

STATE OF NEW MEXICO

COUNTY OF TORRANCE

AUDIT REPORT

For the Year Ended June 30, 2000

(with Auditor's Report Thereon)

RICE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

STATE OF NEW MEXICO

COUNTY OF TORRANCE

AUDIT REPORT

For The Year Ended June 30, 2000

(with Auditor's Report Thereon)

STATE OF NEW MEXICO
COUNTY OF TORRANCE
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STATE OF NEW MEXICO
COUNTY OF TORRANCE
Official Roster
Year Ended June 30, 2000

COUNTY COMMISSION

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

ELECTED OFFICIALS

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

ADMINISTRATIVE OFFICIALS

Ms. Babette Berkshire	County Manager
Ms. Tracy Sedillo	Assistant County Manager
Ms. Della Tapia	Senior Citizens Director

FINANCIAL STATEMENTS

AUDITING
BOOKKEEPING

Rice and Associates, C.P.A.
CERTIFIED PUBLIC ACCOUNTANTS
11805 Menaul NE
Albuquerque, NM 87112
(505) 292-8275

TAX PLANNING
TAX PREPARATION

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general-purpose financial statements and the combining and individual fund and account group financial statements of the County of Torrance as of and for the year ended June 30, 2000, as listed in the Table of Contents. These financial statements and combining and individual fund and account group financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements and individual fund and account group financial statements based on our audit. We did not audit the financial statements of the Torrance County Solid Waste Authority, a component unit which represents 18% of assets and 12% of revenues of the reporting entity totals. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Torrance County Solid Waste Authority, is based solely on the report of the other auditors.

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

The County of Torrance does not have detailed records to support the recorded amounts of buildings, improvements and land in the General Fixed Assets Account Group. As a result, we were not able to audit the actual additions and deletions of fixed assets occurring during the year ended June 30, 2000. In addition, we were not able to audit the recorded amounts for fixed assets as of June 30, 2000 in the General Fixed Assets Account Group.

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

In our opinion, except for the effects of such adjustments as might have been determined to be necessary had we been able to audit detailed records supporting recorded amounts of buildings, improvements and land as discussed in the preceding paragraph, and except for the effects of any adjustments required as a result of the claim by the Attorney General of New Mexico the general-purpose financial statements and combining, individual and account group financial statements referred to above present fairly, in all material respects, the financial position of the County of Torrance as of June 30, 2000 and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, except for the effects of such adjustments as might have been determined to be necessary had we been able to audit detailed records supporting recorded amounts of buildings, improvements and land as discussed in the preceding paragraph, the combining and individual fund and account group financial statements and except for the effects of any adjustments required as a result of the claim by the Attorney General of New Mexico referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the County as of June 30, 2000, and the results of operations of such funds and the cash flows of its individual proprietary funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 9, 2001 on our consideration of the County of Torrance's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments and Non-Profit Organizations*, and is not a required part of the general-purpose financial statements and the combining and individual fund and account group financial statements of the County. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and the combining and 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 taken as a whole.

Rice & Associates, C.P.A.

July 9, 2001

Exhibit 1

Types Debt Service	Fiduciary Fund Types Agency	Account Groups		Component Unit Solid Waste Authority
		General Fixed Assets	General Long Term Debt	
\$ 131,038	\$ 743,814	\$ -	\$ -	\$ 80,037
-	-	-	-	30,450
-	-	-	-	108,709
-	-	-	-	5,760
-	-	-	-	-
-	-	7,647,481	-	2,341,428
-	-	-	131,038	-
-	-	-	1,349,192	-
<u>\$ 131,038</u>	<u>\$ 743,814</u>	<u>\$ 7,647,481</u>	<u>\$ 1,480,230</u>	<u>\$ 2,566,384</u>
\$ -	\$ -	\$ -	\$ -	\$ 10,463
-	-	-	-	98,184
-	-	-	-	16,747
-	743,814	-	-	-
-	-	-	-	-
-	-	-	50,262	13,647
-	-	-	700,000	-
-	-	-	112,000	-
-	-	-	-	43,640
-	-	-	617,968	121,638
-	-	-	-	5,760
-	743,814	-	1,480,230	310,079
-	-	7,647,481	-	-
-	-	-	-	2,017,778
-	-	-	-	30,450
-	-	-	-	208,077
131,038	-	-	-	-
-	-	-	-	-
131,038	-	7,647,481	-	2,256,305
<u>\$ 131,038</u>	<u>\$ 743,814</u>	<u>\$ 7,647,481</u>	<u>\$ 1,480,230</u>	<u>\$ 2,566,384</u>

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Combined Statement of Revenues, Expenditures and Changes in
Fund Balance - All Governmental Fund Types
Year Ended June 30, 2000

	Governmental Fund Types		
	General	Special Revenue	Debt Service
REVENUES			
Taxes	\$ 2,190,359	\$ -	\$ -
Charges for services	774	19,670	-
Local sources	129,634	159,164	207,400
State sources	36,638	1,797,922	-
State shared taxes	431,234	788,473	-
Federal sources	129,842	653,506	-
Earnings on investments	56,552	29,349	-
Total revenues	<u>2,975,033</u>	<u>3,448,084</u>	<u>207,400</u>
EXPENDITURES			
Current:			
General government	1,568,748	83,683	-
Public safety	766,336	2,088,047	-
Highways and streets	-	953,984	-
Health and welfare	-	1,264,445	-
Culture and recreation	-	25,904	-
Debt service:			
Principal	-	-	180,000
Interest	-	-	47,846
Total expenditures	<u>2,335,084</u>	<u>4,416,063</u>	<u>227,846</u>
Excess (deficiency) revenues over expenditures	639,949	(967,979)	(20,446)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	809,352	-
Transfers out	(733,886)	(11,278)	(64,188)
Total other financing sources (uses)	<u>(733,886)</u>	<u>798,074</u>	<u>(64,188)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	(93,937)	(169,905)	(84,634)
Fund balance beginning of year	<u>986,538</u>	<u>320,603</u>	<u>215,672</u>
Fund balance end of year	<u>\$ 892,601</u>	<u>\$ 150,698</u>	<u>\$ 131,038</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Combined Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Taxes	\$ 1,972,788	\$ 2,190,359	\$ 217,571	\$ -	\$ -	\$ -
Charges for services	259	774	515	15,684	19,670	3,986
State shared taxes	362,981	431,234	68,253	617,375	657,405	40,030
Local sources	245,893	198,747	(47,146)	164,008	151,623	(12,385)
State sources	26,874	36,638	9,764	2,083,502	1,756,122	(327,380)
Federal sources	163,303	129,842	(33,461)	1,392,816	749,866	(642,950)
Earnings on investments	57,593	56,552	(1,041)	27,077	29,349	2,272
Total revenues	<u>\$ 2,829,691</u>	<u>\$ 3,044,146</u>	<u>\$ 214,455</u>	<u>\$ 4,300,462</u>	<u>\$ 3,364,035</u>	<u>\$ (936,427)</u>
EXPENDITURES						
Current:						
General government	\$ 1,510,892	\$ 1,406,275	\$ 104,617	\$ 109,596	\$ 101,356	\$ 8,240
Highways and streets	-	-	-	934,075	934,074	1
Health and welfare	-	-	-	1,750,571	1,281,063	469,508
Public safety	789,467	766,336	23,131	2,529,915	1,999,094	530,821
Culture and recreation	-	-	-	26,812	25,904	908
Total expenditures	<u>\$ 2,300,359</u>	<u>\$ 2,172,611</u>	<u>\$ 127,748</u>	<u>\$ 5,350,969</u>	<u>\$ 4,341,491</u>	<u>\$ 1,009,478</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ -	\$ -	\$ -	\$ 806,954	\$ 803,541	\$ (3,413)
Transfer out	(733,886)	(733,886)	-	(5,467)	(5,467)	-
Total other financing sources (uses)	<u>\$ (733,886)</u>	<u>\$ (733,886)</u>	<u>\$ -</u>	<u>\$ 801,487</u>	<u>\$ 798,074</u>	<u>\$ (3,413)</u>
BUDGETED CASH BALANCE	<u>\$ 204,554</u>			<u>\$ 653,115</u>		

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Combined Statement of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

CAPITAL PROJECTS FUND			
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 292,204	\$ 207,400	\$ (84,804)
Total revenues	<u>\$ 292,204</u>	<u>\$ 207,400</u>	<u>\$ (84,804)</u>
EXPENDITURES			
Debt service - Bonds	\$ 180,000	\$ 180,000	\$ -
Debt service - Interest	<u>59,848</u>	<u>47,846</u>	<u>12,002</u>
Total expenditures	<u>\$ 239,848</u>	<u>\$ 227,846</u>	<u>\$ 12,002</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ -	\$ -	\$ -
Transfer out	<u>(66,441)</u>	<u>(64,188)</u>	<u>2,253</u>
Total other financing sources (uses)	<u>\$ (66,441)</u>	<u>\$ (64,188)</u>	<u>\$ 2,253</u>
BUDGETED CASH BALANCES	<u>\$ 74,699</u>		

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Statement of Revenues, Expenses and Changes in Retained
Earnings Discretely Presented Component Unit
Year Ended June 30, 2000

OPERATING REVENUES	
Charges for services	\$ 886,878
Environmental gross receipts tax	<u>8,120</u>
Total operating revenue	<u>894,998</u>
OPERATING EXPENSES	
Salaries and benefits	337,950
Operating expenses	484,311
Interest expense	16,419
Depreciation expense	<u>277,826</u>
Total operating expenses	<u>1,116,506</u>
Operating income (loss)	(221,508)
NON-OPERATING REVENUES (EXPENSES)	
County loan proceeds	270,000
Interest Income	9,054
Landfill closure costs	(21,820)
Loss on sale of fixed assets	<u>(3,595)</u>
Total non-operating revenues (expenses)	<u>253,639</u>
Net Income (Loss)	32,131
Retained earnings, beginning of year	<u>175,946</u>
Retained earnings, end of year	<u><u>\$ 208,077</u></u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Statement of Cash Flows
Discretely Presented Component Unit
Year Ended June 30, 2000

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from customers	\$ 924,401
Cash received from County loan proceeds	270,000
Cash received from taxes	8,120
Interest received	9,054
Cash paid to suppliers and employees	<u>(817,323)</u>
Net cash provided by operating activities	<u>394,252</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Principal payments capital leasing	<u>(35,915)</u>
Net cash provided from financing activities	<u>(35,915)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sale of fixed assets	32,352
Capital outlay	<u>(313,413)</u>
Net cash provided (used) for investing activities	<u>(281,061)</u>

Net increase (decrease) in cash

77,276

Cash, July 1, 1999

22,748

Cash, June 30, 2000

\$ 100,024

RECONCILIATION OF NET LOSS TO NET

CASH PROVIDED BY OPERATING ACTIVITIES:

Net Income (Loss)	\$ 32,131
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation	277,827
Loss on sale of fixed assets	3,595
Landfill closure costs	21,820
(Increase) decrease in receivables	103,326
Increase (decrease) in accounts payable	(63,365)
Increase (decrease) in other payables	<u>18,918</u>
Net cash provided by operating activities	<u><u>\$ 394,252</u></u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Notes to Financial Statements
Year Ended June 30, 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Torrance was created by Section 4-30-1, New Mexico Statutes Annotated, 1978 Compilation. The powers of the County as a body politic and corporate are exercised by a three-member Board of Commissioners who are elected. At each general election in the State of New Mexico a County Assessor, County Clerk, County Sheriff and County Treasurer are elected. The County assesses, collects and distributes property taxes; records property and legal documents; provides ambulance service, law enforcement services and maintains County roads.

A. Reporting Entity

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

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

In evaluating how to define the County, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles (GAAP) and Government Accounting Standards Board (GASB) Statement 14.

The basic - but not the only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The

Notes to Financial Statements (Continued)

most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of a governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the County and is generally available to citizens.

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

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

Discretely presented component: The Torrance County Solid Waste Authority (Authority) is responsible for providing solid waste disposal services within the County's jurisdiction and for several municipalities within the County. The eleven members of the Authority's governing board are appointed by the County (3) and by several municipalities (8), who are participants to the joint powers agreement establishing the Authority. Although the County does not appoint a majority of the Authority's board members, the Authority is fiscally dependent upon the County because the County must approve the solid waste fee charged by the Authority, and the County is responsible for the debt service payments of the Solid Waste Revenue Bonds. The Authority is presented as proprietary fund type.

Complete financial statements for the Authority may be obtained by writing to the following address:

Torrance County Solid Waste Authority
PO Box 736
Estancia, New Mexico 87015

B. Fund Accounting

The accounts of the County are organized and operated on the basis of funds and account groups. The fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain

Notes to Financial Statements (Continued)

assets and liabilities of the governmental funds not recorded directly in those funds.

The County has the following fund types and account groups:

Governmental Funds are used to account for the government's general government activities. Governmental fund types use the flow of current financial resources measurement focus and modified accrual basis of accounting. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

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

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

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

Governmental funds include the following fund types:

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

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

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

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

Notes to Financial Statements (Continued)

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

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

C. Assets, liabilities and equity

1. Deposits and investments

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

2. Receivables and payables

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

3. Fixed assets

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

Notes to Financial Statements (Continued)

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset's lives are not included in the General Fixed Assets Account Group.

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

D. Property Taxes

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

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

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

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

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

Taxes levied upon tangible property shall be in proportion to the value thereof, and taxes shall be equal and uniform upon subjects of taxation of the same class. Different methods may be provided by law to determine value of different kinds of property, but the percentage of value against which tax rates are assessed shall not exceed thirty-three and one-third percent. The legislature shall provide by law for the valuation of residential property. The limitation may be applied to classes of residential property taxpayers based on owner-occupancy, age or income. The limitations may be authorized statewide or at the option of a local jurisdiction and may include conditions under which the limitation is applied. Any valuation limitations authorized as a local jurisdiction option shall provide for applying statewide or multi-jurisdictional property tax rates to the value of the property as

Notes to Financial Statements (Continued)

if the evaluation increase limitation did not apply.

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

E. Budgets and Budgetary Accounting

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

1. Prior to June 1, the County submits a proposed budget to the Local Government Division of the Department of Finance and Administration.
2. The Local Government Division in relation to the County shall:
 - a. Examine each proposed budget, and on or before July 1 of each year, approve and certify for the County an operating budget for use pending approval of a final budget;
 - b. Hold public hearings on proposed budgets;
 - c. Make such corrections, revisions, and amendments to proposed budgets as may be necessary to meet the requirements of law;
 - d. Certify a final budget for the County prior to the first Monday in September of each year. Such budgets, when approved, shall be binding upon all officials of the state;
 - e. Upon the approval of the director of the Department of Finance and Administration, authorize the transfer of funds from one budget item to another when such transfer is requested and an emergency condition exists meriting such transfer and such transfer is not prohibited by law. In case of emergency necessitating the expenditure for item or items not provided for in the budget, upon approval of the director of the Department of Finance and Administration, the budget may be revised to authorize such expenditures;
 - f. With written approval of the director of the Department of Finance and Administration, increase the total budget of the County in the event the County undertakes an activity, service, project or construction program which was not contemplated at the time the final budget was adopted and approved and which

Notes to Financial Statements (Continued)

activity, service, project or construction program will produce sufficient revenue to cover such increase in the budget or the County has surplus funds on hand not necessary to meet the expenditures provided for in the budget with which to cover such increase in the budget;

- g. Supervise the disbursement of funds to the end that expenditures will not be made in excess of budgeted items or for items not budgeted and that there will not be illegal expenditures;
 - h. Prescribe the form for all budgets, books, records and accounts for the County, and
 - i. With the approval of the director of the Department of Finance and Administration, make rules and regulations relating to budgets, records, reports, handling and disbursement of public funds, or in any matter relating to the financial affairs of the County.
- 3. The County Manger is authorized to transfer budgeted amounts between departments within any fund;
 - 4. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Projects Fund, and Debt Service funds. The County did not adopt a budget for the General Obligation Bond Debt Service Fund, and the General Obligation Bond Acquisition Capital Projects Fund.

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

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

F. Compensated Absences

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

Notes to Financial Statements (Continued)

G. Interfund Transactions

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

2. CASH ON DEPOSIT

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

The following is a description of cash on deposit by financial institution and the related pledged collateral at June 30, 2000:

	<u>Wells Fargo Bank</u>
Cash on deposit	\$ 746,361
Less F.D.I.C.	<u>(100,000)*</u>
Uninsured funds	646,361
50% Collateral requirement	<u>323,181</u>
Pledged collateral	<u>1,239,834 **</u>
Excess of pledged collateral	<u>\$ 916,653 ***</u>

Pledged collateral of the financial institution consists of the following:

<u>Wells Fargo Bank MINN-MPLS</u>	<u>Maturity Date</u>	
Bridgestone CUSIP#108443EN8	11-01-01	\$ 250,000
FNMA 303913 CUSIP#31373USA6	05-01-26	96,632
FNMA 303913 CUSIP#31373USA6	05-01-26	<u>893,202</u>
		<u>\$ 1,239,834</u>

* Category 1 (See paragraph below for explanation)

** Category 2 (See paragraph below for explanation)

*** Category 3 (See paragraph below for explanation)

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

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

Notes to Financial Statements (Continued)

- Category 2 - This includes uninsured and unregistered cash and investment for which the securities are held by the counter parties trust department or agent in the County's name. Category 2 indicates that the exposure of cash or investments is higher than Category 1. Category 2 collateral is \$646,361.
- Category 3 - This includes uninsured and unregistered investments for which the securities are held by the counter party or by its department or agent, but not in the County's name. Category 3 indicates that the exposure of cash or investments is at the highest level. Category 3 collateral is none. (All money is collateralized by Category 1 and 2).

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

Total cash invested with New Mexico State Treasurer \$1,019,667

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

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

Local Government Investment Pool	\$1,019,667
Petty Cash	300
Wells Fargo Bank	746,361
Deposit in transit	416,358
Outstanding checks	<u>(287,500)</u>
Total reconciled cash	1,895,186
Total per financial statements	<u>1,895,186</u>
Difference	<u>\$ - 0 -</u>

3. DR. SAUL SCHOLARSHIP

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

4. RECEIVABLES

Receivables at June 30, 2000, consist of the following:

	<u>General</u>	<u>Special Revenue</u>
Intergovernmental	<u>\$21,007</u>	<u>\$146,799</u>

All amounts are considered collectible.

Notes to Financial Statements (Continued)

5. CHANGES IN LONG-TERM DEBT

During the year ended June 30, 2000, the following changes occurred in the liabilities reported in the General Long-Term Debt Account Group:

	Balances June 30, 1999	Additions	Deletions	Balances June 30, 2000
Capital leases payable	\$ 881,224	\$ 112,441	\$ 375,697	\$ 617,968
Revenue bonds payable	210,000	-	210,000	-
General Obligation bonds payable	955,000	-	255,000	700,000
Notes payable	119,000	-	7,000	112,000
Accrued compensated absences payable	62,928	-	12,666	50,262
Total	<u>\$ 2,228,152</u>	<u>\$ 112,441</u>	<u>\$ 860,363</u>	<u>\$ 1,480,230</u>

Leases

At June 30, 2000, the County had the following purchase contracts payable:

	Date of Contract	Original Amount	Principal Balance June 30, 2000
1. First Security Bank- NE Torrance Fire Station-9.11%	12/1990	\$ 52,517	\$ 7,638
2. NM State Board of Finance-voting machines-no interest	12/1992	107,000	21,400
3. Wells Fargo-(3) Crown Victorias- 6.77%	08/1999	119,762	65,697
4. LaSalle National Bank-Fire Truck- 6%	10/1994	68,881	22,608
5. NM Taxation and Revenue-re-appraisal computer system- no interest	12/1994	142,267	40,647

Notes to Financial Statements (Continued)

6. LaSalle National Bank-(5) Ford Expeditions-5.0%	06/1999	150,000	77,032
7. First Capital- (4) Motor Graders- 5.64%	10/1998	428,000	311,455
8. LaSalle National Bank-Energy Conservation Program-6.09%	03/1998	<u>84,675</u>	<u>71,491</u>
		<u>\$1,153,102</u>	<u>\$ 617,968</u>

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

<u>Year Ended</u>	<u>Total Payments</u>
2001	\$ 196,170
2002	187,806
2003	67,583
2004	67,583
2005	157,074
Thereafter	<u>34,661</u>
Total	710,877
Less amount representing interest payments	<u>(92,909)</u>
Present value of minimum lease payments	<u>\$ 617,968</u>

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

<u>Year Ended</u>	<u>Total Payments</u>
2001	\$ 39,228
2002	36,936
2003	<u>8,300</u>
Total future minimum payments	<u>\$ 84,464</u>

Notes to Financial Statements (Continued)

General obligation bonds

During the fiscal year ended June 30, 1993, the County issued \$1,300,000 of General Obligation Bonds, \$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.

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

<u>Year Ended</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2001	\$ -	\$ -	\$ -
2002	38,284	150,000	188,284
2003	30,184	165,000	195,184
2004	20,944	185,000	205,944
Thereafter	<u>11,000</u>	<u>200,000</u>	<u>211,000</u>
Total	<u>\$100,412</u>	<u>\$ 700,000</u>	<u>\$ 800,412</u>

Long-Term Notes

The County's long-term notes consist of two obligations incurred in 1995 and 1996 with the New Mexico Finance authority in the amounts of \$107,000 and \$27,000, respectively. These notes were obtained for the purpose of defraying the cost of acquiring equipment for fire protection in various areas of the County. The interest rate for the notes is 6.152% and 4.998%, respectively. The principal and interest payments are provided by the Fire Protection Fund and the Fire Protection Excise Tax Revenues, respectively. The New Mexico Finance Authority is intercepting these revenues.

<u>Year Ended</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2001	\$ 6,901	\$ 7,000	\$ 13,901
2002	6,531	7,000	13,531
2003	6,150	7,000	13,150
2004	5,764	7,000	12,764
2005	6,348	7,000	13,348
Thereafter	<u>26,237</u>	<u>77,000</u>	<u>103,237</u>
Total	<u>\$ 57,931</u>	<u>\$ 112,000</u>	<u>\$ 169,931</u>

Notes to Financial Statements (Continued)

Accrued Compensated Absences

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

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

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

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

6. DEFICIT FUND BALANCE

The following individual Special Revenue Funds have deficit fund balances for the year ended June 30, 2000. These are a result of the expenditure of grant funds in excess of reimbursements. If collections or reimbursements in future years are not sufficient, it is likely that the General Fund will be required to make up these deficits.

<u>Fund</u>	<u>Deficit June 30, 2000</u>
County Indigent Fund	\$ 17,396
Maternal Health Care Fund	\$ 14,823
DWI Grant Fund	\$ 45,401
COPS MORE Grant Fund	\$ 3,002
Universal Hiring Fund	\$ 19,185
Legislative Appropriation Fund	\$ 3,474
Lodgers Tax Fund	\$ 102
Rural Addressing Fund	\$ 62,459
Energy Conservation Fund	\$ 20,379
Jail Fund	\$ 199,024
Traffic Safety Grant Fund	\$ 314

Notes to Financial Statements (Continued)

7. TAX ROLL RECONCILIATION

Uncollected taxes, July 1, 1999	\$ 713,208
Plus: Net taxes assessed, current year	4,667,953
Adjustment to current year's assessments	104,528
Less: taxes collected	<u>(4,581,551)</u>
Uncollected taxes, June 30, 2000	<u>\$ 904,138</u>
Undistributed taxes, July 1, 1999	\$ 74,773
Adjustment to prior years balance	9,866
Taxes collected	<u>4,581,551</u>
Taxes available for distribution	4,666,190
Undistributed taxes, June 30, 2000	<u>(83,577)</u>
Taxes distributed	<u>\$4,582,613</u>
Detail of taxes, distributed	
County General Fund	\$2,280,494
County Debt Service Fund Municipalities:	
Willard	1,354
Estancia	11,073
Moriarty	36,071
Mountainair	35,255
Encino	<u>1,227</u>
Sub-Total	<u>84,980</u>
Special District:	
Claunch-Pinto Soil and Water	16,370
Carrizozo Soil and Water	8
East Torrance Soil and Water	62,878
Edgewood Soil and Water	<u>52,394</u>
Sub-Total	<u>131,650</u>
State:	
State levy	282,321
Cattle levy	31,195
Dairy and Hogs levy	1,853
Sheep levy	1,034
Hog/Swine levy	<u>1,727</u>
Sub-Total	<u>318,130</u>
Schools:	
Operational	78,781
Debt service	1,294,236
Capital improvements	339,276
Encino Ed Tech Debt	<u>55,066</u>
Sub-Total	<u>1,767,359</u>
Total taxes distributed	<u>\$4,582,613</u>

Notes to Financial Statements (Continued)

8. RISK MANAGEMENT

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

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

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

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

9. BUDGET TO GAAP RECONCILIATION

<u>Revenue</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>
Exhibit 2	\$2,975,033	\$3,448,084	\$207,400
Exhibit 3	<u>3,044,146</u>	<u>3,362,502</u>	<u>207,400</u>
(Decrease) Increase in accounts receivable	<u>\$ (69,113)</u>	<u>\$ 85,582</u>	<u>\$ -</u>

Notes to Financial Statements (Continued)

Expenditures

Exhibit 2	\$2,335,084	\$4,416,063	\$227,846
Exhibit 3	<u>2,172,611</u>	<u>4,341,491</u>	<u>227,846</u>
(Decrease) Increase in accounts payable	<u>\$ 162,473</u>	<u>\$ 74,572</u>	<u>\$ -</u>

10. RETIREMENT PLAN

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

Funding Policy. Plan members are required to contribute 9.15% of their gross salary for regular County employees and 7.0% of gross salary for Sheriff's Department employees. The County is required to contribute 9.15% for regular employees and 10.0% for Sheriff's Department employees. The contribution requirements of the plan members and the County are established under Chapter 10, Article II NMSA 1978. The requirements may be amended by acts of the Legislature. The County's contributions to PERA for the years ended 2000, 1999 and 1998 were \$170,731, \$154,042 and \$134,853, respectively, equal to the amount of the required contributions for each year.

11. RETIREE HEALTH CARE ACT CONTRIBUTIONS

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

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

Notes to Financial Statements (Continued)

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

Each participating employer makes contributions to the fund in the amount of one percent of each participating employee's annual salary. Each participating employee contributes to the fund an employee contribution equal to one-half of one percent of the employee's annual salary. For the year ended June 30, 2000, each participating retiree paid a monthly premium from \$56.00 if on Medicare and \$59.38 if not on Medicare for the basic single plan plus an additional five dollars (\$5.00) if the eligible participant retired prior to July 1, 1990 and made no contributions to the plan.

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

The Retiree Health Care Authority issues a separate, publicly available audited financial report that includes post employment benefit expenditures of premiums and claims paid, participant contributions (employer, employee, and retiree), and net expenditures for the fiscal year. The report also includes approximate number of retirees participating in the plan. That report may be obtained by writing to the Retiree Health Care Authority, 810 W. San Mateo Road, Santa Fe, New Mexico 87505.

For the fiscal year ended June 30, 2000, the County remitted \$18,096 for employer contributions and \$9,049 in employee contributions to the Retiree Health Care Authority.

12. MEDICAID FUND LIABILITY

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

13. CONTINGENT LIABILITIES

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

Notes to Financial Statements (Continued)

14. PREPARATION OF FINANCIAL STATEMENTS

The financial statements contained herein were primarily prepared from the original books and records of the County as of June 30, 2000 by Rice & Associates, CPA. The County is responsible for the financial statements contained herein.

15. EXIT CONFERENCE

An exit conference was held at the county on July 9, 2001, to discuss the current audit report and auditors' comments. In attendance were Ms. Tracy Sedillo, Assistant County Manager, Ms. Dorothy Sandoval, County Treasurer and Ms. Pamela A. Rice, CPA, Contract Auditor.

STATE OF NEW MEXICO
TORRANCE COUNTY
Notes to Financial Statements (Continued)
Year Ended June 30, 2000

TORRANCE COUNTY SOLID WASTE AUTHORITY
Notes to Financial Statements

The Torrance County Solid Waste Authority (Authority) was formed on June 30, 1996 by a Joint Powers Agreement entered into by the Torrance County, City of Moriarty, Town of Estancia, Town of Mountainair, Village of Encino, Village of Willard. The purpose of the inter-governmental cooperative agreement was to acquire, construct and operate a comprehensive solid waste landfill disposal system for the citizenry of the authority.

The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below:

A. Reporting Entity

In evaluating how to define the Authority, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entities is the existence of special financing relations, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, no potential component units were included in the Authority's reporting entity.

B. Fund Accounting

The Authority uses a single proprietary fund with no account groups to report on its financial position and the results of its operation. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." The Authority accounts for its operations using a single proprietary fund.

Notes to Financial Statements - Torrance County Solid Waste Authority (Continued)

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

C. Basis of Accounting

The proprietary fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The Authority reports deferred revenue on its balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the Authority before it has a legal claim to them, as when grant money is received prior to the incurring of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

D. Budgets

Budgets are adopted on a regulatory prescribed cash basis. The level of budgetary control is by fund total. Budgetary information is presented as amended, the amendments being adopted in a legally prescribed manner. All appropriations lapse at year-end.

E. Cash

The Authority maintains cash resources in two demand accounts located in Torrance County. The Authority does not currently have cash in excess of FDIC insured amounts or current security pledging requirements. Cash in excess of current requirements may legally be invested in various certificates of deposits and disclosed as a part of cash.

F. Accounts Receivable

All accounts receivable are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

G. Fixed Assets

All purchased fixed assets are valued at cost. Assets purchased from the joint powers participants were recorded at appraised value. Donated fixed assets, if received, will be valued at their historical value on the date received.

Notes to Financial Statements - Torrance County Solid Waste Authority (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation of buildings, improvements, equipment and furnishings in the proprietary fund types is computed using the straight-line method over the estimated useful lives as follows:

Landfill	30 years
Buildings and improvements	15 years
Equipment and furnishings	7 years
Light vehicles	5 years

H. Encumbrances

The Authority at its option, chooses not to utilize a formal encumbrance system for the purpose of reserving fund balances for open purchase orders.

I. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

J. Long-term Obligations

Notes payable from cash advances and purchase agreements are reflected as a liability of the fund. On purchase agreements which reflect no interest, the interest was imputed and the liability reflects the net amount. Long-term financing lease purchases are recorded as a fund liability.

K. Fund Equity

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from other government entities, customers or other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources. The Authority does have reserved funds as of the date of these statements for landfill closure costs.

NOTE 2. LEGAL COMPLIANCE - BUDGETS

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

Prior to June 1, the Authority's administration submits to the Board of Directors a proposed budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

Notes to Financial Statements - Torrance County Solid Waste Authority (Continued)

Prior to July 1, the budget is legally enacted through formal adoption by the Board and then must be approved by Local Government Division of the State Department of Finance and Administration.

The Authority's treasurer is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Directors and the State Department of Finance and Administration.

Formal budgetary integration is employed as a management control device during the year for the Proprietary Funds.

NOTE 3. DEPOSIT COLLATERAL

The following is the computation of required pledged securities to secure cash deposited with banks in accordance with Section 6-10-17, NMSA, 1978 . The statute requires that deposits of public monies are to be collateralized in an aggregate amount equal to 50% of deposits in excess on Federal Deposit Insurance Corporation insurance coverage. At June 30, 2000, the Authority had the following deposits at one bank:

Cash in Bank:

Collection Fund Account	\$	83,962
Landfill Fund Accounts		<u>40,084</u>
Total Deposits		124,046
FDIC Insurance		<u>(124,046)</u>
Uninsured Deposits		-
Required Pledge 50%		<u>-</u>
Total Unsecured Deposits	\$	<u><u>-</u></u>

See the Schedule of Deposits and Security Requirements on page 21 of this report. Included in this schedule are risk ratings in accordance the Governmental Accounting Standards Board Statement #3 which requires deposits and investments to be classified in three categories of risk.

NOTE 4. LIABILITY FOR COMPENSATED ABSENCES

Vacation leave is earned by employees during the year based on time worked and is non-cumulative. Vacation leave due, if any, is paid on an employee's termination. Amounts accrued as of June 30, 2000 was \$9,067.

Sick leave is also earned by employees based on length of employment during the year and is also non-cumulative. Compensation for sick leave is limited to time-off and is not monetarily compensated.

Notes to Financial Statements - Torrance County Solid Waste Authority (Continued)

NOTE 5. CAPITAL LEASES

The Authority is obligated under certain lease purchase agreements accounted for as capital leases. The leased assets are included in the property plant and equipment accounts on the balance sheet, and each is depreciated accordingly. The lease obligations are included in the respective liability sections of the balance sheet, with imputed interest reflected as an expense. Assets under capital leases totaled \$192,386. The following is a schedule of future minimum lease payments under capital leases, with initial or remaining lease terms in excess of one year were at June 30, 2000.

Fiscal Year	Principal	Interest	Total
2001	38,141	6,261	44,402
2002	40,494	3,908	44,402
2003	43,003	1,399	44,402
2004	-	-	-
Subsequent years	-	-	-
	<u>\$ 121,638</u>	<u>\$ 11,568</u>	<u>\$ 133,206</u>

NOTE 6. PERA PENSION PLAN

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

Funding Policy. Plan members are required to contribute 9.15% of their gross salary. The Torrance County Solid Waste Authority is required to contribute 9.15% of the gross covered salary. The contribution requirements of plan members and the Torrance County Solid Waste Authority are established under Chapter 10, Article 11 NMSA 1978. The Requirements may be amended by acts of the legislature. The Authority was accepted to participate in the plan in February, 1998. The Torrance County Solid Waste Authority's contributions to PERA for those employees covered for the year ended June 30, 2000 was \$20,086.

NOTE 7. RETIREE HEALTH CARE ACT CONTRIBUTIONS

The Retiree Health Care Act (10-7C-1 to 10-7C-16, NMSA 1978) provides comprehensive care group health insurance for persons who have retired from certain public service in New Mexico. As authorized under Section 9D. of Chapter 6, Laws of 1990, the Authority has elected not to participate in the program.

NOTE 8. LANDFILL CLOSURE COSTS

State and Federal laws and regulations require the Torrance County Solid Waste Authority place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure costs is based on the amount of the landfill used during the year. The estimated liability for landfill closure and postclosure care costs has a balance of \$43,640 as of June 30, 2000. The landfill began accepting waste on August 4, 1998. It is estimated that \$437,000 will be recognized as closure and postclosure care expenses between the balance sheet date and the date the landfill is expected to be filled to capacity (2016). The estimated total current cost of the landfill closure and postclosure care (\$437,000) is based on the amount that would be paid if all equipment and facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 1998. However, the actual cost of closure and postclosure care may vary due to inflation, changes in technology, or changes in landfill laws and regulations.

The Authority is required by state and federal laws and regulations to make annual contributions to finance closure and postclosure care. The Authority has funded the estimated closure and postclosure costs for the current year in the amount of \$30,450.

NOTE 9. RISK COVERAGE

The Authority is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has obtained insurance through a commercial carrier to insure against potential losses and claims. The premiums are based on payroll and other expenditures, and are not directly related to claims filed. The policies are retrospectively rated and premiums may be adjusted after year end, based on the ultimate level of expenditures.

NOTE 10. OPERATING LEASE

The Authority is currently obligated under operating lease for office building. The operating lease does not give rise to property rights. Current year lease expense was \$8,400.

NOTE 11. ACCOUNT RECEIVABLE

Accounts receivable represent unpaid billings to service recipients. The receivables from the service recipients are provided an allowance for uncollectible accounts based on the status of the receivable. Accounts receivable consisted of the following at June 30, 2000:

	Collection Fund	Landfill Fund	Total
Accounts receivable	\$ 339,773	\$ 93,294	\$ 433,067
Less allowance for uncollectible accounts	(324,358)	-	(324,358)
Net receivables	<u>\$ 15,415</u>	<u>\$ 93,294</u>	<u>\$ 108,709</u>

Notes to Financial Statements - Torrance County Solid Waste Authority (Continued)

NOTE 12. CHANGES IN FIXED ASSETS

	Balance 6/30/99	Additions	Deletions	Balance 6/30/00
Equipment	\$ 687,399	\$ 134,206	\$ (54,900)	\$ 766,705
Landfill	1,974,982	179,206	-	2,154,188
Accumulated depreciation	<u>(320,592)</u>	<u>(277,826)</u>	<u>18,953</u>	<u>(579,465)</u>
Total	<u>\$ 2,341,789</u>	<u>\$ 35,586</u>	<u>\$ (35,947)</u>	<u>\$ 2,341,428</u>

NOTE 13. RELATED PARTY TRANSACTIONS

The County of Torrance obtained a revenue bond in 1993 to open and begin operations of the county landfill. The County of Torrance is responsible for this debt and all members of the Joint powers agreement have pledged environmental gross receipts to service this debt. The County has expended \$1,105,228 to purchase land, design the landfill and acquire equipment. The amounts expended are considered contributed capital to the authority. All assets acquired and contributed to the Authority are depreciated over their expected useful lives. The landfill construction was completed and approval was received to open on August 4, 1998.

Members of the landfill joint powers agreement owed landfill usage fees to the authority on June 30, 2000 in the amount of \$45,954.

NOTE 14. RESTRICTED ASSETS

The Authority established a restricted cash account to accumulate estimated landfill closure costs. The cash balance as of June 30, 2000 was \$30,450.

NOTE 15. RECONCILIATION OF BUDGETARY AND GAAP BASES AMOUNTS

The Board of Directors of the Authority approves a formal budget. The authority budgets revenues on the basis of cash receipts. For financial reporting purposes, revenues are recognized when measurable and available. Budgetary resource uses are recognized when cash disbursements are made. For financial reporting purposes, expenditures are recognized as incurred. The differences in budgetary and GAAP basis reporting are reflected in the following schedules for the year ended June 30, 2000:

Revenues:

Revenues on budgetary basis	\$ 1,313,167
Changes in account receivable	(103,326)
Reclass proceeds from sale of fixed assets	<u>(35,789)</u>
Revenues on GAAP basis	<u>1,174,052</u>

Expenditures:

Expenditures on budgetary basis	1,235,891
Change in accounts payable	36,773
Change in accrued expenses	18,938
Current year depreciation	277,827
Landfill closure costs	21,820
Reclassification-Capital reimbursement	(100,000)
Reclassification-Capital lease principal	(35,915)
Reclassification-Capital outlay	<u>(313,413)</u>
Expenditures on GAAP basis	<u>1,141,921</u>

Net Income (Loss) GAAP Basis	<u>\$ 32,131</u>
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NOTE 16. JOINT POWERS AGREEMENT TORRANCE COUNTY/BERNALILLO COUNTY LANDFILL

The members of the Authority and the County of Bernalillo entered into a joint powers agreement to participate in the construction and operation of the landfill. Bernalillo County agreed to contribute \$633,000 toward the construction and acquisition of equipment. The County of Bernalillo agreed to annually guarantee a certain tonnage in support of the landfill and have the ability to participate in the determination of fees charged for use of the facility. The landfill received final approval to receive waste and opened August 4, 1998.

NOTE 17. TORRANCE COUNTY LOAN

Torrance County entered into an loan with the New Mexico Finance Authority to refund existing debt and finance improvements for the Torrance County Solid Waste Authority. The joint powers entities agreed to pledge environmental gross receipts tax to repay the loan. Excess taxes over debt service requirements are returned to the Authority. Total amount of the Debt is \$556,119. The Authority received \$270,000 to fund various capital improvements. As of June 30, 2000 the Authority had expended \$203,618 for various capital improvements.

NOTE 18. Expenditures in Excess of Budget

Expenditures in excess of budget were noted in the Collection Fund in the amount of \$168,141.

SPECIAL REVENUE FUNDS

ROAD FUND - To account for funds used to maintain roads for which the County has responsibility. Financing is provided by motor vehicles fees flowing through the state. Expenditures are restricted to the construction and maintenance of County Roads. Authority is Sections 64-55A-40 through 43 NMSA 1978.

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

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

FIRE DISTRICT FUNDS - To account for the operations of the five fire districts, which are defined by the area served. Financing is provided by state fire allotments. The individual fire districts are North Torrance, Torrance County District II, Duran, McIntosh, and Torreon-Tajique. Financing is provided from the County's share of the fire allotment issued by the State Fire Marshall under NMSA 59A-53-1, NMSA 1978, and also by gross receipts tax approved by the voters of the County.

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

COUNTY INDIGENT FUND - To account for expenditures incurred in providing services for the care of indigents. Financing is provided by the County's share of gross receipts tax and may be used only for that purpose. Authority is 25-5-7, NMSA 1978.

EMERGENCY MEDICAL SERVICES FUND - To account for a grant from the State of New Mexico to be used for the acquisition of emergency medical services to County residents. Sources of funds are the State of New Mexico Health Department Emergency Medical Services Bureau. Authority is Section 24-10A-1 through 10, NMSA 1978.

MATERNAL HEALTH CARE FUND - To account for a grant from the State of New Mexico Department of Health, to provide maternal child health coordination, adolescent pregnancy prevention, prenatal care coordination, information and referral services and maternal child health tracking services. Authority is Section 24-1.B-3, NMSA 1978.

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

SPECIAL REVENUE FUNDS, continued

CIVIL DEFENSE FUND - To account for a grant from the State of New Mexico for the operation of the Civil Defense Unit. Proceeds are 25% from the State of New Mexico and 75% from FEMA reimbursements. Authority is NMSA 6-1-6.

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

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

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

MEDICAID TRANSPORTATION FUND - To account for service contract funds that are to be used to pay for non-emergency medical transportation services of Medicaid eligible clients through senior citizen transportation programs. Financing is provided by a Memorandum of Understanding with the New Mexico Human Services Department and the New Mexico State Agency on Aging who are acting as a passthrough for funds originating from the U.S. Department of Health and Human Services. Authority is NMSA 6-1-6.

ESTANCIA VALLEY CONTINUING EDUCATION FUND - To account for continuing education classes provided through the University of New Mexico within the Estancia Valley. Funding is provided by tuition paid by students and a service contract with the University of New Mexico. Authority is NMSA 6-1-6.

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

COPS (COMMUNITY ORIENTED POLICING SERVICES) MORE GRANT FUND - To account for grant monies provided by the U.S. Department of Justice for making officer redeployment effective. The grant is to be used to fund an officer position. Authority is NMSA 6-1-6.

TROOPS TO COPS FUND - To account for grant monies provided by the U.S. Department of Justice to reimburse the county for expenses associated with the hiring of one veteran. Authority is NMSA 6-1-6.

UNIVERSAL HIRING GRANT FUND - To account for grant funds provided by the U.S. Department of Justice to hire additional officers for the Torrance County Sheriff's Department. Authority is NMSA 6-1-6.

SPECIAL REVENUE FUNDS, continued

LEGISLATIVE APPROPRIATIONS FUND - To account for appropriations from the State of New Mexico for capital outlay purchases of police vehicles for the Torrance County Sheriff's Department. Authority is NMSA 6-1-6.

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

FAIR BOARD FUND - To account for the proceeds and expenditures of a special gross receipts tax. The purpose of the tax is to fund the annual county fair. Authority is NMSA 6-1-6.

DR. SAUL SCHOLARSHIP FUND - To account for monies received on behalf of a local citizen, which proceeds are to be used for scholarships for County youth interested in the medical profession. Authority is NMSA 6-1-6.

U.S. FOREST CO-OP FUND - To account for funds received under a cooperative agreement with the U.S. Forest Service for police protection of Forest Service areas. Authority is NMSA 6-1-6.

LODGER'S TAX FUND - To account for funds received from the imposition of the lodger's tax on the overnight accommodations of area motels. Funds are to be used for the promotion of tourism-related activities. Authority is NMSA 6-1-6.

INTERDISCIPLINARY PROGRAM FUND - To account for a grant received to enhance training for health care in rural areas. Authority is NMSA 6-1-6.

DOMESTIC VIOLENCE FUND - To account for a grant from the U.S. Department of Justice to be used for the prevention of domestic violence. Authority is NMSA 6-1-6.

DRUG EDUCATION FUND - To account for a grant received from the U.S. Department of Justice to be used to educate people about the dangers of drug abuse. Authority is NMSA 6-1-6.

SAFETY PROGRAM FUND - To be used to account for fees received from the use of a separate dumping area (asbestos and construction). The proceeds are used in the County's safety program. Authority is NMSA 6-1-6.

RURAL ADDRESSING FUND - To account for the proceeds of a part of the 1/4% gross receipts tax, to be used to mark rural addresses for use by emergency personnel. Authority is NMSA 6-1-6.

ENERGY CONSERVATION - To account for funds which are used to update various fixed assets with more efficient units. Authority is NMSA 6-1-6.

LAW ENFORCEMENT BLOCK GRANT - To account for funds designated for law enforcement expenditures relating to training and equipping law enforcement personnel. Authority is NMSA 6-1-6.

SPECIAL REVENUE FUNDS, continued

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

HISTORIC PRESERVATION GRANT - To account for funds received from a grant to help preserve and store historic maps of the County.

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

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

SENIOR VEHICLES GRANT - To account for funds received through the State Agency on Aging pursuant to General Obligation Bonds (Chapter 87) Laws of 1998 issued, appropriated to purchase vehicles for the County Senior Citizen Center.

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

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

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

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

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

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue Funds
Combining Balance Sheet
June 30, 2000

	Road Fund	Farm and Range Fund	Recreation Fund	N.E. Torrance Fire District Fund	Torrance County District II Fire District Fund	Duran Fire District Fund
ASSETS						
Cash on deposit	\$ 58,998	\$ 938	\$ 893	\$ 45,664	\$ 56,598	\$ 42,281
Accounts receivable	37,035	-	-	-	-	-
Due from grantor	-	-	-	-	-	-
Total assets	\$ 96,033	\$ 938	\$ 893	\$ 45,664	\$ 56,598	\$ 42,281
LIABILITIES						
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	20,969	-	-	-	6,309	-
Deferred revenues	-	-	-	-	-	-
Total liabilities	20,969	-	-	-	6,309	-
FUND BALANCES						
Unreserved:						
Designated for subsequent year's expenditures	75,064	938	893	45,664	50,289	42,281
Total liabilities and fund equity	\$ 96,033	\$ 938	\$ 893	\$ 45,664	\$ 56,598	\$ 42,281

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue Funds
Combining Balance Sheet
June 30, 2000

	McIntosh Fire District Fund	Torreon- Tajique Fire District Fund	Law Enforcement Fund	County Indigent Fund	EMS Fund	Maternal Health Care Fund
ASSETS						
Cash on deposit	\$ 34,718	\$ 105,762	\$ -	\$ 1,716	\$ 295	\$ -
Accounts receivable	-	-	-	-	-	10,809
Due from grantor	-	-	-	-	-	-
Total assets	\$ 34,718	\$ 105,762	\$ -	\$ 1,716	\$ 295	\$ 10,809
LIABILITIES						
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,770
Accounts payable	3,670	613	-	19,112	-	16,862
Deferred revenues	-	-	-	-	-	-
Total liabilities	3,670	613	-	19,112	-	25,632
FUND BALANCES						
Unreserved:						
Designated for subsequent year's expenditures	31,048	105,149	-	(17,396)	295	(14,823)
Total liabilities and fund equity	\$ 34,718	\$ 105,762	\$ -	\$ 1,716	\$ 295	\$ 10,809

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue Funds
Combining Balance Sheet
June 30, 2000

	Senior Citizens Fund	Civil Defense Fund	DWI Grant Fund	Reappraisal Fund	Clerk's Equipment Fund	Medicaid Transportation Fund
ASSETS						
Cash on deposit	\$ -	\$ 7,824	\$ -	\$ 76,064	\$ 3,987	\$ 5,551
Accounts receivable	-	-	8,834	-	-	-
Due from grantor	<u>22,321</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 22,321</u>	<u>\$ 7,824</u>	<u>\$ 8,834</u>	<u>\$ 76,064</u>	<u>\$ 3,987</u>	<u>\$ 5,551</u>
LIABILITIES						
Cash overdraft	\$ 22,321	\$ -	\$ 52,595	\$ -	\$ -	\$ -
Accounts payable	-	-	1,640	-	-	-
Deferred revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>22,321</u>	<u>-</u>	<u>54,235</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Unreserved:						
Designated for subsequent year's expenditures	<u>-</u>	<u>7,824</u>	<u>(45,401)</u>	<u>76,064</u>	<u>3,987</u>	<u>5,551</u>
Total liabilities and fund equity	<u>\$ 22,321</u>	<u>\$ 7,824</u>	<u>\$ 8,834</u>	<u>\$ 76,064</u>	<u>\$ 3,987</u>	<u>\$ 5,551</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue Funds
Combining Balance Sheet
June 30, 2000

	Estancia Valley Continuing Education Fund	1/4% Fire Excise Tax Fund	Cops More Fund	Troops to Cops Fund	Universal Hiring Fund	Legislative Appropriations Fund
ASSETS						
Cash on deposit	\$ -	\$ 56,514	\$ -	\$ 1,100	\$ -	\$ -
Accounts receivable	-	-	-	-	62,931	-
Due from grantor	-	-	-	-	-	-
Total assets	\$ -	\$ 56,514	\$ -	\$ 1,100	\$ 62,931	\$ -
LIABILITIES						
Cash overdraft	\$ -	\$ -	\$ 3,002	\$ -	\$ 82,116	\$ 3,474
Accounts payable	-	-	-	-	-	-
Deferred revenues	-	-	-	1,100	-	-
Total liabilities	-	-	3,002	1,100	82,116	3,474
FUND BALANCES						
Unreserved:						
Designated for subsequent year's expenditures	-	56,514	(3,002)	-	(19,185)	(3,474)
Total liabilities and fund equity	\$ -	\$ 56,514	\$ -	\$ 1,100	\$ 62,931	\$ -

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue Funds
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	Emergency 911 Fund	Fair Board Fund	Dr. Saul Scholarship Fund	U.S. Forest Co-op Fund	Lodger's Tax Fund	Interdisciplinary Fund
ASSETS						
Cash on deposit	\$ -	\$ -	\$ 101	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-
Due from grantor	<u>6,703</u>	<u>-</u>	<u>-</u>	<u>6,024</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 6,703</u>	<u>\$ -</u>	<u>\$ 101</u>	<u>\$ 6,024</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES						
Cash overdraft	\$ 6,703	\$ -	\$ -	\$ 6,024	\$ 102	\$ -
Accounts payable	-	-	-	-	-	-
Deferred revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>6,703</u>	<u>-</u>	<u>-</u>	<u>6,024</u>	<u>102</u>	<u>-</u>
FUND BALANCES						
Unreserved:						
Designated for subsequent year's expenditures	<u>-</u>	<u>-</u>	<u>101</u>	<u>-</u>	<u>(102)</u>	<u>-</u>
Total liabilities and fund equity	<u>\$ 6,703</u>	<u>\$ -</u>	<u>\$ 101</u>	<u>\$ 6,024</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue Funds
Combining Balance Sheet
June 30, 2000

	Domestic Violence Fund	Drug Education Fund	Safety Program Fund	Rural Addressing Fund	Energy Conservation Fund	Law Enforcement Block Grant Fund
ASSETS						
Cash on deposit	\$ 9,986	\$ 15,166	\$ 9,344	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-
Due from grantor	-	-	-	-	-	7,582
Total assets	\$ 9,986	\$ 15,166	\$ 9,344	\$ -	\$ -	\$ 7,582
LIABILITIES						
Cash overdraft	\$ -	\$ -	\$ -	\$ 62,459	\$ 20,379	\$ 7,582
Accounts payable	556	-	-	-	-	-
Deferred revenues	-	-	-	-	-	-
Total liabilities	556	-	-	62,459	20,379	7,582
FUND BALANCES						
Unreserved:						
Designated for subsequent year's expenditures	9,430	15,166	9,344	(62,459)	(20,379)	-
Total liabilities and fund equity	\$ 9,986	\$ 15,166	\$ 9,344	\$ -	\$ -	\$ 7,582

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue Funds
Combining Balance Sheet
June 30, 2000

	Jail Fund	Historic Preservation Grant Fund	CDBG Grant Fund	Seniors Cash in Lieu Fund	Senior Vehicles Grant Fund	Estancia Water Basin Study Fund
ASSETS						
Cash on deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 655
Accounts receivable	23,616	-	-	-	-	-
Due from grantor	-	-	-	-	-	-
Total assets	\$ 23,616	\$ -	\$ -	\$ -	\$ -	\$ 655
LIABILITIES						
Cash overdraft	\$ 118,740	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	103,900	-	-	-	-	-
Deferred revenues	-	-	-	-	-	-
Total liabilities	222,640	-	-	-	-	-
FUND BALANCES						
Unreserved:						
Designated for subsequent year's expenditures	(199,024)	-	-	-	-	655
Total liabilities and fund equity	\$ 23,616	\$ -	\$ -	\$ -	\$ -	\$ 655

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue Funds
Combining Balance Sheet
June 30, 2000

	Traffic Safety Grant Fund	Options Grant Fund	Small Communities Grant Fund	Senior Employment Program Fund	Totals
ASSETS					
Cash on deposit	\$ -	\$ -	\$ -	\$ -	\$ 534,155
Accounts receivable	1,440	-	-	2,134	146,799
Due from grantor	-	1,239	742	-	44,611
Total assets	\$ 1,440	\$ 1,239	\$ 742	\$ 2,134	\$ 725,565
LIABILITIES					
Cash overdraft	\$ 1,754	\$ 1,239	\$ 742	\$ 1,421	\$ 399,423
Accounts payable	-	-	-	-	173,631
Deferred revenues	-	-	-	713	1,813
Total liabilities	1,754	1,239	742	2,134	574,867
FUND BALANCES					
Unreserved:					
Designated for subsequent year's expenditures	(314)	-	-	-	150,698
Total liabilities and fund equity	\$ 1,440	\$ 1,239	\$ 742	\$ 2,134	\$ 725,565

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue Funds
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	Road Fund	Farm and Range Fund	Recreation Fund	N.E. Torrance Fire District Fund	Torrance County District II Fire District Fund	Duran Fire District Fund
REVENUES						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local sources	10,180	-	-	-	22	-
State sources	477,388	-	-	31,459	31,883	29,498
State shared taxes	240,674	-	315	43,545	43,545	21,773
Federal sources	7,360	1,906	-	-	-	-
Earnings on investments	17,034	-	-	2,512	2,586	1,709
Total revenues	<u>752,636</u>	<u>1,906</u>	<u>315</u>	<u>77,516</u>	<u>78,036</u>	<u>52,980</u>
EXPENDITURES						
General government	-	23,000	-	-	-	-
Public safety	-	-	-	80,037	90,338	32,125
Highways and streets	953,984	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	250	-	-	-
Total expenditures	<u>953,984</u>	<u>23,000</u>	<u>250</u>	<u>80,037</u>	<u>90,338</u>	<u>32,125</u>
Excess (deficiency) of revenues over expenditures	<u>(201,348)</u>	<u>(21,094)</u>	<u>65</u>	<u>(2,521)</u>	<u>(12,302)</u>	<u>20,855</u>
Other financing sources (uses):						
Operating transfers in	76,676	17,326	851	-	-	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>76,676</u>	<u>17,326</u>	<u>851</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	<u>(124,672)</u>	<u>(3,768)</u>	<u>916</u>	<u>(2,521)</u>	<u>(12,302)</u>	<u>20,855</u>
Fund balance, beginning of year	<u>199,736</u>	<u>4,706</u>	<u>(23)</u>	<u>48,185</u>	<u>62,591</u>	<u>21,426</u>
Fund balance, end of year	<u>\$ 75,064</u>	<u>\$ 938</u>	<u>\$ 893</u>	<u>\$ 45,664</u>	<u>\$ 50,289</u>	<u>\$ 42,281</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
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	McIntosh Fire District Fund	Torreón- Tajique Fire District Fund	Law Enforcement Fund	County Indigent Fund	EMS Fund	Maternal Health Care Fund
REVENUES						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local sources	1,635	-	-	4,402	-	1,025
State sources	25,507	31,123	20,000	-	23,497	351,737
State shared taxes	52,013	21,773	-	211,508	-	-
Federal sources	-	-	-	-	-	33,975
Earnings on investments	1,884	3,624	-	-	-	-
Total revenues	81,039	56,520	20,000	215,910	23,497	386,737
EXPENDITURES						
General government	-	-	-	-	-	-
Public safety	98,279	33,868	20,000	-	18,145	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	235,957	-	354,219
Culture and recreation	-	-	-	-	-	-
Total expenditures	98,279	33,868	20,000	235,957	18,145	354,219
Excess (deficiency) of revenues over expenditures	(17,240)	22,652	-	(20,047)	5,352	32,518
Other financing sources (uses):						
Operating transfers in	5,467	-	-	-	-	-
Operating transfers out	-	-	-	-	(5,467)	-
Total other financing sources (uses)	5,467	-	-	-	(5,467)	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	(11,773)	22,652	-	(20,047)	(115)	32,518
Fund balance, beginning of year	42,821	82,497	-	2,651	410	(47,341)
Fund balance, end of year	\$ 31,048	\$ 105,149	\$ -	\$ (17,396)	\$ 295	\$ (14,823)

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
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	Senior Citizens Fund	Civil Defense Fund	DWI Grant Fund	Reappraisal Fund	Clerk's Equipment Fund	Medicaid Transportation Fund
REVENUES						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 19,670	\$ -
Local sources	27,561	-	-	21,253	-	-
State sources	126,790	5,986	235,493	-	-	-
State shared taxes	-	-	-	-	-	-
Federal sources	46,311	3,356	-	-	-	112,554
Earnings on investments	-	-	-	-	-	-
Total revenues	<u>200,662</u>	<u>9,342</u>	<u>235,493</u>	<u>21,253</u>	<u>19,670</u>	<u>112,554</u>
EXPENDITURES						
General government	-	-	-	42,288	18,395	-
Public safety	-	34,599	207,521	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	209,529	-	-	-	-	99,247
Culture and recreation	-	-	-	-	-	-
Total expenditures	<u>209,529</u>	<u>34,599</u>	<u>207,521</u>	<u>42,288</u>	<u>18,395</u>	<u>99,247</u>
Excess (deficiency) of revenues over expenditures	<u>(8,867)</u>	<u>(25,257)</u>	<u>27,972</u>	<u>(21,035)</u>	<u>1,275</u>	<u>13,307</u>
Other financing sources (uses):						
Operating transfers in	5,811	19,781	-	18,330	-	-
Operating transfers out	-	-	-	-	-	(5,811)
Total other financing sources (uses)	<u>5,811</u>	<u>19,781</u>	<u>-</u>	<u>18,330</u>	<u>-</u>	<u>(5,811)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	<u>(3,056)</u>	<u>(5,476)</u>	<u>27,972</u>	<u>(2,705)</u>	<u>1,275</u>	<u>7,496</u>
Fund balance, beginning of year	<u>3,056</u>	<u>13,300</u>	<u>(73,373)</u>	<u>78,769</u>	<u>2,712</u>	<u>(1,945)</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 7,824</u>	<u>\$ (45,401)</u>	<u>\$ 76,064</u>	<u>\$ 3,987</u>	<u>\$ 5,551</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue Funds
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	Estancia Valley Continuing Education Fund	1/4% Fire Excise Tax Fund	Cops More Grant Fund	Troops to Cops Fund	Universal Hiring Fund	Legislative Appropriations Fund
REVENUES						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local sources	-	27,183	-	-	-	-
State sources	-	-	-	-	-	112,041
State shared taxes	-	-	-	-	-	-
Federal sources	-	-	13,938	3,556	188,197	-
Earnings on investments	-	-	-	-	-	-
Total revenues	-	27,183	13,938	3,556	188,197	112,041
EXPENDITURES						
General government	-	-	-	-	-	-
Public safety	-	11,119	8,847	3,556	270,810	54,415
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	180	-	-	-	-	-
Total expenditures	180	11,119	8,847	3,556	270,810	54,415
Excess (deficiency) of revenues over expenditures	(180)	16,064	5,091	-	(82,613)	57,626
Other financing sources (uses):						
Operating transfers in	-	-	-	-	73,002	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	73,002	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	(180)	16,064	5,091	-	(9,611)	57,626
Fund balance, beginning of year	180	40,450	(8,093)	-	(9,574)	(61,100)
Fund balance, end of year	\$ -	\$ 56,514	\$ (3,002)	\$ -	\$ (19,185)	\$ (3,474)

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
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	Emergency 911 Fund	Fair Board Fund	Dr. Saul Scholarship Fund	U.S. Forest Co-op Fund	Lodger's Tax Fund	Interdisciplinary Fund
REVENUES						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local sources	-	-	334	-	1,867	800
State sources	2,038	-	-	-	-	-
State shared taxes	-	19,000	-	-	-	-
Federal sources	-	-	-	6,024	-	-
Earnings on investments	-	-	-	-	-	-
Total revenues	<u>2,038</u>	<u>19,000</u>	<u>334</u>	<u>6,024</u>	<u>1,867</u>	<u>800</u>
EXPENDITURES						
General government	-	-	-	-	-	-
Public safety	2,038	-	-	6,024	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	1,500	-	-	800
Culture and recreation	-	19,000	-	-	5,572	-
Total expenditures	<u>2,038</u>	<u>19,000</u>	<u>1,500</u>	<u>6,024</u>	<u>5,572</u>	<u>800</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(1,166)</u>	<u>-</u>	<u>(3,705)</u>	<u>-</u>
Other financing sources (uses):						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	<u>-</u>	<u>-</u>	<u>(1,166)</u>	<u>-</u>	<u>(3,705)</u>	<u>-</u>
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>1,267</u>	<u>-</u>	<u>3,603</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101</u>	<u>\$ -</u>	<u>\$ (102)</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue Funds
Combining Statement of Revenues, Expenditures
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	Domestic Violence Fund	Drug Education Fund	Safety Program Fund	Rural Addressing Fund	Energy Conservation Fund	Law Enforcement Block Grant Fund
REVENUES						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local sources	-	22,235	9,979	1,244	222	-
State sources	-	-	-	97,580	-	-
State shared taxes	-	-	-	21,773	-	-
Federal sources	153,207	-	-	-	-	18,320
Earnings on investments	-	-	-	-	-	-
Total revenues	<u>153,207</u>	<u>22,235</u>	<u>9,979</u>	<u>120,597</u>	<u>222</u>	<u>18,320</u>
EXPENDITURES						
General government	-	-	-	-	-	-
Public safety	-	-	4,862	100,158	-	19,394
Highways and streets	-	-	-	-	-	-
Health and welfare	139,181	16,335	-	-	23,095	-
Culture and recreation	-	-	-	-	-	-
Total expenditures	<u>139,181</u>	<u>16,335</u>	<u>4,862</u>	<u>100,158</u>	<u>23,095</u>	<u>19,394</u>
Excess (deficiency) of revenues over expenditures	<u>14,026</u>	<u>5,900</u>	<u>5,117</u>	<u>20,439</u>	<u>(22,873)</u>	<u>(1,074)</u>
Other financing sources (uses):						
Operating transfers in	-	-	64,188	-	14,048	1,074
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>64,188</u>	<u>-</u>	<u>14,048</u>	<u>1,074</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	<u>14,026</u>	<u>5,900</u>	<u>69,305</u>	<u>20,439</u>	<u>(8,825)</u>	<u>-</u>
Fund balance, beginning of year	<u>(4,596)</u>	<u>9,266</u>	<u>(59,961)</u>	<u>(82,898)</u>	<u>(11,554)</u>	<u>-</u>
Fund balance, end of year	<u>\$ 9,430</u>	<u>\$ 15,166</u>	<u>\$ 9,344</u>	<u>\$ (62,459)</u>	<u>\$ (20,379)</u>	<u>\$ -</u>

See accompanying notes to financial statements.

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	Jail Fund	Historic Preservation Grant Fund	CDBR Grant Fund	Seniors Cash in Lieu Fund	Senior Vehicles Grant Fund	Estancia Water Basin Study Fund
REVENUES						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local sources	27,365	-	-	-	-	475
State sources	39,855	902	-	-	139,768	-
State shared taxes	-	-	-	-	-	-
Federal sources	112,688	-	8,250	19,156	-	-
Earnings on investments	-	-	-	-	-	-
Total revenues	<u>179,908</u>	<u>902</u>	<u>8,250</u>	<u>19,156</u>	<u>139,768</u>	<u>475</u>
EXPENDITURES						
General government	-	-	-	-	-	-
Public safety	956,468	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	8,250	19,156	139,768	2,031
Culture and recreation	-	902	-	-	-	-
Total expenditures	<u>956,468</u>	<u>902</u>	<u>8,250</u>	<u>19,156</u>	<u>139,768</u>	<u>2,031</u>
Excess (deficiency) of revenues over expenditures	<u>(776,560)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,556)</u>
Other financing sources (uses):						
Operating transfers in	510,587	-	-	-	-	2,211
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>510,587</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,211</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	<u>(265,973)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>655</u>
Fund balance, beginning of year	<u>66,949</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ (199,024)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 655</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Year Ended June 30, 2000

Statement A-2
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	Traffic Safety Grant Fund	Options Grant Fund	Small Communities Grant Fund	Senior Employment Program Fund	Totals
REVENUES					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 19,670
Local sources	-	1,382	-	-	159,164
State sources	-	-	-	15,377	1,797,922
State shared taxes	-	-	-	-	675,919
Federal sources	27,328	-	9,934	-	766,060
Earnings on investments	-	-	-	-	29,349
Total revenues	<u>27,328</u>	<u>1,382</u>	<u>9,934</u>	<u>15,377</u>	<u>3,448,084</u>
EXPENDITURES					
General government	-	-	-	-	83,683
Public safety	24,128	1,382	9,934	-	2,088,047
Highways and streets	-	-	-	-	953,984
Health and welfare	-	-	-	15,377	1,264,445
Culture and recreation	-	-	-	-	25,904
Total expenditures	<u>24,128</u>	<u>1,382</u>	<u>9,934</u>	<u>15,377</u>	<u>4,416,063</u>
Excess (deficiency) of revenues over expenditures	<u>3,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(967,979)</u>
Other financing sources (uses):					
Operating transfers in	-	-	-	-	809,352
Operating transfers out	-	-	-	-	(11,278)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>798,074</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	<u>3,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(169,905)</u>
Fund balance, beginning of year	<u>(3,514)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>320,603</u>
Fund balance, end of year	<u>\$ (314)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,698</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Road Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 18,134	\$ 10,180	\$ (7,954)
State sources	458,447	458,867	420
State shared taxes	220,246	222,160	1,914
Federal sources	8,647	7,360	(1,287)
Earnings on investments	13,907	17,034	3,127
Total revenues	<u>\$ 719,381</u>	<u>\$ 715,601</u>	<u>\$ (3,780)</u>
EXPENDITURES			
Highways and streets	\$ 934,075	\$ 934,074	\$ 1
Total expenditures	<u>\$ 934,075</u>	<u>\$ 934,074</u>	<u>\$ 1</u>
Other Financing Sources			
Transfers in	<u>\$ 76,676</u>	<u>\$ 76,676</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>\$ 200,796</u>		

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Farm & Range Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ 968	\$ 1,906	\$ 938
Total revenues	<u>\$ 968</u>	<u>\$ 1,906</u>	<u>\$ 938</u>
EXPENDITURES			
General government	\$ 23,000	\$ 23,000	\$ -
Total expenditures	<u>\$ 23,000</u>	<u>\$ 23,000</u>	<u>\$ -</u>
Other Financing Sources			
Transfers in	<u>\$ 17,326</u>	<u>\$ 17,326</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>\$ 4,706</u>		

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Recreation Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State shared taxes	\$ 222	\$ 315	\$ 93
Total revenues	<u>\$ 222</u>	<u>\$ 315</u>	<u>\$ 93</u>
EXPENDITURES			
Culture and recreation	\$ 1,050	\$ 250	\$ 800
Total expenditures	<u>\$ 1,050</u>	<u>\$ 250</u>	<u>\$ 800</u>
Other Financing Sources			
Transfers in	<u>\$ 851</u>	<u>\$ 851</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Northeast Torrance Fire District Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State sources	\$ 27,338	\$ 31,459	\$ 4,121
State shared taxes	31,562	43,545	11,983
Earnings on investments	<u>1,701</u>	<u>2,512</u>	<u>811</u>
Total revenues	<u>\$ 60,601</u>	<u>\$ 77,516</u>	<u>\$ 16,915</u>
EXPENDITURES			
Public safety	\$ <u>102,972</u>	\$ <u>75,796</u>	\$ <u>27,176</u>
Total expenditures	<u>\$ 102,972</u>	<u>\$ 75,796</u>	<u>\$ 27,176</u>
BUDGETED CASH BALANCE	<u>\$ 42,371</u>		

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Torrance County District II Fire District Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ -	\$ 22	\$ 22
State sources	27,338	31,883	4,545
State shared taxes	35,282	43,545	8,263
Earnings on investments	3,708	2,586	(1,122)
Total revenues	<u>\$ 66,328</u>	<u>\$ 78,036</u>	<u>\$ 11,708</u>
EXPENDITURES			
Public safety	\$ 131,216	\$ 88,823	\$ 42,393
Total expenditures	<u>\$ 131,216</u>	<u>\$ 88,823</u>	<u>\$ 42,393</u>
BUDGETED CASH BALANCE	<u>\$ 64,888</u>		

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Duran Fire District Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State sources	\$ 27,338	\$ 29,498	\$ 2,160
State shared taxes	17,641	21,773	4,132
Earnings on investments	<u>2,661</u>	<u>1,709</u>	<u>(952)</u>
Total revenues	<u>\$ 47,640</u>	<u>\$ 52,980</u>	<u>\$ 5,340</u>
EXPENDITURES			
Public safety	\$ 64,698	\$ 27,884	\$ 36,814
Total expenditures	<u>\$ 64,698</u>	<u>\$ 27,884</u>	<u>\$ 36,814</u>
BUDGETED CASH BALANCE	<u>\$ 17,058</u>		

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - McIntosh Fire District Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ -	\$ 1,635	\$ 1,635
State sources	27,338	25,507	(1,831)
State shared taxes	35,282	52,013	16,731
Earnings on investments	2,200	1,884	(316)
Total revenues	<u>\$ 64,820</u>	<u>\$ 81,039</u>	<u>\$ 16,219</u>
EXPENDITURES			
Public safety	\$ 109,202	\$ 91,915	\$ 17,287
Total expenditures	<u>\$ 109,202</u>	<u>\$ 91,915</u>	<u>\$ 17,287</u>
Other Financing Sources			
Transfers in	<u>\$ 5,467</u>	<u>\$ 5,467</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>\$ 38,915</u>		

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Torreon-Tajique Fire District Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State sources	\$ 27,338	\$ 31,123	\$ 3,785
State shared taxes	17,641	21,773	4,132
Earnings on investments	<u>2,900</u>	<u>3,624</u>	<u>724</u>
Total revenues	<u>\$ 47,879</u>	<u>\$ 56,520</u>	<u>\$ 8,641</u>
EXPENDITURES			
Public safety	\$ 126,616	\$ 29,851	\$ 96,765
Total expenditures	<u>\$ 126,616</u>	<u>\$ 29,851</u>	<u>\$ 96,765</u>
BUDGETED CASH BALANCE	<u>\$ 78,737</u>		

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Law Enforcement Protection Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State sources	\$ 20,000	\$ 20,000	\$ -
Total revenues	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ -</u>
EXPENDITURES			
Public safety	\$ 20,000	\$ 20,000	\$ -
Total expenditures	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - County Indigent Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ -	\$ 4,402	\$ 4,402
State shared taxes	<u>221,136</u>	<u>211,508</u>	<u>(9,628)</u>
Total revenues	<u>\$ 221,136</u>	<u>\$ 215,910</u>	<u>\$ (5,226)</u>
EXPENDITURES			
Health and welfare	<u>\$ 224,320</u>	<u>\$ 223,499</u>	<u>\$ 821</u>
Total expenditures	<u>\$ 224,320</u>	<u>\$ 223,499</u>	<u>\$ 821</u>
BUDGETED CASH BALANCE	<u>\$ 3,184</u>		

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Emergency Medical Services Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State sources	\$ 23,559	\$ 23,497	\$ (62)
Total revenues	<u>\$ 23,559</u>	<u>\$ 23,497</u>	<u>\$ (62)</u>
EXPENDITURES			
Public safety	\$ 18,502	\$ 18,145	\$ 357
Total expenditures	<u>\$ 18,502</u>	<u>\$ 18,145</u>	<u>\$ 357</u>
Other Financing (Uses)			
Transfers out	<u>\$ (5,467)</u>	<u>\$ (5,467)</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>\$ 410</u>		

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Maternal Health Care Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ -	\$ 1,025	\$ 1,025
State sources	421,854	340,928	(80,926)
Federal sources	-	33,975	33,975
Total revenues	<u>\$ 421,854</u>	<u>\$ 375,928</u>	<u>\$ (45,926)</u>
EXPENDITURES			
Health and welfare	<u>\$ 421,854</u>	<u>\$ 400,253</u>	<u>\$ 21,601</u>
Total expenditures	<u>\$ 421,854</u>	<u>\$ 400,253</u>	<u>\$ 21,601</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Senior Citizens Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 34,000	\$ 27,561	\$ (6,439)
State sources	133,584	112,628	(20,956)
Federal sources	<u>48,061</u>	<u>46,661</u>	<u>(1,400)</u>
Total revenues	<u>\$ 215,645</u>	<u>\$ 186,850</u>	<u>\$ (28,795)</u>
EXPENDITURES			
Health and welfare	<u>\$ 225,307</u>	<u>\$ 223,405</u>	<u>\$ 1,902</u>
Total expenditures	<u>\$ 225,307</u>	<u>\$ 223,405</u>	<u>\$ 1,902</u>
Other Financing Sources			
Transfers in	<u>\$ 5,811</u>	<u>\$ 5,811</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>\$ 3,851</u>		

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Civil Defense Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 4,000	\$ -	\$ (4,000)
State sources	5,000	5,986	986
Federal sources	<u>15,000</u>	<u>17,959</u>	<u>2,959</u>
Total revenues	<u>\$ 24,000</u>	<u>\$ 23,945</u>	<u>\$ (55)</u>
EXPENDITURES			
Public safety	<u>\$ 43,349</u>	<u>\$ 35,782</u>	<u>\$ 7,567</u>
Total expenditures	<u>\$ 43,349</u>	<u>\$ 35,782</u>	<u>\$ 7,567</u>
Other Financing Sources			
Transfers in	<u>\$ 19,781</u>	<u>\$ 19,781</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - DWI Grant Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State sources	\$ 211,014	\$ 240,644	\$ 29,630
Total revenues	<u>\$ 211,014</u>	<u>\$ 240,644</u>	<u>\$ 29,630</u>
EXPENDITURES			
Public safety	\$ 211,014	\$ 210,768	\$ 246
Total expenditures	<u>\$ 211,014</u>	<u>\$ 210,768</u>	<u>\$ 246</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Reappraisal Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 24,494	\$ 21,253	\$ (3,241)
Total revenues	<u>\$ 24,494</u>	<u>\$ 21,253</u>	<u>\$ (3,241)</u>
EXPENDITURES			
General government	\$ 49,753	\$ 42,357	\$ 7,396
Total expenditures	<u>\$ 49,753</u>	<u>\$ 42,357</u>	<u>\$ 7,396</u>
Other Financing Sources			
Transfers in	<u>\$ 18,330</u>	<u>\$ 18,330</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>\$ 76,363</u>		

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Clerk's Equipment Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Charges for services	\$ 15,684	\$ 19,670	\$ 3,986
Total revenues	<u>\$ 15,684</u>	<u>\$ 19,670</u>	<u>\$ 3,986</u>
EXPENDITURES			
General government	\$ 16,843	\$ 16,843	\$ -
Total expenditures	<u>\$ 16,843</u>	<u>\$ 16,843</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>\$ 1,159</u>		

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Medicaid Transportation Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Federal sources	\$ 132,558	\$ 112,554	\$ (20,004)
Total revenues	<u>\$ 132,558</u>	<u>\$ 112,554</u>	<u>\$ (20,004)</u>
EXPENDITURES			
Health and welfare	\$ 132,558	\$ 103,215	\$ 29,343
Total expenditures	<u>\$ 132,558</u>	<u>\$ 103,215</u>	<u>\$ 29,343</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Estancia Valley Continuing Education Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services	\$ -	\$ -	\$ -
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES			
Culture and recreation	\$ 180	\$ 180	\$ -
Total expenditures	<u>\$ 180</u>	<u>\$ 180</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>\$ 180</u>		

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - 1/4% Fire Excise Tax Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 23,087	\$ 27,183	\$ 4,096
Total revenues	<u>\$ 23,087</u>	<u>\$ 27,183</u>	<u>\$ 4,096</u>
EXPENDITURES			
Public safety	\$ 63,325	\$ 11,542	\$ 51,783
Total expenditures	<u>\$ 63,325</u>	<u>\$ 11,542</u>	<u>\$ 51,783</u>
BUDGETED CASH BALANCE	<u>\$ 40,238</u>		

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Cops More Grant Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ 17,259	\$ 13,938	\$ (3,321)
Total revenues	<u>\$ 17,259</u>	<u>\$ 13,938</u>	<u>\$ (3,321)</u>
EXPENDITURES			
Public safety	\$ 17,259	\$ 8,847	\$ 8,412
Total expenditures	<u>\$ 17,259</u>	<u>\$ 8,847</u>	<u>\$ 8,412</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Troops to Cops Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ 5,395	\$ 4,656	\$ (739)
Total revenues	<u>\$ 5,395</u>	<u>\$ 4,656</u>	<u>\$ (739)</u>
EXPENDITURES			
Public safety	\$ 5,395	\$ 3,556	\$ 1,839
Total expenditures	<u>\$ 5,395</u>	<u>\$ 3,556</u>	<u>\$ 1,839</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Universal Hiring Grant Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ 310,975	\$ 188,197	\$ (122,778)
Total revenues	<u>\$ 310,975</u>	<u>\$ 188,197</u>	<u>\$ (122,778)</u>
EXPENDITURES			
Public safety	\$ 310,975	\$ 270,810	\$ 40,165
Total expenditures	<u>\$ 310,975</u>	<u>\$ 270,810</u>	<u>\$ 40,165</u>
Other Financing Sources			
Transfers in	<u>\$ 73,002</u>	<u>\$ 73,002</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Legislative Appropriations Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State sources	\$ 218,396	\$ 112,041	\$ (106,355)
Total revenues	<u>\$ 218,396</u>	<u>\$ 112,041</u>	<u>\$ (106,355)</u>
EXPENDITURES			
Public safety	\$ 157,296	\$ 54,415	\$ 102,881
Total expenditures	<u>\$ 157,296</u>	<u>\$ 54,415</u>	<u>\$ 102,881</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Emergency 911 Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State sources	\$ 2,500	\$ -	\$ (2,500)
Total revenues	<u>\$ 2,500</u>	<u>\$ -</u>	<u>\$ (2,500)</u>
EXPENDITURES			
Public safety	\$ 2,500	\$ 2,038	\$ 462
Total expenditures	<u>\$ 2,500</u>	<u>\$ 2,038</u>	<u>\$ 462</u>

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Fair Board Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

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

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Dr. Saul Scholarship Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 330	\$ 334	\$ 4
Total revenues	<u>\$ 330</u>	<u>\$ 334</u>	<u>\$ 4</u>
EXPENDITURES			
Health and welfare	\$ 1,597	\$ 1,500	\$ 97
Total expenditures	<u>\$ 1,597</u>	<u>\$ 1,500</u>	<u>\$ 97</u>
BUDGETED CASH BALANCE	<u>\$ 1,267</u>		

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - U.S. Forest Co-op Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ 9,400	\$ 996	\$ (8,404)
Total revenues	<u>\$ 9,400</u>	<u>\$ 996</u>	<u>\$ (8,404)</u>
EXPENDITURES			
Public safety	\$ 9,400	\$ 6,024	\$ 3,376
Total expenditures	<u>\$ 9,400</u>	<u>\$ 6,024</u>	<u>\$ 3,376</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Lodger's Tax Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 2,000	\$ 1,867	\$ (133)
Total revenues	<u>\$ 2,000</u>	<u>\$ 1,867</u>	<u>\$ (133)</u>
EXPENDITURES			
Culture and recreation	\$ 2,000	\$ 1,867	\$ 133
Total expenditures	<u>\$ 2,000</u>	<u>\$ 1,867</u>	<u>\$ 133</u>
BUDGETED CASH BALANCE	<u>\$ 3,603</u>		

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Interdisciplinary Program Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 800	\$ 800	\$ -
Total revenues	<u>\$ 800</u>	<u>\$ 800</u>	<u>\$ -</u>
EXPENDITURES			
Health and welfare	\$ 800	\$ 800	\$ -
Total expenditures	<u>\$ 800</u>	<u>\$ 800</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Domestic Violence Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ 234,000	\$ 153,207	\$ (80,793)
Total revenues	<u>\$ 234,000</u>	<u>\$ 153,207</u>	<u>\$ (80,793)</u>
EXPENDITURES			
Health and welfare	\$ 234,000	\$ 139,870	\$ 94,130
Total expenditures	<u>\$ 234,000</u>	<u>\$ 139,870</u>	<u>\$ 94,130</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Drug Education Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 11,000	\$ 22,235	\$ 11,235
Total revenues	<u>\$ 11,000</u>	<u>\$ 22,235</u>	<u>\$ 11,235</u>
EXPENDITURES			
Health and welfare	\$ 16,865	\$ 16,335	\$ 530
Total expenditures	<u>\$ 16,865</u>	<u>\$ 16,335</u>	<u>\$ 530</u>
BUDGETED CASH BALANCE	<u>\$ 6,266</u>		

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Safety Program Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 6,400	\$ 9,979	\$ 3,579
Total expenditures	<u>\$ 6,400</u>	<u>\$ 9,979</u>	<u>\$ 3,579</u>
EXPENDITURES			
Public safety	\$ 13,280	\$ 5,262	\$ 8,018
Total revenues	<u>\$ 13,280</u>	<u>\$ 5,262</u>	<u>\$ 8,018</u>
Other Financing Sources			
Operating transfers in	<u>\$ 66,441</u>	<u>\$ 64,188</u>	<u>\$ (2,253)</u>
BUDGETED CASH BALANCE	<u>\$ 6,880</u>		

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Rural Addressing Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 250	\$ 1,244	\$ 994
State sources	236,000	97,580	(138,420)
State shared taxes	<u>19,363</u>	<u>21,773</u>	<u>2,410</u>
Total revenues	<u>\$ 255,613</u>	<u>\$ 120,597</u>	<u>\$ (135,016)</u>
EXPENDITURES			
Public safety	<u>\$ 181,596</u>	<u>\$ 113,895</u>	<u>\$ 67,701</u>
Total expenditures	<u>\$ 181,596</u>	<u>\$ 113,895</u>	<u>\$ 67,701</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Energy Conservation Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 16,000	\$ 223	\$ (15,777)
Total revenues	<u>\$ 16,000</u>	<u>\$ 223</u>	<u>\$ (15,777)</u>
EXPENDITURES			
Health and welfare	\$ 23,095	\$ 23,095	\$ -
Total expenditures	<u>\$ 23,095</u>	<u>\$ 23,095</u>	<u>\$ -</u>
Other Financing Sources			
Transfers in	<u>\$ 14,048</u>	<u>\$ 14,048</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Law Enforcement Block Grant Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ 21,189	\$ 10,738	\$ (10,451)
Total revenues	<u>\$ 21,189</u>	<u>\$ 10,738</u>	<u>\$ (10,451)</u>
EXPENDITURES			
Public safety	\$ 23,423	\$ 19,394	\$ 4,029
Total expenditures	<u>\$ 23,423</u>	<u>\$ 19,394</u>	<u>\$ 4,029</u>
Other Financing Sources			
Transfers in	<u>\$ 2,234</u>	<u>\$ 1,074</u>	<u>\$ (1,160)</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Jail Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 19,413	\$ 21,205	\$ 1,792
State sources	55,619	39,855	(15,764)
Federal sources	200,000	95,232	(104,768)
Total revenues	<u>\$ 275,032</u>	<u>\$ 156,292</u>	<u>\$ (118,740)</u>
EXPENDITURES			
Public safety	<u>\$ 852,568</u>	<u>\$ 852,568</u>	<u>\$ -</u>
Total expenditures	<u>\$ 852,568</u>	<u>\$ 852,568</u>	<u>\$ -</u>
Other Financing Sources			
Transfers in	<u>\$ 510,587</u>	<u>\$ 510,587</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>\$ 66,949</u>		

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Historic Preservation Grant Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State sources	\$ 1,010	\$ 902	\$ (108)
Total revenues	<u>\$ 1,010</u>	<u>\$ 902</u>	<u>\$ (108)</u>
EXPENDITURES			
Culture and recreation	\$ 1,010	\$ 902	\$ 108
Total expenditures	<u>\$ 1,010</u>	<u>\$ 902</u>	<u>\$ 108</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - CDBG Grant Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Federal sources	\$ 325,000	\$ 8,250	\$ (316,750)
Total revenues	<u>\$ 325,000</u>	<u>\$ 8,250</u>	<u>\$ (316,750)</u>
EXPENDITURES			
Health and welfare	\$ 325,000	\$ 8,250	\$ 316,750
Total expenditures	<u>\$ 325,000</u>	<u>\$ 8,250</u>	<u>\$ 316,750</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Seniors Cash in Lieu Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ 20,000	\$ 19,156	\$ (844)
Total revenues	<u>\$ 20,000</u>	<u>\$ 19,156</u>	<u>\$ (844)</u>
EXPENDITURES			
Health and welfare	\$ 20,000	\$ 19,156	\$ 844
Total expenditures	<u>\$ 20,000</u>	<u>\$ 19,156</u>	<u>\$ 844</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Senior Vehicles Grant Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State sources	\$ 143,659	\$ 139,768	\$ (3,891)
Total revenues	<u>\$ 143,659</u>	<u>\$ 139,768</u>	<u>\$ (3,891)</u>
EXPENDITURES			
Health and welfare	\$ 143,659	\$ 139,768	\$ 3,891
Total expenditures	<u>\$ 143,659</u>	<u>\$ 139,768</u>	<u>\$ 3,891</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Estancia Basin Water Study Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ -	\$ 475	\$ 475
Total revenues	<u>\$ -</u>	<u>\$ 475</u>	<u>\$ 475</u>
EXPENDITURES			
Health and welfare	\$ 2,211	\$ 2,031	\$ 180
Total expenditures	<u>\$ 2,211</u>	<u>\$ 2,031</u>	<u>\$ 180</u>
Other Financing Sources			
Transfers in	<u>\$ 2,211</u>	<u>\$ 2,211</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Traffic Safety Grant Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ 34,430	\$ 25,889	\$ (8,541)
Total revenues	<u>\$ 34,430</u>	<u>\$ 25,889</u>	<u>\$ (8,541)</u>
EXPENDITURES			
Public safety	\$ 34,430	\$ 24,128	\$ 10,302
Total expenditures	<u>\$ 34,430</u>	<u>\$ 24,128</u>	<u>\$ 10,302</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Options Grant Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 4,100	\$ -	\$ (4,100)
Total revenues	<u>\$ 4,100</u>	<u>\$ -</u>	<u>\$ (4,100)</u>
EXPENDITURES			
Public safety	\$ 4,100	\$ 1,382	\$ 2,718
Total expenditures	<u>\$ 4,100</u>	<u>\$ 1,382</u>	<u>\$ 2,718</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Small Communities Grant Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ 9,934	\$ 9,192	\$ (742)
Total revenues	<u>\$ 9,934</u>	<u>\$ 9,192</u>	<u>\$ (742)</u>
EXPENDITURES			
Public safety	\$ 9,934	\$ 9,934	\$ -
Total expenditures	<u>\$ 9,934</u>	<u>\$ 9,934</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Special Revenue - Senior Employment Program Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State sources	\$ 16,170	\$ 13,956	\$ (2,214)
Total revenues	<u>\$ 16,170</u>	<u>\$ 13,956</u>	<u>\$ (2,214)</u>
EXPENDITURES			
Health and welfare	\$ 16,170	\$ 15,377	\$ 793
Total expenditures	<u>\$ 16,170</u>	<u>\$ 15,377</u>	<u>\$ 793</u>

See accompanying notes to financial statements.

DEBT SERVICE FUNDS

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

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

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Debt Service Funds
Combining Balance Sheet
June 30, 2000

	General Obligation Bond	Environmental Revenue Bond	Totals
ASSETS			
Cash on deposit	\$ 131,038	\$ -	\$ 131,038
Total assets	<u>\$ 131,038</u>	<u>\$ -</u>	<u>\$ 131,038</u>
FUND BALANCE			
Reserved for Debt Service	\$ 131,038	\$ -	\$ 131,038
Total fund balance	<u>\$ 131,038</u>	<u>\$ -</u>	<u>\$ 131,038</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Debt Service Fund
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Year Ended June 30, 2000

	General Obligation Bond	Environmental Revenue Bond	Totals
REVENUES			
Local sources	\$ 170,474	\$ 36,926	\$ 207,400
Total revenues	<u>170,474</u>	<u>36,926</u>	<u>207,400</u>
EXPENDITURES			
Principal paid	135,000	45,000	180,000
Interest paid	<u>45,410</u>	<u>2,436</u>	<u>47,846</u>
Total expenditures	<u>180,410</u>	<u>47,436</u>	<u>227,846</u>
Excess (deficiency) of revenues over expenditures	(9,936)	(10,510)	(20,446)
Other financing sources (uses)			
Operating transfer out	<u>-</u>	<u>(64,188)</u>	<u>(64,188)</u>
Excess (deficiency) of revenues over expenditures and other financing (uses)	(9,936)	(74,698)	(84,634)
Fund balance, beginning of year	<u>140,974</u>	<u>74,698</u>	<u>215,672</u>
Fund balance, end of year	<u>\$ 131,038</u>	<u>\$ -</u>	<u>\$ 131,038</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Debt Service Fund - General Obligation Bond
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Local sources	\$ 207,676	\$ 170,474	\$ (37,202)
Total revenues	<u>\$ 207,676</u>	<u>\$ 170,474</u>	<u>\$ (37,202)</u>
EXPENDITURES			
Principal paid	\$ 135,000	\$ 135,000	\$ -
Interest paid	<u>45,410</u>	<u>45,410</u>	<u>-</u>
Total expenditures	<u>\$ 180,410</u>	<u>\$ 180,410</u>	<u>\$ -</u>

See accompanying notes to financial statements.

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Local sources	\$ 84,528	\$ 36,926	\$ (47,602)
Total revenues	<u>\$ 84,528</u>	<u>\$ 36,926</u>	<u>\$ (47,602)</u>
EXPENDITURES			
Principal paid	\$ 45,000	\$ 45,000	\$ -
Interest paid	<u>14,438</u>	<u>2,436</u>	<u>12,002</u>
Total expenditures	<u>\$ 59,438</u>	<u>\$ 47,436</u>	<u>\$ 12,002</u>
Other Financing (Uses)			
Operating transfer out	<u>\$ (66,441)</u>	<u>\$ (64,188)</u>	<u>\$ 2,253</u>
BUDGETED CASH BALANCE	<u>\$ 74,699</u>		

See accompanying notes to financial statements.

AGENCY FUNDS

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

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

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

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

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

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

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

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

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
Year Ended June 30, 2000

	Balances June 30, 1999	Additions	Deletions	Balances June 30, 2000
ASSETS				
Cash on deposit	\$ 120,760	\$ 11,106,225	\$ 10,483,171	\$ 743,814
Total assets	<u>\$ 120,760</u>	<u>\$ 11,106,225</u>	<u>\$ 10,483,171</u>	<u>\$ 743,814</u>
LIABILITIES				
Deposits held for others				
Childrens Trust Fund	\$ 250	\$ 1,560	\$ 1,650	\$ 160
Treasurer-Undistributed Taxes	74,773	2,310,981	2,302,180	83,574
Treasurer-Overpayment of Taxes	1,769	21,783	21,621	1,931
Treasurer-Taxes Paid in Advance	40,172	-	3,375	36,797
Federal Prisoner Agreement	-	6,684,220	6,272,230	411,990
State Prisoner Agreement	-	2,064,522	1,857,915	206,607
Cost to State/Penalty and Interest	3,796	23,159	24,200	2,755
Total liabilities	<u>\$ 120,760</u>	<u>\$ 11,106,225</u>	<u>\$ 10,483,171</u>	<u>\$ 743,814</u>

See accompanying notes to financial statements.

ACCOUNT GROUPS

Statement D-1

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Statement of Changes in General Fixed Assets
Year Ended June 30, 2000

	Balances June 30, 1999	Additions	Deletions	Balances June 30, 2000
General Fixed Assets:				
Land	\$ 60,741	\$ -	\$ -	\$ 60,741
Right of way	21,084	-	-	21,084
Building and improvements	1,961,518	203,264	-	2,164,782
Furniture, fixtures and equipment	<u>4,715,704</u>	<u>685,170</u>	<u>-</u>	<u>5,400,874</u>
Total	<u>\$ 6,759,047</u>	<u>\$ 888,434</u>	<u>\$ -</u>	<u>\$ 7,647,481</u>
Investment in General Fixed Assets:				
Acquisition prior to June 30, 1985 not identifiable by source	\$ 822,432	\$ -	\$ -	\$ 822,432
General Fund	1,897,994	171,166	-	2,069,160
Special Revenue Fund	3,379,865	549,191	-	3,929,056
Capital Projects Fund	<u>658,756</u>	<u>168,077</u>	<u>-</u>	<u>826,833</u>
Total	<u>\$ 6,759,047</u>	<u>\$ 888,434</u>	<u>\$ -</u>	<u>\$ 7,647,481</u>

See accompanying notes to financial statements.

Statement D-2

STATE OF NEW MEXICO
COUNTY OF TORRANCE
General Long-Term Debt
Statement of Changes in General Long-Term Debt
Year Ended June 30, 2000

	Balances June 30, 1999	Additions	Deletions	Balances June 30, 2000
Amount available in debt service funds	\$ 215,673	\$ 207,400	\$ 292,035	\$ 131,038
Amount to be provided for retirement of general long-term debt	<u>2,012,479</u>	<u>-</u>	<u>663,287</u>	<u>1,349,192</u>
Total	<u>\$ 2,228,152</u>	<u>\$ 207,400</u>	<u>\$ 955,322</u>	<u>\$ 1,480,230</u>
Capital leases payable	\$ 881,224	\$ 112,441	\$ 375,697	\$ 617,968
Revenue bonds payable	210,000	-	210,000	-
General obligation bonds	955,000	-	255,000	700,000
Notes payable	119,000	-	7,000	112,000
Accrued compensated absences payable	<u>62,928</u>	<u>-</u>	<u>12,666</u>	<u>50,262</u>
Total	<u>\$ 2,228,152</u>	<u>\$ 112,441</u>	<u>\$ 860,363</u>	<u>\$ 1,480,230</u>

See accompanying notes to financial statements.

SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2000

Originating Funding Source and Program	Pass Through Number	Catalog of Federal Domestic Assistance Number	Federal Expenditures
<u>U.S. Department of the Interior</u>			
Bureau of Land Management			
*Payments in Lieu of Taxes (PILT)	-	15.226	\$ 104,772
Bankhead-Jones	-	15.000	7,360
Taylor Grazing Act	-	15.000	1,906
Total Department of the Interior			<u>114,038</u>
<u>U.S. Department of Agriculture</u>			
Cibola National Forest	00-LE-11-030300		
	-003	10.000	4,206
Cibola National Forest	99-3-LE-03-008	10.000	1,818
Passed Through North Central New Mexico Economic Development District Area on Aging:			
Cash in Lieu of Commodities	-	10.570	<u>19,156</u>
Total Department of Agriculture			<u>25,180</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed through New Mexico Local Government Division:			
Community Development Block Grant	99-C-RS-I-3-G-08	14.218	<u>8,250</u>
<u>U.S. Department of Justice</u>			
Local Law Enforcement Block Grant (LLEBG)	1999-LB-VX-7933	16.592	7,582
Local Law Enforcement Block Grant (LLEBG)	1999-LB-VX-6503	16.592	10,738
COPS MORE	96CMWX0837	16.710	6,636
TROOPS TO COPS	1999TCWX0160	16.711	4,656
COPS Small Communities Grant Program	98-CG-WX-0294	16.710	9,934
*COPS Universal Hiring Supplemental Award	95CFWX4761	16.710	202,224
*Domestic Violence and Child Victimization Enforcement	97-WR-VX-0021	16.589	<u>140,344</u>
Total U.S. Department of Justice			<u>382,114</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through Medical Assistance Division			
Medicaid Transportation	-	93.778	112,411
Passed through New Mexico Department of Health			
Families First Program	-	93.000	<u>37,270</u>
Total U.S. Department of Health and Human Services			<u>149,681</u>
<u>Federal Emergency Management Agency</u>			
Passed through the State of New Mexico			
Department of Public Safety	-	83.007	<u>17,959</u>
<u>U.S. Department of Labor</u>			
Passed through New Mexico State Department of Labor			
Job Training Partnership Act (JTPA)	-	17.250	<u>3,380</u>
<u>U.S. Department of Transportation</u>			
Passed through NM State Highway and Transportation Department:			
Occupant Protection Grant	-	20.602	12,448
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	-	20.605	5,888
Safety Incentive Grants for Use of Seatbelts	-	20.604	<u>5,760</u>
Total U.S. Department of Transportation			<u>24,096</u>
<u>"Other Federal Financial Assistance"</u>			
United States Marshall CCA Adminsitration Fee	-		<u>95,232</u>
Total Expenditures of Federal Awards			<u>\$ 819,930</u>

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2000

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Accounting

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

2. Non-Cash Assistance

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

3. Subrecipients

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

*Treated as a Major Program

AUDITING
BOOKKEEPING

Rice and Associates, C.P.A.
CERTIFIED PUBLIC ACCOUNTANTS
11805 Menaul NE
Albuquerque, NM 87112
(505) 292-8275

TAX PLANNING
TAX PREPARATION

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

Mr. Domingo P. Martinez, CGFM
New Mexico State Auditor
and

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

We have audited the general-purpose financial statements and the combining and individual fund and account group financial statements of the County of Torrance (County) as of and for the year ended June 30, 2000, and have issued our report thereon dated July 9, 2001, in which we qualify the opinion due to a lack of detailed records for certain of the fixed assets of the General Fixed Assets Account Group and, because the Attorney General's Office is seeking \$269,905 in funds resulting from potential errors in the Medicaid Transportation Fund. Except for the preceding, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect of the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying Schedule of Findings and Questioned Costs as items: 96-01, 97-22, 00-01, 00-04, 00-05 and 00-06.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the County's

ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as the following items: 96-01, 97-22, 00-01, 00-02, 00-03, 00-04, 00-05 and 00-06.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider the following items to be material weaknesses: 96-01, 97-22, 00-04 and 00-05.

This report is intended solely for the information of the County's management, the New Mexico State Legislature, the New Mexico State Auditor and the Department of Finance and Administration and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Rico & Associates, C.P.A.

July 9, 2001

AUDITING
BOOKKEEPING

Rice and Associates, C.P.A.
CERTIFIED PUBLIC ACCOUNTANTS
11805 Menaul NE
Albuquerque, NM 87112
(505) 292-8275

TAX PLANNING
TAX PREPARATION

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

Mr. Domingo P. Martinez, CGFM
New Mexico State Auditor
and

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

Compliance

We have audited the compliance of the County of Torrance (County) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal program for the year ended June 30, 2000. The County's major federal programs are identified in the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs are the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

As described in items 96-01, 97-22, 00-04 and 00-05 in the accompanying Schedule of Findings and Questioned Costs, the County did not comply with requirements regarding accounting for federal grants, including fixed assets accounting, reporting and procurement, that are applicable to its major program. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures or the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the County's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as the following items: 96-01, 97-22, 00-04 and 00-05.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider the following items to be material weaknesses: 96-01, 97-22, 00-04 and 00-05.

This report is intended solely for the information of the County's management, the New Mexico State Legislature, the New Mexico State Auditor and the Department of Finance and Administration, the Federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Ried & Associates, C.P.A.

July 9, 2001

STATUS OF COMMENTS

Prior Year Audit Findings:

1. Fixed Assets - (96-01) - Repeated.
2. Review of Disbursement Vouchers Prior to Payment - (97-01) - Resolved.
3. User Access/Password Security - (97-06) - Resolved.
4. Transfer of Funds From Indigent Fund - (97-10) - Resolved.
5. Interest Earned on Bank Deposits - (97-16) - Resolved.
6. Enterprise Fund - Negative Cash Balance - (97-21) - Resolved.
7. Grant Reimbursements - (97-22) - Repeated but modified as Receipt of Grant Monies.

Current Year Audit Findings:

1. County's Matching Share - (00-01)
2. Payroll Classifications - (00-02)
3. Multiple Programs in One Fund - (00-03)
4. Medicaid Reimbursement Requests - (00-04)
5. Medicaid Transportation Logs - (00-05)
6. Coding of Receipts - (00-06)
7. Late Audit Report - (00-07)

Fixed Assets
(96-01)

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

Receipt of Grant Monies
(97-22)

CONDITION	The County has not received all grant monies owed to them.
CRITERIA	The County should ensure that all monies owed and receivable be collected within a reasonable time period.
CAUSE	An employee has not been assigned the task of collecting any monies due.
EFFECT	Grant monies could be lost because grant periods have lapsed.
RECOMMENDATION	An employee should be assigned the duties of collecting monies owed.
RESPONSE	The Assistant County Manager and the Financial Analyst will be closely monitoring the grant funds and will be dealing with the individual departments to insure that all grant funds are collected in a timely manner.

County's - Matching Share
(00-01)

CONDITION	The County is not recording/transferring their matching share of funds for certain grant programs, thus creating a negative cash balance.
CRITERIA	The County should budget and transfer all grant monies so that cash deficits are not created.
CAUSE	An employee has not been assigned the duty of investigating these cash deficits or ensuring that the County share has been transferred.
EFFECT	Negative cash balances are created.
RECOMMENDATION	We recommend that one employee be assigned the duties of ensuring all County matching monies have been correctly transferred so as to eliminate cash overdrafts.
RESPONSE	The County will designate someone to monitor and correct this problem.

Payroll Classifications
(00-02)

CONDITION

Salaries for certain employees are not always charged to the correct fund.

CRITERIA

Salaries for all employees should be budgeted for in the fund designated and then charged as an expenditure as it is earned.

CAUSE

The different departments are not specifying exactly where each persons salary (or overtime) should be charged.

EFFECT

Funds are paying for employee salaries that are not budgeted or funded to do so. In reverse the fund that should be charged is not receiving the budgeted grant monies because they are not expending the salaries from that fund.

RECOMMENDATION

Each department should provide detailed accurate records to the payroll department so that each employee's salary will be charged correctly.

RESPONSE

New timesheets have been implemented so each department can property designate where overtime is to be charged. Regular salaries are designated on payroll change notices.

Multiple Programs in One Fund
(00-03)

CONDITION	The Traffic Safety Fund has several different grant programs funding it. The County has not provided sub-accounts (as in the Seniors Fund) to "break out" each grant programs revenues and expenditures.
CRITERIA	If multiple sources of revenue are received to fund a program, sub-accounts should be used.
CAUSE	The Business Office was not aware that there were several different grants funding this program.
EFFECT	Reimbursements may not be received because the expenditures are not shown or reported in the correct grant/program.
RECOMMENDATION	Management should create sub-accounts to ensure the correct expenditures and revenues are recorded under the correct grant/program.
RESPONSE	Management will create sub-accounts in the Traffic Safety Fund to provide accurate tracking and accounting in accordance with the grant agreement.

Medicaid Reimbursement Requests
(00-04)

CONDITION	Medicaid reimbursements were overstated due to the travel logs being misstated.
CRITERIA	All reimbursement requests should be created using correct supporting documents.
CAUSE	The underlying documents used to create these reimbursements were either non-existent or incorrect.
EFFECT	The County received payments not actually earned.
RECOMMENDATION	All reimbursement requests (and supporting documents) should be reviewed by the County Managers Office before submission.
RESPONSE	Policies and procedures are being promulgated to handle this problem.

Medicaid Transportation Logs
(00-05)

CONDITION	Medicaid transportation logs were created using incorrect mileage distances.
CRITERIA	All Medicaid transportation logs should use actual miles driven or map miles.
CAUSE	The Medicaid transportation logs were created using incorrect mileage distances.
EFFECT	Total miles used on reimbursement claims was exaggerated creating an overpayment to the County.
RECOMMENDATION	All Medicaid transportation logs should be reviewed by the County Managers Office before reimbursement requests are created and submitted.
RESPONSE	Policies and procedures are being promulgated to handle this problem.

Coding of Receipts
(00-06)

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

STATE OF NEW MEXICO
COUNTY OF TORRANCE
Schedule of Findings and Questioned Costs
Year Ended June 30, 2000

Part 1 - Summary of Auditor Results

1. Type of Report - Qualified
2. Reportable Conditions - 96-01, 97-22, 00-01, 00-02, 00-03, 00-04, 00-05 and 00-06
3. Non-Compliance - 96-01, 97-22, 00-01, 00-04, 00-05 and 00-06
4. Reportable Conditions Over Major Programs - 97-22, 00-04 and 00-05
5. Type of Report Issued on Compliance with the Major Program
- Qualified
6. Audit Findings - 96-01, 97-22, 00-04 and 00-05
7. Major Programs - Payments in Lieu of Taxes (PILT), CFDA #15.226, Universal Hiring Grant, CFDA #16.710, Domestic Violence Grant, CFDA #16.589.
8. Dollar Threshold Used to Distinguish Type A and Type B Programs - \$300,000
9. The County of Torrance did not qualify as a low-risk auditee.

Part 2 - Findings

1. Audit Findings - 97-22, 00-04 and 00-05

Part 3 - Questioned

1. Medical Assistance Program \$112,411

Part 4 - State Auditor Required Comments

1. Late Audit Report 00-07

