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

JUNE 30, 1993

AUDITED FINANCIAL STATEMENTS Year Ended June 30, 1993

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OFFICIAL ROSTER June 30, 1993

Elected Officials

Bill Williams Chairman

Roy Spencer Commissioner

Bill Carter Commissioner

Carla Clayton County Clerk

Marilyn Autrey County Treasurer

Walter Glazewski County Assessor

Bobby Chavez Sheriff

Woodrow Woodburn Probate Judge

Administrative Official

Steve Jones County Manager

Pat Marciano Administrative Assistant

Rubin Miranda

Budget Officer

Entified Public Accountants

Contified Public Secondary

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying balance sheets and the combining balance sheets of the County of Torrance, State of New Mexico, as of June 30, 1993 as listed in the table of contents. These balance sheets are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We were unable audit the financial statements supporting the financial activities of the Fixed Asset Group of Accounts because the County's records of fixed assets are incomplete. Those

financial activities are included in the fixed assets account group and represent 100 percent of the assets of that account type.

The County has not maintained adequate accounting records for the prior year ended June 30, 1992 which resulted in a disclaimer of opinion report by the prior auditors on October 5, 1992. We were unable to apply procedures to determine whether the opening balances at July 1, 1992 were fairly presented in conformity with generally accepted accounting principles or whether accounting principles have been consistently applied between 1992 and 1993. Since the County did not maintain adequate accounting records during the prior year, and we were unable to satisfy ourselves about the opening balances in the financial statements as of July 1992 or about the consistent application of accounting principles between 1992 and 1993, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the results of operations and statement of cash flows for the year ended June 30, 1993 or on the consistency of application of accounting principles with the preceding year.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to audit the financial statements of the Fixed Assets Group of Accounts, the balance sheets referred to in the first paragraph present fairly, in all material respects, the financial position of County of Torrance, State of New Mexico as of June 30, 1993. Also, in our opinion, the combining and individual fund and long-term debt account group balance sheets referred to above present fairly, in all material respects, the financial position of each of the individual funds and long-term debt account group of the County of Torrance, State of New Mexico, as of June 30, 1993.

Our audit was made for the purpose of forming an opinion on the balance sheets taken as a whole and on the combining and individual fund and account group balance sheets. The accompanying financial information presented on Schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the financial statements of County of Torrance, State of New Mexico. As discussed in the second, third and fourth paragraphs above, the scope of our work was not sufficient to enable us to express an opinion on the results of operations and cash flows. Similarly we are unable to express, and do not express, an opinion on the accompanying supporting schedules.

August 5, 1993

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GENERAL PURPOSE FINANCIAL STATEMENTS

STATE OF NEW MEXICO County of Torrance

Combined Balance Sheet All Fund Types and Account Groups June 30, 1993

	G	iovernmental	l Fur	nd Type					Proprietary Fund Type	Fiduciary Fund Type	Fund		Account Groups		ups	
ASSETS		General	-	Special Revenue		Debt Service		Capital Projects	Enterprise	Trust and Agency		General Fixed Assets		General Long-Term Debt	Total (Memorandum) Only)	
Cash and investments Cash (restricted) Receivables (net, where applicable,	\$	47,560	\$	147,614	s	3,906	\$	855,252	34,100 35,000	\$ 49,386	\$		\$		1,137,818 35,000	
of allowance for doubtful accounts) Due from other funds (Note 5) Prepaid expenses		400,537 2,350 50,948		36,596 10,658 6,543		37,470		3,861 20,020	3,250						444,244 70,498 57,491	
Other assets Fixed assets (Note 2) Amount to be provided for retirement								30,582	15,826 35,742			3,715,878			46,408 3,751,620	
of long-term debt Total assets	\$	501,395		201,411	s	41,376	s	909,715	\$ 123,918	\$ 49,386	s	3,715,878		2,028,270	2,028,270 7,571,349	
LIABILITIES AND FUND EQUITY Liabilities:																
Liabilities: Bank overdraft	\$		\$	108,734	\$		\$		\$:	s	\$		s		108,734	
Accounts payable		287,557		46,459					11,438						345,454	
Accrued compensation		51,198		6,011		40,908			1,596					39,959	139,672	
Due to other funds (Note 5)		67,680		2,350					468						70,498	
Due to other taxing units										41,365					41,365	
Deferred revenue				4,235											4,235	
Taxes paid in advance										8,021					8,021	
Contracts payable (Note 3)														688,311	688,311	
Bonds payable									350,000					1,300,000	1,650,000	
Total liabilities		406,435		167,789		40,908		0	363,502	49,386		0		2,028,270	3,056,290	
Fund equity:																
Reserved				73,653		468		909,715	-						983,836	
Unreserved and undesignated (deficit)		94,960		(40,031)											54,929	
Investment in general fixed assets												3,715,878			3,715,878	
Retained earnings (deficit)									(239,584)						(239,584)	
Total fund equity		94,960		33,622		468		909,715	(239,584)	0		3,715,878	, ,	0	4,515,059	
Total liabilities and fund equity	\$	501,395		201,411	s	41,376	\$	909,715	123,918 \$	49,386	\$	3,715,878	\$	2,028,270	7,571,349	
See accompanying notes to financial statements.				===	•		,									

Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types For the Year Ended June 30, 1993

Totals **Governmental Fund Types** (Memorandum Only) Special Debt Capital General Revenue Service Project 1993 1992 Revenues: Taxes 2,018,743 35,597 \$ 2,587 \$ 2,056,927 \$ 1,361,044 Licenses and permits 1,025 1,025 5,702 Intergovernmental 605,600 599,884 1,205,484 1,370,772 Charges for services 4,762,899 4,762,899 4,971,255 Miscellaneous 166,836 116,460 283,296 181,078 Total revenues 7,555,103 751,941 0 2,587 8,309,631 7,889,851 Expenditures: Current: General government 1,156,069 1,156,069 1,217,759 Public safety 5,552,110 149,651 5,701,761 5,679,308 Highways and streets 1,086,037 1,086,037 718,108 Health and welfare 618,701 618,701 674,718 Culture and recreation 21,050 21,050 121,458 Capital projects 116,796 0 116,796 73,045 Debt service 27,579 27,579 Total expenditures 7,794,216 789,402 27,579 116,796 8,727,993 8,484,396 Revenues over (under) expenditures (239,113)(37,461)(27,579)(114,209)(418, 362)(594,545)Other financing sources (uses): Operating transfers net (48, 290)48,290 28,047 28,047 2,746 Bond proceeds 279,937 1,020,063 1,300,000 Loan proceeds 1,122 1,122 141,145 Total other financing sources (uses) 232,769 48,290 28,047 1,020,063 1,329,169 143,891 Revenues and other sources over (under) expenditures and other uses (6,344)10,829 468 905,854 910,807 (450,654)Fund balance at beginning of year 101,304 22,793 124,097 574,751 Fund balance at end of year 94,960 33,622 468 905,854 1,034,904 124,097

STATE OF NEW MEXICO County of Torrance

Statement of Revenues and Expenditures Budget (Non-GAAP Basis) and Actual (Cash Basis) General and Special Revenue Fund Types For the Year Ended June 30, 1993

General Fund Special Revenue Funds Variance Variance 1993 Favorable 1993 Favorable Budget Actual (Unfavorable) Budget Actual (Unfavorable) Revenues: Taxes 2,077,582 1,972,483 (105,099) \$ 34,126 \$ 34,285 \$ 159 Licenses and permits 350 1,025 675 Intergovernmental 1,413,780 531,045 (882,735)554,779 645,283 90,504 Charges for services 4,988,694 5,046,698 58,004 Fines and forfeits Miscellaneous 163,500 166,791 3,291 51,387 60,795 9,408 Total revenues 8,643,906 (925,864) 7,718,042 640,292 740,363 100,071 Expenditures: General government 1,164,854 1,152,696 12,158 Public safety 5,867,295 5,779,844 87,451 226,178 146,247 79,931 Highways and streets 900,323 1,118,101 (217,778)Health and welfare 503,759 579,993 (76,234)Culture and recreation 21,450 21,050 400 Conservation Total expenditures 7,932,472 8,050,641 (118, 169)751,387 747,290 4,097 Revenues over (under) expenditures 711,434 (332,599)(1,044,033)(111,095)(6,927)104,168 Other financing sources (uses): Operating transfers net 73,439 (48,290)(121,729)72,790 48,290 (24,500)Beginning cash balance (786,407)786,407 38,305 (38,305) Bond proceeds 1,534 271,181 269,647 Total other financing sources (uses) (711,434)222,891 934,325 111,095 48,290 (62,805)Revenues and other sources over (under) expenditures and other uses 0 (109,708)(109,708) \$ 0 41,363 \$ 41,363

STATE OF NEW MEXICO

Exhibit 4

(122,030)

(239,584)======

County of Torrance

Proprietary Fund

Statement of Revenues, Expenses and

Changes in Retained Earnings

For the Year Ended June 30, 1993

H	eve	ent	168	3.
	Sol	id	wa	aste

novenaes.			
Solid waste system fees	\$ 30,291		
Gross receipts tax	50,738		
Miscellaneous	33,257		
Total revenues	 	\$	114,286
Operating expenses:			
Professional services	85,738		
Personal services	54,651		
Amortization	1,721		
Supplies	2,819		
Printing	1,517		
Depreciation	916		
Workshops	575		
Repairs & maintenance	17,342		
Fuel	3,072		
Miscellaneous	442		
Total operating expenses	 		168,793
Net income (loss) from operations		-	(54,507)
Other financing sources (uses):			
Transfers out			(63,047)
Net income (loss)		(1)	(117,554)

Retained earnings, beginning of year

Retained earnings, end of year

STATE OF NEW MEXICO County of Torrance Proprietary Fund Statement of Cash Flows For the Year Ended June 30, 1993

Exhibit 5

Cash flows from operating activities:	
Operating income (loss)	\$ (117,554)
Adjustments to reconcile net operating	
loss to net cash provided by operating	
activities:	
Depreciation	916
Amortization	1,721
(Increase) in accounts receivable	(3,250)
Increase in accounts payable	6,153
Increase in accrued expenses	285
Increase in due to other funds	468
Net cash used by operating activities	(111,261)
Cash flows provided by financing activities:	
Issuance of revenue bonds	350,000
Bond issuance costs	(17,547)
Net cash provided by financing activities	332,453
Cash flows used by capital and related activities:	
Purchase of plant and equipment	(36,658)
Net increase (decrease) in cash	184,534
Cash (overdraft), July 1, 1992	(115,434)
Cash, June 30, 1993	\$ 69,100

NOTES TO FINANCIAL STATEMENTS June 30, 1993

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

A. Reporting Entity

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

NOTES TO FINANCIAL STATEMENTS June 30, 1993

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

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

B. Fund Accounting

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

GOVERNMENTAL FUNDS

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

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

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

NOTES TO FINANCIAL STATEMENTS June 30, 1993

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

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

FIDUCIARY FUNDS

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

ENTERPRISE FUNDS

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

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

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

NOTES TO FINANCIAL STATEMENTS June 30, 1993

- (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED
 - C. Basis of Accounting for Fixed Assets and Long-Term Liabilities - Continued

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

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

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

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

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

D. Basis of Accounting

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

NOTES TO FINANCIAL STATEMENTS June 30, 1993

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

D. Basis of Accounting - Continued

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

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

E. Budgets and Budgetary Accounting

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

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

NOTES TO FINANCIAL STATEMENTS June 30, 1993

- (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED
 - E. Budgets and Budgetary Accounting Continued

necessary to meet the requirements of law;

- d. Certify a final budget for the County prior to the first Monday in September of each year. Such budgets, when approved, shall be binding upon all tax 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 and the Attorney General, increase the total budget of the County in the event the County undertakes an activity, service, project or construction program which contemplated at the time the final budget was adopted and approved and which activity, service, project or construction program will produce sufficient revenue to cover such increase in the budget or the County has surplus funds on hand not necessary to meet the expenditures provided for in the budget with which to cover such increase in the budget;
- g. Supervise the disbursement of funds to the end that expenditures will not be made in excess of budgeted items or for items not budgeted, and that there will not be illegal expenditures.

NOTES TO FINANCIAL STATEMENTS June 30, 1993

- (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED
 - E. Budgets and Budgetary Accounting Continued
 - 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 manner relating to the financial affairs of the County.
 - 3. The County Manager is authorized to transfer budgeted amounts between departments within any fund:
 - 4. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Projects Fund, Debt Service Fund and Enterprise Fund.

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

- 5. Budgeted amounts are as originally adopted, or as amended by the County Commissioners and the Department of Finance and Administration. Individual amendments were not material in relation to the original budgets;
- 6. The level of classification detail at which expenditures may not legally exceed appropriation for budget is at the fund level: and
- 7. Appropriation of funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those funds in the subsequent year's budget. All annual appropriations lapse at fiscal year-end.

NOTES TO FINANCIAL STATEMENTS June 30, 1993

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

F. Cash and Investments

The County's deposits at year-end were entirely covered by federal depositing insurance or by collateral held by the County's custodial bank in the County's name.

Statutes authorize the County to invest in obligations of the U.S. Treasury and U.S. Agencies and Banks within the County's jurisdiction.

The County's investment at year-end are shown below:

	Carrying Amount	Market Value
Cash on Deposit Certificate of Deposit	\$1,207,818 -0-	\$1,207,818 -0-
Total Cash	\$1,207,818	\$1,207,818

G. Inventory

There were no material amounts of inventory at June 30, 1993. Purchases for supplies are recorded as expenditures.

H. Encumbrances

Encumbrance accounting is not employed by the County of Torrance.

I. Interfund Receivables and Payables

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

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 1993, are recorded as prepaid items.

NOTES TO FINANCIAL STATEMENTS June 30, 1993

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

K. Fund Equity

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

L. Total Columns on Combined Statements - Overview

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

M. Method of Presentation of Activities of the County Treasurer

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

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

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

NOTES TO FINANCIAL STATEMENTS June 30, 1993

- (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED
 - M. Method of Presentation of Activities of the County Treasurer Continued

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

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

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

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 personal tangible property for all purposes, except special levies on specific classes of property and except necessary levies for public debt, shall not exceed twenty mills annually on each dollar of the assessed valuation thereof, but laws may be passed authorizing additional taxes to be levied outside of such limitations when approved by at least a majority of the qualified electors of the taxing district who paid a property tax therein during the preceding year voting on such proposition."

NOTES TO FINANCIAL STATEMENTS June 30, 1993

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

N. Capitalization of Interest

The County does not capitalize interest costs.

O. Compensated Absences

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

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

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

(2) CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

<u>J</u> :	Balance une 30, 1992	<u>Add</u>	itions	Delet	ions		lance 30, 1993
Land	53,316	\$	5,625	\$	-	\$	58,941
Right-of-way	21,084		-		1 1		21,084
Buildings and improvements Furniture and	s 1,137,536		54,375		·	1	,191,911
equipment _	2,359,446	_	85,746		1,250	2	,443,942
3	\$ 3,571,382	\$	145,746	\$	1,250	\$ 3	,715,878

NOTES TO FINANCIAL STATEMENTS June 30, 1993

(2) CHANGES IN GENERAL FIXED ASSETS - CONTINUED

Investments in general fixed assets from:

	Balar June 30,		Additions	<u>Deletions</u>	Balance June 30, 1993
Acquisition to June 30 not identi	, 1985				
by source	\$ 822	,432	\$ -	\$ -	\$ 822,432
General Fund	1,275	,433	75,628	1,250	1,349,811
Special Rev	enue				di S
Funds	1,196	,653	70,118	-	1,266,771
Capital Pro	ject				5 II 5 N 1988A
Funds	276	,864		S T S	276,864
	\$ 3,571	,382	\$ 145,746	\$ 1,250	\$ 3,715,878
	======	==== :		=======	========

(3) CHANGES IN LONG-TERM DEBT

During the year ended June 30, 1993, the following changes occurred in liabilities reported in the general long-term debt group of accounts:

	Balance June 30, 1992	Additions	<u>Deletions</u>	Balance June 30, 1993
Capital leases	\$ \$ 579,365	\$ 216,614	\$ 108,059	\$ 687,920
ensated abser	nce 46,471	_	6,512	39,959
General Obligation Bo	onds	32		
Payable		1,300,000		1,300,000
Total	\$ 625,836 ======	\$ 1,516,614	\$ 114,571 =======	\$ 2,027,879

NOTES TO FINANCIAL STATEMENTS June 30, 1993

(3) CHANGES IN LONG-TERM DEBT - CONTINUED

A. Contracts Payable

At June 30, 1993 the county had the following purchase contracts payable.

	Description Dat	e of Contract	Original _AmountJun	Principal Balance ne 30, 1993
1.	Caterpillar Equip 2 road graders 7.76% interest	ment Co. February 1991	\$ 94,295	\$ 21,910
2.	Indian Hills Fire Station, 10 year 11.75% interest		37,946	11,961
3.	Rauscher Pierce R Leasing, Inc. John Deere Grader 8.740% interest	s	293,640	68,068
4.	McIntosh Fire Sta 15 year lease 8% interest	tion July 1985	35,000	22,236
5.	Indian Hills Fire 6 year lease 11.5%	Truck March 1989	5,000	1,188
6.	Ellen Equip. Co. Case 580 Backhoe Payment of \$9,670 2 year lease	.46 May 1991	32,491	12,458
7.	Caterpillar 140G 2 motor graders 7.75%	December 1990	188,226	154,519
8.	Sweetwater Hills Fire Station 9.11%	January 1991	52,517	47,917

NOTES TO FINANCIAL STATEMENTS June 30, 1993

(3) CHANGES IN LONG-TERM DEBT - CONTINUED

	Description	Date of Contract	Original Amount	Principal Balance June 30, 1993
9.	Re-appraisal computer syste New Mexico Tax & Revenue Depa No interest - year contract	ation artment seven	\$ 142,267	\$ 142,267
10.	1983 Internati Tanker United New Mex Bank		44,492	10,192
11.	Caterpillar 14 Road Grader 6.5%	September 1992	215,492	195 , 595
	Total			\$ 688,311 =======

Payment requirements are as follows:

Contract Number	Year <u>Ended</u>	Interest	<u>Principal</u>	<u>Total</u>
(1)	1994 1995	\$ 1,224 245	\$ 12,529 9,381	\$ 13,753 9,626
		\$ 1,469 ======	\$ 21,910 ======	\$ 23,379 =====
(2)	1994 1995	\$ 1,405 742	\$ 5,649 6,312	\$ 7,054
		\$ 2,147 ======	\$ 11,961 ======	\$ 14,108 ======
(3)	1994	\$ 3,12 <u>1</u>	\$ 66,068	\$ 69,189
		\$ 3,121 ======	\$ 68,068 =====	\$ 69,189 ======

NOTES TO FINANCIAL STATEMENTS June 30, 1993

(3) CHANGES IN LONG-TERM DEBT - CONTINUED

Payment requirements continued:

Contract Number	Year <u>Ended</u>	Interest	<u>Principal</u>	<u>Total</u>
(4)	1994 1995 1996 1997 1998 1999 2000 2001	\$ 1,779 1,601 1,409 1,202 978 736 475 193	\$ 2,221 2,399 2,591 2,798 3,022 3,264 3,525 2,416	\$ 4,000 4,000 4,000 4,000 4,000 4,000 2,609
		\$ 8,373 ======	\$ 22,236 ======	\$ 30,609 ======
(5)	1994	\$ 189	\$ 1,188	\$ 1,377
		\$ 189 =====	\$ 1,188 ======	\$ 1,377 ======
(6)	1993	\$ 168	\$ 12,458	\$ 12,626
		\$ 168 	\$ 12,458 ======	\$ 12,626 ======
(7)	1994 1995 1996	\$ 11,104 9,772 1,297	\$ 16,576 17,908 120,035	\$ 27,680 27,680 121,332
		\$ 22,173 ======	\$154,519 ======	\$176,692 ======
(8)	1994 1995 1996 1997 1998 1999-20	\$ 4,317 3,932 3,512 3,051 2,667 000 3,718	\$ 4,047 4,432 4,852 5,313 5,697 23,576	\$ 8,364 8,364 8,364 8,364 27,294
		\$ 21,197 ======	\$ 47,917 ======	\$ 69,114 ======

NOTES TO FINANCIAL STATEMENTS June 30, 1993

(3) CHANGES IN LONG-TERM DEBT - CONTINUED

Contract Number	Year <u>Ended</u>	Interest	<u>Principal</u>	<u>Total</u>
(9)	1994 1995 1996 1997 1998 1999 2000	\$ - - - - - - -	\$ 20,324 20,324 20,324 20,324 20,324 20,324 20,323	\$ 20,324 20,324 20,324 20,324 20,324 20,324 20,323
		\$ -0- ======	\$142,267 ======	\$142,267 ======
(10)	1994 1995	\$ 1,212 640	\$ 4,810 5,382	\$ 6,022 6,022
		\$ 1,852 ======	\$ 10,192 ======	\$ 12,044 ======
(11)	1994 1995 1996 1997	\$ 12,294 11,125 9,878 6,541	\$ 17,546 18,715 19,962 139,372	\$ 29,840 29,840 29,840 145,913
		\$ 39,838 ======	\$195,595 ======	\$235,433 ======

General Obligation Bonds

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

NOTES TO FINANCIAL STATEMENTS June 30, 1993

(3) CHANGES IN LONG-TERM DEBT - CONTINUED

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

Year			
Ended	Interest	<u>Principal</u>	<u>Total</u>
1994	\$ 111,006	\$ -	\$ 111,006
1995	74,004	75,000	149,004
1996	69,129	80,000	149,129
1997	64,129	90,000	154,129
1998	58,504	100,000	158,504
1999	52,504	120,000	172,504
2000	45,304	135,000	180,304
2001	38,284	150,000	188,284
2002	30,184	165,000	195,184
2003	20,944	185,000	205,944
2004	11,000	200,000	211,000
Total	\$ 574,992	\$ 1,300,000	\$ 1,874,992
	=======	=========	========

(4) FUND DEFICITS

The following funds have deficit fund balances or retained earnings at June 30, 1993:

Summer Food Service Program Fund Recreation Fund Civil Defense Fund Senior Citizens Program Fund Maternal Health Care Fund Solid Waste System Fund

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

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

NOTES TO FINANCIAL STATEMENTS June 30, 1993

(5) OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

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

- A. Summary of disclosures of debt service requirements to maturity for all types of outstanding debt. The requirement is met by Note 3.
- B. Summary disclosures of changes in general fixed assets by major class. The requirement is met by Note 2.
- C. Summary disclosure of changes in general long-term debt. This requirement is met by Note 3.
- D. Individual fund interfund receivable and payable balances. Such balances at June 30, 1993 were:

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

(6) TAXES RECEIVABLE

Taxes receivable by the County Treasurer are not considered available for distribution until collected. Therefore, the taxes are not accrued in the accompanying financial statements. The amount of taxes receivable at June 30, 1993 was \$407,332.

NOTES TO FINANCIAL STATEMENTS June 30, 1993

(7) RECEIVABLES

Receivables at June 30, 1993 consist of the following:

	<u>General</u>	Special <u>Revenue</u>	<u>Enterprise</u>	Capital <u>Project</u>
Receivables due from U.S. Gov't				
U.S. Marshals Office	\$ 206,584	\$	\$	\$
Intergovernmental	187,204	35,284	-	-
Charges for services	6,723	• As a treat or confidence of the confidence	% ■8	_
Taxes	26	1,312	<u>3,250</u>	3,861
	400,537	36,596	3,250	3,861
Less allowance for				
uncollectibles	3 - 3			
Net receivable	\$ 400,537 ======	\$ 36,596 =====	\$ 3,250 =======	\$ 3,861

(8) ACCOUNTS PAYABLE

Included in accounts payable is \$206,584 payable to Corrections Corporation of America as explained further in Note 10.

(9) EQUITY TRANSFERS

Equity transfers are non-recurring transfers of equity which are extraneous to normal operations and are, therefore, not revenue and expenditures of the funds involved. All equity transfers were budgeted by the County.

(10) SIGNIFICANT SOURCES OF GENERAL FUND REVENUES AND CORRECTIONS CORPORATION OF AMERICA CONTRACT

Significant sources of general fund revenues are from care of prisoners under a management services contract with Corrections Corporation of America.

This contract is between the County and Corrections Corporation of America for the period November 1, 1990 through October 31, 2010 and is based on an agreement to house adult federal prisoners.

NOTES TO FINANCIAL STATEMENTS June 30, 1993

(10) SIGNIFICANT SOURCES OF GENERAL FUND REVENUES AND CORRECTIONS CORPORATION OF AMERICA CONTRACT - CONTINUED

The County has contracted with the U.S. Marshal Service to house federal inmates in the Torrance County Detention Facility, which is privately owned and operated by Corrections Corporation of America (CCA).

Torrance County receives billing from CCA and in turn bills the U.S. Marshall for services each month. CCA pays the County of Torrance \$440 per month for data processing time in handling of the billing.

Torrance County benefits from this arrangement by being able to monitor the facility by way of being involved in the agreements and by the jobs the facility provides in the County.

The estimated annual revenue and related expense to the County is \$4,650,000. The Corrections Corporation of America houses the prisoners and bills the United States Marshal's Service for the service through the County. The County receives the payment billed and expends the total received to the Corrections Corporation of America.

(11) RETIREMENT PLAN

Substantially all of the County of Torrance full-time employees participate in a defined benefit contributory retirement plan through the Public Employees' Retirement Act (PERA) of the State of New Mexico, a cost sharing multiple employer public employee retirement system. pertaining to the actuarially computed present value of vested accumulated plan benefits and nonvested accumulated plan benefits, the plan's net assets available for benefits and the assumed rate of return used in computing the present value, and ten-year historical trend information presenting PERA's progress in accumulating sufficient assets to pay benefits when due is not available by individual government agencies participating in the plan. Actuarial pension data for the State of New Mexico, as employer, is provided at the state-wide level in a separately-issued audit report of the PERA.

NOTES TO FINANCIAL STATEMENTS June 30, 1993

(11) RETIREMENT PLAN - CONTINUED

Retirement Eligibility

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

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

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

Funding Policy

Covered employees are required by state statute to contribute 9.15 percent of their gross salary. The County is required by state statute to contribute 10 percent. The contribution requirement for the year ended June 30, 1993 was \$240,190 which consisted of \$123,292 from the County and \$116,898 from employees.

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

The payroll for employees covered by PERA for the year ended June 30, 1993 was \$1,327,967; the total payroll for all employees of the County was \$1,357,596.

NOTES TO FINANCIAL STATEMENTS June 30, 1993

(12) BANK SURETY

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

Cash in checking account and Certificates of Deposit:

Name of Financial Institution United New Mexico Bank Total amount of deposit Less F.D.I.C. coverage	\$ 116,081 (100,000)
Total uninsured public funds	\$ 16,081 ======
50% collateral requirement	\$ 8,041 ======
Pledged collateral: <u>Maturity Date</u>	Amount
Hagerman NM Municipal School District #006 06-01-95	\$ 52,100
School District #006 06-01-95 Torrance & Socorro Counties 10-01-93	91
Torrance & Socorro Counties 10-01-94	20,258 31,524
Torrance & Socorro Counties 10-01-94	43,132
Torrance & Socorro Counties 10-01-97	32,640
Torrance & Socorro Counties 10-01-98	48,703
Tollance a bocollo councles to of 90	40,703
	\$ 228,357
	=======
Over (under)	\$ 220,316

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

NOTES TO FINANCIAL STATEMENTS June 30, 1993

(12) BANK SURETY - CONTINUED

First National Bank of Belen Total amount of deposit Less F.D.I.C. coverage		\$ 108,329 100,000
Total uninsured public funds		\$ 8,329 ======
50% collateral requirement		\$ 4,165 ======
Pledged collateral: U.S. Treasury Note @ 7.875%		
Matures 1-15-98 Federal Home Loan Bank Bond @ 8.25%		445,500
Matures 5-27-96		109,938 555,438
Over (under)	ä	\$ 551,273

Pledged securities are stated at market value.

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

(13) RETIREE HEALTH CARE ACT CONTRIBUTIONS

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

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

NOTES TO FINANCIAL STATEMENTS June 30, 1993

(13) RETIREE HEALTH CARE ACT CONTRIBUTIONS - CONTINUED

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

Each participating employer makes contributions to the fund in the amount of one percent of each participating employee's annual salary. Each participating employee contributes to the fund an employee contribution in an amount equal to one-half of one percent of the employee's salary. Each participating retiree pays a monthly premium of fifty dollars (\$50.00) for the basic plan and an additional participation fee of five dollars (\$5.00).

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

The post employment benefit expenditures for the year ended June 30, 1993 consisted of premiums paid in the amount of \$6,193,160 and claims paid in the amount of \$26,892,108 for a total of \$33,085,268. Participant contributions were \$13,144,932; therefore, the net expenditures for the year were \$19,940,336.

For the fiscal year ended June 30, 1993, employers, employees and retirees remitted \$15,668,759, \$7,833,041, and \$13,144,932 respectively. The County of Torrance remitted \$13,285 in employer contributions and \$6,641 in employee contributions. As of June 30, 1993, 12,175 retirees were eligible to receive benefits.

NOTES TO FINANCIAL STATEMENTS June 30, 1993

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

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

General Fund:

Revenues, GAAP Basis, Exhibit 2	\$ 7,555,103
Plus: Accounts receivable, prior year	563,476
Less: Accounts receivable, current year	(400,537)
Revenues, Non-GAAP Basis, Exhibit 3	\$ 7,718,042 =======
Special Revenue Funds:	
Revenues, GAAP Basis, Exhibit 2	\$ 751,941
Plus: Accounts receivable, prior year Deferred revenue, current year	20,783 4,235
Less: Accounts receivable, current year	(36,596)
Revenues, Non-GAAP Basis, Exhibit 3	\$ 740,363 ======

NOTES TO FINANCIAL STATEMENTS June 30, 1993

(14)	RECONCILIATION OF GAAP BASIS TO NON-GAAP BA	ASIS ·	- CONTINUED
	General Fund:		
	Expenditures, GAAP Basis, Exhibit 2	\$	7,794,216
	Plus: Prior year's accounts payable Prior year's accrued expenses Current year's prepaid expenses		508,300 80,845 41,071
	Less: Current year accounts payable Current year accrued expenses Less prior year's prepaid expenses		(287,557) (51,198) (35,036)
	Expenditures, Non-GAAP Basis, Exhibit 3	\$ ==:	8,050,641
	Special Revenue Funds:		
	Expenditures, GAAP Basis, Exhibit 2	\$	789,402
	Plus: Prior year's accounts payable Prior year's accrued expenses		3,516 5,242
	Less: Current year's accounts payable Current year's accrued expenses		(47,641) (4,827)

Expenditures, Non-GAAP Basis, Exhibit 3 \$ 745,692

GENERAL FUND June 30, 1993

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

A-1

General Fund Balance Sheet June 30, 1993

Assets

Cash and investments
Due from other funds
Accounts receivable
Prepaid expenses

2,350 400,537 50,948

47,560

Total assets

\$ 501,395 =====

Liabilities and Fund Balance

Liabilities:

Accounts payable Accrued compensation Due to other funds

287,557 51,198 67,680

Total liabilities

406,435

Fund balance:

Unreserved

94,960

Total liabilities and fund balance

501,395

A-2

General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended June 30, 1993

Revenues:		
Taxes	\$	2,018,743
Licenses and permits		1,025
Intergovernmental		605,600
Charges for services		4,762,899
Miscellaneous		166,836
Total revenues	•	7,555,103
Expenditures:		•
General government		1,156,069
Public safety		5,552,110
Highways and streets		1,086,037
Total expenditures	10	7,794,216
Excess (deficiency) of	8 9	
revenues over expenditures		(239,113)
Other financing sources (uses):		
Operating transfers in		20,200
Operating transfers out		(68,490)
Bond proceeds		279,937
Loan proceeds		1,122
Total other sources (uses)		232,769
Excess (deficiency) of revenues	:•	
and other sources over		
expenditures and other uses		(6,344)
Fund balance at beginning of year (restated)		101,304
Fund balance at end of year	\$	94,960
	73	=====

General Fund Statement of Revenues and Expenditures Budget (Non-GAAP Basis) and Actual (Cash Basis) For the Year Ended June 30, 1993

*	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	2,077,582	\$ 1,972,483	(105,099)
Licenses and permits	350	1,025	675
Intergovernmental	1,413,780	531,045	(882,735)
Charges for services	4,988,694	5,046,698	58,004
Miscellaneous	163,500	166,791	3,291
Total revenues	8,643,906	7,718,042	(925,864)
Expenditures:			
General government	1,164,854	1,152,696	12,158
Public safety	5,867,295	5,779,844	87,451
Highways and streets	900,323	1,118,101	(217,778)
Total expenditures	7,932,472	8,050,641	(118,169)
Excess (deficiency) of		***************************************	
revenues over expenditures	711,434	(332,599)	(1,044,033)
Other financing sources (uses):			
Operating transfers in	106,929	41,429	(65,500)
Operating transfers out	(33,490)	(89,719)	
Increase in cash	(786,407)	* Service Control	786,407
Bond proceeds		270,059	270,059
Loan proceeds	1,534	1,122	(412)
Total other sources (uses)	(711,434)	222,891	934,325
Excess (deficiency) of revenues and other sources over	***************************************		***************************************
expenditures and other uses	0 \$	(,	(109,708)

A-4 (con't) (1 of 3)

General Fund Statement of Expenditures Compared to Budget (Non-GAAP Basis) and Actual (Cash Basis) For the Year Ended June 30, 1993

	Pudgot		A = 1 1	Variance Favorable
			Actual	(Unfavorable)
General government:				
Judicial:				
Personal services	6,496	\$	6,657	(161)
Other charges and services	1,900		1,612	52 7.5
Total judicial	8,396		8,269	
Executive:				
Personal services	87,667		90.828	(3,161)
Other charges and services	34,382			2,584
Capital outlay	850		850	0
Secretary registrates and secretariates and a state of the secretary				
Total executive	122,899			(577)
Treasurer:				
Personal services	94,759		90 601	4,158
Other charges and services	9,450			4,525
Total financial	104,209			8,683
Administrator:				
Personal services	7,260		7,273	(13)
Other charges and services	1,589			(496)
Capital outlay	514		494	21
Total administrator	9,363		9,852	
Legislative:				
Personal services	41,431		42,803	(1,372)
Other charges and services	238,853			(6,400)
373	***************************************			200 to 20
Total legislative	280,284		288,056	(7,772)
Recording & filing:				
Personal services	91,183		88,821	2,362
Other charges and services	15,865		15,499	366
S			6.00.07.00.000.000	
Total recording & filing	107,048		104,320	
Elections:				
Other charges and services	15,542		15,540	2
Capital outlay	10,700		10,700	0
THE RESERVE THE PROPERTY.				
Total elections	26,242		26,240	
		100		

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

General Fund Statement of Expenditures Compared to Budget (Non-GAAP Basis) and Actual (Cash Basis) For the Year Ended June 30, 1993

			Variance Favorable
	Budget	Actual	(Unfavorable)
Re-appraisal Department:			***************************************
Personal services	4,720	3,582	1,138
Other charges and services	6,477	4,520	
Capital outlay	3,200	3,496	(296)
Total re-appraisal	14,397	11,598	
Maintenance department:			
Personal services	32,520	20.610	(00)
Other charges and services	75,235	32,612	
Capital outlay	4,210	76,611	
Suprial Sullay	4,210	3,809	5,50
total maintenance	111,965		(1,067)
Assessor:			
Personal services	207,774	205 206	0.400
Other charges and services	9,450		2,468 2,274
o mor onargoo ana ocryicos	3,430	7,176	
Total assessor	217,224	212,482	
Data processing:	211,227	212,402	4,742
Personal services	32,990	32,821	169
Other charges and services	23,390	22,736	
Capital outlay	23,300	22,730	171700
Total data processing	79,680	78,478	1,202
Economic development:			
Personal services	44 800	10 500	122 (22 22 23 23
Other charges and services	44,893	48,522	
Other charges and services	14,500	10000 A PERMIT	SOUTH SOUTH
Total economic development	59,393	60,001	(608)
Planning & zoning:			
Personal services	44.505	40.004	
	14,565	13,964	601
Other charges and services	5,930	4,937	993
Capital outlay	3,259	2,465	794
	23,754	21,366	2,388
Total general government	1,164,854	1,152,696	12,158

A-4 (3 of 3)

General Fund Statement of Expenditures Compared to Budget (Non-GAAP Basis) and Actual (Cash Basis) For the Year Ended June 30, 1993

				Variance
				Favorable
	Budget		Actual	(Unfavorable)
Public safety:				
Law Enforcement:				
Personal services			332,615	, ,
Other charges and services	128,122		125,552	2,570
Total Law Enforcement:	452,892		458,167	(5,275)
Jail:				
Personal services	101,743		111 222	(9,479)
Other charges and services				(126,792)
Capital outlay	5,492		4,555	
,				
Total Jail	4,955,727		5,091,061	
Emergency 911				
Personal services	06 490		14 500	44.000
Other charges and services	26,482		14,500	
•	22,062		22,036	
Capital outlay	216,520		4,250	212,270
Total Emergency 911	265,064			224,278
Dispatch Center:			•••••	
Personal services	04.410		100.070	(0.404)
Other charges and services	94,412		100,876	, , , , ,
	11,174		10,956	
Capital outlay	3,026		2,425	
	108,612		114,257	
Ambulance:				
Other charges and services	85,000		75,573	
Total ambulance	85,000		75,573	
Total public safety	5,867,295		5,779,844	87,451
Highways and streets:				
Personal services	005.004		007.077	45
	365,231		367,677	(2,446)
Other charges and services	406,908		520,218	(113,310)
Capital outlay	128,184		230,206	(102,022)
Total highways and streets	900,323		1,118,101	(217,778)
Total expenditures	7,932,472	\$	8,050,641	(118 160)
	=====	φ		(118,169)
			=====	=====

SPECIAL REVENUE FUNDS June 30, 1993

SUMMER FOOD SERVICE PROGRAM FUND

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

FARM AND RANGE FUND

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

RECREATION FUND

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

CIVIL DEFENSE FUND

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

LAW ENFORCEMENT FUND

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

FIRE FUNDS

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

FAIR FUND

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

EMERGENCY MEDICAL SERVICES FUND

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

SPECIAL REVENUE FUNDS June 30, 1993

U.S. WEST YOUTH PROGRAM FUND

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

SENIOR CITIZENS' CAPITAL OUTLAY GRANT

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

MATERNAL HEALTH CARE PROGRAM FUND

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

Special Revenue Funds
Combining Balance Sheet
June 30, 1993

Assets	Summer Food Service Fund	8 8 3	Farm & Range Fund	Recreation Fund		Civil Defense Fund		Law Enforcement Fund	-	Sweetwater Hills Fire Fund		Indian Hills Fire Fund	9 2	Sub- total Page 1
2000 C														
Cash	11,394	\$	185	\$ 519	\$		\$	8,314		5,356	S	11,902	\$	37,670
Accounts receivable	4,838													4,838
Due from other funds			1,658									2.250		3,908
Prepaid expenses	6,543													6,543
	22,775	5	1,843	\$ 519	\$	0	\$	8,314		5,356	s	14,152	5	52,959
Total assets				=====		=====			-					======
Liabilities and Fund Balance														
Accounts payable	22,775	s		\$	s		S	1,313	s		\$		\$	24,088
Accrued expenses						1,184								1,184
Due to other funds				2,350										2,350
Cash overdraft						33,052				70000 0000 <u>000</u>		30000000000000000000000000000000000000		33,052
Total liabilities	22,775		0	2,350		34,236		1,313	_	0		0		60,674
Fund balance (deficit):														
Reserved										2,602		4,300		6,902
Unreserved and undesignated	0		1,843	(1,831)		(34,236)		7,001		2,754		9,852	85 8	(14,617)
Total liabilities and	· ·							*******	_					
fund balance (deficit)	22,775	\$	1,843	\$ 519	\$	0	\$	8,314		5,356	5	14,152	\$	52,959
	======	8	======			=====		=======	=			======		

See accompanying notes to financial statements.

B-1 (2 of 3)

Special Revenue Funds Combining Balance Sheet

June 30, 1993

Assets		Sub-total From Page 1	-	Duran Fire Fund	- 66	Mc Intosh Fire Fund		Tajique- Torreon Fire Fund		Fair Fund	8 7	E.M.S. Fund		U. S. West Youth Fund	0.1	Sub- total Page 2
Cash	\$	37,670	\$	21,157	\$	20,586	\$	59,426	\$	-	s	3,760	\$	5,015		147,614
Accounts receivable Due from other funds		4,838 3,908		2,250		2,250		2,250		1,312						6,150 10,658
Prepaid expenses		6,543			•23										-00	6,543
Total assets	s	52,959	\$	23,407	\$	22,836	s	61,676	\$	1,312	\$	3,760	\$	5,015	\$	170,965
Liabilities and Fund Balance Accounts payable Accrued expenses Due to other funds Cash overdraft	\$	24,088 1,184 2,350 33,052	\$	0	s		\$	0	s		s	908	s	780	S	24,996 1,964 2,350 33,052
Deferred revenue				4.0000000000000000000000000000000000000						Variable and the second desired		<u>41500000000000000</u>		4,235		4,235
Total liabilities		60,674		0		0		0		0		908		5.015		66,597
Fund balance (deficit):																
Reserved Unreserved and undesignated		6,902 (14,617)		10,317 13,090		18,567 4,269		37,867 23,809		1,312		2,852		100000000000000000000000000000000000000	2 1	73,653 30,715
Total liabilities and																
fund balance (deficit)	\$	52,959 =====	S	23,407	\$	22,836	\$	61,676 =====	\$	1,312	S	3,760	\$	5.015	\$	170,965

Special Revenue Funds Combining Balance Sheet

June 30, 1993

		Sub-total From Page 2		Senior Citizen Program Fund	• 00	Maternal Health Care Fund		Total
Assets								
() 								
Cash	s	147,614	s		s		\$	147,614
Accounts receivable		6,150		15,882		14,564		36,596
Due from other funds		10,658						10,658
Prepaid expenses		6,543						6,543
	s	170,965	5	15,882	\$	14,564	\$	201,411
Total assets								
Liabilities and Fund Balance								
Accounts payable	s	24,996	\$	12,732	s	8,731	s	46,459
Accrued expenses		1,964		3,549		498		6,011
Due to other funds		2,350						2,350
Cash overdraft		33,052		51,866		23,816		108,734
Deferred revenue		4,235						4,235
Total liabilities		66,597		68,147		33,045		167,789
Fund balance (deficit):								
Reserved		73,653						73,653
Unreserved and undesignated		30,715		(52,265)		(18,481)		(40,031)
Total liabilities and				RESERVED IN PROPERTY.		<u> </u>		
fund balance (deficit)	\$	170,965	\$	15,882	\$	14.564	\$	201,411
		=====				=====		======

See accompanying notes to financial statements.

B-2 (1 of 3)

Special Revenue Fund Combining Statement of Revenues, Expenditures and Changes in Fund Balance For the Year Ended June 30, 1993

		Summer Food Program Fund	Farm & Range Fund		Recreation Fund		Civil Defense Fund	E	Law inforcement Fund		Sweet- water Hills Fire Fund		Indian Hills Fire Fund		Sub- total Page 1
Revenues:	-			2		_ 154 		_		2		2		_	
Intergovernmental Taxes	\$	128,070	•	\$	269	\$	16,547	\$	~20,234	2	24,333	5	24,333 3,779	\$	213,517 4,048
Miscellaneous		2,151	2,303		209						7,509		1,769		13,732
Miscellaticous	5	2,701	2,505	2 7	Y <u></u>	172		7000			7,509		1,708	200	13,732
Total revenue		130,221	2,303		269		16,547		20,234		31,842		29,881		231,297
Expenditures:															
Public safety							39,195		12,216		26,522		22,259		100,192
Health and welfare		130,221	10,000												140,221
Culture and recreation					2,150										2,150
Conservation															0
Total expenditures		130,221	10,000		2,150	9 99	39,195		12,216		26,522		22,259	_	242,563
Excess (deficiency) of															
revenues over expenditures		0	(7,697)		(1,881)		(22,648)		8,018		5,320		7,622		(11,266)
17															
Other financing sources:															
Transfers in (out)			7,650	20 5	840		101100110000000000000000000000000000000	122	MANUTE IN THE SECOND		(4,900)		(3,900)	2000	(310)
Excess (deficiency) of revenues															
and other sources over															
expenditures and other uses		0	(47)		(1,041)		(22,648)		8,018		420		3,722		(11,576)
Fund balance (deficit) at															
beginning of year		0	1,890		(790)		(11,588)		(1,017)		4,936		10,430		3,861
Fund balance (deficit) at				•10 2		-	, , , , , , , , , , , , , , , , , , ,								
end of year	\$	0 5	1,843	\$	(1,831)	s	(34,236) \$	5	7,001	\$	5,356	\$	14,152	s	(7,715)
						7=		=:					======	==	

Special Revenue Fund Combining Statement of Revenues, Expenditures and Changes in Fund Balance For the Year Ended June 30, 1993

		Sub-total From Page 1	Duran Fire Fund		McIntosh Fire Fund		Tajique- Torreon Fire Fund		Fair Fund		EMS Fund		U.S.West Youth Fund		Sub-total Page 2
Revenues:	020	10121202	120000000000000000000000000000000000000	2				: 6 20				3		_	
Intergovernmental	\$	213,517 \$	24,333	\$	24,333	\$	21,771	\$		\$	13,325	\$	10	\$	297,279
Taxes		4,048	3,779		3,779		3,779		~20,212				2.2		35,597
Miscellaneous		13,732	796		921		2,533						780	-	18,762
Total revenue		231,297	28,908		29,033		28,083		20,212		13,325		780		351,638
Expenditures:															
Public safety		100,192	10,075		15,065		14,206				10,113				149,651
Health and welfare		140,221											780		141,001
Culture and recreation		2,150							18,900						21,050
Conservation		0													0
Total expenditures		242,563	10,075		15,065	1	14,206		18,900		10,113		780	-	311,702
Excess (deficiency) of															
revenues over expenditures		(11,266)	18,833		13,968		13,877		1,312		3,212		0		39,936
Other financing sources (uses):															
Transfers in (out)		(310)	(4,100)		(3,900)	- 12	(3,400)				Salara and salara				(11,710)
Excess (deficiency) of revenues and other sources over															
expenditures and other uses		(11,576)	14,733		10,068		10,477		1,312		3,212		0		28,226
Fund balance at beginning															
of year		3,861	8,674		12,768	-	51,199	2 9			(360)			_	76,142
Fund balance at end of year	s	(7,715) S	23,407	\$	22,836 \$	5	61,676	\$	1,312	s	2,852	s	0 :	\$	104,368
		======				1							======	=	

Special Revenue Fund
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 1993

		Sub-total From Page 2	Senior Citizens Fund		Maternal Health Care Fund	Total
Revenues:						
Intergovernmental	s	297,279 \$	140,773	s	161,832 \$	599,884
Taxes		35,597				35,597
Miscellaneous		18,762	96,196		1,502	116,460
Total revenue		351,638	236,969		163,334	751,941
Expenditures:		0				0
Public safety		149,651				149,651
Health and welfare		141,001	295,885		181,815	618,701
Culture and recreation		21,050				21,050
Conservation		0				0
Total expenditures		311,702	295,885		181,815	789,402
Excess (deficiency) of						
revenues over expenditures		39,936	(58,916)		(18,481)	(37,461)
Other financing sources (uses):						
Transfers in (out)		(11,710)	60,000			48,290
Excess (deficiency) of revenues and other sources over						
expenditures and other uses		28,226	1,084		(18,481)	10,829
Fund balance at beginning						
of year		76,142	(53,349)			22,793
Fund balance at end of year	s	104,368 \$	(52,265)	\$	(18,481) \$	33,622
		======				======

See accompanying notes to financial statements.

B-2 (3 of 3) Summer Food Service Program Special Revenue Fund Statement of Revenues and Expenditures Budget (Non-GAAP Basis) and Actual (Cash Basis) For the Year Ended June 30, 1993

		Budget	Actual	(U	Variance Favorable Infavorable)
Revenues:					
Intergovernmental:					
State grant	\$	\$	123,232	\$	123,232
Other			2,151		2,151
Total revenue		0	125,383		125,383
96					
Expenditures:					
Health and welfare:					
Operating expenses			107,446		(107,446)
Capital outlay					0
Total expenditures		0	107,446		(107,446)
Excess (deficiency) of					
revenues over expenditures		0	17,937		17,937
Other financing sources (uses):					
Beginning cash balance					0
Transfers in (out)					0
F (3.6.1					***************************************
Excess (deficiency) of revenues					
and other sources over	•		47.057	•	17.00-
expenditures and other uses	\$	0 \$	1111001		17,937
		=====	=====		=====

Farm and Range Fund Statement of Revenues and Expenditures Budget (Non-GAAP Basis) and Actual (Cash Basis) For the Year Ended June 30, 1993

						Variance Favorable
		Budget		Actual	(U	Infavorable)
Revenues:						
Miscellaneous:						
Taylor grazing fees	\$	2,300	\$	2,303	\$	3
Total revenue		2,300		2,303		3
Expenditures:						
Health and welfare:						
Predatory animal control		10,000		10,000		0
Total expenditures		10,000		10,000		0
Excess (deficiency) of						
revenues over expenditures		(7,700)		(7,697)		3
Other financing sources:						
Operating transfers in		7,650		7,650		0
Beginning cash		50				(50)
Excess (deficiency) of revenues and other sources over					28	***************************************
expenditures and other uses	\$	0	\$	(47)	\$	(47)
	1003		959	=====	100	=====

Recreation Fund Statement of Revenues and Expenditures Budget (Non-GAAP Basis) and Actual (Cash Basis) For the Year Ended June 30, 1992

	Budget		Actual	(L	Variance Favorable Jnfavorable)
Revenues:					
Intergovernmental:					
Cigarette tax	\$ 250	\$	269	\$	19
Total revenue	250		269		19
Expenditures:					
Culture and recreation:					
Library	2,550		2,150		400
Total expenditures	2,550		2,150		400
Excess (deficiency) of					
revenues over expenditures	(2,300)		(1,881)		419
Other financing sources:					
Transfers in (out)	840		840		0
Beginning cash	1,460				(1,460)
Excess (deficiency) of revenues and other sources over					
expenditures and other uses	\$ 0	\$	(1,041)	\$	(1,041)
	 =====	ैं	=====	86	

Civil Defense Fund Statement of Revenues and Expenditures Budget (Non-GAAP Basis) and Actual (Cash Basis) For the Year Ended June 30, 1993

		Dudget	Astrol	/1	Variance Favorable
		Budget	Actual	(c	Infavorable)
Revenues:					
Intergovernmental:					
Grant	\$	44,000	\$ 22,186	\$	(21,814)
Miscellaneous		500	0		(500)
Total revenue	•	44,500	22,186		(22,314)
Expenditures:					
Public safety:					
Personal services		30,511	30,111		400
Operating expenses		7,471	6,079		1,392
Capital outlay		2,350	1,822		528
Total expenditures	-	40,332	38,012		2,320
Excess (deficiency) of					
revenues over expenditures		4,168	(15,826)		(19,994)
Other financing sources:					
Operating transfers in (out)					0
Increase in cash balance		(4,168)			4,168
Excess (deficiency) of revenues			•		***************************************
and other sources over					
expenditures and other uses	\$	0	\$ (15,826)	\$	(15,826)
	3		=====		=====

Law Enforcement Fund Statement of Revenues and Expenditures Budget (Non-GAAP Basis) and Actual (Cash Basis) For the Year Ended June 30, 1993

	Budget	Actual	Variance Favorable Jnfavorable)
Revenues:			
Intergovernmental	\$ 19,700	\$ 20,234	\$ 534
Total revenue	19,700	20,234	534
Expenditures:			
Public safety:			
Operating expenses	6,017	6,509	(492)
Capital outlay	13,683	4,395	9,288
Total expenditures	19,700	10,904	8,796
	••••••		
Excess (deficiency) of			
revenues over expenditures	0	9,330	9,330
Other financing sources:			
Increase in cash balance		0	0
r.			
Excess (deficiency) of revenues and other sources over			
expenditures and other uses	\$ 0	\$ 9,330	\$ 9,330
	=====	=====	

Sweetwater Fire Special Revenue Fund Statement of Revenues and Expenditures Budget (Non-GAAP Basis) and Actual (Cash Basis) For the Year Ended June 30, 1993

	Budget	Actual	(L	Variance Favorable Infavorable)
Revenues:				
Intergovernmental	\$ 24,333	\$ 24,333	\$	0
Miscellaneous	5,344	7,509		2,165
Total revenue	29,677	31,842		2,165
Expenditures:				
Public safety:				
Operating expenses	13,300	10,757		2,543
Capital outlay	15,965	15,764		201
Total expenditures	29,265	26,521		2,744
Excess (deficiency) of revenues over expenditures	412	5,321		4,909
Other financing sources:		1000 € 000 CO.		•
Beginning cash balance	2,588	0		(2,588)
Transfers in (out)	(3,000)	(4,900)		(1,900)
Total other financing				***************************************
Sources (uses)	(412)	(4,900)		(4,488)
Excess (deficiency) of revenues and other sources over				
expenditures and other uses	\$ 0	\$ 421	\$	421
□ 1		=====		

Indian Hills Fire Special Revenue Fund Statement of Revenues and Expenditures Budget (Non-GAAP Basis) and Actual (Cash Basis) For the Year Ended June 30, 1993

		Budget		Actual	(L	Variance Favorable Jnfavorable)
Revenues:						
Intergovernmental	\$	24,333	4	24,333	Φ	0
Taxes	Ψ	3,744	Ψ	3,779	Φ	35
Miscellaneous		600		1,770		
Miscellarieous				1,770		1,170
Total revenue		28,677		29,882		1,205
				*		
Expenditures:						
Public safety:						
Operating expenses		24,881		22,259		2,622
Total expenditures		24,881		22,259		2,622
Excess (deficiency) of						
revenues over expenditures		3,796		7,623		3,827
Other financing sources:						
Operating transfers (out) ,		(2,000)		(3,900)		(1,900)
Increase in cash		(1,796)				1,796
Excess (deficiency) of revenues						
and other sources (uses)						
over expenditures	\$	0	\$	3,723	\$	3,723
		=====		=====		======

Duran Fire Special Revenue Fund Statement of Revenues and Expenditures Budget (Non-GAAP Basis) and Actual (Cash Basis) For the Year Ended June 30, 1993

	Budget	Actual	(L	Variance Favorable Jnfavorable)
Revenues:				
Intergovernmental	\$ 24,333	\$ 24,333	\$	0
Taxes	3,744	3,779		35
Miscellaneous	1,100	796		(304)
Total revenue	29,177	28,908		(269)
Expenditures:				
Public safety:				
Operating expenses	8,450	7,822		628
Capital outlay	7,225	2,253		4,972
Total expenditures	15,675	10,075		5,600
Excess (deficiency) of				
revenues over expenditures	13,502	18,833		5,331
Other financing sources:				
Increase in cash	(11,302)			11,302
Transfers (out)	(2,200)	(4,100)		(1,900)
Total other financing				***************************************
sources (uses):	(13,502)	(4,100)		9,402
Excess (deficiency) of revenues				
and other sources over				
expenditures and other uses	\$ 0	\$ 14,733	\$	14,733
		=====		=====

Mc Intosh Fire Special Revenue Fund Statement of Revenues and Expenditures Budget (Non-GAAP Basis) and Actual (Cash Basis) For the Year Ended June 30, 1993

		Budget		Actual	(L	Variance Favorable Jnfavorable)
Revenues:	-		92			
Intergovernmental	\$	24,333	\$	24,333	\$	0
Taxes		3,744		3,779		35
Miscellaneous		600		921		321
Total revenue		28,677		29,033		356
Expenditures:						
Public safety:						
Operating expenses		9,900		5,043		4,857
Capital outlay		20,400		10,022		10,378
Total expenditures		30,300		15,065		15,235
Excess (deficiency) of						***************************************
revenue over expenditures		(1,623)		13,968		15,591
Other financing sources (uses):						
Beginning cash		3,623				3,623
Transfers (out)		(2,000)		(3,900)		1,900
Total other financing						
sources (uses)		1,623		(3,900)		5,523
Excess (deficiency) of						
revenue over expenditures	\$	0	\$	10,068	\$	10,068

Torreon-Tajique Fire Special Revenue Fund Statement of Revenues and Expenditures Budget (Non-GAAP Basis) and Actual (Cash Basis) For the Year Ended June 30, 1993

jë.		Budget		Actual	Variance Favorable (Unfavorable)		
Revenues:							
Intergovernmental	\$	21 771	4	21,771	4	0	
Taxes	Ψ	3,744		3,779		35	
Miscellaneous		2,100		2,533		433	
Miscellaneous		2,100					
Total revenue		27,615		28,083		468	
Expenditures:							
Public safety:							
Operating expenses		10,600		4,890		5,710	
Capital outlay		42,100		9,317		32,783	
Total expenditures		52,700		14,207		38,493	
Excess (deficiency) of							
revenue over expenditures		(25,085)		13,876		38,961	
Other financing sources (uses):							
Beginning cash		26,585				26,585	
Transfers (out)		(1,500)		(3,400)		1,900	
Total other financing						***************************************	
sources (uses)		25,085		(3,400)		28,485	
Excess (deficiency) of							
revenue over expenditures	\$	0	\$	10,476	\$	10,476	

Fair Special Revenue Fund Statement of Revenues and Expenditures Budget (Non-GAAP Basis) and Actual (Cash Basis) For the Year Ended June 30, 1993

					Variance Favorable	
	Budget		Actual	(L	Unfavorable)	
Revenues:						
Special sales tax	\$ 18,900	\$	18,900	\$	0	
Total revenue	18,900		18,900		0	
Expenditures:						
Culture and recreation:						
Distribution to Fair Bd	18,900		18,900		0	
Total expenditures	18,900		18,900		0	
Excess (deficiency) of						
revenue over expenditures	\$ 0	\$	0	\$	0	
					=====	

Emergency Medical Services Special Revenue Fund Statement of Revenues and Expenditures Budget (Non-GAAP Basis) and Actual (Cash Basis) For the Year Ended June 30, 1993

		Budget	Actual	Variance Favorable (Unfavorable)		
Revenues:						
Intergovernmental	\$	13,325	\$ 13,325	\$	0	
Total revenue		13,325	13,325		0	
Expenditures: Public safety: Operating expenses		13,325	9,204		4,121	
Capital outlay		0	0		0	
Total expenditures		13,325	9,204		4,121 	
Excess (deficiency) of						
revenue over expenditures	\$	0	\$ 4,121	\$		
	9	=====			=====	

U. S. West Youth Special Revenue Fund Statement of Revenues and Expenditures Budget (Non-GAAP Basis) and Actual (Cash Basis) For the Year Ended June 30, 1993

	Budget	Actual	(L	Variance Favorable Jnfavorable)
Revenues:				
Miscellaneous	\$ 5,015	\$ 5,015	\$	
Total revenue	5,015	5,015		0
Expenditures:				
Health & welfare:	E 015	•		E 04E
Operating expenses	5,015	0		5,015
Total expenditures	5,015	0		5,015
Excess (deficiency) of				
revenue over expenditures	\$ 0	\$ 5,015	\$	(5,015)
	=====			=====

Maternal Health Care Program Special Revenue Fund Statement of Revenues and Expenditures Budget (Non-GAAP Basis) and Actual (Cash Basis) For the Year Ended June 30, 1993

	Budget	Actual	(L	Variance Favorable Jnfavorable)
Revenues:				
Intergovernmental	\$ 155,681	\$ 147,170	\$	(8,511)
Miscellaneous		1,600		1,600
Total revenue	155,681	148,770		(6,911)
Expenditures:				
Health and welfare:				
Operating expenses	151,967	169,338		(17,371)
Capital outlay	3,860	4,847		(987)
Total expenditures	155,827	174,185		(18,358)
Excess (deficiency) of				
revenue over expenditures	(146)	(25,415)		(25,269)
Other financing sources (uses):				
Beginning cash	146			146
Transfers (out)				
Total other financing				
sources (uses)	146	0		146
				140
Excess (deficiency) of				
revenue over expenditures	\$ 0	\$ (25,415)	\$	(25,415)
		=====		=====

DEBT SERVICE FUNDS June 30, 1993

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

GENERAL OBLIGATION BOND FUND - To accumulate monies for the payment of the 1992 General Obligation Serial bonds. The County is authorized to levy ad valorem taxes and other funds for the payment of principal and interest.

1992 ENVIRONMENTAL SALES TAX REVENUE BOND - To accumulate monies for the payment of the sales tax revenue bond interest and principal. The receipts from an additional .125% sales tax on the receipts of any person engaged in business in the unincorporated area of Torrance County. Bond proceeds are to be used to acquire, construct and maintain landfill disposal facilities, transfer stations, and resource recovery facilities.

June 30, 1993

		Solid Waste Revenue Bonds	General Obligation Bonds		Total
Assets					
Cash in bank	\$		\$ 3,906	\$	3,906
Due from other funds		37,470			37,470
Accounts receivable					
Total assets	\$	37,470	\$ 3,906	\$	41,376
		=====	=====		=====
Liabilities and fund Balance					
Accrued expenses	\$		\$ 3,906	\$	40,908
		37,002	3,906		40,908
Fund Balance		37,002	3,900		40,900
Fund balance:					
Unreserved and undesignated		468			468
Total liabilities and					
fund balance	\$	37,470	\$ 3,906	\$	41,376
Taria balanso	Ψ	=====		1500	41,370

STATE OF NEW MEXICO

County of Torrance

Debt Service Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

C-2

For the Year Ended June 30, 1993

		Solid Waste Revenue bond Debt Service Fund	General Obligation Bond Debt Service Fund		Total
Revenues:					
Property taxes	\$	\$		\$	
Miscellaneous					
Total revenues					
Expenditures:					
Principal retirement		10,000			10,000
Interest paid		17,579			17,579
Total expenditures		27,579	0		27,579
(2/20 ona) (To The annual section of the section of					27,070
Excess (deficiency) of					
revenues over expenditures		(27,579)	0		(27,579)
		(=1,=1.5)			(27,070)
Other financing sources (uses):					
Transfers in		28,047			28,047
		20,017			20,047
Excess (deficiency) of					
revenues and other sources					
over expenditures and					
other uses		468	0		468
		400	Ü		400
Fund balance at beginning of year			.55		
e III i	_			-	
Fund balance at end of year	\$	468 \$		\$	468
			=====		=====

STATE OF NEW MEXICO

County of Torrance

Solid Waste Revenue Bond Debt Service Fund Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP) and Actual For the Year Ended June 30, 1993 C-3

			Variance Favorable
	Budget	Actual	(Unfavorable)
Revenues:			
Property taxes	\$	\$	\$
Miscellaneous			
Total revenues			
Evpanditurasi			
Expenditures: Principal retirement	10,000	10,000	0
Interest paid	18,047	17,579	468
mercer pana			
Total expenditures	28,047	27,579	468
Excess (deficiency) of			
revenues over expenditures	(28,047)	(27,579)	468
revenues over experiancies	(20,047)	(27,579)	400
Other financing sources (uses):			
Transfers in	28,047	28,047	0
Excess (deficiency) of			
revenues and other sources			
over expenditures and			
other uses	0	468	468
Fund balance at beginning of year			
5-db-b			
Fund balance at end of year	\$ 0	468	468
		=====	=====

STATE OF NEW MEXICO COUNTY OF TORRANCE

ENTERPRISE FUND June 30, 1993

SOLID WASTE SYSTEM FUND - To account for the provision of solid waste disposal services to the residents of the County. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and billing and collections.

STATE OF NEW MEXICO County of Torrance Solid Waste System Fund

Balance Sheet June 30, 1993

Assets

Section .		
Current assets:		
Cash in bank	\$	34,100
Accounts receivable	100	3,250
		37,350
Restricted assets:		07,000
Cash in bank		35,000
Total current assets		72,350
Property, plant & equipment		
Plant & equipment		36,658
Less accumulated depreciation		(916)
The employed the medianory matter to consist out of the expension of the expension of the constant of the cons		
Net plant & equipment		35,742
Other assets:		
Bond issuance costs (net)		15,826
Total assets	\$	123,918
Liabilities and Fund Balance		
Current liabilities:		
Accounts payable	\$	
Accrued expenses		1,596
Due to other funds		468
Current portion of bonds payable		
And the state of t		
Total current liabilities		13,502
Long-term debt:		72723 C 100 C 100 C
Revenue bonds payable		350,000
T-4-1 8-1-184		
Total liabilities		363,502
Retained earnings:		
Retained earnings (deficit)		(000 E04)
Hetained earnings (delicit)		(239,584)
Total liabilities and		
fund equity	\$	123,918
	Ψ.	120,010

STATE OF NEW MEXICO

County of Torrance Solid Waste System Fund Statement of Revenues, Expenses and Changes in Retained Earnings For the Year Ended June 30, 1993

Revenues:			
Solid waste system fees	\$	30,291	
Gross receipts tax		50,738	
Miscellaneous		33,257	
Total revenues			\$ 114,286
Operating expenses:			
Professional services		85,738	
Personal services		54,651	
Amortization		1,721	
Supplies		2,819	
Printing		1,517	
Depreciation		916	
Workshops		575	
Repairs & maintenance		17,342	
Fuel		3,072	
Miscellaneous		442	
	-		
Total operating expenses			168,793
6) 500 8			
Net income (loss) from operations			(54,507)
Other financing sources (uses):			
Transfers out			(63,047)
Net income (loss)			(117,554)
Retained earnings, beginning of year			(122,030)
Retained earnings, end of year			\$ (239,584)

STATE OF NEW MEXICO County of Torrance Solid Waste System Fund Statement of Cash Flows For the Year Ended June 30, 1993

Cash flows from operating activities:		
Operating income (loss)		(117,554)
Adjustments to reconcile net operating		
loss to net cash provided by operating		
activities:		
Depreciation		916
Amortization		1,721
(Increase) in accounts receivable		(3,250)
Increase in accounts payable		6,153
Increase in accrued expenses		285
Increase in due to other funds		468
Net cash used by operating activities		(111,261)
Cash flows provided by financing activities:		
Issuance of revenue bonds		350,000
Bond issuance costs	850	(17,547)
Net cash provided by financing activities	00	332,453
Cash flows used by capital and related activities:		
Purchase of plant and equipment	-	(36,658)
Net increase (decrease) in cash		184,534
Cash (overdraft), July 1, 1992		(115,434)
Cash, June 30, 1993 \$		69,100

STATE OF NEW MEXICO COUNTY OF TORRANCE

CAPITAL PROJECT FUNDS June 30, 1993

GENERAL OBLIGATION BOND ACQUISITION FUND - To account for the proceeds of a general obligation bond issue and the expenditure of those monies for certain infrastructure acquisitions.

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

Balance Sheet June 30, 1993

Assets

Current assets:		
Cash in bank	\$	855,252
Accounts receivable		3,861
Due from other funds		20,020
Total current assets		879,133
Other assets:		
Bond issuance costs (net)	2	30,582
Total assets	\$	909,715
	=	
Liabilities and Fund Balance		
Current liabilities:		
Accounts payable	\$	
Total current liabilities		
Fund equity:		
Fund balance, reserved for		
future expenditures	2	909,715
	\$	909,715

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STATE OF NEW MEXICO County of Torrance

General Obligation Bond Acquisition Capital Project Fund Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP) and Actual For the Year Ended June 30, 1993

	Budge		Actual	Variance Favorable (Unfavorable)
Revenues:				
Property taxes	\$	\$		\$
Miscellaneous			2,587	
Total revenues		0	2,587	0
Expenditures:				
Amortization			2,487	(2,487)
Capital outlay	1,300,0	00	114,309	1,185,691
Total expenditures	1,300,0	00	116,796	1,183,204
Excess (deficiency) of				
revenues over expenditures	*****	***	(114,209)	******
Other financing sources (uses):				
Proceeds of bond issue	1,300,0	00	1,020,063	279,937
Excess (deficiency) of revenues and other sources over expenditures and	5 <u>5555555555555</u>			500000000000000000000000000000000000000
other uses		0	905,854	905,854
Fund balance at beginning of year				
- 11 7				
Fund balance at end of year	8	0 \$	905,854	\$ 905,854
	====	=	=====	=====

STATE OF NEW MEXICO COUNTY OF TORRANCE

FIDUCIARY FUND June 30, 1993

AGENCY FUND - School District Tax Fund - To account for the collection and payment to the school district of property taxes billed and collected by the County on its behalf.

Statement of Assets and Liabilities All Agency Funds For the year ended June 30, 1993

Property Tax Fund

ASSETS	July 1, 1992	Additions	Deletions	June 30, 1993
Cash	57,026	1,346,507	\$ 1,354,147	\$ 49,386
	57,026	1,346,507	\$ 1,354,147	\$ 49,386
Total assets	=====	=====	=====	=====
LIABILITIES				
Taxes paid in advance	8,219	\$	\$ 198	\$ 8,021
Due to other taxing units	48,807	1,346,507	1,353,949	41,365
Total liabilities	57,026	1,346,507	\$ 1,354,147	\$ 49,386

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REPORT ON THE INTERNAL CONTROL STRUCTURE BASED
ON AN AUDIT OF GENERAL-PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS

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

We have audited the general purpose financial statements of the County of Torrance, New Mexico for the period ended June 30, 1993, and have issued our report thereon dated August 5, 1993.

Except as discussed in the following paragraphs, we conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

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

The County has not maintained adequate accounting records for the prior year ended June 30, 1992 which resulted in a disclaimer of opinion report by the prior auditors on October 5, 1992. unable to apply procedures to determine whether the opening balances at July 1, 1992 were fairly presented in conformity with generally accepted accounting principles or whether accounting principles have been consistently applied between 1992 and 1993. Since the County did not maintain adequate accounting records during the prior year, and we were unable to satisfy ourselves about the opening balances in the financial statements as of July or about the consistent application of accounting principles between 1992 and 1993, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the results of operations and statement of cash flows for the year ended June 30, 1993 or on the consistency of application of accounting principles with the preceding year.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to audit the financial statements of the Fixed Assets Group of Accounts, the balance sheets referred to in the first paragraph present fairly, in all material respects, the financial position of County of Torrance, State of New Mexico as of June 30, 1993. Also, in our opinion, the combining and individual fund and long-term debt account group balance sheets referred to above present fairly, in all material respects, the financial position of each of the individual funds and long-term debt account group of the County of Torrance, State of New Mexico, as of June 30, 1993.

In planning and performing our audit of the general purpose financial statements of County of Torrance, New Mexico, for the year ended June 30, 1993, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

The management of the County of Torrance is responsible establishing and maintaining an internal control structure. fulfilling this responsibility, estimates and judgments management are required to assess the expected benefits and related costs of internal control structure policies and procedures. objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safequarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally Cortofied Bublic Steenantants accepted accounting principles. Because of inherent limitations in

any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

1. Accounting Controls

Cycles of the Entity's Activity

- * Treasury
- * Revenue/receipts
- * Expenditures/disbursements
- * Expenditures/payroll
- * External financial reporting

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

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Prior Year Comments Which Were Resolved and are not Applicable at June 30, 1993.

- 1. Central purchasing office
- Payroll reports not reconciled
- Reconciliation of general ledger to budget report
- 4. Budget report inconsistency
- 5. Sheriff's office receipts
- 6. Financial records
- 7. Payroll records
- 8. Budgeted transfers



Prior Year Comments Which Were not Resolved and are Applicable at June 30, 1993.

FINANCIAL STATEMENTS

Condition

The County does not prepare formal financial statements.

Criteria

Management of the County has the responsibility for adopting sound accounting policies, for maintaining an adequate and effective system of accounts, for safeguarding of assets, and for devising a system of internal control that will, among other things, help assure the preparation of proper financial statements. fairness of the representations made through financial statements is an implicit and integral part of management's responsibility. The auditor's responsibility for the statements he has examined is restricted to the expression of his opinion on them. The County, therefore, should prepare its own financial statements, and notes to the financial statements, in accordance with generally accepted accounting principles.

Effect

The County could exercise more effective control over its operations with the information contained in its financial statements. Also, the County's audit fee is greater if the auditors have to spend time compiling the financial statements.

Cause

The County has not considered financial statement preparation a high-priority item and therefore has not allocated sufficient resources to this area. In prior years, the County has relied upon its outside auditors to prepare the statements.

Recommendation

We recommend that the County continue to have its outside auditor's prepare annual financial statements in accordance with generally accepted accounting principles.

Response

The County will continue to have its outside auditors prepare the Enteficiel Public Standards and Public Standards financial statements since we do not have the expertise nor the manpower to prepare financial statements.

FIXED ASSETS

Condition

Our review of the controls and records of fixed assets revealed the following:

- 1. There are no formal written policies covering fixed assets;
- 2. There is not a detailed listing of fixed assets with amounts for each asset; and
- Accessories, parts, repairs and small equipment are 3. charged to fixed assets.

Criteria

Good accounting control requires the following safequards:

- Establishing written policies for controlling 1. recording fixed assets;
- 2. Ensuring that all fixed asset records contain adequate and appropriate data;
- Accounting for fixed assets in the general ledger; and 3.
- 4. Reconciling property listings to the accounting records.

Effect

Without the above safeguards, errors or irregularities could occur in the fixed asset records and not be detected. Therefore, the records will not adequately reflect the existence or value of fixed assets, consequently, the financial statements will not be fairly presented.

Cause

The County was not aware that the above conditions created weaknesses.

Recommendation

We recommend that the County:

- Establish policies for recording and controlling fixed 1. assets and documenting them;
- 2. Ensure fixed asset records contain adequate appropriate data including:
 - Property listings, including additions, contain a. Enterpret Public Standards with Company data that is compatible with the financial records. The two records should agree;

- All fixed assets are included on the property b. listings and that the property listings do not include fixed assets no longer maintained by the County;
- Using the actual date the fixed asset was acquired for the acquisition date;
- d. Using the invoice amount for recording the fixed asset's value; and
- Acquisition document number (voucher, warrant, e. etc.).
- 4. Accounting for the fixed assets in the general ledger,
- 5. Reconciling the property listings to the financial records.

Response

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

TAXES RECEIVABLE

Condition

The County does maintain control ledgers over the taxes receivable, but the County has not been able to balance the detail taxes receivable against the control ledgers.

Criteria

Good accounting practice is to reconcile detail receivable ledgers against some control ledger to insure that all entries, such as cash receipts, adjustments, or corrections are properly posted.

The County is unable to reconcile cash receipts and adjustments against postings to the taxes receivable accounts. An error in posting or an omission of a posting would not be detected by the internal control structure.

Cause

The County has been unable to reconcile the detail receivable ledgers.

Recommendation

Enteficial Public Sheeren to me Sandy We recommend that the County reconcile the detail taxes receivable ledgers to the control ledgers.

Response

We agree with the auditors recommendations, and will reconcile tax receivable to control ledger.

CURRENT YEAR FINDINGS

VOUCHER FILING SYSTEM

Condition

There are no formal vouchers prepared. The supporting documentation for the payment of expenditures are filed by vendor number by the Commission meeting date when approved. There is no standardized form containing all of the approvals necessary. addition, there is no reference to the vendor number in the accounting ledgers for expenditures. Occasionally, a date paid in the ledgers will be erroneous because an expenditure was not approved at the scheduled meeting. This method of filing makes it very difficult to follow an audit trail or locate vouchers.

Criteria

The accounting system should provide an audit trail from the entry in the records to the voucher and supporting documentation.

Effect

It is very difficult and time consuming to locate the vouchers and supporting documentation without standard forms or procedures. Some necessary approvals and signatures may be missing.

Cause

The methodology of the present voucher system is not effective nor efficient.

Recommendation

We recommend that the County review its filing system for vouchers and revise the procedures to include:

- 1. An audit trail by voucher number from the expenditure ledgers to the voucher and supporting documentation.
- 2. Revise the filing system methodology to file by vendor or by voucher number.
- Entertied Public Second denter the Company Develop a standardized voucher form that includes all 3. necessary approvals, signatures and other necessary data.

SUMMER FOOD SERVICE PROGRAM

Condition

A grant was awarded to the County during the current fiscal year to provide food service to low income children throughout the County. The County contracted with an outside entity to provide services and operate the program. The revenue received and expenditures made were recorded directly on the books of the contractor without being processed through the accounting records of the County. This process completely bypassed the normal budgetary controls of the The County, however, is still liable for the proper expenditure of those funds.

Criteria

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

Effect

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

Cause

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

Recommendation

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

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

Exit Conference

The contents of this report were discussed with the following County officials on September 29, 1993: Steve Jones, County Manager, Rubin Miranda, Budget Officer, Marilyn Autrey, County Treasurer, Carla Clayton, County Clerk and C. Jack Emmons, CPA from Emmons & Company.

August 5, 1993

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Entified Public Accountants

Company

Company

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

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

We have audited the general purpose financial statements of County of Torrance, as of and for the year ended June 30, 1993, and have issued our report thereon dated August 5, 1993. Except as discussed in the following paragraphs, we conducted our audit in accordance with generally accepted auditing standards.

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

The County has not maintained adequate accounting records for the prior year ended June 30, 1992 which resulted in a disclaimer of opinion report by the prior auditors on October 5, 1992. We were unable to apply procedures to determine whether the opening balances at July 1, 1992 were fairly presented in conformity with generally accepted accounting principles or whether accounting principles have been consistently applied between 1992 and 1993. Since the County did not maintain adequate accounting records during the prior year, and we were unable to satisfy ourselves

about the opening balances in the financial statements as of July or about the consistent application of accounting 1992 principles between 1992 and 1993, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the results of operations and statement of cash flows for the year ended June 30, 1993 or on the consistency of application of accounting principles with the preceding year.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to audit the financial statements of the Fixed Assets Group of Accounts, the balance sheets referred to in the first paragraph present fairly, in all material respects, the financial position of County of Torrance, State of New Mexico as of June 30, 1993. in our opinion, the combining and individual fund and long-term debt account group balance sheets referred to above present fairly, in all material respects, the financial position of each of the individual funds and long-term debt account group of the County of Torrance, State of New Mexico, as of June 30, 1993.

We have applied procedures to test County of Torrance's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended June 30, 1993:

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

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

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

FIXED ASSET INVENTORY

The County does not have a fully priced and reconciled list of property, plant and equipment as required by OMB Circular A-102, Attachment N.

We considered these material instances of noncompliance in forming our opinion on whether County of Torrance's 1993 general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated August 5, 1993, on those financial statements.

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

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

August 5, 1993



Entified Public Accountants

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

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

We have audited the accompanying balance sheets and the combining balances sheets of the County of Torrance, State of New Mexico, as of June 30, 1993 as listed in the table of contents. These balance sheets are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

The County has not maintained adequate accounting records for the prior year ended June 30, 1992 which resulted in a disclaimer of opinion report by the prior auditors on October 5, 1992. We were unable to apply procedures to determine whether the opening balances at July 1, 1992 were fairly presented in conformity with generally accepted accounting principles or whether accounting principles have been consistently applied between 1992 and 1993. Since the County did not maintain adequate accounting records during the prior year, and we were unable to satisfy ourselves

about the opening balances in the financial statements as of July 1992 or about the consistent application of accounting principles between 1992 and 1993, the scope of our work was not sufficient to enable us to express, and we do not express, opinion on the results of operations and statement of cash flows for the year ended June 30, 1993 or on the consistency of application of accounting principles with the preceding year.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to audit the financial statements of the Fixed Assets Group of Accounts, the balance sheets referred to in the first paragraph present fairly, in all material respects, the financial position of County of Torrance, State of New Mexico as of June 30, 1993. Also, in our opinion, the combining and individual fund and long-term debt account group balance sheets referred to above present fairly, in all material respects, the financial position of each of the individual funds and long-term debt account group of the County of Torrance, State of New Mexico, as of June 30, 1993.

In connection with our audit of the general purpose financial statements of County of Torrance, New Mexico, and with our study and evaluation of County of Torrance, New Mexico, internal control systems used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1993.

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

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

This report is intended for the information of management, and the State Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record. Extended Shable Sheerwater to Be Company

August 5, 1993

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Entified Public Accountants

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SINGLE AUDIT REPORT ON THE INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

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

We have audited the general purpose financial statements of the County of Torrance, New Mexico, as of and for the year ended June 30, 1993, and have issued our report thereon dated August 5, 1993. We have also audited the compliance of the County of Torrance, New Mexico with requirements applicable to nonmajor federal financial assistance programs and have issued our report thereon dated August 5, 1993.

Except as discussed in the following paragraphs, we conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the County of Torrance, New Mexico complied with laws and regulations, non-compliance with which would be material to a federal financial assistance program.

We were unable audit the financial statements supporting the financial activities of the Fixed Asset Group of Accounts because

the County's records of fixed assets are incomplete. financial activities are included in the fixed assets account group and represent 100 percent of the assets of that account type.

The County has not maintained adequate accounting records for the prior year ended June 30, 1992 which resulted in a disclaimer of opinion report by the prior auditors on October 5, 1992. unable to apply procedures to determine whether the opening balances at July 1, 1992 were fairly presented in conformity with generally accepted accounting principles or whether accounting principles have been consistently applied between 1992 and 1993. Since the County did not maintain adequate accounting records during the prior year, and we were unable to satisfy ourselves about the opening balances in the financial statements as of July or about the consistent application of accounting principles between 1992 and 1993, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the results of operations and statement of cash flows for the year ended June 30, 1993 or on the consistency of application of accounting principles with the preceding year.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to audit the financial statements of the Fixed Assets Group of Accounts, the balance sheets referred to in the first paragraph present fairly, in all material respects, the financial position of County of Torrance, State of New Mexico as of June 30, 1993. Also, in our opinion, the combining and individual fund and long-term debt account group balance sheets referred to above present fairly, in all material respects, the financial position of each of the individual funds and long-term debt account group of the County of Torrance, State of New Mexico, as of June 30, 1993.

In planning and performing our audits for the year ended June 30, 1993, we considered the internal control structure of the County of Torrance in order to determine our auditing procedures for the purpose of expressing our opinions on the general purpose financial statements of the County of Torrance and on the compliance of the County of Torrance with requirements applicable to nonmajor programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated August 5, 1993.

Enterfeel Public Steenwater to The management of County of Torrance, New Mexico is responsible for establishing and maintaining an internal control structure. fulfilling this responsibility, estimates and judgments by

management are required to assess the expected benefits and related costs of internal control structure policies and procedures. objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instance noncompliance may nevertheless occur and not be detected. instances projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

1. Accounting Controls

Cycles of the Entity's Activity

- * Treasury
- * Revenue/receipts
- * Expenditures/disbursements
- * Expenditures/payroll
- * External financial reporting

2. Controls Used in Administering Federal Programs

General Requirements:

- * Political activity
- * Davis-Bacon Act
- * Civil rights
- * Cash management
- * Relocation assistance and real property acquisition
- * Federal financial reports
- * Allowable costs/cost principles
- * Drug-free workplace
- * Administrative requirements

Specific Requirements

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



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

During the year ended June 30, 1993, County of Torrance, New Mexico, expended 100 percent of its total federal financial assistance under non-major federal financial assistance programs as shown on Schedule 1.

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

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

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

FEDERAL FINANCIAL REPORTS

Condition

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

Criteria

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

Effect

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

Cause

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

Recommendation

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

Response

Starting in January, 1993 we have adhered to the auditor's recommendation.

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

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

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

Emmos & Congas August 5, 1993

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Entified Public Accountants

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

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

We have audited the general purpose financial statements of the County of Torrance, New Mexico as of and for the year ended June 30, 1993, and have issued our report thereon dated August 5, 1993.

Except as discussed in the following paragraphs, we conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

The County has not maintained adequate accounting records for the prior year ended June 30, 1992 which resulted in a disclaimer of opinion report by the prior auditors on October 5, 1992. We were unable to apply procedures to determine whether the opening

balances at July 1, 1992 were fairly presented in conformity with generally accepted accounting principles or whether accounting principles have been consistently applied between 1992 and 1993. Since the County did not maintain adequate accounting records during the prior year, and we were unable to satisfy ourselves about the opening balances in the financial statements as of July 1, 1992 or about the consistent application of accounting principles between 1992 and 1993, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the results of operations and statement of cash flows for the year ended June 30, 1993 or on the consistency of application of accounting principles with the preceding year.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to audit the financial statements of the Fixed Assets Group of Accounts, the balance sheets referred to in the first paragraph present fairly, in all material respects, the financial position of County of Torrance, State of New Mexico as of June 30, 1993. Also, in our opinion, the combining and individual fund and long-term debt account group balance sheets referred to above present fairly, in all material respects, the financial position of each of the individual funds and long-term debt account group of the County of Torrance, State of New Mexico, as of June 30, 1993.

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

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



FEDERAL FINANCIAL REPORTS

Condition

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

Criteria

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

Effect

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

Cause

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

Recommendation

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

Response

Starting in January, 1993 we have complied with the auditor's recommendation.



BUDGET OVEREXPENDITURES

Condition

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

<u>Fund</u>	Approved	Actual	Amount
	<u>Budget</u>	Expenditures	<u>Overexpended</u>
Maternal Health Care Summer Food	\$ 155,827	\$ 174,185	\$(18,358)
Service	\$ -0-	\$ 107,446	\$(107,446)
General	\$ 7,932,472	\$ 8,050,641	\$(118,169)

Criteria

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

Effect

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

Cause

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

Recommendation

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

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

Emmos & Congray August 5, 1993 Entefield Public Hecowatereds

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

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

We have audited the general purpose financial statements of the County of Torrance, New Mexico, for the period ended June 30, 1993, and have issued our report thereon dated August 5, 1993. These general purpose financial statements are the responsibility of the County of Torrance, New Mexico's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

We were unable audit the financial statements supporting the financial activities of the Fixed Asset Group of Accounts because

the County's records of fixed assets are incomplete. financial activities are included in the fixed assets account group and represent 100 percent of the assets of that account type.

The County has not maintained adequate accounting records for the prior year ended June 30, 1992 which resulted in a disclaimer of opinion report by the prior auditors on October 5, 1992. We were unable to apply procedures to determine whether the opening balances at July 1, 1992 were fairly presented in conformity with generally accepted accounting principles or whether accounting principles have been consistently applied between 1992 and 1993. Since the County did not maintain adequate accounting records during the prior year, and we were unable to satisfy ourselves about the opening balances in the financial statements as of July 1, 1992 or about the consistent application of accounting principles between 1992 and 1993, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the results of operations and statement of cash flows for the year ended June 30, 1993 or on the consistency of application of accounting principles with the preceding year.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to audit the financial statements of the Fixed Assets Group of Accounts, the balance sheets referred to in the first paragraph present fairly, in all material respects, the financial position of County of Torrance, State of New Mexico as of June 30, 1993. Also, in our opinion, the combining and individual fund and long-term debt account group balance sheets referred to above present fairly, in all material respects, the financial position of each of the individual funds and long-term debt account group of the County of Torrance, State of New Mexico, as of June 30, 1993.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of County of Torrance, New Mexico taken as a whole. The accompanying schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose, combining, individual fund and account group financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements of each of the respective individual funds and account groups, except the general purpose financial statements and the general fixed assets account group.

August 5, 1993

Schedule of Federal Financial Assistance June 30, 1993

Federal Grantee/Pass Through Grantor/Program Title	Federal C.F.D.A. Number	Program or Grant Award		Cash/ Receivable 6/30/92		Receipts Transfers	Expenditures	Cash/ Receivable 6/30/93
U.S. Department of Transportation								· 555555555555555
Passed through State Department								
of Transportation:								
Section 18	20.509	35,000		0		37,748	37,748	0
U.S. Department of Human Resources								
Passed through New Mexico								
State Agency on Aging:								
Older Americans Act								
Title III B and C	93.633	46,829		(59,334)		46,829	46,829	(59,334)
U.S. Department of Agriculture								
Passed through New Mexico								
State Agency on Aging:							•	
Cash in Lieu of Commodities	10.570	13,060		0		13,060	13,060	0
(Accounted for within the Senior Citizen's Special Revenue Fund)								
U.S. Federal Emergency								
Management Agency								
Passed through the Office of								
Military Affairs:								
Civil Defense Division	83.503	0		(11,588)		16,547	39,195	(34,236)
			•	(70,000)	•			***************************************
			\$	(70,922)	\$	114,184	\$ 136,832	\$ (93,570)
Per Financial Statements:								
Senior Citizens, B-16								
Section 18			\$		\$	37,748	\$ 37,748	\$ 0
Title III B & C				(59,334)		46,829	46,829	(59,334)
Cash in lieu						13,060	13,060	0
Other revenue/expenditures/transfers				5,985		199,332	198,248	7,069
Total Senior Citizens			\$	(53,349) ======	\$	296,969 =====	\$ 295,885	\$ (52,265)

STATE OF NEW MEXICO County of Torrance Reconciliation of Tax Rolls For the Year Ended June 30, 1993

Schedule 2

Uncollected taxes, July 1, 1992		\$	390,996
Plus: Taxes assessed, current year			2,534,725
Less:			
Taxes collected			2,518,389
Uncollected taxes, June 30, 1993		\$	407,332
			=====
Undistributed taxes, July 1, 1992		\$	51,154
Taxes collected			2,518,389
Taxes available for distribution			2,569,543
Undistributed taxes, June 30, 1993			49,386
Taxes distributed			
		\$	2,520,157
Detail of taxes distributed:			
County general fund		\$	1,171,686
Municipalities:		S.	1,171,000
Willard	825		
Estancia	7,293		
Moriarty	20,412		
Mountainair	23,553		
Encino	1,500		
:-			
			53,583
State:			38
Dairy and hogs levy	99		
State levy	132,558		
Cattle levy	35,263		
Sheep levy	1,424		
Cost to state	2,790		
Penalty and interest	9,864		
			181,998
Schools: Operational	1200		
Debt Service	41,682		
	841,221		
Capital improvements	196,569		
Soil and Water Districts:			1,079,472
Claunch Pinto	8,061		
Carrizozo	11		
Edgewood	25,346		
			33,418
Total taxes distributed		•	0.500.457
SCHOOLSEN SCHOOLSEN STATE TO		\$	2,520,157
		-	=====