092	-
Charges for services	201,074	19,074
Interest	71,654	10,707
<b>Total revenues</b>	<b>4,883,853</b>	<b>1,421,882</b>
<b>Expenditures</b>		
Current:		
General government	2,020,659	-
Public safety	937,978	-
Highways and streets	-	1,604,495
Health and welfare	153,854	-
Culture and recreation	-	-
Capital outlay	10,922	-
Debt service - principal	-	140,090
Debt service - interest	-	5,879
<b>Total expenditures</b>	<b>3,123,413</b>	<b>1,750,464</b>
<b>Excess (deficiency) of revenues over expenditures before other financing sources</b>	<b>1,760,440</b>	<b>(328,582)</b>
<b>Other Financing Sources (Uses)</b>		
Loan proceeds	10,922	-
Operating transfers in	7,738	117,533
Operating transfers out	(1,280,226)	-
<b>Total other financing sources (uses)</b>	<b>(1,261,566)</b>	<b>117,533</b>
<b>Net change in fund balance</b>	<b>498,874</b>	<b>(211,049)</b>
Fund balances, beginning of year	1,006,266	588,580
<b>Fund balances, end of year</b>	<b>\$ 1,505,140</b>	<b>377,531</b>

*See Notes to Financial Statements.*

<u>420</u>	<u>604</u>	<u>803</u>		
<u>Jail</u>	<u>Civil</u>	<u>Legislative</u>	<u>Non-Major</u>	
<u>Fund</u>	<u>Defense</u>	<u>Appropriations</u>	<u>Funds</u>	<u>Total</u>
245,206	788,309	1,114,032	1,557,043	4,793,003
263,891	66,102	-	1,153,597	3,123,311
-	-	-	283,649	3,558,741
-	-	-	166,411	386,559
-	-	-	33,458	115,819
<u>509,097</u>	<u>854,411</u>	<u>1,114,032</u>	<u>3,194,158</u>	<u>11,977,433</u>
-	279,077	-	514,320	2,814,056
1,159,689	-	-	2,259,838	4,357,505
-	-	-	-	1,604,495
-	-	-	1,056,645	1,210,499
-	-	-	550	550
-	-	1,372,167	216,667	1,599,756
-	-	-	263,126	403,216
-	-	-	138,640	144,519
<u>1,159,689</u>	<u>279,077</u>	<u>1,372,167</u>	<u>4,449,786</u>	<u>12,134,596</u>
<u>(650,592)</u>	<u>575,334</u>	<u>(258,135)</u>	<u>(1,255,628)</u>	<u>(157,163)</u>
-	-	-	216,667	227,589
845,631	19,000	-	304,189	1,294,091
-	-	-	(13,865)	(1,294,091)
<u>845,631</u>	<u>19,000</u>	<u>-</u>	<u>506,991</u>	<u>227,589</u>
195,039	594,334	(258,135)	(748,637)	70,426
<u>(138,040)</u>	<u>(47,608)</u>	<u>(81,104)</u>	<u>1,447,487</u>	<u>2,775,581</u>
<u>56,999</u>	<u>546,726</u>	<u>(339,239)</u>	<u>698,850</u>	<u>2,846,007</u>



**STATE OF NEW MEXICO**  
**COUNTY OF TORRANCE**  
**RECONCILIATION OF STATEMENT OF ACTIVITIES TO**  
**GOVERNMENTAL FUND STATEMENTS**  
**Year Ended June 30, 2008**

Amounts reported for governmental activities in the Statement of Activities  
are different at June 30, 2008 because:

Net change in fund balances - total governmental funds	\$	70,426
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Governmental funds report capital outlays as expenditures. However, in the  
Statement of Activities the cost of those assets is allocated over their  
estimated useful lives and reported as depreciation expense. This is the  
amount by which depreciation exceeded capital outlay in the current period.  
In addition, the Statement of Activities reports gains or losses on disposals.

Depreciation expense	\$	(669,957)	
Capital outlay		3,053,298	
Loss on disposal		<u>(68,871)</u>	
Excess of capital outlay over depreciation expense and loss on disposal			2,383,341

The issuance of long-term debt (e.g., bonds, leases) provided current  
financial resources to governmental funds, while the repayment of the  
principal of long-term debt consumes the current financial resources of  
governmental funds. Neither transaction, however, has any effect on net  
assets. Also, governmental funds report the effect of issuance costs,  
premiums, discounts, and similar items when debt is first issued, whereas  
these amounts are deferred and amortized in the Statement of Activities.  
This amount is the net effect of these differences in the treatment of  
long-term debt and related items.

Proceeds from long-term debt	(227,589)	
Payment on long-term debt	<u>403,216</u>	
		175,627

Deferred revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(63,591)
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Some expenses reported in the Statement of Activities do not require the use of  
current financial resources and, therefore, are not reported as expenditures in  
governmental funds. Changes in:

Compensated absences	<u>(770)</u>
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<b>Change in net assets of governmental activities</b>	<b><u>\$</u></b>	<b><u>2,496,162</u></b>
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*See Notes to Financial Statements.*

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
ROAD FUND  
Year Ended June 30, 2008

402				
	Budgeted Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Local and state-shared taxes	\$ 726,000	726,000	732,040	6,040
Intergovernmental revenue	377,390	637,390	660,225	22,835
Interest	14,300	14,300	10,707	(3,593)
Charges for services	4,200	4,200	19,074	14,874
Other	-	-	-	-
<b>Total revenues</b>	<b>1,121,890</b>	<b>1,381,890</b>	<b>1,422,046</b>	<b>40,156</b>
Expenditures				
Public works	1,578,103	1,838,103	1,713,879	124,224
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>1,578,103</b>	<b>1,838,103</b>	<b>1,713,879</b>	<b>124,224</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(456,213)</b>	<b>(456,213)</b>	<b>(291,833)</b>	<b>164,380</b>
Other Financing Sources (Uses)				
Operating transfers in	117,533	117,533	117,533	-
<b>Total other financing sources (uses)</b>	<b>117,533</b>	<b>117,533</b>	<b>117,533</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ (338,680)</b>	<b>(338,680)</b>	<b>(174,300)</b>	<b>164,380</b>
Prior year fund balance to balance the budget	338,680	338,680		
	<b>\$ -</b>	<b>-</b>		
Budgetary Revenues			\$ 1,422,046	
Intergovernmental receivable			(164)	
<b>GAAP revenues</b>			<b>\$ 1,421,882</b>	
Budgetary Expenses			1,713,879	
Accounts payable			31,684	
Accrued payroll			4,901	
<b>GAAP expenses</b>			<b>\$ 1,750,464</b>	

See Notes to Financial Statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE JAIL  
Year Ended June 30, 2008

420				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Local and state-shared taxes	\$ 235,000	336,664	217,141	(119,523)
Intergovernmental revenue	190,000	190,000	245,206	55,206
<b>Total revenues</b>	<b>425,000</b>	<b>526,664</b>	<b>462,347</b>	<b>(64,317)</b>
Expenditures				
Public safety	1,279,113	1,380,777	1,239,280	141,497
<b>Total expenditures</b>	<b>1,279,113</b>	<b>1,380,777</b>	<b>1,239,280</b>	<b>141,497</b>
<b>Excess (deficiency) of         revenues over expenditures</b>	<b>(854,113)</b>	<b>(854,113)</b>	<b>(776,933)</b>	<b>77,180</b>
Other Financing Sources (Uses)				
Operating transfers in	845,631	845,631	845,631	-
<b>Total other financing         sources (uses)</b>	<b>845,631</b>	<b>845,631</b>	<b>845,631</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ (8,482)</b>	<b>(8,482)</b>	<b>68,698</b>	<b>77,180</b>
Prior year fund balance to balance the budget	8,482	8,482		
	<b>\$ -</b>	<b>-</b>		
Budgetary Revenues			\$ 462,347	
Intergovernmental receivable			46,750	
<b>GAAP revenues</b>			<b>\$ 509,097</b>	
Budgetary Expenses			\$ 1,239,280	
Accounts payable			(76,303)	
Accrued payroll			(3,288)	
<b>GAAP expenses</b>			<b>\$ 1,159,689</b>	

See Notes to Financial Statements.

**TORRANCE COUNTY, NEW MEXICO**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET TO ACTUAL**  
**SPECIAL REVENUE CIVIL DEFENSE**  
**Year Ended June 30, 2008**

604			
	Budgeted Amounts		Variance with
	Original	Final	Final Budget - Favorable (Unfavorable)
<b>Revenues</b>			
Local and state-shared taxes	24,000	24,000	21,648 (2,352)
Intergovernmental revenue	876,493	922,348	39,632 (882,716)
<b>Total revenues</b>	<b>900,493</b>	<b>946,348</b>	<b>61,280 (885,068)</b>
<b>Expenditures</b>			
Health and welfare	1,716,870	1,762,725	213,809 1,548,916
<b>Total expenditures</b>	<b>1,716,870</b>	<b>1,762,725</b>	<b>213,809 1,548,916</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(816,377)</b>	<b>(816,377)</b>	<b>(152,529) 663,848</b>
<b>Other Financing Sources (Uses)</b>			
Operating transfers in	19,000	19,000	19,000 -
<b>Total other financing sources (uses)</b>	<b>19,000</b>	<b>19,000</b>	<b>19,000 -</b>
<b>Net change in fund balance</b>	<b>\$ (797,377)</b>	<b>(797,377)</b>	<b>(133,529) 663,848</b>
<b>Prior year fund balance to balance the budget</b>	<b>797,377</b>	<b>797,377</b>	
	<b>\$ -</b>	<b>-</b>	
<b>Budgetary Revenues</b>			<b>\$ 61,280</b>
Intergovernmental receivable			44,454
Deferred Revenue			<u>748,677</u>
<b>GAAP revenues</b>			<b>\$ 854,411</b>
<b>Budgetary Expenses</b>			<b>\$ 213,809</b>
Accounts payable			62,978
Accrued payroll			<u>2,290</u>
<b>GAAP expenses</b>			<b>\$ 279,077</b>
<i>See Notes to Financial Statements</i>			

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
STATEMENT OF FIDUCIARY NET ASSETS AND LIABILITIES -  
AGENCY FUNDS  
Year Ended June 30, 2008

**ASSETS**

Property tax receivable	\$ 1,055,767
Due from other governmental units	<u>91,297</u>

<b>Total assets</b>	<b>\$ <u>1,147,064</u></b>
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**LIABILITIES**

Due to other governmental units	\$ 1,055,767
Deposits held for others	<u>91,297</u>

<b>Total liabilities</b>	<b>\$ <u>1,147,064</u></b>
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*See Notes to Financial Statements.*

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The County of Torrance (County) 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 and law enforcement services and maintains County roads.

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of the County's accounting policies are described below.

In June 1999, the GASB unanimously approved Statement #34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

The County implemented the provisions of GASB #34 and its later amendments effective July 1, 2003.

**A. Reporting Entity**

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the County is considered the *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the County may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The County has no *component units*, as defined by GASB Statement No. 14, as there are no other legally separate organizations for which the elected Commissioners are financially accountable.



STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basic Financial Statements – GASB Statements #34**

The basic financial statements include both government-wide (based on the County as a whole) and fund financial statements. The new reporting model focus on either County as a whole or major individual funds (within the basic financial statements). Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type activities. In the government-wide Statement of Net Assets, both the governmental and business-type activities columns are presented on a consolidated basis by column, and are reflected on a full accrual, economic resources basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. The County did not have any business-type activities during the year ended June 30, 2008.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (general government, public safety, etc.). The Statement of Activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenues (taxes, intergovernmental revenues, interest income, etc.). Historically, the previous mode did not summarize or present net cost by function or activity. The County does not currently employ indirect cost allocation systems.

This government-wide focus is more on the sustainability of the County as an entity and in aggregate financial position resulting from activities of the current fiscal period.

The fund financial statements are similar to the financial statements presented in the previous accounting model. Emphasis here is on major funds in either the governmental or business-type categories. Nonmajor funds (by category) are summarized into a single column.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basic Financial Statements – GASB Statements #34 (Continued)**

The governmental fund statements are presented on a current financial resource and modified accrual basis of accounting. This presentation is deemed appropriate to (a) demonstrate legal compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the County's actual experience conforms to the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statement's governmental activities column, a reconciliation is presented on the page following each statement, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column on the government-wide presentation.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their entity-wide statements, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

Internal activity between the various funds is eliminated in the government-wide financial statements. Interfund receivables and payables at June 30, 2008 have been eliminated. These consist of amounts titled "Interfund receivable (payable)" and "Due from (to) other funds."

The County's fiduciary funds (agency funds) are presented in the fund financial statements. Since by definition these assets are being held for the benefit of the third party and cannot be used to address activities or obligations of the government, these funds are presented separately in the governmental funds and are not incorporated into the government-wide statements.

**C. Basis of Presentation**

The accounts of the County are organized and operated on the basis of funds. A 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.

The funds of the County are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and description of each existing fund type follow.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

**Governmental Funds**

*Governmental funds* are used to account for the County's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

*General Fund* – the primary operating fund of the County accounts for all financial resources, except those required to be accounted for in other funds.

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

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

*Capital Projects Fund* – account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Under the requirements of GASB #34, the County is required to present certain of its governmental funds as major funds based upon certain criteria. The major funds presented in the fund financial statements include the following:

General Fund – The primary operating fund of the County accounts for all financial resources, except those required to be accounted for in other funds. Per GASB #34, the General Fund is always included as a major fund.

Road Fund – To account for funds used to maintain roads for which the County has responsibility. Financing is provided by motor vehicle fees flowing through the State. Expenditures are restricted to the construction and maintenance of county roads. Authority is Section 67-4-1 NMSA 1978.

Jail Fund – To account for resources used to operate the Torrance County Detention Center, which is run by a private firm under contract. Funding is provided by charges to local municipalities, the New Mexico Department of Corrections, administrative fees paid by Corrections Corporation of America, and transfers from the Torrance County General Fund. This fund also accounts for the Community Monitoring Program. Authority is the U.S. Department of Justice.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

Governmental Funds (Continued)

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 reimbursements from the Federal Emergency Management Agency (FEMA). Authority is FEMA.

Legislative Appropriations - To account for resources received from State of New Mexico Legislative Appropriations for the acquisition of capital assets for Torrance County. This was authorized by the legislation involved.

Fiduciary Funds

*Fiduciary funds* account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the County. The County only had agency funds during the year ended June 30, 2008. *Agency funds* are used to account for assets that government holds for others in an agency capacity.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements and the fiduciary fund financial statements are presented on an accrual basis of accounting. The governmental funds in the fund financial statements are presented on a modified accrual basis.

Modified Accrual – All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers all property tax revenues available if they are collected within 60 days of year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

**STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Basis of Accounting (Continued)**

Property taxes are recognized when levied. Derived tax revenues are recognized when the exchange transaction takes place. 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 governmental are also recognized as revenue. These are generally received within 60 days of year end. 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 grants requirements have been met.

In applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to GASB Statement #33, the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenues when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met, under most circumstances, should be reported as advances by the provider and deferred revenue by the recipient.

**E. Property Taxes**

The County Treasurer receives deposits of monies from and collect 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 1<sup>st</sup>, the first half of the assessed tax is due November 10<sup>th</sup>, and becomes delinquent December 10<sup>th</sup>, the second half of the assessed tax becomes due April 10<sup>th</sup> and becomes delinquent May 10<sup>th</sup>. The applicable property is subject to lien and penalties and interest are 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.

**STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Property Taxes (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 for property taxation purposes in a manner that limits annual increases in 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 of 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.

The County's operational tax rate for the current year was 11.396 mills for residential property and 11.850 mills for nonresidential property. The debt service tax rate was 1.381 mills for both types of property.



**STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Budgetary Information**

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

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

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Budgetary Information (Continued)**

- 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, Debt Service Fund, and Capital Projects Funds.
- Budgets for the General, Special Revenue, Debt Service, and Capital Projects Funds are adopted on a basis inconsistent with 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 approved by the Department of Finance and Administration;
6. The level of classification detail in which expenditures may not legally exceed appropriations for budget is at the fund level.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Fund 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 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 bond 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 instrumentalities 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, instrumentalities, 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 the amount of public money on deposit.

2. *Accounts Receivable*

Accounts receivable are recorded in the various governmental funds. They consist of amounts receivable from local governments relating to various grant agreements and property taxes receivable. In the government-wide statements, property taxes are recognized in this year for which the taxes are levied. As of June 30, 2008, there was no allowance for uncollectable accounts because there is no history of write-offs. In the governmental funds statements, those property taxes receivable which are not available within sixty days are deferred. Nonexchange transactions, including grants and contributions, which are not measurable (reasonably estimated) are not recognized.

3. *Capital Assets*

Capital assets are recorded at historical cost and depreciated over their estimated useful lives (with no salvage value). Capital assets are defined by the County as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Donated capital assets are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Fund Equity (Continued)

3. *Capital Assets (Continued)*

Other costs incurred for repairs and maintenance are expensed as incurred. The County does not capitalize interest in regards to its capital assets. The County capitalizes purchased software, but has not internally developed software.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

Land developments	20 years
Buildings and building improvements	20 - 40 years
Furniture and equipment	3 - 7 years

GASB Statement #34 requires the recording and depreciation of infrastructure assets, which include roads, bridges, traffic signals, etc. The County infrastructure assets consist of roads only. These are depreciated over an estimated useful life of 10 years. In accordance with the provisions of GASB Statement #34, the County is considered to be a Phase 3 Government (total annual revenues of less than \$10 million) and has elected to report infrastructure assets in a prospective manner only. That is, infrastructure in place before July 1, 2003 is not reported.

4. *Deferred Revenues*

The County reports deferred revenues on its Statement of Net Assets and fund balance sheet. Deferred revenues arise when resources are received by the County before it has legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the County has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

5. *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 government-wide statement of net assets. The General Fund is typically the fund used to liquidate compensated absences not liquidated by another fund.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Assets, Liabilities and Fund Equity (Continued)**

*6. Long-term Liabilities*

For government-wide reporting, the costs associated with bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34, the amortization of the costs of bonds will be amortized prospectively from the date of adoption of GASB Statement No. 34.

For fund financial reporting, bond premiums and discounts, as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

*7. Fund Balances of Fund Financial Statements*

Reservations of fund balance represents amounts that are not appropriate for expenditures or legally segregated for a specific purpose. Designations of fund balance represents tentative management plans that are subject to change. The County designates the portion of the year end fund balance, not otherwise designated or reserved, for subsequent years' expenditures. These designations are established to earmark resources for specific future use and to indicate that the fund equity does not represent available spendable resources.

Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. Net assets invested in capital assets, net of related debt excludes unspent debt proceeds.

*8. Restricted Net Assets*

For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net assets used are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions enabling legislation.

The County's policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Fund Equity (Continued)

9. *Interfund Transactions*

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

10. *Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.



STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008

**NOTE 2. CASH AND INVESTMENTS**

**A. Cash**

The County operates a pooled cash fund. That is, all cash is held in a single bank account and in investments (see 2.C. below) and accounted for by fund. In the fund financial statements, total cash and investments are reported in the General Fund. Cash in other governmental funds is reported as "Due From Other Funds" (or as "Due To Other Funds" in the case of a fund overdraft) with a corresponding amount in the General Fund. Cash in the Agency Funds is reported as "Due From Other Governmental Units," with a corresponding entry in the General Fund.

A reconciliation of cash investments follows:

Total cash on deposit, Wells Fargo Bank	\$ 1,275,908
Total investments, Local Government Investment Pool (see Note 2C)	2,024,719
Deposit in transit	21,263
Petty cash	<u>300</u>
Less outstanding checks and warrants	<u>(307,406)</u>
<b>Total cash and investments</b>	<b><u>\$ 3,014,784</u></b>

Per financial statements:

Cash and investments	<u>\$ 3,014,784</u>
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Total cash and investments which belong to the General Fund only is calculated as follows, (shown in the Balance Sheet - Governmental Funds):

Total cash and investments	\$ 3,014,784
Due from other funds	439,220
Due to other funds	(2,002,638)
Due to other governmental units	<u>(91,297)</u>
<b>Cash and investments, General Fund</b>	<b><u>\$ 1,360,069</u></b>

**B. Pledged Collateral**

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.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008

**NOTE 2. CASH AND INVESTMENTS (CONTINUED)**

**B. Pledged Collateral (Continued)**

A schedule of the collateral pledged against the deposit of the County is shown elsewhere in this report.

**C. Investments**

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 at June 30, 2008	\$ 2,024,719
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The Authority has invested funds in the New Mexico State Treasurer's Local Government Investment Pool (Pool). The Pool's investments are U.S. term overnight repurchase agreements. Interest rates fluctuate depending upon the investments in the Pool, and the interest rate at June 30, 2009 was .276%. The repurchase agreements are secured at 102% by U.S. Government Securities. The fiscal agent bank for the Pool contracts with New York bank to act as third-party custodian of all of the collateral pledged as required at 102% for the overnight repurchase agreements. The New Mexico State Treasurer has the statutory approval to invest in such agreements. As of June 30, 2009 the balance in the repurchase account was \$163,129.

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 I, 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 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 amount deposited in the fund and the length of time the amounts in the Pool were invested. Participation in the Local Government Investment Pool is voluntary. The Pool is rated AAA as to credit risk and has a 43-day interest risk using a weighted average maturity (WAM).

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**NOTE 2. CASH AND INVESTMENTS (CONTINUED)**

**C. Investments (Continued)**

GASB #40 states: "Unless there is information to the contrary, obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk and do not require disclosure of credit quality." This statement would apply to the State Treasurer Local Government Investment Pool so no disclosure of credit quality is required.

**D. Custodial Credit Risk**

Custodial credit is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County's policy regarding custodial credit risk is to comply with Section 6-10-17, NMSA (1978 Comp). At June 30, 2008, all funds of the County on deposit were covered either by Federal Deposit Insurance or by securities pledged by the institution in the County's name.

**NOTE 3. RECEIVABLES**

Receivables at June 30, 2008 are comprised of the following:

	General	Road	Jail	Civil Defense	Legislative Appropriations	Other Governmental Funds
Accounts receivable	\$ -	-	-	44,454	54,397	-
State-shared taxes	75,244	87,740	46,750	-	-	234,799
Property taxes	764,521	-	-	-	-	-
<b>Total</b>	<u>\$ 839,765</u>	<u>87,740</u>	<u>46,750</u>	<u>44,454</u>	<u>54,397</u>	<u>234,799</u>

All amounts shown are considered collectible.

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**NOTE 4. INTERFUND RECEIVABLES/PAYABLES**

In the fund financial statements, total cash and investments are reported in the General Fund. Cash in other governmental funds is reported as "Due From Other Funds" (or as "Due To Other Funds" in the case of a fund overdraft) with a corresponding amount in the General Fund. These are summarized as follows:

	Due From	Due To
Major:		
General	\$ 439,220	2,002,638
Road	359,371	-
Jail	77,285	-
Civil Defense	663,847	62,443
Legislative Appropriations	-	140,931
Nonmajor:		
Other governmental funds	<u>921,298</u>	<u>255,009</u>
<b>Total</b>	<u>\$ 2,461,021</u>	<u>2,461,021</u>

These interfund receivables and payables are eliminated in the government-wide financial statements.

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**NOTE 5. CAPITAL ASSETS**

The following is a summary of changes in capital assets during the year:

	Balance June 30, 2007	Additions	Deletions	Balance, June 30, 2008
<b>Assets not depreciated:</b>				
Land and right-of-way	\$ 400,936	-	-	400,936
Artwork and antiques	372,500	-	-	372,500
Construction in progress	590,399	664,080	647,703	606,776
Total not depreciated	<u>1,363,835</u>	<u>664,080</u>	<u>647,703</u>	<u>1,380,212</u>
<b>Assets being depreciated:</b>				
Building and improvements	6,963,394	1,414,725	-	8,378,119
Furniture, fixtures and equipment	1,781,274	184,377	35,000	1,930,651
Vehicles	2,704,946	964,379	156,598	3,512,727
Infrastructure (roads)	1,099,324	473,440	-	1,572,764
Total depreciated	<u>12,548,938</u>	<u>3,036,921</u>	<u>191,598</u>	<u>15,394,261</u>
<b>Less accumulated depreciation:</b>				
Buildings and improvements	(2,160,539)	(163,833)	-	(2,324,372)
Furniture, fixtures and equipment	(941,632)	(169,510)	(28,334)	(1,082,808)
Vehicles	(1,262,346)	(203,005)	(94,392)	(1,370,959)
Infrastructure (roads)	(179,473)	(133,608)	-	(313,081)
Total accumulated depreciation	<u>(4,543,990)</u>	<u>(669,956)</u>	<u>(122,726)</u>	<u>(5,091,220)</u>
<b>Net depreciated assets</b>	<u>8,004,948</u>	<u>2,366,965</u>	<u>68,872</u>	<u>10,303,041</u>
<b>Net capital assets</b>	<u>\$ 9,368,783</u>	<u>3,031,045</u>	<u>716,575</u>	<u>11,683,253</u>

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**NOTE 5. CAPITAL ASSETS (CONTINUED)**

All capital assets except for land and right-of-way, art and antiques, and construction in progress are being depreciated.

Depreciation expense was charged as a direct expense to the functions of the government as follows:

General government	\$ 212,178
Public safety	307,327
Highways and streets	63,246
Health and welfare	85,365
Culture and recreation	<u>1,841</u>
<b>Total depreciation expense</b>	<b><u>\$ 669,956</u></b>

**NOTE 6. LONG-TERM DEBT**

During the fiscal year ended June 30, 2008, the following changes occurred in long-term debt:

	Balance, June 30, 2007	Additions	Deletions	Balance, June 30, 2008	Due Within One Year
General obligation bond payable	\$ 2,525,000	-	(150,000)	2,375,000	175,000
Notes payable	764,320	216,667	(53,602)	927,385	72,438
Capital leases payable	259,420	10,922	(199,615)	70,727	52,572
Compensated absences payable	83,713	84,484	(83,713)	84,484	84,484
	<u>\$ 3,632,453</u>	<u>412,073</u>	<u>(486,930)</u>	<u>3,457,596</u>	<u>384,494</u>
			Amount considered long-term		<u>3,073,102</u>
			Total	<u>\$ 3,457,596</u>	

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**NOTE 6. LONG-TERM DEBT (CONTINUED)**

**A. General Obligation Bonds**

During the fiscal year ended June 30, 2002, 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 the general obligation bonds are as follows:

Year Ended June 30,	Principal	Interest	Total
2009	\$ 175,000	105,894	280,894
2010	200,000	97,238	297,238
2011	225,000	87,675	312,675
2012	250,000	77,113	327,113
2013-2017	<u>1,525,000</u>	<u>186,970</u>	<u>1,711,970</u>
Totals	<u>\$ 2,375,000</u>	<u>554,890</u>	<u>2,929,890</u>

**B. Long-Term Notes**

The County's long-term notes consist of the following:

1. Two obligations incurred in 1995 and 1996 with the New Mexico Finance Authority in the amount 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.
2. In February 2006, the County entered into a loan agreement with the State of New Mexico Property Tax Division, Taxation and Revenue Department. This agreement will provide funds from the State Property Valuation Fund to enable the County to purchase a computer-assisted valuation system in order to comply with applicable state statutes regarding property assessment. This agreement will provide up to \$150,000 for this purpose. Annual payments of \$30,000 began in January 2007. No interest will accrue if payments are made on time.

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**NOTE 6. LONG-TERM DEBT (CONTINUED)**

**B. Long-Term Notes (Continued)**

3. During the year ended June 30, 2007, the County received approval for a loan from the New Mexico Finance Authority in the amount of \$581,320 for the construction of a fire station in the Northeast Torrance Fire District. Revenues from the District's State Fire Allotment and Fire Protection Excise Tax will be pledged in repayment of this loan and will be intercepted by the Finance Authority.
4. During the year ended June 30, 2008, the County received approval for a loan from the New Mexico Finance Authority in the amount of \$166,667 for the construction of a new Fire Station for the Fire Protection Districts within the County. Revenues from the County Fire Excise Tax will be pledged in repayment of this loan and will be intercepted by the Finance Authority.
5. During the year ended June 30, 2008, the County received approval for a loan from the New Mexico Finance Authority in the amount of \$50,000 for the construction, renovation and completion of the interior of the Homestead Estates Fire Station. Revenues from the State Fire Protection Fund and State Fire Excise Tax will be pledged in repayment of this loan and will be intercepted by the Finance Authority.

Debt service requirements for all notes is as follows:

Year Ended	Principal	Interest	Total
June 30,			
2009	\$ 72,438	23,798	96,236
2010	71,541	21,033	92,574
2011	73,359	19,891	93,250
2012	44,207	18,688	62,895
2013	45,092	17,451	62,543
2014-2018	230,135	67,738	297,873
2019-2023	233,805	38,973	272,778
2024-2028	156,808	10,595	167,403
Totals	<u>\$ 927,385</u>	<u>218,167</u>	<u>1,145,552</u>



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NOTE 6. LONG-TERM DEBT (CONTINUED)

C. Capital Leases

At June 30, 2008, the County had the following lease purchase agreements payable. These contracts are written so as to be in compliance with applicable state statutes.

Description	Date of Contract	Effective Rate of Interest	Original Amount	Principal Balance June 30, 2008
Information Leasing - Pierce (fire truck)	June 2001	5.76%	\$ 119,090	26,220
Baystone Financial - 4 sheriff vehicles	May 2007	6.23%	57,428	34,677
Marlin Equipment - Microfilm reader/printer	June 2008	-	10,922	9,830
Totals			<u>\$ 187,440</u>	<u>70,727</u>

The assets acquired through capital leases are as follows:

Asset:

Furniture, fixtures, and equipment	\$ 10,922
Less: Accumulated depreciation furniture, fixtures, and equipment	(2,198)
Vehicles	176,518
Less: Accumulated depreciation vehicles	<u>(45,535)</u>
Total	<u>\$ 139,707</u>

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NOTE 6. LONG-TERM DEBT (CONTINUED)

C. Capital Leases (Continued)

The annual requirements to amortize to maturity these agreements payable are as follows:

Year Ended June 30	Total Payments
2009	\$ 54,814
2010	12,853
2011	2,184
2012	2,184
2013	<u>1,094</u>
Total	73,128
Less amount representing interest	<u>(2,401)</u>
Present value of minimum lease payments	<u>\$ 70,727</u>

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**NOTE 6. LONG-TERM DEBT (CONTINUED)**

**D. 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>Years of Service</u>
64	2.46	Less than 3 years of service
64	2.95	3 or more but less than 7
64	3.68	7 or more but less than 11
64	4.43	11 or more but less than 15
64	4.92	15 or more years of service
72	2.77	Less than 3 years of service
72	3.32	3 or more but less than 7
72	4.15	7 or more but less than 11
72	4.99	11 or more but less than 15
72	5.54	15 or more years of service
80	3.08	Less than 3 years of service
80	3.69	3 or more but less than 7
80	4.61	7 or more but less than 11
80	5.54	11 or more but less than 15
80	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. Also included in accrued compensated absences is the liability for unused compensatory time.

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**NOTE 7. ENVIRONMENTAL GROSS RECEIPTS TAX – PLEDGED REVENUES**

Torrance County and other members of the Torrance County Solid Waste Authority, now known as the Estancia Valley Solid Waste, entered into a loan agreement with the New Mexico Finance Authority in 1999. The loan amount was \$556,119 and the proceeds were used to (a) refund Torrance County Series 1992 Environmental Revenue Bonds and (b) construct solid waste facilities for the Solid Waste Authority.

As part of the above agreement, the County pledged the revenues received from its 1/8 of 1% County environmental services gross receipts tax as security for payment of the loan agreement. The City of Moriarty, Town of Estancia, Town of Mountainair, and the Village of Willard, as members of the Solid Waste Authority, also pledged revenues received from the 1/16 of 1% municipal environmental services gross receipts tax imposed by them. These revenues are all intercepted by the New Mexico Finance Authority.

The above referenced loan is payable solely from the pledged revenues noted above, and the note holder cannot look to any other revenues of the County in payment. The loan is not considered to be a general obligation of the County, and it is not included in the financial statements of the County.

**NOTE 8. TAX ROLL RECONCILIATION**

Property taxes receivable, beginning of year	\$ 1,612,945
Changes to tax roll:	
Taxes charged to Treasurer for fiscal year	6,554,301
Adjustments:	
Net adjustments	80,495
Uncollected taxes for 1997 tax year	<u>4,089</u>
Total receivables prior to collections	8,251,830
 Collections for fiscal year ended June 30, 2008	 <u>(6,431,542)</u>
 <b>Property taxes receivable, end of year</b>	 <b><u>\$ 1,820,288</u></b>
 Property taxes receivable by years:	
1998 - 2006	\$ 893,276
2007	<u>927,012</u>
 <b>Total taxes receivable</b>	 <b><u>\$ 1,820,288</u></b>

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**NOTE 9. COMMITMENTS, CONTINGENT LIABILITIES AND LITIGATION**

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

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County's legal counsel the resolution of these matters will not have a material adverse effect on the financial statements of the County.

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 for awards or damages resulting from legal actions filed by prisoners.

**NOTE 10. PERA PENSION PLAN**

*Plan Description.* Substantially all of the full-time employees of the County 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 public retirement plan. The plan provides for retirement benefits, disability benefits, survivor 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 for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, New Mexico 87504-2123. The report is also available on PERA's website at [www.pera.state.nm.us](http://www.pera.state.nm.us).

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**NOTE 10. PERA PENSION PLAN (CONTINUED)**

*Funding Policy.* Plan members are required to contribute 9.15% of their gross salary for regular County employees and 7.0% for law enforcement personnel. The County is required to contribute 9.15% of the gross covered salary for regular employees and 10.0% for law enforcement personnel. The contribution requirements of plan members and the County are established under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the Legislature. The County's contributions to PERA for the years ended 2008, 2007, 2006 were \$209,087, \$181,797, and \$185,966, respectively, equal to the amount of the required contributions for each year.

**NOTE 11. POST-EMPLOYMENT BENEFITS**

*Plan Description.* The County contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit post-employment health care plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the health care plan, and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

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 RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the post-employment health care plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, New Mexico 87107.

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**NOTE 11. POST-EMPLOYMENT BENEFITS (CONTINUED)**

*Funding Policy.* The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for health care benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan, plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary. Employers joining the program after January 1, 1998 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

The County's contributions to the RHCA for the years ended June 30, 2008, 2007 and 2006 were \$29,259, \$25,401, and \$25,999, respectively, which equal the required contributions for each year.

**NOTE 12. INSURANCE COVERAGE**

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.

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 "claim 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 a 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.

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**NOTE 12. INSURANCE COVERAGE (CONTINUED)**

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.

**NOTE 13. OPERATING LEASE**

The County is obligated to Deere Credit, Inc. under a lease for five motor graders accounted for as an operating lease. The lease is a five-year lease and the quarterly payment is \$47,250. Rent expense related to this lease was \$94,500 for 2008. The minimum lease payments are as follows:

Year Ended June 30	Total Payments
2009	\$ 189,000
2010	189,000
2011	189,000
2012	189,000
2013	<u>94,500</u>
Total	<u>\$ 850,500</u>



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**NOTE 14. TRANSFERS**

The following transfers occurred during the year. These transfers served the following purposes: (a) close out grant funds which had deficit fund balances; (b) subsidize the operations of the Road Fund and Jail Fund; and (c) transfer the required matching funds to grant funds.

Fund	To	Amount
Major Fund:		
General Fund	Road	\$ 117,533
General Fund	Jail	845,631
General Fund	Civil Defense	19,000
General Fund	Nonmajor Governmental Funds	298,062
Non-Major:		
Other Governmental Funds	General Fund	\$ 7,738
Other Governmental Funds	Other Governmental Funds	6,127

**NOTE 15. DEFICIT FUND BALANCES**

The following individual funds have deficit fund balances at June 30, 2008, as a result of (a) expenditure of grant funds in excess of reimbursement or (b) deficit in operations. 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.

	Fund Balance (Deficit) at June 30, 2008
Major:	
Legislative Appropriations	\$ (339,239)
Non-major:	
Fire Department Administration	(3,841)
EMS	(5,600)
Maternal Health Care	(235,331)
DWI Program	(8,422)
Rodeo Initiative	(27,711)
Domestic Violence	(15,852)
Traffic Safety	(2,925)
Forest Service Patrol	(1,549)

**SUPPLEMENTAL INFORMATION**

## NON-MAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

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. The individual fire districts are Northeast 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 59A-53-5, NMSA 1978, and also by gross receipts taxes approved by the voters of the County.

Law Enforcement Protection Fund – To account for a grant from the State of New Mexico Corrections Department through the Law Enforcement Protection Act. The funding is to be used for law enforcement improvements. Authority is 29-13-1, NMSA 1978.

Fire Pool 1/4% 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.

County 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.

Fire Department Administration Fund – This fund is used to provide resources to administer the volunteer fire districts. Funds are provided by an allotment from the State Fire Marshal and gross receipts taxes. Authorized by 59A-53-5, NMSA 1978.

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.

## **NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)**

Emergency Medical Services (EMS) Fund – To account for a grant from the State of New Mexico to be used for the provision 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.

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. Also included in this fund are grants for substance abuse prevention and transportation services for health-related issues. Authority is Section 24-1B-1 to 24-1B-7, NMSA 1978.

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 repay a loan arranged with the New Mexico Finance Authority. Authority is the County Commission.

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.

DWI Program 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 6-5-8, 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.

Treasurer's Fee Fund – To account for certain fees collected by the County Treasurer's Office. Resources are to be used for the upgrade of equipment in the office. Authorized by County Commission Resolution #2005-24.

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 14-89-12.2, NMSA 1978).

County Infrastructure GRT - To account for fund received for the County infrastructure gross receipts taxes. County Ordinance 2006-1 states the specific purposes for which this tax can be used.

## NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Esperanza Clinic - To account for funds received for rent on the Esperanza Clinic. The lease agreement calls for these proceeds to be in a separate fund to help offset maintenance and repair costs of the clinic.

Rodeo Initiative Fund - To account for funds to be used for the improvement of the rodeo grounds in Mountainair. The source of these funds is a state appropriation and local matching funds. Authority is County Commission Resolution #2005-52 and Laws of 2005, Chapter 347, Section 16.

Court Forfeiture - To account for funds forfeited to the County by the court system. This money also includes any cash evidence seized by the Sheriff's Department for safekeeping until release by the court. This money can only be used as defined by the court system on a case-by-case basis.

Estancia Basin Water Study Fund - To account for funds received from local grants and from sales of water conservation booklets to study water issues and to help inform and educate the County's residents about the Estancia Basin. 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.

Planning and Zoning Court Fees Fund - To account for the court fees which are the result of a zoning case. Authority is the Torrance County Commission.

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.

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.

Title III Forest Reserve Fund - To account for resources received from the Secure Rural Schools and Community Self Determination Act of 2000 to be used only for search, rescue and emergency services, community service work camps or easement purchases. Authority is P.L. 106-393.

UHP 2002 Fund - To account for a grant under the universal hiring program. 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.

**NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)**

Drug Education Program Fund – To account for fees received from offenders (instead of a fine) to be used to educate people about the dangers of drug use. Authority is 9-17-17 NMSA 1978.

Traffic Safety Fund – 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 discourage drunk driving. Authority is the U.S. Department of Transportation.

Forest Service Patrol Fund – To account for funds received from the U.S. Forest Service for the provision of police services in and around National Forest areas. Authority is the U.S. Forest Service.

Bulletproof Vest Fund – To account for resources received from the Department of Justice to purchase armor vests meeting established ballistic or stab standards. Authority is the Department of Justice.

Underage Drinking – To account for a grant passed through the City of Moriarty to help educate and prevent underage drinking. Authority is the Torrance County Commission.

Emergency 911 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."

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS  
June 30, 2008

	Special Revenue				
	403	404	405	406	407
	Farm and Range	Recreation	N.E. Torrance Fire District	Fire District No. II	Duran Fire District
<b>ASSETS</b>					
Due from other funds	\$ -	135	44,060	89,660	27,308
Accounts receivable	-	-	-	-	-
Intergovernmental receivable	-	-	8,243	11,483	6,264
<b>Total assets</b>	<b>\$ -</b>	<b>135</b>	<b>52,303</b>	<b>101,143</b>	<b>33,572</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Due to other funds	\$ -	-	-	-	-
Accounts payable	-	-	10,687	27,597	111
Accrued payroll and taxes	-	-	-	-	-
Deferred revenue - grants	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>10,687</b>	<b>27,597</b>	<b>111</b>
<b>Fund Balances</b>					
Unreserved:					
Designated for subsequent year's expenditures	-	135	41,616	73,546	27,308
Undesignated	-	-	-	-	6,153
<b>Total fund balances</b>	<b>-</b>	<b>135</b>	<b>41,616</b>	<b>73,546</b>	<b>33,461</b>
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>135</b>	<b>52,303</b>	<b>101,143</b>	<b>33,572</b>

See Notes to Financial Statements.

Special Revenue						
408	409	410	411	412	413	414
McIntosh Fire District	Torreón- Tajique Fire District	Law Enforcement Protection	Fire Pool 1/4% Tax	County Fair Board	Fire Dept. Admin	Indigent
29,886	22,280	-	18,600	-	5,882	39,532
-	-	-	-	-	-	-
5,742	6,264	-	5,220	-	-	42,325
35,628	28,544	-	23,820	-	5,882	81,857
-	-	-	-	-	-	-
518	541	-	1,718	-	9,723	19,726
-	-	-	-	-	-	-
-	-	-	-	-	-	-
518	541	-	1,718	-	9,723	19,726
21,115	22,021	-	22,102	-	-	62,131
13,995	5,982	-	-	-	(3,841)	-
35,110	28,003	-	22,102	-	(3,841)	62,131
35,628	28,544	-	23,820	-	5,882	81,857



STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)  
June 30, 2008

	Special Revenue				
	415	418	423	600	605
	EMS	Maternal Health Care	Environmental Gross Receipts Tax	Safety Program	DWI Program
<b>ASSETS</b>					
Due from other funds	\$ -	-	-	1,883	-
Accounts receivable	-	-	-	-	-
Intergovernmental receivable	4,675	-	26,104	-	-
<b>Total assets</b>	<b>\$ 4,675</b>	<b>-</b>	<b>26,104</b>	<b>1,883</b>	<b>-</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Due to other funds	\$ 5,928	235,331	-	-	4,702
Accounts payable	4,347	-	18,450	483	1,595
Accrued payroll and taxes	-	-	-	-	2,125
Deferred revenue - grants	-	-	-	-	-
<b>Total liabilities</b>	<b>10,275</b>	<b>235,331</b>	<b>18,450</b>	<b>483</b>	<b>8,422</b>
<b>Fund Balances</b>					
Unreserved:					
Designated for subsequent year's expenditures	-	-	7,654	1,400	-
Undesignated	(5,600)	(235,331)	-	-	(8,422)
<b>Total fund balances</b>	<b>(5,600)</b>	<b>(235,331)</b>	<b>7,654</b>	<b>1,400</b>	<b>(8,422)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,675</b>	<b>-</b>	<b>26,104</b>	<b>1,883</b>	<b>-</b>

See Notes to Financial Statements.

Special Revenue					
606	609	610	612	620	630
Energy Conservation	Treasurer's Fee	Reappraisal	Clerk's Equipment	County Infrastructure GRT	Esperanza Clinic
688	12,459	64,839	2,061	63,217	3,906
-	-	-	-	-	-
-	-	-	-	17,006	-
688	12,459	64,839	2,061	80,223	3,906
-	-	-	-	-	-
-	-	6,560	1,802	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	6,560	1,802	-	-
688	2,570	58,279	259	63,217	3,906
-	9,889	-	-	17,006	-
688	12,459	58,279	259	80,223	3,906
688	12,459	64,839	2,061	80,223	3,906

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)  
June 30, 2008

	Special Revenue				
	632	634	650	675	685
	Rodeo Initiative	Court Forfeiture	Estancia Basin Water Supply	Rural Addressing	Planning & Zoning Court Fees
<b>ASSETS</b>					
Due from other funds	\$ 2,676	2,639	3,293	17,533	3,340
Accounts receivable	-	-	-	-	-
Intergovernmental receivable	-	-	-	4,675	-
<b>Total assets</b>	<b>\$ 2,676</b>	<b>2,639</b>	<b>3,293</b>	<b>22,208</b>	<b>3,340</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Due to other funds	\$ -	-	-	-	-
Accounts payable	30,387	-	35	1,434	603
Accrued payroll and taxes	-	-	-	-	-
Deferred revenue - grants	-	-	-	-	-
<b>Total liabilities</b>	<b>30,387</b>	<b>-</b>	<b>35</b>	<b>1,434</b>	<b>603</b>
<b>Fund Balances</b>					
Unreserved:					
Designated for subsequent year's expenditures	-	2,639	3,258	20,774	1,168
Undesignated	(27,711)	-	-	-	1,569
<b>Total fund balances</b>	<b>(27,711)</b>	<b>2,639</b>	<b>3,258</b>	<b>20,774</b>	<b>2,737</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,676</b>	<b>2,639</b>	<b>3,293</b>	<b>22,208</b>	<b>3,340</b>

See Notes to Financial Statements.

Special Revenue						
690	692	693	801	802	804	805
Domestic Violence	Domestic Violence Court Fees	Title III Forest Reserve	UHP 2002	Universal Hiring	Drug Education Program	Traffic Safety
-	21,885	9,833	5	-	41,603	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	21,885	9,833	5	-	41,603	-
5,809	-	-	-	-	-	1,794
8,818	-	-	-	-	1,603	1,131
1,225	-	-	-	-	-	-
-	-	-	-	-	-	-
15,852	-	-	-	-	1,603	2,925
-	12,800	9,833	5	-	40,000	-
(15,852)	9,085	-	-	-	-	(2,925)
(15,852)	21,885	9,833	5	-	40,000	(2,925)
-	21,885	9,833	5	-	41,603	-

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)  
June 30, 2008

	Special Revenue				Special Revenue Total
	808 Forest Service Patrol	809 Bulletproof Vest	811 Underage Drinking	911 Emergency 911	
<b>ASSETS</b>					
Due from other funds	\$ -	160	497	65,945	595,805
Accounts receivable	-	-	-	-	-
Intergovernmental receivable	-	-	-	77,602	215,603
<b>Total assets</b>	<b>\$ -</b>	<b>160</b>	<b>497</b>	<b>143,547</b>	<b>811,408</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Due to other funds	\$ 1,445	-	-	-	255,009
Accounts payable	104	-	-	17,353	165,326
Accrued payroll and taxes	-	-	-	18,176	21,526
Deferred revenue - grants	-	-	-	-	-
<b>Total liabilities</b>	<b>1,549</b>	<b>-</b>	<b>-</b>	<b>35,529</b>	<b>441,861</b>
<b>Fund Balances</b>					
Unreserved:					
Designated for subsequent year's expenditures	-	160	497	108,018	607,099
Undesignated	(1,549)	-	-	-	(237,552)
<b>Total fund balances</b>	<b>(1,549)</b>	<b>160</b>	<b>497</b>	<b>108,018</b>	<b>369,547</b>
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>160</b>	<b>497</b>	<b>143,547</b>	<b>811,408</b>

See Notes to Financial Statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)  
June 30, 2008

	<u>Debt Service</u>	<u>Capital Projects</u>	
	<u>562</u>	<u>424</u>	Total
	<u>Debt</u>	<u>Judicial</u>	<u>Non-Major</u>
	<u>Service</u>	<u>Complex</u>	<u>Governmental</u>
			<u>Funds</u>
<b>ASSETS</b>			
Due from other funds	\$ 310,106	15,387	921,298
Accounts receivable	-	-	-
Intergovernmental receivable	19,196	-	234,799
<b>Total assets</b>	<u>\$ 329,302</u>	<u>15,387</u>	<u>1,156,097</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Due to other funds	\$ -	-	255,009
Accounts payable	-	15,386	180,712
Accrued payroll and taxes	-	-	21,526
Deferred revenue - grants	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>15,386</u>	<u>457,247</u>
<b>Fund Balances</b>			
Unreserved:			
Designated for subsequent year's expenditures	118,436	1	725,536
Undesignated	210,866	-	(26,686)
<b>Total fund balances</b>	<u>329,302</u>	<u>1</u>	<u>698,850</u>
<b>Total liabilities and fund balances</b>	<u>\$ 329,302</u>	<u>15,387</u>	<u>1,156,097</u>

See Notes to Financial Statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE -  
NONMAJOR GOVERNMENTAL FUNDS  
Year Ended June 30, 2008

	Special Revenue				
	403	404	405	406	407
	Farm and Range	Recreation	N.E. Torrance Fire District	Fire District No. II	Duran Fire District
Revenues					
Intergovernmental sources	\$ 1,491	-	50,000	60,858	43,667
Local and state shared taxes	-	24	89,280	47,272	27,141
Property taxes	-	-	-	-	-
Charges for services	-	-	-	-	-
Interest	-	-	885	4,008	9,983
Total revenues	1,491	24	140,165	112,138	80,791
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	50,294	121,557	348,432
Highways and streets	-	-	-	-	-
Health and welfare	24,501	-	-	-	-
Culture and recreation	-	550	-	-	-
Capital outlay	-	-	-	-	-
Debt service - principal	-	-	24,792	-	-
Debt service - interest	-	-	1,530	-	-
Total expenditures	24,501	550	76,616	121,557	348,432
Excess (deficiency) of revenues over expenditures	(23,010)	(526)	63,549	(9,419)	(267,641)
Other Financing Sources (Uses)					
Loan proceeds	-	-	-	-	-
Transfers in	23,010	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	23,010	-	-	-	-
Net change in fund balances	-	(526)	63,549	(9,419)	(267,641)
Fund balances, beginning of year	-	661	(21,933)	82,965	301,102
Fund balances, end of year	\$ -	135	41,616	73,546	33,461

See Notes to Financial Statements.

Special Revenue						
408	409	410	411	412	413	414
McIntosh Fire District	Torreon- Tajique Fire District	Law Enforcement Protection	Fire Pool 1/4% Tax	County Fair Board	Fire Dept. Admin	Indigent
78,732	59,859	25,400	11,672	-	58,551	7,136
41,531	27,141	-	5,220	15,671	-	219,547
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,196	11,166	-	-	-	-	-
122,459	98,166	25,400	16,892	15,671	58,551	226,683
-	-	-	-	-	-	-
102,586	476,042	-	39,184	-	142,438	-
-	-	-	-	-	-	-
-	-	-	-	19,000	-	166,917
-	-	-	-	-	-	-
-	-	-	-	-	-	-
5,000	-	22,751	-	-	-	-
3,772	-	2,649	-	-	-	-
111,358	476,042	25,400	39,184	19,000	142,438	166,917
11,101	(377,876)	-	(22,292)	(3,329)	(83,887)	59,766
-	-	-	-	-	-	-
6,126	-	-	-	-	-	-
-	-	-	-	-	-	-
6,126	-	-	-	-	-	-
17,227	(377,876)	-	(22,292)	(3,329)	(83,887)	59,766
17,883	405,879	-	44,394	3,329	80,046	2,365
35,110	28,003	-	22,102	-	(3,841)	62,131



STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE -  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
Year Ended June 30, 2008

	Special Revenue				
	415	418	423	600	605
	EMS	Maternal Health Care	Environmental Gross Receipts Tax	Safety Program	DWI Program
<b>Revenues</b>					
Intergovernmental sources	\$ 78,038	630,693	-	-	168,956
Local and state shared taxes	-	-	100,725	-	-
Property taxes	-	-	-	-	-
Charges for services	-	-	-	10,194	-
Interest	-	-	-	-	-
Total revenues	78,038	630,693	100,725	10,194	168,956
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public safety	94,750	-	-	-	166,055
Highways and streets	-	-	-	-	-
Health and welfare	-	720,438	102,452	12,879	-
Culture and recreation	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service - principal	-	-	-	-	-
Debt service - interest	-	-	-	-	-
Total expenditures	94,750	720,438	102,452	12,879	166,055
Excess (deficiency) of revenues over expenditures	(16,712)	(89,745)	(1,727)	(2,685)	2,901
<b>Other Financing Sources (Uses)</b>					
Loan proceeds	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	(6,127)	-	-	-	-
Total other financing sources (uses)	(6,127)	-	-	-	-
Net change in fund balances	(22,839)	(89,745)	(1,727)	(2,685)	2,901
Fund balances, beginning of year	17,239	(145,586)	9,381	4,085	(11,323)
<b>Fund balances, end of year</b>	<b>\$ (5,600)</b>	<b>(235,331)</b>	<b>7,654</b>	<b>1,400</b>	<b>(8,422)</b>

See Notes to Financial Statements.

606	609	610	612	620	630
Energy Conservation	Treasurer's Fee	Reappraisal	Clerk's Equipment	County Infrastructure GRT	Esperanza Clinic
-	-	-	-	-	-
-	-	-	-	80,223	-
-	-	-	-	-	-
-	8,032	75,128	22,942	-	1,200
-	-	-	-	-	-
-	8,032	75,128	22,942	80,223	1,200
-	8,597	144,107	30,487	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
10,889	-	30,000	1,092	-	-
665	-	-	-	-	-
11,554	8,597	174,107	31,579	-	-
(11,554)	(565)	(98,979)	(8,637)	80,223	1,200
-	-	-	-	-	-
11,554	-	33,499	-	-	-
-	-	-	-	-	-
11,554	-	33,499	-	-	-
-	(565)	(65,480)	(8,637)	80,223	1,200
688	13,024	123,759	8,896	-	2,706
688	12,459	58,279	259	80,223	3,906

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE -  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
Year Ended June 30, 2008

	Special Revenue				
	632	634	650	675	685
	Rodeo Clinic	Court Forfeiture	Estancia Basin Water Supply	Rural Addressing	Planning & Zoning Court Fees
Revenues					
Intergovernmental sources	\$ 44,908	2,939	-	-	-
Local and state shared taxes	-	-	-	-	-
Property taxes	-	-	-	-	-
Charges for services	-	-	-	32,509	9,815
Interest	-	-	-	-	-
Total revenues	44,908	2,939	-	32,509	9,815
Expenditures					
Current:					
General government	67,946	-	35,941	57,266	9,446
Public safety	-	300	-	-	-
Highways and streets	-	-	-	-	-
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service - principal	-	-	-	-	-
Debt service - interest	-	-	-	-	-
Total expenditures	67,946	300	35,941	57,266	9,446
Excess (deficiency) of revenues over expenditures	(23,038)	2,639	(35,941)	(24,757)	369
Other Financing Sources (Uses)					
Loan proceeds	-	-	-	-	-
Transfers in	-	-	-	40,000	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	40,000	-
Net change in fund balances	(23,038)	2,639	(35,941)	15,243	369
Fund balances, beginning of year	(4,673)	-	39,199	5,531	2,368
Fund balances, end of year	\$ (27,711)	2,639	3,258	20,774	2,737

See Notes to Financial Statements.

Special Revenue						
690	692	693	801	802	804	805
Domestic Violence	Domestic Violence Court Fees	Title III Forest Reserve	UHP 2002	Universal Hiring	Drug Education Program	Traffic Safety
93,435	-	-	909	-	14,173	6,314
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	6,127	-	-	-	-	-
-	-	-	-	-	-	-
93,435	6,127	-	909	-	14,173	6,314
109,196	-	-	-	-	-	-
-	-	-	-	-	-	7,809
-	-	-	-	-	-	-
-	-	-	-	-	9,035	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
109,196	-	-	-	-	9,035	7,809
(15,761)	6,127	-	909	-	5,138	(1,495)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	(7,619)	(119)	-	-
-	-	-	(7,619)	(119)	-	-
(15,761)	6,127	-	(6,710)	(119)	5,138	(1,495)
(91)	15,758	9,833	6,715	119	34,862	(1,430)
(15,852)	21,885	9,833	5	-	40,000	(2,925)

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE -  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
Year Ended June 30, 2008

	Special Revenue				Special Revenue Total
	808 Forest Service Patrol	809 Bulletproof Vest	811 Underage Drinking	911 Emergency 911	
Revenues					
Intergovernmental sources	\$ -	-	3,382	115,930	1,557,043
Local and state shared taxes	-	-	-	445,613	1,099,388
Property taxes	-	-	-	-	-
Charges for services	-	-	-	464	166,411
Interest	-	-	-	3,230	31,468
Total revenues	-	-	3,382	565,237	2,854,310
Expenditures					
Current:					
General government	-	-	-	-	462,986
Public safety	6,305	1,040	-	703,046	2,259,838
Highways and streets	-	-	-	-	-
Health and welfare	-	-	1,423	-	1,056,645
Culture and recreation	-	-	-	-	550
Capital outlay	-	-	-	-	-
Debt service - principal	-	-	-	-	94,524
Debt service - interest	-	-	-	-	8,616
Total expenditures	6,305	1,040	1,423	703,046	3,883,159
Excess (deficiency) of revenues over expenditures	(6,305)	(1,040)	1,959	(137,809)	(1,028,849)
Other Financing Sources (Uses)					
Loan proceeds	-	-	-	-	-
Transfers in	-	-	-	190,000	304,189
Transfers out	-	-	-	-	(13,865)
Total other financing sources (uses)	-	-	-	190,000	290,324
Net change in fund balances	(6,305)	(1,040)	1,959	52,191	(738,525)
Fund balances, beginning of year	4,756	1,200	(1,462)	55,827	1,108,072
Fund balances, end of year	\$ (1,549)	160	497	108,018	369,547

See Notes to Financial Statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE -  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
Year Ended June 30, 2008

	<u>Debt Service</u>	<u>Capital Projects</u>	
	<u>562</u>	<u>424</u>	Total
	Debt	Judicial	Non-Major
	Service	Complex	Governmental
			Funds
Revenues			
Intergovernmental sources	\$ -	-	1,557,043
Local and state shared taxes	54,209	-	1,153,597
Property taxes	283,649		283,649
Charges for services	-	-	166,411
Interest	-	1,990	33,458
Total Revenues	<u>337,858</u>	<u>1,990</u>	<u>3,194,158</u>
Expenditures			
Current:			
General government	-	51,334	514,320
Public safety	-	-	2,259,838
Highways and streets	-	-	-
Health and welfare	-	-	1,056,645
Culture and recreation	-	-	550
Capital outlay	216,667	-	216,667
Debt service - principal	168,602	-	263,126
Debt service - interest	130,024	-	138,640
Total expenditures	<u>515,293</u>	<u>51,334</u>	<u>4,449,786</u>
Excess (deficiency) of revenues over expenditures	<u>(177,435)</u>	<u>(49,344)</u>	<u>(1,255,628)</u>
Other Financing Sources (Uses)			
Loan proceeds	216,667	-	216,667
Transfers in	-	-	304,189
Transfers out	-	-	(13,865)
Total other financing sources (uses)	<u>216,667</u>	<u>-</u>	<u>506,991</u>
Net change in fund balances	39,232	(49,344)	(748,637)
Fund balances, beginning of year	<u>290,070</u>	<u>49,345</u>	<u>1,447,487</u>
Fund balances, end of year	<u>\$ 329,302</u>	<u>1</u>	<u>698,850</u>

See Notes to Financial Statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE FARM AND RANGE  
Year Ended June 30, 2008

403				
Budgeted Amounts			Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
Original	Final			
Revenues				
Intergovernmental revenue	\$ 1,600	1,600	1,491	(109)
Total revenues	1,600	1,600	1,491	(109)
Expenditures				
Health and welfare	24,610	24,610	24,501	109
Total expenditures	24,610	24,610	24,501	109
Excess (deficiency) of revenues over expenditures	(23,010)	(23,010)	(23,010)	-
Other Financing Sources (Uses)				
Operating transfers in	23,010	23,010	23,010	-
Total other financing sources (uses)	23,010	23,010	23,010	-
Net change in fund balance	\$ -	-	-	-
Prior year fund balance to balance the budget				
	-	-		
	\$ -	-		

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE RECREATION  
Year Ended June 30, 2008

404			
	Budgeted Amounts		Variance with
	Original	Final	Final Budget - Favorable (Unfavorable)
Revenues			
Local and state-shared taxes	\$ 200	200	24 (176)
<b>Total revenues</b>	<b>200</b>	<b>200</b>	<b>24 (176)</b>
Expenditures			
Culture and recreation	550	550	550 -
<b>Total expenditures</b>	<b>550</b>	<b>550</b>	<b>550 -</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(350)</b>	<b>(350)</b>	<b>(526) (176)</b>
Other Financing Sources (Uses)			
Operating transfers in	-	-	- -
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>- -</b>
<b>Net change in fund balance</b>	<b>\$ (350)</b>	<b>(350)</b>	<b>(526) (176)</b>
Prior year fund balance to balance the budget	350	350	
	<b>\$ -</b>	<b>-</b>	



**COUNTY OF TORRANCE**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET TO ACTUAL**  
**SPECIAL REVENUE NORTHEAST TORRANCE FIRE DISTRICT**  
**Year Ended June 30, 2008**

405				Variance with
Budgeted Amounts			Actual	Final Budget -
Original	Final		Amounts	Favorable
				(Unfavorable)
<b>Revenues</b>				
Local and state-shared taxes	\$ 40,500	40,500	83,910	43,410
Intergovernmental revenue	63,067	113,067	50,000	(63,067)
Interest	1,700	1,700	885	(815)
<b>Total revenues</b>	<b>105,267</b>	<b>155,267</b>	<b>134,795</b>	<b>(20,472)</b>
<b>Expenditures</b>				
Public safety	126,875	176,875	143,387	33,488
<b>Total expenditures</b>	<b>126,875</b>	<b>176,875</b>	<b>143,387</b>	<b>33,488</b>
<b>Excess (deficiency) of</b>				
<b>revenues over expenditures</b>	<b>(21,608)</b>	<b>(21,608)</b>	<b>(8,592)</b>	<b>13,016</b>
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	-	-	-	-
<b>Total other financing</b>				
<b>sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ (21,608)</b>	<b>(21,608)</b>	<b>(8,592)</b>	<b>13,016</b>
<b>Prior year fund balance to</b>				
<b>balance the budget</b>	<b>21,608</b>	<b>21,608</b>		
	<b>\$ -</b>	<b>-</b>		
<b>Budgetary Revenues</b>				
Intergovernmental receivable			\$ 134,795	
			5,370	
<b>GAAP revenues</b>			<b>\$ 140,165</b>	
<b>Budgetary Expenses</b>				
Accounts payable			\$ 143,387	
			(66,771)	
<b>GAAP expenses</b>			<b>\$ 76,616</b>	

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE FIRE DISTRICT NO. II  
Year Ended June 30, 2008

406				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Local and state-shared taxes	\$ 40,500	40,500	40,282	(218)
Intergovernmental revenue	60,858	60,858	60,858	-
Interest	1,700	1,700	4,008	2,308
<b>Total revenues</b>	<b>103,058</b>	<b>103,058</b>	<b>105,148</b>	<b>2,090</b>
Expenditures				
Public safety	181,833	181,833	94,263	87,570
<b>Total expenditures</b>	<b>181,833</b>	<b>181,833</b>	<b>94,263</b>	<b>87,570</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(78,775)</b>	<b>(78,775)</b>	<b>10,885</b>	<b>89,660</b>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ (78,775)</b>	<b>(78,775)</b>	<b>10,885</b>	<b>89,660</b>
Prior year fund balance to balance the budget	78,775	78,775		
	<u>\$ -</u>	<u>-</u>		
Budgetary Revenues			\$ 105,148	
Intergovernmental receivable			6,990	
<b>GAAP revenues</b>			<u>\$ 112,138</u>	
Budgetary Expenses			\$ 94,263	
Accounts payable			27,294	
<b>GAAP expenses</b>			<u>\$ 121,557</u>	

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE DURAN FIRE DISTRICT  
Year Ended June 30, 2008

407				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Local and state-shared taxes	\$ 21,500	21,500	23,498	1,998
Intergovernmental revenue	43,628	43,628	43,667	39
Interest	1,700	1,700	9,983	8,283
<b>Total revenues</b>	66,828	66,828	77,148	10,320
<b>Expenditures</b>				
Public safety	365,574	365,574	348,586	16,988
<b>Total expenditures</b>	365,574	365,574	348,586	16,988
<b>Excess (deficiency) of revenues over expenditures</b>	(298,746)	(298,746)	(271,438)	27,308
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-	-
<b>Net change in fund balance</b>	\$ (298,746)	(298,746)	(271,438)	27,308
<b>Prior year fund balance to balance the budget</b>	298,746	298,746		
	\$ -	-		
<b>Budgetary Revenues</b>			\$ 77,148	
Intergovernmental receivable			3,643	
<b>GAAP revenues</b>			\$ 80,791	
<b>Budgetary Expenses</b>			\$ 348,586	
Accounts payable			(154)	
<b>GAAP expenses</b>			\$ 348,432	

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE MCINTOSH FIRE DISTRICT  
Year Ended June 30, 2008

408				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Local and state-shared taxes	\$ 40,500	40,500	40,282	(218)
Intergovernmental revenue	61,995	61,995	78,732	16,737
Interest	1,700	1,700	2,196	496
<b>Total revenues</b>	<b>104,195</b>	<b>104,195</b>	<b>121,210</b>	<b>17,015</b>
Expenditures				
Public safety	124,383	124,383	111,828	12,555
<b>Total expenditures</b>	<b>124,383</b>	<b>124,383</b>	<b>111,828</b>	<b>12,555</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(20,188)</b>	<b>(20,188)</b>	<b>9,382</b>	<b>29,570</b>
Other Financing Sources (Uses)				
Operating transfers in	6,126	6,126	6,126	-
<b>Total other financing sources (uses)</b>	<b>6,126</b>	<b>6,126</b>	<b>6,126</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ (14,062)</b>	<b>(14,062)</b>	<b>15,508</b>	<b>29,570</b>
Prior year fund balance to balance the budget	14,062	14,062		
	<u>\$ -</u>	<u>-</u>		
Budgetary Revenues			\$ 121,210	
Intergovernmental receivable			1,249	
<b>GAAP revenues</b>			<u>\$ 122,459</u>	
Budgetary Expenses			\$ 111,828	
Accounts payable			(470)	
<b>GAAP expenses</b>			<u>\$ 111,358</u>	

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE TORREON-TAJIQUE FIRE DISTRICT  
Year Ended June 30, 2008

409				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Local and state-shared taxes	\$ 21,500	23,498	23,498	-
Intergovernmental revenue	43,628	43,628	59,859	16,231
Interest	1,700	11,166	11,166	-
<b>Total revenues</b>	66,828	78,292	94,523	16,231
<b>Expenditures</b>				
Public safety	470,085	481,549	475,501	6,048
<b>Total expenditures</b>	470,085	481,549	475,501	6,048
<b>Excess (deficiency) of revenues over expenditures</b>	(403,257)	(403,257)	(380,978)	22,279
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-	-
<b>Net change in fund balance</b>	\$ (403,257)	(403,257)	(380,978)	22,279
<b>Prior year fund balance to balance the budget</b>	403,257	403,257		
	\$ -	-		
<b>Budgetary Revenues</b>			\$ 94,523	
Intergovernmental receivable			3,643	
<b>GAAP revenues</b>			\$ 98,166	
<b>Budgetary Expenses</b>			\$ 475,501	
Accounts payable			541	
<b>GAAP expenses</b>			\$ 476,042	

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE LAW ENFORCEMENT PROTECTION  
Year Ended June 30, 2008

410				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 25,400	25,400	25,400	-
<b>Total revenues</b>	<b>25,400</b>	<b>25,400</b>	<b>25,400</b>	<b>-</b>
Expenditures				
Public safety	25,400	25,400	25,400	-
<b>Total expenditures</b>	<b>25,400</b>	<b>25,400</b>	<b>25,400</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>
Prior year fund balance to balance the budget	-	-		
	<b>\$ -</b>	<b>-</b>		

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE FIRE POOL 1/4% TAX  
Year Ended June 30, 2008

411				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 7,000	14,000	14,000	-
<b>Total revenues</b>	<b>7,000</b>	<b>14,000</b>	<b>14,000</b>	<b>-</b>
Expenditures				
Public safety	49,066	56,066	37,466	18,600
<b>Total expenditures</b>	<b>49,066</b>	<b>56,066</b>	<b>37,466</b>	<b>18,600</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(42,066)</b>	<b>(42,066)</b>	<b>(23,466)</b>	<b>18,600</b>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ (42,066)</b>	<b>(42,066)</b>	<b>(23,466)</b>	<b>18,600</b>
Prior year fund balance to balance the budget	42,066	42,066		
	\$ -	-		
Budgetary Revenues			\$ 14,000	
Accounts receivable			(2,328)	
Intergovernmental receivable			5,220	
<b>GAAP revenues</b>			<b>\$ 16,892</b>	
Budgetary Expenses			\$ 37,466	
Accounts payable			1,718	
<b>GAAP expenses</b>			<b>\$ 39,184</b>	

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE COUNTY FAIR BOARD  
Year Ended June 30, 2008

412				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Local and state-shared taxes	\$ 19,000	19,000	19,000	-
<b>Total revenues</b>	19,000	19,000	19,000	-
Expenditures				
Health and welfare	19,000	19,000	19,000	-
<b>Total expenditures</b>	19,000	19,000	19,000	-
<b>Excess (deficiency) of revenues over expenditures</b>	-	-	-	-
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-	-
<b>Net change in fund balance</b>	\$ -	-	-	-
Prior year fund balance to balance the budget	-	-		
	\$ -	-		
Budgetary Revenues			\$ 19,000	
Intergovernmental receivable			(3,329)	
<b>GAAP revenues</b>			<u>\$ 15,671</u>	



STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE FIRE DEPARTMENT ADMINISTRATION  
Year Ended June 30, 2008

413			
	Budgeted Amounts		Variance with
	Original	Final	Final Budget - Favorable (Unfavorable)
Revenues			
Intergovernmental revenue	\$ 58,551	58,551	58,551 -
<b>Total revenues</b>	<b>58,551</b>	<b>58,551</b>	<b>58,551 -</b>
Expenditures			
Public safety	136,446	136,446	132,963 3,483
<b>Total expenditures</b>	<b>136,446</b>	<b>136,446</b>	<b>132,963 3,483</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(77,895)</b>	<b>(77,895)</b>	<b>(74,412) 3,483</b>
Other Financing Sources (Uses)			
Operating transfers in	-	-	- -
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>- -</b>
<b>Net change in fund balance</b>	<b>\$ (77,895)</b>	<b>(77,895)</b>	<b>(74,412) 3,483</b>
Prior year fund balance to balance the budget	77,895	77,895	
	\$ -	-	
Budgetary Expenses		\$ 132,963	
Accounts payable		9,475	
<b>GAAP expenses</b>		<b>\$ 142,438</b>	

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE INDIGENT  
Year Ended June 30, 2008

414				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Local and state-shared taxes	\$ 321,500	321,500	197,199	(124,301)
Intergovernmental revenue	5,000	5,000	7,136	2,136
<b>Total revenues</b>	<b>326,500</b>	<b>326,500</b>	<b>204,335</b>	<b>(122,165)</b>
Expenditures				
Health and welfare	349,811	349,811	188,114	161,697
<b>Total expenditures</b>	<b>349,811</b>	<b>349,811</b>	<b>188,114</b>	<b>161,697</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(23,311)</b>	<b>(23,311)</b>	<b>16,221</b>	<b>39,532</b>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
<b>Total other financing source (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ (23,311)</b>	<b>(23,311)</b>	<b>16,221</b>	<b>39,532</b>
Prior year fund balance to balance the budget	23,311	23,311		
	<u>\$ -</u>	<u>-</u>		
Budgetary Revenues			\$ 204,335	
Intergovernmental receivable			<u>22,348</u>	
<b>GAAP revenues</b>			<b>\$ 226,683</b>	
Budgetary Expenses			\$ 188,114	
Accounts payable			<u>(21,197)</u>	
<b>GAAP expenses</b>			<b>\$ 166,917</b>	

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE EMS  
Year Ended June 30, 2008

415				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 46,987	79,487	73,363	(6,124)
<b>Total revenues</b>	<b>46,987</b>	<b>79,487</b>	<b>73,363</b>	<b>(6,124)</b>
Expenditures				
Public safety	60,439	92,939	92,731	208
<b>Total expenditures</b>	<b>60,439</b>	<b>92,939</b>	<b>92,731</b>	<b>208</b>
<b>Excess (deficiency) of             revenues over expenditures</b>	<b>(13,452)</b>	<b>(13,452)</b>	<b>(19,368)</b>	<b>(5,916)</b>
Other Financing Sources (Uses)				
Operating transfers out	(6,127)	(6,127)	(6,127)	-
<b>Total other financing             sources (uses)</b>	<b>(6,127)</b>	<b>(6,127)</b>	<b>(6,127)</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ (19,579)</b>	<b>(19,579)</b>	<b>(25,495)</b>	<b>(5,916)</b>
Prior year fund balance to balance the budget	19,579	19,579		
	<u>\$ -</u>	<u>-</u>		
Budgetary Revenues			\$ 73,363	
Intergovernmental receivable			<u>4,675</u>	
<b>GAAP revenues</b>			<u><b>\$ 78,038</b></u>	
Budgetary Expenses			\$ 92,731	
Accounts payable			<u>2,019</u>	
<b>GAAP expenses</b>			<u><b>\$ 94,750</b></u>	

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE MATERNAL HEALTH CARE  
Year Ended June 30, 2008

418				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 981,509	1,018,976	695,502	(323,474)
<b>Total revenues</b>	<b>981,509</b>	<b>1,018,976</b>	<b>695,502</b>	<b>(323,474)</b>
Expenditures				
Health and welfare	846,233	883,700	795,557	88,143
<b>Total expenditures</b>	<b>846,233</b>	<b>883,700</b>	<b>795,557</b>	<b>88,143</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>135,276</b>	<b>135,276</b>	<b>(100,055)</b>	<b>(235,331)</b>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ 135,276</b>	<b>135,276</b>	<b>(100,055)</b>	<b>(235,331)</b>
Prior year fund balance to balance the budget	-	-		
	<b>\$ 135,276</b>	<b>135,276</b>		
Budgetary Revenues			\$ 695,502	
Intergovernmental receivable			(64,809)	
<b>GAAP revenues</b>			<b>\$ 630,693</b>	
Budgetary Expenses			\$ 795,557	
Accounts payable			(75,119)	
<b>GAAP expenses</b>			<b>\$ 720,438</b>	

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE ENVIRONMENTAL GROSS RECEIPTS TAX  
Year Ended June 30, 2008

423				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Local and state-shared taxes	\$ 98,000	98,000	84,002	(13,998)
<b>Total revenues</b>	<b>98,000</b>	<b>98,000</b>	<b>84,002</b>	<b>(13,998)</b>
Expenditures				
Health and welfare	98,000	98,000	84,002	13,998
<b>Total expenditures</b>	<b>98,000</b>	<b>98,000</b>	<b>84,002</b>	<b>13,998</b>
<b>Excess (deficiency) of             revenues over expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
<b>Total other financing             sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>
Prior year fund balance to balance the budget	-	-		
	<b>\$ -</b>	<b>-</b>		
Budgetary Revenues			\$ 84,002	
Intergovernmental receivable			16,723	
<b>GAAP revenues</b>			<b>\$ 100,725</b>	
Budgetary Expenses			\$ 84,002	
Accounts payable			18,450	
<b>GAAP expenses</b>			<b>\$ 102,452</b>	

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE SAFETY PROGRAM  
Year Ended June 30, 2008

600				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Charges for services	\$ 10,200	10,200	10,194	(6)
<b>Total revenues</b>	<b>10,200</b>	<b>10,200</b>	<b>10,194</b>	<b>(6)</b>
Expenditures				
Health and welfare	15,440	15,440	13,551	1,889
<b>Total expenditures</b>	<b>15,440</b>	<b>15,440</b>	<b>13,551</b>	<b>1,889</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(5,240)</b>	<b>(5,240)</b>	<b>(3,357)</b>	<b>1,883</b>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ (5,240)</b>	<b>(5,240)</b>	<b>(3,357)</b>	<b>1,883</b>
Prior year fund balance to balance the budget	5,240	5,240		
	\$ -	-		
Budgetary Expenses			\$ 13,551	
Accounts payable			(672)	
<b>GAAP expenses</b>			<b>\$ 12,879</b>	

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE DWI PROGRAM  
Year Ended June 30, 2008

605				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental sources	\$ 185,209	185,209	168,956	(16,253)
<b>Total revenues</b>	<b>185,209</b>	<b>185,209</b>	<b>168,956</b>	<b>(16,253)</b>
Expenditures				
Public safety	171,693	171,693	163,700	7,993
<b>Total expenditures</b>	<b>171,693</b>	<b>171,693</b>	<b>163,700</b>	<b>7,993</b>
<b>Excess (deficiency) of             revenues over expenditures</b>	<b>13,516</b>	<b>13,516</b>	<b>5,256</b>	<b>(8,260)</b>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
<b>Total other financing             sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ 13,516</b>	<b>13,516</b>	<b>5,256</b>	<b>(8,260)</b>
Prior year fund balance to balance the budget	-	-		
	<b>\$ 13,516</b>	<b>13,516</b>		
Budgetary Expenses			\$ 163,700	
Accounts payable			1,595	
Accrued payroll			760	
<b>GAAP expenses</b>			<b>\$ 166,055</b>	

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE ENERGY CONSERVATION  
Year Ended June 30, 2008

606				Variance with Final Budget - Favorable (Unfavorable)
Budgeted Amounts		Actual Amounts		
Original	Final			
Revenues				
Intergovernmental sources	\$ -	-	-	-
<b>Total revenues</b>	-	-	-	-
Expenditures				
Public safety	12,242	12,242	11,554	688
<b>Total expenditures</b>	12,242	12,242	11,554	688
<b>Excess (deficiency) of revenues over expenditures</b>	(12,242)	(12,242)	(11,554)	688
Other Financing Sources (Uses)				
Operating transfers in	11,554	11,554	11,554	-
<b>Total other financing sources (uses)</b>	11,554	11,554	11,554	-
<b>Net change in fund balance</b>	<u>\$ (688)</u>	<u>(688)</u>	-	<u>688</u>
Prior year fund balance to balance the budget				
	688	688		
	<u>\$ -</u>	<u>-</u>		



STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE TREASURER'S FEE  
Year Ended June 30, 2008

	609			Variance with Final Budget - Favorable (Unfavorable)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Charges for services	\$ 11,500	11,500	8,032	(3,468)
<b>Total revenues</b>	<b>11,500</b>	<b>11,500</b>	<b>8,032</b>	<b>(3,468)</b>
Expenditures				
General government	11,370	11,370	8,597	2,773
<b>Total expenditures</b>	<b>11,370</b>	<b>11,370</b>	<b>8,597</b>	<b>2,773</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>130</b>	<b>130</b>	<b>(565)</b>	<b>(695)</b>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ 130</b>	<b>130</b>	<b>(565)</b>	<b>(695)</b>
Prior year fund balance to balance the budget	-	-		
	<b>\$ 130</b>	<b>130</b>		

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE REAPPRAISAL  
Year Ended June 30, 2008

610				Variance with Final Budget - Favorable (Unfavorable)
Budgeted Amounts		Actual Amounts		
Original	Final			
Revenues				
Charges for services	\$ 63,200	63,200	75,128	11,928
<b>Total revenues</b>	63,200	63,200	75,128	11,928
Expenditures				
General government	205,780	205,780	167,687	38,093
<b>Total expenditures</b>	205,780	205,780	167,687	38,093
<b>Excess (deficiency) of revenues over expenditures</b>	(142,580)	(142,580)	(92,559)	50,021
Other Financing Sources (Uses)				
Operating transfers in	33,499	33,499	33,499	-
<b>Total other financing sources (uses)</b>	33,499	33,499	33,499	-
<b>Net change in fund balance</b>	<b>\$ (109,081)</b>	<b>(109,081)</b>	<b>(59,060)</b>	<b>50,021</b>
Prior year fund balance to balance the budget	109,081	109,081		
	<u>\$ -</u>	<u>-</u>		
Budgetary Expenses			\$ 167,687	
Accounts payable			<u>6,420</u>	
<b>GAAP expenses</b>			<b>\$ 174,107</b>	

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE CLERKS EQUIPMENT  
Year Ended June 30, 2008

612				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Charges for services	\$ 24,000	24,000	22,942	(1,058)
<b>Total revenues</b>	<b>24,000</b>	<b>24,000</b>	<b>22,942</b>	<b>(1,058)</b>
Expenditures				
General government	32,896	32,896	29,777	3,119
<b>Total expenditures</b>	<b>32,896</b>	<b>32,896</b>	<b>29,777</b>	<b>3,119</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(8,896)</b>	<b>(8,896)</b>	<b>(6,835)</b>	<b>2,061</b>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ (8,896)</b>	<b>(8,896)</b>	<b>(6,835)</b>	<b>2,061</b>
Prior year fund balance to balance the budget	8,896	8,896		
	\$ -	-		
Budgetary Expenses			\$ 29,777	
Accounts payable			1,802	
<b>GAAP expenses</b>			<b>\$ 31,579</b>	

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE COUNTY INFRASTRUCTURE GRT  
Year Ended June 30, 2008

620				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Local and state-shared taxes	\$ 90,000	90,000	63,217	(26,783)
<b>Total revenues</b>	<b>90,000</b>	<b>90,000</b>	<b>63,217</b>	<b>(26,783)</b>
Expenditures				
General government	90,000	90,000	-	90,000
<b>Total expenditures</b>	<b>90,000</b>	<b>90,000</b>	<b>-</b>	<b>90,000</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>-</b>	<b>63,217</b>	<b>63,217</b>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>-</b>	<b>63,217</b>	<b>63,217</b>
Prior year fund balance to balance the budget	-	-		
	<b>\$ -</b>	<b>-</b>		
Budgetary Revenues			\$ 63,217	
Intergovernmental receivable			17,006	
<b>GAAP revenues</b>			<b>\$ 80,223</b>	

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE ESPERANZA CLINIC  
Year Ended June 30, 2008

	630			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Favorable
				(Unfavorable)
Revenues				
Charges for services	\$ 1,200	1,200	1,200	-
<b>Total revenues</b>	<b>1,200</b>	<b>1,200</b>	<b>1,200</b>	<b>-</b>
Expenditures				
Health and welfare	3,800	3,800	-	3,800
<b>Total expenditures</b>	<b>3,800</b>	<b>3,800</b>	<b>-</b>	<b>3,800</b>
<b>Excess (deficiency) of</b>				
<b>revenues over expenditures</b>	<b>(2,600)</b>	<b>(2,600)</b>	<b>1,200</b>	<b>3,800</b>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
<b>Total other financing</b>				
<b>sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ (2,600)</b>	<b>(2,600)</b>	<b>1,200</b>	<b>3,800</b>
Prior year fund balance to				
balance the budget	2,600	2,600		
	<b>\$ -</b>	<b>-</b>		

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE RODEO INITIATIVE  
Year Ended June 30, 2008

632				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental sources	\$ 47,768	87,768	44,908	(42,860)
<b>Total revenues</b>	<b>47,768</b>	<b>87,768</b>	<b>44,908</b>	<b>(42,860)</b>
Expenditures				
General Government	43,095	83,095	37,559	45,536
<b>Total expenditures</b>	<b>43,095</b>	<b>83,095</b>	<b>37,559</b>	<b>45,536</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>4,673</b>	<b>4,673</b>	<b>7,349</b>	<b>2,676</b>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ 4,673</b>	<b>4,673</b>	<b>7,349</b>	<b>2,676</b>
Prior year fund balance to balance the budget	-	-		
	<b>\$ 4,673</b>	<b>4,673</b>		
Budgetary Expenses			\$ 37,559	
Accounts payable			30,387	
<b>GAAP expenses</b>			<b>\$ 67,946</b>	

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE COURT FORFEITURE  
Year Ended June 30, 2008

634				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental sources	\$ -	300	2,939	2,639
<b>Total revenues</b>	-	300	2,939	2,639
Expenditures				
Public safety	-	300	300	-
<b>Total expenditures</b>	-	300	300	-
<b>Excess (deficiency) of revenues over expenditures</b>	-	-	2,639	2,639
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-	-
<b>Net change in fund balance</b>	\$ -	-	2,639	2,639
Prior year fund balance to balance the budget	-	-		
	\$ -	-		

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE ESTANCIA BASIN WATER STUDY  
Year Ended June 30, 2008

650				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental sources	\$ 30,000	60,000	-	(60,000)
<b>Total revenues</b>	<b>30,000</b>	<b>60,000</b>	<b>-</b>	<b>(60,000)</b>
Expenditures				
General governmental	69,199	99,199	35,906	63,293
<b>Total expenditures</b>	<b>69,199</b>	<b>99,199</b>	<b>35,906</b>	<b>63,293</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(39,199)</b>	<b>(39,199)</b>	<b>(35,906)</b>	<b>3,293</b>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ (39,199)</b>	<b>(39,199)</b>	<b>(35,906)</b>	<b>3,293</b>
Prior year fund balance to balance the budget	39,199	39,199		
	<u>\$ -</u>	<u>-</u>		
Budgetary Expenses			\$ 35,906	
Accounts payable			35	
<b>GAAP expenses</b>			<u><u>\$ 35,941</u></u>	



STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE RURAL ADDRESSING  
Year Ended June 30, 2008

675			
	Budgeted Amounts		Variance with
	Original	Final	Final Budget - Favorable (Unfavorable)
Revenues			
Charges for services	\$ 30,075	32,637	27,834 (4,803)
<b>Total revenues</b>	<b>30,075</b>	<b>32,637</b>	<b>27,834 (4,803)</b>
Expenditures			
General government	75,605	78,167	55,832 22,335
<b>Total expenditures</b>	<b>75,605</b>	<b>78,167</b>	<b>55,832 22,335</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(45,530)</b>	<b>(45,530)</b>	<b>(27,998) 17,532</b>
Other Financing Sources (Uses)			
Operating transfers in	40,000	40,000	40,000 -
<b>Total other financing sources (uses)</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000 -</b>
<b>Net change in fund balance</b>	<b>\$ (5,530)</b>	<b>(5,530)</b>	<b>12,002 17,532</b>
Prior year fund balance to balance the budget	5,530	5,530	
	<u>\$ -</u>	<u>-</u>	
Budgetary Revenues		\$ 27,834	
Intergovernmental receivable		<u>4,675</u>	
<b>GAAP revenues</b>		<b>\$ 32,509</b>	
Budgetary Expenses		\$ 55,832	
Accounts payable		<u>1,434</u>	
<b>GAAP expenses</b>		<b>\$ 57,266</b>	

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE PLANNING AND ZONING COURT FEES  
Year Ended June 30, 2008

685				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Charges for services	\$ 8,600	8,600	9,815	1,215
<b>Total revenues</b>	<b>8,600</b>	<b>8,600</b>	<b>9,815</b>	<b>1,215</b>
Expenditures				
General government	10,968	10,968	8,843	2,125
<b>Total expenditures</b>	<b>10,968</b>	<b>10,968</b>	<b>8,843</b>	<b>2,125</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(2,368)</b>	<b>(2,368)</b>	<b>972</b>	<b>3,340</b>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ (2,368)</b>	<b>(2,368)</b>	<b>972</b>	<b>3,340</b>
Prior year fund balance to balance the budget	2,368	2,368		
	<b>\$ -</b>	<b>-</b>		
Budgetary Expenses			\$ 8,843	
Accounts payable			603	
<b>GAAP expenses</b>			<b>\$ 9,446</b>	

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE DOMESTIC VIOLENCE  
Year Ended June 30, 2008

690				
Budgeted Amounts			Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
Original	Final			
Revenues				
Intergovernmental sources	\$ 109,979	114,979	103,814	(11,165)
Total revenues	109,979	114,979	103,814	(11,165)
Expenditures				
General government	99,688	104,688	102,245	2,443
Total expenditures	99,688	104,688	102,245	2,443
Excess (deficiency) of revenues over expenditures	10,291	10,291	1,569	(8,722)
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ 10,291	10,291	1,569	(8,722)
Prior year fund balance to balance the budget				
	-	-		
	\$ 10,291	10,291		
Budgetary Revenues			\$ 103,814	
Intergovernmental receivable			(10,379)	
GAAP revenues			\$ 93,435	
Budgetary Expenses			\$ 102,245	
Accounts payable			6,575	
Accrued payroll			376	
GAAP expenses			\$ 109,196	

**STATE OF NEW MEXICO**  
**COUNTY OF TORRANCE**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET TO ACTUAL**  
**SPECIAL REVENUE DOMESTIC VIOLENCE COURT FEE**  
**Year Ended June 30, 2008**

692				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Charges for services	\$ 4,000	4,000	6,127	2,127
<b>Total revenues</b>	<b>4,000</b>	<b>4,000</b>	<b>6,127</b>	<b>2,127</b>
Expenditures				
General government	19,000	19,000	-	19,000
<b>Total expenditures</b>	<b>19,000</b>	<b>19,000</b>	<b>-</b>	<b>19,000</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(15,000)</b>	<b>(15,000)</b>	<b>6,127</b>	<b>21,127</b>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ (15,000)</b>	<b>(15,000)</b>	<b>6,127</b>	<b>21,127</b>
Prior year fund balance to balance the budget	15,000	15,000		
	\$ -	-		

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE TITLE III FOREST RESERVE  
Year Ended June 30, 2008

	693			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Favorable
				(Unfavorable)
Revenues				
Intergovernmental sources	\$ -	-	-	-
<b>Total revenues</b>	-	-	-	-
Expenditures				
General government	9,800	9,800	-	9,800
<b>Total expenditures</b>	9,800	9,800	-	9,800
<b>Excess (deficiency) of</b>				
<b>revenues over expenditures</b>	(9,800)	(9,800)	-	9,800
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
<b>Total other financing</b>				
<b>source (uses)</b>	-	-	-	-
<b>Net change in fund balance</b>	<b>\$ (9,800)</b>	<b>(9,800)</b>	<b>-</b>	<b>9,800</b>
Prior year fund balance to				
balance the budget	9,800	9,800		
	<b>\$ -</b>	<b>-</b>		

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE UHP 2002  
Year Ended June 30, 2008

801				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental sources	-	-	5	5
<b>Total revenues</b>	-	-	5	5
Expenditures				
General government	-	-	-	-
<b>Total expenditures</b>	-	-	-	-
<b>Excess (deficiency) of             revenues over expenditures</b>	-	-	5	5
Other Financing Sources (Uses)				
Operating transfers out	(7,619)	(7,619)	(7,619)	-
<b>Total other financing             sources (uses)</b>	(7,619)	(7,619)	(7,619)	-
<b>Net change in fund balance</b>	<b>\$ (7,619)</b>	<b>(7,619)</b>	<b>(7,614)</b>	<b>5</b>
Prior year fund balance to balance the budget	7,619	7,619		
	<u>\$ -</u>	<u>-</u>		
Budgetary Revenues			\$ 5	
Intergovernmental receivable			904	
<b>GAAP revenues</b>			<u>\$ 909</u>	

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE UNIVERSAL HIRING  
Year Ended June 30, 2008

802				Variance with
Budgeted Amounts		Actual Amounts	Final Budget - Favorable (Unfavorable)	
Original	Final			
Revenues				
Intergovernmental sources	\$ -	-	-	-
<b>Total revenues</b>	-	-	-	-
Expenditures				
General government	-	-	-	-
<b>Total expenditures</b>	-	-	-	-
<b>Excess (deficiency) of revenues over expenditures</b>	-	-	-	-
Other Financing Sources (Uses)				
Operating transfers out	(119)	(119)	(119)	-
<b>Total other financing sources (uses)</b>	(119)	(119)	(119)	-
<b>Net change in fund balance</b>	<b>\$ (119)</b>	<b>(119)</b>	<b>(119)</b>	<b>-</b>
Prior year fund balance to balance the budget	119	119		
	\$ -	-		

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE DRUG EDUCATION PROGRAM  
Year Ended June 30, 2008

804				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental sources	\$ 7,800	7,800	14,173	6,373
<b>Total revenues</b>	<b>7,800</b>	<b>7,800</b>	<b>14,173</b>	<b>6,373</b>
Expenditures				
Health and welfare	29,000	29,000	7,232	21,768
<b>Total expenditures</b>	<b>29,000</b>	<b>29,000</b>	<b>7,232</b>	<b>21,768</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(21,200)</b>	<b>(21,200)</b>	<b>6,941</b>	<b>28,141</b>
Other Financing Sources (Uses)				
Operating transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ (21,200)</b>	<b>(21,200)</b>	<b>6,941</b>	<b>28,141</b>
Prior year fund balance to balance the budget	21,200	21,200		
	<u>\$ -</u>	<u>-</u>		
Budgetary Expenses			\$ 7,232	
Accounts payable			1,603	
Other			200	
<b>GAAP expenses</b>			<u><u>\$ 9,035</u></u>	



STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE TRAFFIC SAFETY  
Year Ended June 30, 2008

805			
	Budgeted Amounts		Variance with
	Original	Final	Final Budget - Favorable (Unfavorable)
Revenues			
Intergovernmental sources	\$ 1,209	15,186	6,314 (8,872)
<b>Total revenues</b>	<b>1,209</b>	<b>15,186</b>	<b>6,314 (8,872)</b>
Expenditures			
Public safety	-	12,768	6,899 5,869
<b>Total expenditures</b>	<b>-</b>	<b>12,768</b>	<b>6,899 5,869</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>1,209</b>	<b>2,418</b>	<b>(585) (3,003)</b>
Other Financing Sources (Uses)			
Operating transfers out	-	-	- -
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>- -</b>
<b>Net change in fund balance</b>	<b>\$ 1,209</b>	<b>2,418</b>	<b>(585) (3,003)</b>
Prior year fund balance to balance the budget	-	-	
	<b>\$ 1,209</b>	<b>2,418</b>	
Budgetary Expenses		\$ 6,899	
Accounts payable		1,131	
Accrued payroll		(221)	
<b>GAAP expenses</b>		<b>\$ 7,809</b>	

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE FOREST SERVICE PATROL  
Year Ended June 30, 2008

808				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental sources	\$ -	15,257	-	(15,257)
<b>Total revenues</b>	-	15,257	-	(15,257)
Expenditures				
Public safety	5,160	20,417	6,607	13,810
<b>Total expenditures</b>	5,160	20,417	6,607	13,810
<b>Excess (deficiency) of revenues over expenditures</b>	(5,160)	(5,160)	(6,607)	(1,447)
Other Financing Sources (Uses)				
Operating transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-	-
<b>Net change in fund balance</b>	<b>\$ (5,160)</b>	<b>(5,160)</b>	<b>(6,607)</b>	<b>(1,447)</b>
Prior year fund balance to balance the budget	5,160	5,160		
	<b>\$ -</b>	<b>-</b>		
Budgetary Expenses			\$ 6,607	
Accounts payable			102	
Accrued payroll			(404)	
<b>GAAP expenses</b>			<b>\$ 6,305</b>	

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE BULLETPROOF VEST  
Year Ended June 30, 2008

809				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental sources	\$ -	-	-	-
<b>Total revenues</b>	-	-	-	-
Expenditures				
Public safety	1,200	1,200	1,040	160
<b>Total expenditures</b>	1,200	1,200	1,040	160
<b>Excess (deficiency) of             revenues over expenditures</b>	(1,200)	(1,200)	(1,040)	160
Other Financing Sources (Uses)				
Operating transfers out	-	-	-	-
<b>Total other financing             sources (uses)</b>	-	-	-	-
<b>Net change in fund balance</b>	<b>\$ (1,200)</b>	<b>(1,200)</b>	<b>(1,040)</b>	<b>160</b>
Prior year fund balance to balance the budget	1,200	1,200		
	<b>\$ -</b>	<b>-</b>		

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE UNDERAGE DRINKING GRANT  
Year Ended June 30, 2008

811				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental sources	\$ 1,462	3,382	3,382	-
<b>Total revenues</b>	<b>1,462</b>	<b>3,382</b>	<b>3,382</b>	<b>-</b>
Expenditures				
Health and welfare	-	1,920	1,423	497
<b>Total expenditures</b>	<b>-</b>	<b>1,920</b>	<b>1,423</b>	<b>497</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>1,462</b>	<b>1,462</b>	<b>1,959</b>	<b>497</b>
Other Financing Sources (Uses)				
Operating transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ 1,462</b>	<b>1,462</b>	<b>1,959</b>	<b>497</b>
Prior year fund balance to balance the budget	-	-		
	<b>\$ 1,462</b>	<b>1,462</b>		

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE EMERGENCY 911  
Year Ended June 30, 2008

911				
	Budgeted Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Local and state-shared taxes	\$ 390,000	390,000	368,011	(21,989)
Intergovernmental revenue	7,000	7,000	115,930	108,930
Interest	-	-	3,230	3,230
Charges for services	104,835	104,835	464	(104,371)
<b>Total revenues</b>	<b>501,835</b>	<b>501,835</b>	<b>487,635</b>	<b>(14,200)</b>
Expenditures				
Public safety	730,575	766,272	694,645	71,627
<b>Total expenditures</b>	<b>730,575</b>	<b>766,272</b>	<b>694,645</b>	<b>71,627</b>
<b>Excess of revenues over expenditures</b>	<b>(228,740)</b>	<b>(264,437)</b>	<b>(207,010)</b>	<b>57,427</b>
Other Financing Sources (Uses)				
Operating transfers in	190,000	190,000	190,000	-
<b>Total other financing sources (uses)</b>	<b>190,000</b>	<b>190,000</b>	<b>190,000</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ (38,740)</b>	<b>(74,437)</b>	<b>(17,010)</b>	<b>57,427</b>
Prior year fund balance to balance the budget	38,740	74,437		
	<b>\$ -</b>	<b>-</b>		
Budgetary Revenues			\$ 487,635	
Intergovernmental receivable			77,602	
<b>GAAP revenues</b>			<b>\$ 565,237</b>	
Budgetary Expenses			\$ 694,645	
Accounts payable			816	
Accrued payroll			7,585	
<b>GAAP expenses</b>			<b>\$ 703,046</b>	

## **DEBT SERVICE FUND**

Debt Service Fund – This fund accounts for property tax revenues collected to pay off the current year's debt service on the general obligation bonds of the County.

**COUNTY OF TORRANCE**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET TO ACTUAL**  
**DEBT SERVICE FUND**  
**Year Ended June 30, 2008**

562				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Local and state-shared taxes	\$ 263,613	263,613	293,603	29,990
<b>Total revenues</b>	263,613	263,613	293,603	29,990
<b>Expenditures</b>				
Debt service	263,613	263,613	263,613	-
<b>Total expenditures</b>	263,613	263,613	263,613	-
<b>Excess of revenues over expenditures</b>	-	-	29,990	29,990
<b>Other Financing Sources (Uses)</b>				
Operating transfers	-	-	-	-
<b>Net change in fund balance</b>	\$ -	-	29,990	29,990
<b>Budgetary Revenues</b>			\$ 293,603	
Property tax receivable			(68,440)	
Deferred revenue			58,486	
Intergovernmental receivable			54,209	
<b>GAAP revenues</b>			<u>\$ 337,858</u>	
<b>Budgetary Expenses</b>			\$ 263,613	
Debt service			35,013	
Capital lease acquisition - only payments budgeted			216,667	
<b>GAAP expenses</b>			<u>\$ 515,293</u>	

### **CAPITAL PROJECTS FUND**

Capital Projects Funds are used to account for the acquisition, construction and repair of major capital assets.

Judicial Complex - To account for resources from general obligations bonds issued for the purpose of improving a necessary site for and acquiring, constructing, furnishing, and equipping a new county courthouse.



STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE G.O. BOND JUDICIAL COMPLEX  
Year Ended June 30, 2008

424				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Interest	\$ 2,000	2,000	1,990	(10)
<b>Total revenues</b>	<b>2,000</b>	<b>2,000</b>	<b>1,990</b>	<b>(10)</b>
Expenditures				
General government	51,200	51,200	35,948	15,252
<b>Total expenditures</b>	<b>51,200</b>	<b>51,200</b>	<b>35,948</b>	<b>15,252</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(49,200)</b>	<b>(49,200)</b>	<b>(33,958)</b>	<b>15,242</b>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ (49,200)</b>	<b>(49,200)</b>	<b>(33,958)</b>	<b>15,242</b>
Prior year fund balance to balance the budget	49,200	49,200		
	<u>\$ -</u>	<u>-</u>		
Budgetary Expenses			\$ 35,948	
Accounts payable			<u>15,386</u>	
<b>GAAP expenses</b>			<u>\$ 51,334</u>	

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE LEGISLATIVE APPROPRIATIONS  
Year Ended June 30, 2008

803			
	Budgeted Amounts		Variance with
	Original	Final	Final Budget - Favorable (Unfavorable)
Revenues			
Intergovernmental sources	\$ 1,490,063	1,742,563	1,059,635 (682,928)
<b>Total revenues</b>	<b>1,490,063</b>	<b>1,742,563</b>	<b>1,059,635 (682,928)</b>
Expenditures			
General government	1,429,211	1,681,711	1,144,550 537,161
<b>Total expenditures</b>	<b>1,429,211</b>	<b>1,681,711</b>	<b>1,144,550 537,161</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>60,852</b>	<b>60,852</b>	<b>(84,915) (145,767)</b>
Other Financing Sources (Uses)			
Operating transfers out	-	-	- -
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>- -</b>
<b>Net change in fund balance</b>	<b>\$ 60,852</b>	<b>60,852</b>	<b>(84,915) (145,767)</b>
Prior year fund balance to balance the budget	-	-	
	<b>\$ 60,852</b>	<b>60,852</b>	
Budgetary Revenues			\$ 1,059,635
Accounts Receivable			54,397
<b>GAAP revenues</b>			<b>\$ 1,114,032</b>
Budgetary Expenses			\$ 1,144,550
Accounts payable			227,617
<b>GAAP expenses</b>			<b>\$ 1,372,167</b>

## AGENCY FUNDS

Agency funds are used to account for assets held by the County as an agent for other governments and/or other funds.

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.

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.

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.

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.

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  
SCHEDULE OF CHANGES IN ASSETS  
AND LIABILITIES - ALL AGENCY FUNDS  
Year Ended June 30, 2008

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
<b>CHILDREN'S TRUST FUND</b>				
<b>Assets</b>				
Due from other governmental units	\$ 462	1,978	1,828	612
<b>Liabilities</b>				
Deposits held in trust for others	\$ 462	1,978	1,828	612
<b>UNDISTRIBUTED TAXES</b>				
<b>Assets</b>				
Property tax receivable	\$ 742,006	3,994,055	3,680,294	1,055,767
Due from other governmental units	63,851	2,979,351	2,975,496	67,706
	<u>\$ 805,857</u>	<u>6,973,406</u>	<u>6,655,790</u>	<u>1,123,473</u>
<b>Liabilities</b>				
Due to other governmental units	\$ 742,006	3,994,055	3,680,294	1,055,767
Deposits held in trust for others	63,851	2,979,351	2,975,496	67,706
	<u>\$ 805,857</u>	<u>6,973,406</u>	<u>6,655,790</u>	<u>1,123,473</u>
<b>OVERPAYMENT OF TAXES</b>				
<b>Assets</b>				
Due from other governmental units	\$ 13,098	31,621	41,834	2,885
<b>Liabilities</b>				
Deposits held in trust for others	\$ 13,098	31,621	41,834	2,885
<b>TAXES PAID IN ADVANCE</b>				
<b>Assets</b>				
Due from other governmental units	\$ 12,460	25,049	26,026	11,483
<b>Liabilities</b>				
Deposits held in trust for others	\$ 12,460	25,049	26,026	11,483

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF CHANGES IN ASSETS  
AND LIABILITIES - ALL AGENCY FUNDS (CONTINUED)  
Year Ended June 30, 2008

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
<b>PENALTY AND INTEREST</b>				
<b>Assets</b>				
Due from other governmental units	\$ 4,949	40,620	36,958	8,611
<b>Liabilities</b>				
Deposits held for others	\$ 4,949	40,620	36,958	8,611
<b><u>TOTAL - ALL AGENCY FUNDS</u></b>				
<b>Assets</b>				
Property tax receivable	\$ 742,006	3,994,055	3,680,294	1,055,767
Due from other governmental unit	94,820	3,078,619	3,082,142	91,297
<b>Total assets</b>	<b>\$ 836,826</b>	<b>7,072,674</b>	<b>6,762,436</b>	<b>1,147,064</b>
<b>Liabilities</b>				
Due to other governmental units	\$ 742,006	3,994,055	3,680,294	1,055,767
Deposits held for others	94,820	3,078,619	3,082,142	91,297
<b>Total liabilities</b>	<b>\$ 836,826</b>	<b>7,072,674</b>	<b>6,762,436</b>	<b>1,147,064</b>

**COUNTY OF TORRANCE**  
**SCHEDULE OF JOINT POWERS AGREEMENTS**  
**Year Ended June 30, 2008**

Joint Power Agreement	Participants	Responsible Party	Description	Beginning and Ending Dates	Total Estimated Project Amount and Amount Applicable to County	Amount Contributed by County During Fiscal Year	Audit Responsibility	Fiscal agent and Responsible Reporting Entity
Estancia Valley Solid Waste Authority	County of Torrance, City of Moriarty, Town of Estancia and Mountianair, Village of Willard and Encino	Estancia Valley Solid Waste Authority	Coordinate solid waste resources in the area	When parties decide	Unknown	\$ 84,002	Estancia Valley Solid Waste Authority	N/A
Estancia Valley Regional Animal Shelter	County of Torrance, City of Moriarty, Town of Estancia, Edgewood	Estancia Valley Regional Animal Shelter Board	Animal shelter facilities	When parties decide	Unknown	\$ -	County of Torrance	County of Torrance
City of Moriarty Maintenance of Roads and Streets	City of Moriarty, County of Torrance	City of Moriarty	Assist the City of Moriarty in repairing roads and streets	Nov-04 Dec-09	Unknown	\$ -	County of Torrance	County of Torrance
911 Dispatch Services	City of Moriarty, Town of Estancia, Town of Mountianair, Villiage of Willard and Torrance County	Torrance County	Provide 911 dispatch services for municipalities	Jul-07 Jun-08	\$228,110	\$ 558,011	County of Torrance	County of Torrance

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF DEPOSIT ACCOUNTS  
June 30, 2008

<u>Depository</u>	<u>Account Name</u>	<u>Type</u>	<u>Depository Balance</u>	<u>Reconciled Balance</u>
Wells Fargo Bank	Checking	Checking	\$ 1,275,908	989,765
Petty cash			300	300
<b>Total deposit accounts</b>			<u>1,276,208</u>	<u>990,065</u>
New Mexico Treasury	Investment	Investment	<u>2,024,719</u>	<u>2,024,719</u>
<b>Total investment accounts</b>			<u>2,024,719</u>	<u>2,024,719</u>
<b>Total deposit and investment accounts</b>			<u>\$ 3,300,927</u>	<u>3,014,784</u>

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF PLEDGED COLLATERAL  
June 30, 2008

The following is a description of cash on deposit by financial institution and related pledged collateral at June 30, 2008.

	Wells Fargo Bank
Deposits at June 30, 2008	\$ 1,275,908
Less: FDIC coverage	<u>250,000</u>
Uninsured and uncollateralized	<u>\$ 1,025,908</u>
50% pledged collateral requirement per statute	<u>\$ 512,954</u>

Pledged collateral at June 30, 2008 consists of the following:

Security	CUSIP	Maturity	Rate	Face	Market Value
FGIOHOH00895	3128MS7G9	6/1/37	5.50%	\$ 750,000	\$ 697,601
FNIONP256327	31371mvu8	7/1/36	6.00%	800,000	605,864
FNIONP256327	31371mvu8	7/1/36	6.00%	765,000	579,357
FNCL865810	31409A3T4	3/1/36	6.00%	425,000	<u>320,734</u>
Total pledged collateral					<u>2,203,556</u>
Amount over requirement					<u>\$ 1,690,602</u>



**STATE OF NEW MEXICO**  
**COUNTY OF TORRANCE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2008**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through/ Grant Number	Federal Expenditures
<b>U.S. Department of Agriculture</b>			
Forest Reserve - Title I	10.664	None	\$ 13,492
<b>Total U.S. Department of Agriculture</b>			<u>13,492</u>
<b>U.S. Department of Health and Human Services</b>			
Passed through New Mexico Department of Health:			
Drug-Free Communities	93.000	5H79SP011727-05	134,836
Temporary Assistance for Needy Families (TANF)	93.558	None	24,458
Passed through NM Voices for Children and NM Primary Care Association:			
Covering Kids	93.000	MEP07-0801	<u>58,121</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>217,415</u>
<b>U.S. Department of Homeland Security</b>			
Passed through New Mexico Department of Public Safety:			
Homeland Security FY04	97.004	97.067	34,565
FEMA - Disaster Grant Public Assistance (Presidentially Declared Disaster)	97.036	1659	<u>426,576</u>
<b>Total U.S. Department of Homeland Security</b>			<u>461,141</u>
<b>U.S Department of Transportation</b>			
Passed through NM State Highway and Transportation Department:			
Job Access and Reverse Commute (JARC)	20.516	M00679	23,207
Section 5311 Transportation Program	20.509	M00721	<u>60,865</u>
<b>Total U.S. Department of Transportation</b>			<u>84,072</u>
<b>Total expenditures of federal awards</b>			<u><u>\$ 776,120</u></u>

Expenditures are presented on the accrual basis of accounting and in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. The County did not receive any noncash assistance. It also did not have any subrecipients.

**OTHER REPORTS**

# Ricci & Company LLC

CERTIFIED PUBLIC ACCOUNTANTS  
6200 UPTOWN BLVD. NE - SUITE 400  
ALBUQUERQUE, NM 87110

## **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Mr. Hector H. Balderas, State Auditor  
and

To the Honorable Members of the Board of County Commissioners  
County of Torrance  
Estancia, New Mexico

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, and the combining and individual funds and related budgetary comparisons presented as supplemental information of the State of New Mexico, County of Torrance (County) and have issued our report thereon dated July 1, 2010. 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.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

Mr. Hector H. Balderas, State Auditor and  
To the Honorable Members of the Board of County Commissioners  
County of Torrance  
Estancia, New Mexico

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of significant deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness. Item 03-03.

A significant deficiency is a deficiency, or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be a significant deficiency. Items 08-01, 08-02, and 08-06.

#### Compliance and Other Matters

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

We also noted certain other matters that are required to be reported pursuant to *Government Auditing Standards* paragraphs 5.14 and 5.16 and pursuant to Section 12-6-5 NMSA, 1978, which are described in the accompanying Schedule of Findings and Questioned Costs as Items 02-04, 05-01, 07-01, 07-02, 08-05, and 08-06.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, others within the County, the State Auditor, the Department of Finance and Administration – Local Government Division, the New Mexico State Legislature and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.

*Ricci & Company, LLC*

Albuquerque, New Mexico  
July 1, 2010

# Ricci & Company LLC

CERTIFIED PUBLIC ACCOUNTANTS  
6200 UPTOWN BLVD. NE - SUITE 400  
ALBUQUERQUE, NM 87110

## **Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with *OMB Circular A-133***

Mr. Hector H. Balderas, State Auditor  
and

To the Honorable Members of the Board of County Commissioners  
County of Torrance  
Estancia, New Mexico

### Compliance

We have audited the compliance of the State of New Mexico, 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 programs for the year ended June 30, 2008. The County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is 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 Nonprofit 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 on the County's compliance with those requirements.

Mr. Hector H. Balderas, State Auditor  
and  
To the Honorable Members of the Board of County Commissioners  
County of Torrance  
Estancia, New Mexico

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as Items 07-02, 08-03, and 08-04.

#### Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as Item 03-03 to be a material weakness.

The County's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the County's response and, accordingly, we express no opinion on it.

Mr. Hector H. Balderas, State Auditor  
and  
Members of the Board of County Commissioners  
County of Torrance  
Estancia, New Mexico

This report is intended solely for the information and use of the County Commission members, the management of the County, the State of New Mexico Office of the State Auditor, the federal awarding agencies, and pass-through entities, and it not intended to be and should not be used by anyone other than these specified parties.

*Ricci & Company, LLC*

Albuquerque, New Mexico  
July 1, 2010

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2008

**A. SUMMARY OF AUDITORS' RESULTS**

***Financial Statements***

Type of auditors' report issued

Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☒ Yes ☐ No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ☒ Yes ☐ None Reported

Non-compliance material to financial statements noted? ☐ Yes ☒ No

***Federal Awards***

Internal control over major programs:

- Material weakness(es) identified? ☒ Yes ☐ No
- Significant deficiency(ies) identified that are not considered to be material weakness(es) ☐ Yes ☒ None reported

Type of auditor's report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

☒ Yes ☐ No

***Identification of Major Program***

CFDA Number    Name of Federal Program or Cluster

97.036            US Department of Homeland Security -  
FEMA – Disaster Grant Public Assistance (Presidentially Declared Disaster)

Dollar threshold used to distinguish between Type A and Type B programs

\$ 300,000

Auditee qualified as low-risk auditee?

☐ Yes ☒ No



**STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2008**

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

**02-04 COUNTY TREASURER'S PROPERTY TAX SCHEDULE**

**CONDITION**

The County Treasurer, after much effort, has been able to obtain much of the detailed data required to provide a property tax schedule that conforms to the State Auditor's Rule 2.2.2.12D(2).

**CRITERIA**

State Auditor's Rule 2.2.2.12D(2) required a property tax schedule providing detailed information on taxes assessed and collected by tax year by entity for the past 10 years.

**EFFECT**

The County Treasurer was not in compliance with Rule 2.2.2.12D(2).

**CAUSE**

The software used by the Treasurer's Office can provide much of the required information; however, not all of the information required for the schedule is not available due to a software formatting issue.

**RECOMMENDATION**

The County Treasurer should continue to maintain schedules and work with the information available to compile a schedule in the required format. The County should strive to complete this report within the next year or two.

**MANAGEMENT RESPONSE**

The County Treasurer continues to work with the software administrators to compile required data.

**STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2008**

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT (CONTINUED)**

**05-01 NEGATIVE FUND BALANCES IN FUNDS**

**CONDITION**

The County had nine Special Revenue Funds and one Capital Projects Fund with negative fund balances at June 30, 2008. The deficit fund balances are as follows:

Legislative Appropriations	\$ (339,239)
Fire Department Administration	(3,841)
EMS	(5,600)
Maternal Health Care	(235,331)
DWI Program	(8,422)
Rodeo Initiative	(27,711)
Domestic Violence	(15,852)
Traffic Safety	(2,925)
Forest Service Patrol	(1,549)

**CRITERIA**

While many entities in the State of New Mexico have Special Revenue Funds which operate with a negative cash balance while awaiting grant reimbursements, a negative fund balance indicates reimbursements may not be available.

**EFFECT**

These funds are depending on cash balances from other funds to continue.

**CAUSE**

Grant expenditures and receivables could be more closely monitored.

**RECOMMENDATION**

The County should establish procedures to ensure that grant expenditures are properly reimbursed.

**MANAGEMENT RESPONSE**

The County has established procedures to ensure that grant expenditures are properly reimbursed and reporting requirements are met. The County has funded a full-time Grant Administrator who is responsible for overseeing all grant reimbursements and reports.

**STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2008**

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT (CONTINUED)**

**07-01 LATE AUDIT REPORT**

**CONDITION**

The audit report for the fiscal year ended June 30, 2008 was not filed timely by November 15, 2008 as required. The audit report was received by the Office of the State Auditor in July 2010.

**CRITERIA**

The due date of November 15, 2008 is established in Section 2.2.2.9 NMAC of the 2008 State Auditor Rule.

**EFFECT**

The report was not made available on a timely basis for use by the Legislature, the administration, or by other users.

**CAUSE**

Due to the timing of the June 30, 2007 audit, submitted on November 13, 2009, the majority of the procedures related to the June 30, 2008, were unable to be completed until after that date.

**RECOMMENDATION**

Future audit reports should be filed timely as possible.

**MANAGEMENT RESPONSE**

The County is working diligently to catch up on audit reports.

**STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2008**

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT (CONTINUED)**

**08-01 PROPERTY TAX FINDING – NO PROOF OF EXEMPTION**

**CONDITION**

During property tax internal control testwork, we noted 4 out of 4 property tax assessments with head of household or veteran exemptions applied, without backup support for the exemption.

**CRITERIA**

County exemption records should be complete in order to ensure that residents are charged accurate taxes and that the County collects the appropriate amount.

**EFFECT**

The County may be underbilling or overbilling residents, therefore, collecting the incorrect amount of property taxes.

**CAUSE**

There is a lack of internal controls surrounding property tax records and exemption forms.

**RECOMMENDATION**

We recommend that the County develop policies and procedures, including reviews, to ensure that property tax exemptions are properly recorded in the computer system and maintained in a records file.

**MANAGEMENT RESPONSE**

After the change in administration, we did discover that there were weaknesses in documenting exemptions. We have now implemented an electronic filing system for these documents, which allows the exemption documentation to be scanned into each property account. Staff will diligently work towards catching up on the scanning and updating of each file.

**STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2008**

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT (CONTINUED)**

**08-02 PROPERTY TAX FINDING – DIFFERENCE IN VALUE**

**CONDITION**

We noted in 1 out of 22 items the property value per the assessor's computer system (CAMA) was not equal to the property value per the Treasurer's computer system (Triattic). The difference between the two systems is \$58,461. The property value per the CAMA system was \$2,444,949 and \$2,384,911 in Triattic.

**CRITERIA**

County assessment records should be complete and consistent in order to ensure that residents are charged accurate taxes and that the County collects the appropriate amount.

**EFFECT**

The County may be underbilling or overbilling residents, therefore, collecting the incorrect amount of property taxes.

**CAUSE**

There is a lack of internal controls surrounding data conversion from the CAMA system to the Triattic system.

**RECOMMENDATION**

We recommend that the County develop policies and procedures, including reviews, to ensure that assessed property values are consistent between the two systems.

**MANAGEMENT RESPONSE**

The County has initiated a series of meetings directly with Triadic and Colorado Customware to assess the problems and assist with finding solutions. The County is diligently identifying problems and demanding corrective action. This may take some time, but we acknowledge the weaknesses and are working through them.

**STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2008**

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT (CONTINUED)**

**08-05 TRAVEL AND PER DIEM**

**CONDITION**

During FY 2008, the County reimbursed travelers at the incorrect partial day per diem rates on 3 of the 4 individuals tested. The County used the outdated rates and paid \$16.00 for 6-12 hours of partial day per diem. On the three separate occasions, the employee should have been paid \$20.00.

**CRITERIA**

Per 2.24.2.8 partial day reimbursement shall be made depending on the number of hours that make up the partial day.

- For less than 2 hours, none
- 2 – 6 hours, \$12.00
- 6 - 12 hours, \$20.00
- 12 or more hours, \$30.00

**EFFECT**

Employees were under reimbursed for travel expenses.

**CAUSE**

The County utilizes the State of New Mexico travel and per diem rates, and uses a standard form for all travel, and the form was not updated as rates were changed.

**RECOMMENDATION**

We recommend that the County update the travel form and stay current with all changes to state law.

**MANAGEMENT RESPONSE**

The County's forms for travel and per diem rates have been updated to match the State's requirements.

**STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2008**

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT (CONTINUED)**

**08-06 INTERNAL CONTROL OVER FINANCIAL REPORTING**

**CONDITION**

The County maintains its fund trial balances on a cash basis. This is the method preferred by the County to monitor revenues and expenditures on a budgetary basis. However, accrual basis adjustments are not made to the County records. In addition, due to a minimal need for a full-accrual conversion, the County currently does not employ or utilize the services of someone capable of completing the conversion.

**CRITERIA**

Generally accepted auditing standards require that organizations maintain effective internal controls over financial reporting, including GAAP (Generally Accepted Accounting Principles) basis reporting.

**EFFECT**

The County does not have financial information readily available that is on a GAAP basis.

**CAUSE**

The County has determined that, due to its size and complexity, it is most effective and beneficial to maintain ledgers on a basis consistent with its budgetary basis. Therefore, resources have not been allocated to maintain ledgers on a GAAP basis.

**RECOMMENDATION**

Since the County has adequate controls over financial reporting consistent with its budgetary basis, the County should maintain and when necessary, improve on those controls. It should also consider the need for a long term plan that addresses the need for internal produced GAAP basis financial statements.

**MANAGEMENT RESPONSE**

The County will maintain and when necessary, improve on internal controls. We will also consider the need for a long term plan that addresses the need for internal produced GAAP basis financial statements.

**STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2008**

**C. FINDINGS – FEDERAL AWARD FINDINGS**

**03-03 GRANTS MANAGEMENT**

**All Grants as listed on page 118**

**Questioned Costs - None**

**CONDITION**

During the course of the year, the County did not adequately track federally granted awards, resulting in ongoing modifications to the Schedule of Expenditure of Federal Awards (SEFA) during fieldwork. Additional procedures were performed in order to rely on SEFA.

**CRITERIA**

Generally accepted auditing standards require adequate design of internal controls over a significant account or process. In addition, Federal funding agencies require grantees to maintain good documentation related to grants. It is required that funds only be drawn down when needed and expended in a timely manner.

**EFFECT**

Without effective grants' management, the likelihood of being in violation of grant agreements significantly increases.

**CAUSE**

The County lacks defined policies and procedures over proper grants' management. Supporting documentation should be readily available within the organization.

**RECOMMENDATION**

We recommend policies and procedures be in place that monitor federal cash receipts, drawdown requests, and expenditures. Since the SEFA is critical to this process, the SEFA should be updated timely, reviewed, and approved on a monthly basis.

**MANAGEMENT RESPONSE**

The County has established procedures to ensure that grant expenditures are properly reimbursed and reporting requirements are met. The County has funded a full-time Grant Administrator who is responsible for overseeing all grant reimbursements and reports.



**STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2008**

**C. FINDINGS – FEDERAL AWARD FINDINGS (CONTINUED)**

**07-02 FILING OF DATA COLLECTION FORM**

**All Grants as listed on page 118**

**Questioned Costs - None**

**CONDITION**

The County did not file its Data Collection Form on a timely basis with the Federal Clearinghouse for the year ended June 30, 2008.

**CRITERIA**

The Data Collection Form and the related reporting package have to be filed within nine months of the District's fiscal year end per the Single Audit Act.

**EFFECT**

The report was not made available on a timely basis for use by Federal grantors.

**CAUSE**

The County's audit was not completed in time to file the Data Collection Form on a timely basis.

**RECOMMENDATION**

The Data Collection Form and the related report package should be filed timely in the future.

**MANAGEMENT RESPONSE**

The County will file the Data Collection Form in a timely manner. This will require timely submission of audits.

**STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2008**

**C. FINDINGS – FEDERAL AWARD FINDINGS (CONTINUED)**

**08-03 SUSPENSION AND DEBARMENT**

**97.036 – FEMA – Disaster Grant Public Assistance**

**Questioned Costs - None**

**CONDITION**

During our cash disbursement and single audit testwork, we noted competitive and sealed bids were sent out for large projects over \$50,000. However, vendors were not checked for suspension and debarment. Our tests showed no vendors were on the list.

**CRITERIA**

Per review of the Torrance County purchasing regulations document, Torrance is required to receive sealed bids for any purchase over \$50,000 and look at the Suspension and Debarment list.

**EFFECT**

Improper procurement transactions may result in purchases not in line with the County's purchasing regulation, and utilizing incompetent vendors.

**CAUSE**

The County was unaware that they needed to look at the Suspension and Debarment list before choosing a vendor.

**RECOMMENDATION**

We recommend that Management stress the importance obtaining sealed bids and reviewing the suspension and debarment list before choosing a vendor.

**MANAGEMENT RESPONSE**

The County has been made aware of the importance of reviewing the Suspension and Debarment list, and will update the Purchasing Regulations to mandate that this step is not skipped for any purchases made over \$50,000.

**STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2008**

**C. FINDINGS – FEDERAL AWARD FINDINGS - (CONTINUED)**

**08-04 REPORTING**

**97.036 – FEMA – Disaster Grant Public Assistance**

**Questioned Costs - None**

**CONDITION**

Of the 5 FEMA projects reviewed, 4 did not submit a final performance report and 5 did not submit a financial SF-272 report at the end of the project.

**CRITERIA**

Per the grant agreement, the County is required to submit accurate quarterly reports, final performance reports, and financial SF-272 reports to OEM for all projects exceeding \$57,500.

**EFFECT**

The County is not compliant with reporting requirements which could result in loss of funding or only partial reimbursement.

**CAUSE**

The reporting oversight was caused by a lack of internal controls surrounding grant management and lack of understanding of requirements.

**RECOMMENDATION**

We recommend the County become familiar with the required reports for all grants and implement internal controls to ensure that all reports are filed timely and accurately.

**MANAGEMENT RESPONSE**

The County has funded a full-time Grant Administrator, who will become familiar with the required reports for all grants and ensure that all reports are filed timely and accurately.

**STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2008**

<b>Summary Schedule of Prior Audit Findings</b>	<b>Current Status</b>
02-02 Information Technology Segregation of Duties and Written Procedures	Resolved
02-04 County Treasurer's Property Tax Schedule	Updated and included
03-03 Grants Management	Updated and included
05-01 Negative Fund Balances In Funds	Updated and included
06-01 Notification not made before disposition of property	Resolved
07-01 Late Audit Report	Updated and included
07-02 Filing of Data Collection Form	Updated and included
07-03 Expenditures Over Budget	Resolved
07-04 Transportation Grant	Resolved



**STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
EXIT CONFERENCE  
Year Ended June 30, 2008**

An exit conference was held on June 2, 2010, and attended by the following:

**County Personnel**

Vanessa Chavez-Gutierrez, County Commissioner  
Joy Ansley, County Manager  
Tracy Sedillo, Controller

**Ricci & Company LLC Personnel**

Herman Chavez, Manager  
Judy Vogt, Senior

The financial statements were prepared by Ricci & Company LLC from the books and records of Torrance County.