

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

**For the Year Ended June 30, 2002**  
**(With Auditor's Report Thereon)**

**STATE OF NEW MEXICO**  
**COUNTY OF TORRANCE**  
**AUDIT REPORT**

STATE OF NEW MEXICO

COUNTY OF TORRANCE

AUDIT REPORT

For The Year Ended June 30, 2002

(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, 2002

COUNTY COMMISSION

<u>Name</u>	<u>Title</u>
Mr. Bill R. Williams	Chairman
Mr. Douglas Johnston	Commissioner
Mr. Chester Riley, Jr.	Commissioner

ELECTED OFFICIALS

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

ADMINISTRATIVE OFFICIALS

Mr. Bob Ayre	County Manager
Ms. Tracy Sedillo	Assistant County Manager
Ms. Shawna Briazil	Senior Citizens Director

**FINANCIAL STATEMENTS**



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

AUDITING  
BOOKKEEPING

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

TAX PLANNING  
TAX PREPARATION

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general purpose financial statements and the combining and individual fund and account group financial statements of the County of Torrance as of and for the year ended June 30, 2002, as listed in the table of contents. These financial statements are the responsibility of the County of Torrance's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

The County of Torrance does not have detailed records to support the recorded amounts of buildings, improvements and land in the General Fixed Assets Account Group. As a result, we were not able to audit all of the actual additions and deletions of fixed assets occurring during the year ended June 30, 2002. In addition, we were not able to audit the recorded amounts for fixed assets as of June 30, 2002 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, 2002 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, except for the effects of such adjustments as might have been determined to be necessary had we been able to audit detailed records supporting recorded amounts of buildings, improvements and land as discussed in the preceding paragraph, the combining and individual fund and account group financial statements and except for the effects of any adjustments required as a result of the claim by the Attorney General of New Mexico referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the County as of June 30, 2002, and the results of operations of such funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2003 on our consideration of the County of Torrance's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

July 28, 2003





## Exhibit 1

Types		Fiduciary Fund Types	Account Groups	
Captial Projects	Debt Service	Agency	General Fixed Assets	General Long Term Debt
\$ 2,305,474	\$ 336,444	\$ 106,404	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
46,446	-	-	-	-
-	-	-	8,716,010	-
-	-	-	-	336,444
-	-	-	-	4,004,047
<u>\$ 2,351,920</u>	<u>\$ 336,444</u>	<u>\$ 106,404</u>	<u>\$ 8,716,010</u>	<u>\$ 4,340,491</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
46,446	-	-	-	-
-	-	106,404	-	-
-	-	-	-	48,190
-	-	-	-	3,050,000
-	-	-	-	149,489
-	-	-	-	1,092,812
<u>46,446</u>	<u>-</u>	<u>106,404</u>	<u>-</u>	<u>4,340,491</u>
-	-	-	8,716,010	-
-	336,444	-	-	-
<u>2,305,474</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>2,305,474</u>	<u>336,444</u>	<u>-</u>	<u>8,716,010</u>	<u>-</u>
<u>\$ 2,351,920</u>	<u>\$ 336,444</u>	<u>\$ 106,404</u>	<u>\$ 8,716,010</u>	<u>\$ 4,340,491</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, 2002

	Governmental Fund Types			
	General	Special Revenue	Capital Projects	Debt Service
REVENUES				
Taxes	\$ 2,492,538	\$ -	\$ -	\$ -
Charges for services	13,292	20,279	-	-
State shared taxes	581,369	658,262	-	-
Local sources	280,861	298,390	-	282,216
State sources	37,130	1,537,978	193,794	-
Federal sources	362,401	720,827	169,824	-
Earnings on investments	17,464	11,789	74,442	-
Total revenues	<u>3,785,055</u>	<u>3,247,525</u>	<u>438,060</u>	<u>282,216</u>
EXPENDITURES				
Current:				
General government	1,438,342	72,836	-	-
Highways and streets	-	1,279,418	-	-
Public safety	1,176,984	2,015,503	-	-
Health and welfare	-	1,212,476	-	-
Culture and recreation	-	26,330	-	-
Capital outlay	-	-	-	-
Debt service:			529,453	-
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>2,615,326</u>	<u>4,606,563</u>	<u>529,453</u>	<u>110,241</u>
Excess (deficiency) revenues over expenditures	1,169,729	(1,359,038)	(91,393)	171,975
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,072,222	-	158,753
Transfers out	(1,066,077)	(6,145)	-	(158,753)
Total other financing sources (uses)	<u>(1,066,077)</u>	<u>1,066,077</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	103,652	(292,961)	(91,393)	171,975
Fund balance beginning of year	<u>573,583</u>	<u>556,425</u>	<u>2,396,867</u>	<u>164,469</u>
Fund balance end of year	<u>\$ 677,235</u>	<u>\$ 263,464</u>	<u>\$ 2,305,474</u>	<u>\$ 336,444</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, 2002

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Taxes	\$ 2,667,912	\$ 2,492,538	\$ (175,374)	\$ -	\$ -	\$ -
Charges for services	14,054	13,292	(762)	21,328	20,279	(1,049)
State shared taxes	409,161	581,369	172,208	856,795	664,939	(191,856)
Local sources	320,010	325,733	5,723	489,903	318,567	(171,336)
State sources	23,000	38,272	15,272	2,008,304	1,588,495	(419,809)
Federal sources	193,359	362,081	168,722	1,356,016	715,361	(640,655)
Earnings on investments	35,000	17,464	(17,536)	27,415	11,789	(15,626)
Total revenues	<u>\$ 3,662,496</u>	<u>\$ 3,830,749</u>	<u>\$ 168,253</u>	<u>\$ 4,759,761</u>	<u>\$ 3,319,430</u>	<u>\$ (1,440,331)</u>
EXPENDITURES						
Current:						
General government	\$ 1,516,464	\$ 1,489,291	\$ 27,173	\$ 176,729	\$ 72,836	\$ 103,893
Highways and streets	-	-	-	1,572,092	1,243,081	329,011
Public safety	1,063,814	1,121,878	(58,064)	2,351,803	1,833,555	518,248
Health and welfare	-	-	-	1,618,332	1,178,230	440,102
Culture and recreation	-	-	-	27,130	26,330	800
Total expenditures	<u>\$ 2,580,278</u>	<u>\$ 2,611,169</u>	<u>\$ (30,891)</u>	<u>\$ 5,746,086</u>	<u>\$ 4,354,032</u>	<u>\$ 1,392,054</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ -	\$ -	\$ -	\$ 993,467	\$ 993,467	\$ -
Transfers out	(987,322)	(987,322)	-	(6,145)	(6,145)	-
Total other financing sources (uses)	<u>\$ (987,322)</u>	<u>\$ (987,322)</u>	<u>\$ -</u>	<u>\$ 987,322</u>	<u>\$ 987,322</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>\$ 532,474</u>			<u>\$ 787,944</u>		

See accompanying notes to financial statements.



STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Notes to Financial Statements  
Year Ended June 30, 2002

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

## Notes to Financial Statements (Continued)

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

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

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

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

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

### B. Fund Accounting

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



## Notes to Financial Statements (Continued)

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).

## Notes to Financial Statements (Continued)

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

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

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

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

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

### C. Assets, liabilities and equity

#### 1. Deposits and investments

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



## Notes to Financial Statements (Continued)

### 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.

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

## Notes to Financial Statements (Continued)

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 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.



Notes to Financial Statements (Continued)

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 activity, service, project or construction program will produce sufficient revenue to cover such increase in the budget or the County has surplus funds on hand not necessary to meet the expenditures provided for in the budget with which to cover such increase in the budget;
  - g. Supervise the disbursement of funds to the end that expenditures will not be made in excess of budgeted items or for items not budgeted and that there will not be illegal expenditures;

## Notes to Financial Statements (Continued)

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

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

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

### F. Compensated Absences

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

### G. Interfund Transactions

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly 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.



# Notes to Financial Statements (Continued)

## 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, 2002:

	<u>Wells Fargo Bank</u>
Cash on deposit - Checking	\$ 850,856
Less F.D.I.C.	<u>(100,000)</u>
Uninsured funds	750,856
50% Collateral requirement	<u>375,428</u>
Pledged collateral	<u>1,894,674</u>
Excess of pledged collateral	<u><b>\$ 1,519,246</b></u>

Pledged collateral of the financial institution consists of the following:

<u>Wells Fargo Bank MINN-MPLS</u>	<u>Maturity Date</u>	
GNMA 781048 CUSIP#36225BEV6	06-15-29	\$ 573,032
GNMA 781130 CUSIP#36225BHF8	01-15-30	92,897
GNSF 781259 CUSIP#36225BMG0	03-15-31	252,064
GNSF 781316 CUSIP#36225BN95	07-15-31	<u>976,681</u>
		<u><b>\$ 1,894,674</b></u>

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

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

Category 2 - This includes collateralized cash and 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 deposits are \$750,856.

Notes to Financial Statements (Continued)

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

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

Total cash invested with New Mexico State Treasurer \$3,038,479

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

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

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

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



# Notes to Financial Statements (Continued)

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

Local Government Investment Pool	\$3,038,479
Petty Cash	300
Wells Fargo Bank	850,856
Deposit in transit	14,094
Outstanding checks	<u>(322,889)</u>
Total reconciled cash	3,580,840
Total per financial statements	<u>3,580,840</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, 2002 consist of the following:

	<u>General</u>	<u>Special Revenue</u>
Intergovernmental	<u>\$37,329</u>	<u>\$223,827</u>

All amounts are considered collectible.

## 5. CHANGES IN LONG-TERM DEBT

### Leases

At June 30, 2002 the County had the following purchase contracts payable:

	<u>Date of Contract</u>	<u>Original Amount</u>	<u>Principal Balance June 30, 2002</u>
1. Informaton Leasing Corporation Pierce Contender	06/2001	\$ 119,090	\$ 119,090
2. Banc One - (9) Motor Graders- 5.64%	03/2001	780,106	640,550
3. LaSalle National Bank-Energy Conservation Program-6.09%	03/1998	84,675	56,653
4. Banc One - (2) Motor Graders	09/2001	<u>294,174</u>	<u>276,518</u>
		<u>\$1,278,045</u>	<u>\$ 1,092,811</u>

# Notes to Financial Statements (Continued)

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

<u>Year Ended</u>	<u>Total Payments</u>
2003	\$ 240,268
2004	221,266
2005	221,266
2006	221,266
2007	221,266
Thereafter	<u>195,686</u>
Total	1,321,018
Less amount representing interest payments	<u>(228,207)</u>
Present value of minimum lease payments	<u>\$ 1,092,811</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>
2003	\$ <u>8,300</u>
Total future minimum payments	<u>\$ 8,300</u>

## General Obligation Bonds

During the fiscal year ended June 30, 2002, the County issued \$3,050,000 of General Obligation Bonds, to acquire and improve a necessary site for and acquiring constructing, furnishing, equipping and improving a new County Courthouse. The bonds are secured by the full faith and credit of the county and are payable from taxes levied on all property located within the County.

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

<u>Year Ended</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2003	\$ 144,831	\$ 75,000	\$ 219,831
2004	140,519	75,000	215,519
2005	135,487	100,000	235,487
2006	129,019	125,000	254,019
2007	121,300	150,000	271,300
Thereafter	<u>668,500</u>	<u>2,525,000</u>	<u>3,193,500</u>
Total	<u>\$1,339,656</u>	<u>\$ 3,050,000</u>	<u>\$ 4,389,656</u>



## Notes to Financial Statements (Continued)

### ***Long-Term Notes***

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

<u>Year Ended</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2003	7,743	23,643	31,386
2004	6,843	24,158	31,001
2005	5,897	25,688	31,585
2006	4,894	8,000	12,894
2007	4,412	5,000	9,412
Thereafter	<u>20,931</u>	<u>63,000</u>	<u>83,931</u>
Total	<u>\$ 50,720</u>	<u>\$ 149,489</u>	<u>\$ 200,209</u>

### ***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.

Notes to Financial Statements (Continued)

<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, 2002. 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 at June 30</u>
Farm and Range Fund	\$ 100
Maternal Health Care Fund	\$ 21,802
DWI Grant Fund	\$ 65,991
Energy Conservation Fund	\$ 24,672
Jail Fund	\$ 395,709
Seniors Capital Outlay Appropriation Fund	\$ 2,548
Senior Citizens Fund	\$ 24,531
Civil Defense Fund	\$ 9,263
Senior Employment Program Fund	\$ 978

7. TAX ROLL RECONCILIATION

Uncollected taxes, July 1, 2001	\$ 1,020,290
Plus: Net taxes assessed, current year	5,620,661
Adjustment to current year's assessments	(1,419)
Less: taxes collected	(5,484,947)
Less: Charge off of taxes receivable	(2,800)
Uncollected taxes, June 30, 2002	<u>\$ 1,151,785</u>
Undistributed taxes, July 1, 2001	\$ 218,360
Taxes collected	<u>5,441,850</u>
Taxes available for distribution	5,660,210
Undistributed taxes, June 30, 2002	<u>(402,361)</u>
Taxes distributed	<u>\$ 5,257,849</u>

Notes to Financial Statements (Continued)

Property taxes receivable by years:

<u>Tax Year</u>	<u>Amount</u>
2001	\$ 730,886
2000	246,319
1999	85,831
1998	22,671
1997	3,542
1996	(4,958)
1995	23,197
1994	31,592
1993	10,435
1992	2,270
	<u>\$ 1,151,785</u>

COLLECTIONS AND DISTRIBUTIONS

	<u>Balance 6/30/2001</u>	<u>Taxes Collected</u>	<u>Taxes Distributed</u>	<u>Balance 6/30/2002</u>
<u>County Funds</u>				
Current Taxes	\$ -	\$2,103,686	\$ 2,103,686	\$ -
Delinquent Taxes	-	267,160	267,160	-
Debt Service	158,753	(158,753)	-	-
Debt Service 2001	<u>-</u>	<u>446,685</u>	<u>110,241</u>	<u>336,444</u>
Total	<u>158,753</u>	<u>2,658,778</u>	<u>2,481,087</u>	<u>336,444</u>
<u>Special Districts</u>				
Claunch/Pinto	475	19,951	19,980	446
Carrizozo	-	8	8	-
East Torrance	1,340	48,739	48,638	1,441
Edgewood	<u>1,375</u>	<u>58,918</u>	<u>58,854</u>	<u>1,439</u>
Total	<u>3,190</u>	<u>127,616</u>	<u>127,480</u>	<u>3,326</u>
<u>Municipalities</u>				
Willard	42	1,727	1,736	33
Estancia	206	15,298	15,121	383
Moriarty	521	43,568	42,767	1,322
Mountainair	1,375	41,514	41,616	1,273
Encino	<u>46</u>	<u>1,434</u>	<u>1,469</u>	<u>11</u>
Total	<u>2,190</u>	<u>103,541</u>	<u>102,709</u>	<u>3,022</u>
<u>State of New Mexico</u>				
State Debt Service	7,070	361,069	359,715	8,424
Cattle	541	31,008	31,125	424
Sheep	1	405	393	13
Equines	11	1,512	1,446	77
Dairy Cattle	<u>-</u>	<u>8,996</u>	<u>8,993</u>	<u>3</u>
Total	<u>7,623</u>	<u>402,990</u>	<u>401,672</u>	<u>8,941</u>



Notes to Financial Statements (Continued)

	Balance 6/30/2001	Taxes Collected	Taxes Distributed	Balance 6/30/2002
<u>Schools</u>				
Operational	1,866	89,512	89,355	2,023
Debt Service	35,242	1,622,747	1,619,324	38,665
Capital				
Improvements	9,246	415,763	415,096	9,913
Encino Ed Tech				
Debt	<u>250</u>	<u>20,900</u>	<u>21,124</u>	<u>26</u>
Total	<u>46,604</u>	<u>2,148,922</u>	<u>2,144,899</u>	<u>50,627</u>
Grand Total	<u>\$ 218,360</u>	<u>\$5,441,847</u>	<u>\$ 5,257,847</u>	<u>\$ 402,360</u>

8. EXCESS OF EXPENDITURES OVER BUDGET

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

Special Revenue Funds

COPS More Fund	\$	1,414
Energy Conservation Fund	\$	24,672

General Fund

Public Safety	\$	58,064
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9. 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.



## Notes to Financial Statements (Continued)

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

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

### 10. BUDGET TO GAAP RECONCILIATION

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>
<u>Revenue</u>				
Exhibit 2	\$3,785,055	\$3,247,525	\$ 438,060	\$ 282,216
Exhibit 3	<u>3,830,749</u>	<u>3,319,430</u>	<u>460,695</u>	<u>282,216</u>
(Decrease) Increase in accounts receivable/ Due from Grantor	<u>\$ (45,694)</u>	<u>\$ (71,905)</u>	<u>\$ (22,635)</u>	<u>\$ -</u>
<u>Expenditures</u>				
Exhibit 2	\$2,615,326	\$4,606,563	\$ 529,453	\$ 110,241
Exhibit 3	<u>2,611,169</u>	<u>4,354,032</u>	<u>529,453</u>	<u>110,241</u>
(Decrease) Increase in accounts payable	<u>\$ 4,157</u>	<u>\$ 252,531</u>	<u>\$ -</u>	<u>\$ -</u>

### 11. 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

## Notes to Financial Statements (Continued)

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 2002, 2001 and 2000 were \$191,504, \$187,093 and \$170,731, respectively, equal to the amount of the required contributions for each year.

### 12. 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.

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.



## Notes to Financial Statements (Continued)

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, 2002, the County remitted \$19,994 for employer contributions and \$9,997 in employee contributions to the Retiree Health Care Authority.

### 13. MEDICAID FUND LIABILITY

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



## Notes to Financial Statements (Continued)

### 14. 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.

### 15. 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, 2002 by Rice & Associates, CPA with substantial advice from County employees. The County is responsible for the financial statements contained herein.

### 16. EXIT CONFERENCE

An exit conference was held at the County on August 4, 2003, to discuss the current audit report and auditors' comments. In attendance were Ms. Tracy Sedillo, Assistant County Manager, Ms. Dorothy Sandoval, Deputy County Treasurer, Mr. Bob Ayre, County Manager and Ms. Pamela A. Rice, CPA, Contract Auditor.

## SPECIAL REVENUE FUNDS

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

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

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

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

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

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

**EMERGENCY MEDICAL SERVICES FUND** - To account for a grant from the State of New Mexico to be used for the acquisition of emergency medical services to County residents. Sources of funds are the State of New Mexico Health Department Emergency Medical Services Bureau. Authority is Section 24-10A-3 through 10, NMSA 1978.



**SPECIAL REVENUE FUNDS, continued**

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

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

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

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

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

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

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

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



**SPECIAL REVENUE FUNDS**, continued

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

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

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

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

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

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

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

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

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

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

**SPECIAL REVENUE FUNDS**, continued

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

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

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

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

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

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

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

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

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



**SPECIAL REVENUE FUNDS**, continued

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

**TITLE III FOREST RESERVE FUND** - To account for resources received from the Secure Rural Schools and Community Self Determination Act of 2000 to be used only for Search, Rescue and Emergency Services, Community Service Work Camps or Easement Purchases. Authority is P.L. 106-393.

**BULLETPROOF VEST PROGRAM FUND** - To account for resources received from the Department of Justice to purchase armor vests meeting established NIJ ballistic or stab standards. The Authority is the Department of Justice.

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



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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
<b>ASSETS</b>						
Cash on deposit	\$ 229,706	\$ -	\$ 638	\$ 14,124	\$ 46,572	\$ 87,573
Accounts receivable	33,770	-	-	431	-	-
Due from grantor	-	-	-	-	-	-
Due from other funds	-	-	-	12,326	-	-
<b>Total assets</b>	<b>\$ 263,476</b>	<b>\$ -</b>	<b>\$ 638</b>	<b>\$ 26,881</b>	<b>\$ 46,572</b>	<b>\$ 87,573</b>
<b>LIABILITIES</b>						
Cash overdraft	\$ -	\$ 100	\$ -	\$ -	\$ -	\$ -
Accounts payable	36,337	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
<b>Total liabilities</b>	<b>36,337</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>						
Unreserved:						
Designated for subsequent year's expenditures	227,139	(100)	638	26,881	46,572	87,573
<b>Total liabilities and fund equity</b>	<b>\$ 263,476</b>	<b>\$ -</b>	<b>\$ 638</b>	<b>\$ 26,881</b>	<b>\$ 46,572</b>	<b>\$ 87,573</b>

See accompanying notes to financial statements.

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	McIntosh Fire District Fund	Torreon- Tajique Fire District Fund	Law Enforcement Protection Fund	County Indigent Fund	EMS Fund	Maternal Health Care Fund
<b>ASSETS</b>						
Cash on deposit	\$ 2,734	\$ 154,378	\$ 1,200	\$ 82,907	\$ 3,270	\$ -
Accounts receivable	-	-	-	-	-	40,871
Due from grantor	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 2,734</b>	<b>\$ 154,378</b>	<b>\$ 1,200</b>	<b>\$ 82,907</b>	<b>\$ 3,270</b>	<b>\$ 40,871</b>
<b>LIABILITIES</b>						
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,130
Accounts payable	-	-	-	15,737	-	9,543
Due to other funds	-	12,326	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>12,326</b>	<b>-</b>	<b>15,737</b>	<b>-</b>	<b>62,673</b>
<b>FUND BALANCES</b>						
Unreserved:						
Designated for subsequent year's expenditures	2,734	142,052	1,200	67,170	3,270	(21,802)
<b>Total liabilities and fund equity</b>	<b>\$ 2,734</b>	<b>\$ 154,378</b>	<b>\$ 1,200</b>	<b>\$ 82,907</b>	<b>\$ 3,270</b>	<b>\$ 40,871</b>

See accompanying notes to financial statements.

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	Senior Citizens Fund	Civil Defense Fund	DWI Grant Fund	Reappraisal Fund	Clerk's Equipment Fund	Medicaid Transportation Fund
<b>ASSETS</b>						
Cash on deposit	\$ -	\$ -	\$ -	\$ 116,274	\$ 10,049	\$ -
Accounts receivable	28,591	-	9,256	-	-	-
Due from grantor	-	-	-	-	-	13,664
Due from other funds	-	-	-	-	-	-
<b>Total assets</b>	<b><u>\$ 28,591</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 9,256</u></b>	<b><u>\$ 116,274</u></b>	<b><u>\$ 10,049</u></b>	<b><u>\$ 13,664</u></b>
<b>LIABILITIES</b>						
Cash overdraft	\$ 44,158	\$ 9,263	\$ 73,358	\$ -	\$ -	\$ 13,664
Accounts payable	8,964	-	1,889	-	-	-
Due to other funds	-	-	-	-	-	-
<b>Total liabilities</b>	<b><u>53,122</u></b>	<b><u>9,263</u></b>	<b><u>75,247</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>13,664</u></b>
<b>FUND BALANCES</b>						
Unreserved:						
Designated for subsequent year's expenditures	<u>(24,531)</u>	<u>(9,263)</u>	<u>(65,991)</u>	<u>116,274</u>	<u>10,049</u>	<u>-</u>
<b>Total liabilities and fund equity</b>	<b><u>\$ 28,591</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 9,256</u></b>	<b><u>\$ 116,274</u></b>	<b><u>\$ 10,049</u></b>	<b><u>\$ 13,664</u></b>

See accompanying notes to financial statements.



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	Domestic Violence Court Fee Fund	1/4% Fire Excise Tax Fund	COPS More Fund	COPS in School Fund	Universal Hiring Fund	Emergency 911 Fund
<b>ASSETS</b>						
Cash on deposit	\$ 2,870	\$ 32,399	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	26,878	48,878	-
Due from grantor	-	-	-	-	-	6,507
Due from other funds	-	-	6,040	-	135,276	-
	<u>-</u>	<u>-</u>	<u>6,040</u>	<u>-</u>	<u>135,276</u>	<u>-</u>
Total assets	<u>\$ 2,870</u>	<u>\$ 32,399</u>	<u>\$ 6,040</u>	<u>\$ 26,878</u>	<u>\$ 184,154</u>	<u>\$ 6,507</u>
<b>LIABILITIES</b>						
Cash overdraft	\$ -	\$ -	\$ 6,040	\$ 26,878	\$ 184,154	\$ 6,507
Accounts payable	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>6,040</u>	<u>26,878</u>	<u>184,154</u>	<u>6,507</u>
<b>FUND BALANCES</b>						
Unreserved:						
Designated for subsequent year's expenditures	<u>2,870</u>	<u>32,399</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund equity	<u>\$ 2,870</u>	<u>\$ 32,399</u>	<u>\$ 6,040</u>	<u>\$ 26,878</u>	<u>\$ 184,154</u>	<u>\$ 6,507</u>

See accompanying notes to financial statements.

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	Fair Board Fund	Dr. Saul Scholarship Fund	U.S. Forest Co-op Fund	Lodger's Tax Fund	Domestic Violence Fund	Drug Education Fund
<b>ASSETS</b>						
Cash on deposit	\$ -	\$ 101	\$ -	\$ -	\$ -	\$ 5,660
Accounts receivable	-	-	-	-	-	-
Due from grantor	-	-	5,771	-	47,833	-
Due from other funds	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ 101</u>	<u>\$ 5,771</u>	<u>\$ -</u>	<u>\$ 47,833</u>	<u>\$ 5,660</u>
<b>LIABILITIES</b>						
Cash overdraft	\$ -	\$ -	\$ 5,771	\$ -	\$ 47,833	\$ -
Accounts payable	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>5,771</u>	<u>-</u>	<u>47,833</u>	<u>-</u>
<b>FUND BALANCES</b>						
Unreserved:						
Designated for subsequent year's expenditures	-	101	-	-	-	5,660
	<u>-</u>	<u>101</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,660</u>
Total liabilities and fund equity	<u>\$ -</u>	<u>\$ 101</u>	<u>\$ 5,771</u>	<u>\$ -</u>	<u>\$ 47,833</u>	<u>\$ 5,660</u>

See accompanying notes to financial statements.

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	Safety Program Fund	Rural Addressing Fund	Energy Conservation Fund	Jail Fund	Environmental Gross Receipts Tax Fund	Seniors Cash in Lieu Fund
<b>ASSETS</b>						
Cash on deposit	\$ 13,208	\$ 9,183	\$ -	\$ -	\$ -	\$ -
Accounts receivable	1,465	-	-	27,831	-	-
Due from grantor	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 14,673</b>	<b>\$ 9,183</b>	<b>\$ -</b>	<b>\$ 27,831</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES</b>						
Cash overdraft	\$ -	\$ -	\$ 24,672	\$ 231,155	\$ -	\$ -
Accounts payable	-	-	-	192,385	-	-
Due to other funds	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>24,672</b>	<b>423,540</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>						
Unreserved:						
Designated for subsequent year's expenditures	14,673	9,183	(24,672)	(395,709)	-	-
<b>Total liabilities and fund equity</b>	<b>\$ 14,673</b>	<b>\$ 9,183</b>	<b>\$ -</b>	<b>\$ 27,831</b>	<b>\$ -</b>	<b>\$ -</b>

See accompanying notes to financial statements.



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	Estancia Water Basin Study Fund	Traffic Safety Grant Fund	Title III Forest Reserve Fund	Bulletproof Vest Program Fund	Senior Employment Program Fund	Totals
<b>ASSETS</b>						
Cash on deposit	\$ 6,329	\$ -	\$ 3,844	\$ -	\$ -	\$ 823,019
Accounts receivable	-	2,996	-	-	2,860	223,827
Due from grantor	-	-	-	-	-	73,775
Due from other funds	-	-	-	-	-	153,642
<b>Total assets</b>	<b>\$ 6,329</b>	<b>\$ 2,996</b>	<b>\$ 3,844</b>	<b>\$ -</b>	<b>\$ 2,860</b>	<b>\$ 1,274,263</b>
<b>LIABILITIES</b>						
Cash overdraft	\$ -	\$ 2,996	\$ -	\$ -	\$ 3,838	\$ 733,517
Accounts payable	-	-	-	-	-	264,855
Due to other funds	-	-	-	-	-	12,326
<b>Total liabilities</b>	<b>-</b>	<b>2,996</b>	<b>-</b>	<b>-</b>	<b>3,838</b>	<b>1,010,698</b>
<b>FUND BALANCES</b>						
Unreserved:						
Designated for subsequent year's expenditures	6,329	-	3,844	-	(978)	263,565
<b>Total liabilities and fund equity</b>	<b>\$ 6,329</b>	<b>\$ 2,996</b>	<b>\$ 3,844</b>	<b>\$ -</b>	<b>\$ 2,860</b>	<b>\$ 1,274,263</b>

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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	McIntosh Fire District Fund	Torreon- Tajique Fire District Fund	Law Enforcement Protection Fund	County Indigent Fund	EMS Fund	Maternal Health Care Fund
REVENUES						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State shared taxes	21,541	11,042	-	225,920	-	-
Local sources	7,952	-	-	2,510	-	-
State sources	28,214	29,453	30,200	-	21,537	374,112
Federal sources	-	-	-	-	-	208,059
Earnings on investments	491	2,416	-	-	-	-
Total revenues	58,198	42,911	30,200	228,430	21,537	582,171
EXPENDITURES						
General government	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Public safety	89,487	28,645	29,000	-	13,692	-
Health and welfare	-	-	-	226,195	-	561,734
Culture and recreation	-	-	-	-	-	-
Total expenditures	89,487	28,645	29,000	226,195	13,692	561,734
Excess (deficiency) of revenues over expenditures	(31,289)	14,266	1,200	2,235	7,845	20,437
Other financing sources (uses):						
Operating transfers in	6,145	-	-	-	-	-
Operating transfers out	-	-	-	-	(6,145)	-
Total other financing sources (uses)	6,145	-	-	-	(6,145)	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	(25,144)	14,266	1,200	2,235	1,700	20,437
Fund balance, beginning of year	27,878	127,786	-	64,935	1,570	(42,239)
Fund balance, end of year	\$ 2,734	\$ 142,052	\$ 1,200	\$ 67,170	\$ 3,270	\$ (21,802)

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
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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	\$ -	\$ -	\$ -	\$ -	\$ 20,279	\$ -
State shared taxes	-	-	-	-	-	-
Local sources	26,956	-	-	50,876	-	-
State sources	107,927	2,553	196,938	-	-	-
Federal sources	46,312	7,660	-	-	-	-
Earnings on investments	-	-	-	-	-	24,553
Total revenues	<u>181,195</u>	<u>10,213</u>	<u>196,938</u>	<u>50,876</u>	<u>20,279</u>	<u>24,553</u>
EXPENDITURES						
General government	-	-	-	48,546	24,290	-
Highways and streets	-	-	-	-	-	-
Public safety	-	37,506	213,381	-	-	-
Health and welfare	205,726	-	-	-	-	-
Culture and recreation	-	-	-	-	-	24,553
Total expenditures	<u>205,726</u>	<u>37,506</u>	<u>213,381</u>	<u>48,546</u>	<u>24,290</u>	<u>24,553</u>
Excess (deficiency) of revenues over expenditures	<u>(24,531)</u>	<u>(27,293)</u>	<u>(16,443)</u>	<u>2,330</u>	<u>(4,011)</u>	<u>-</u>
Other financing sources (uses):						
Operating transfers in	-	16,920	-	23,464	-	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>16,920</u>	<u>-</u>	<u>23,464</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	<u>(24,531)</u>	<u>(10,373)</u>	<u>(16,443)</u>	<u>25,794</u>	<u>(4,011)</u>	<u>-</u>
Fund balance, beginning of year	<u>-</u>	<u>1,110</u>	<u>(49,548)</u>	<u>90,480</u>	<u>14,060</u>	<u>-</u>
Fund balance, end of year	<u>\$ (24,531)</u>	<u>\$ (9,263)</u>	<u>\$ (65,991)</u>	<u>\$ 116,274</u>	<u>\$ 10,049</u>	<u>\$ -</u>

See accompanying notes to financial statements.



STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
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	Domestic Violence Court Fee Fund	1/4% Fire Excise Tax Fund	COPS More Grant Fund	COPS in School Fund	Universal Hiring Fund	Emergency 911 Fund
REVENUES						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State shared taxes	-	11,042	-	-	-	-
Local sources	2,600	1,000	-	-	-	-
State sources	-	-	-	-	-	864
Federal sources	-	-	1,414	91,328	236,184	-
Earnings on investments	-	-	-	-	-	-
Total revenues	2,600	12,042	1,414	91,328	236,184	864
EXPENDITURES						
General government	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Public safety	-	24,835	1,414	91,328	314,939	864
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total expenditures	-	24,835	1,414	91,328	314,939	864
Excess (deficiency) of revenues over expenditures	2,600	(12,793)	-	-	(78,755)	-
Other financing sources (uses):						
Operating transfers in	-	-	-	-	78,755	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	78,755	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	2,600	(12,793)	-	-	-	-
Fund balance, beginning of year	270	45,192	-	-	-	-
Fund balance, end of year	\$ 2,870	\$ 32,399	\$ -	\$ -	\$ -	\$ -

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
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	Fair Board Fund	Dr. Saul Scholarship Fund	U.S. Forest Co-op Fund	Lodger's Tax Fund	Domestic Violence Fund	Drug Education Fund
REVENUES						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State shared taxes	19,000	-	-	-	-	-
Local sources	-	-	-	-	-	-
State sources	-	-	-	-	-	13,444
Federal sources	-	-	-	-	-	-
Earnings on investments	-	-	5,771	-	43,061	-
Total revenues	19,000	-	5,771	-	43,061	13,444
EXPENDITURES						
General government	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health and welfare	-	-	5,771	-	-	-
Culture and recreation	19,000	-	-	-	43,061	20,777
Total expenditures	19,000	-	5,771	6,830	43,061	20,777
Excess (deficiency) of revenues over expenditures	-	-	-	(6,830)	-	(7,333)
Other financing sources (uses):						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	-	-	-	(6,830)	-	(7,333)
Fund balance, beginning of year	-	-	-	6,830	-	12,993
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,660

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
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	Safety Program Fund	Rural Addressing Fund	Energy Conservation Fund	Jail Fund	Environmental Gross Receipts Tax Fund	Seniors Cash in Lieu Fund
REVENUES						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State shared taxes	-	11,052	-	-	57,505	-
Local sources	10,230	140	-	127,520	-	-
State sources	-	64,978	-	30,835	-	-
Federal sources	-	-	-	-	-	18,158
Earnings on investments	-	-	-	-	-	-
Total revenues	10,230	76,170	-	158,355	57,505	18,158
EXPENDITURES						
General government	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Public safety	3,181	22,925	-	1,009,622	-	-
Health and welfare	-	-	36,914	-	57,505	18,158
Culture and recreation	-	-	-	-	-	-
Total expenditures	3,181	22,925	36,914	1,009,622	57,505	18,158
Excess (deficiency) of revenues over expenditures	7,049	53,245	(36,914)	(851,267)	-	-
Other financing sources (uses):						
Operating transfers in	-	-	16,000	585,037	-	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	16,000	585,037	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	7,049	53,245	(20,914)	(266,230)	-	-
Fund balance, beginning of year	7,624	(44,062)	(3,758)	(129,479)	-	-
Fund balance, end of year	\$ 14,673	\$ 9,183	\$ (24,672)	\$ (395,709)	\$ -	\$ -

See accompanying notes to financial statements.



STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
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	Estancia Water Basin Study Fund	Traffic Safety Grant Fund	Title III Forest Reserve Fund	Bulletproof Vest Program Fund	Senior Employment Program Fund	Totals
REVENUES						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,279
State shared taxes	-	-	-	-	-	658,262
Local sources	1,385	-	-	-	-	298,390
State sources	-	-	-	-	14,732	1,537,978
Federal sources	-	19,903	3,844	2,289	-	720,827
Earnings on investments	-	-	-	-	-	11,789
Total revenues	<u>1,385</u>	<u>19,903</u>	<u>3,844</u>	<u>2,289</u>	<u>14,732</u>	<u>3,247,525</u>
EXPENDITURES						
General government	-	-	-	-	-	72,836
Highways and streets	-	-	-	-	-	1,279,418
Public safety	-	19,903	-	2,289	-	2,015,503
Health and welfare	2,143	-	-	-	15,710	1,212,476
Culture and recreation	-	-	-	-	-	26,330
Total expenditures	<u>2,143</u>	<u>19,903</u>	<u>-</u>	<u>2,289</u>	<u>15,710</u>	<u>4,606,563</u>
Excess (deficiency) of revenues over expenditures	<u>(758)</u>	<u>-</u>	<u>3,844</u>	<u>-</u>	<u>(978)</u>	<u>(1,359,038)</u>
Other financing sources (uses):						
Operating transfers in	-	-	-	-	-	1,072,222
Operating transfers out	-	-	-	-	-	(6,145)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,066,077</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	<u>(758)</u>	<u>-</u>	<u>3,844</u>	<u>-</u>	<u>(978)</u>	<u>(292,961)</u>
Fund balance, beginning of year	<u>7,087</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>556,425</u>
Fund balance, end of year	<u>\$ 6,329</u>	<u>\$ -</u>	<u>\$ 3,844</u>	<u>\$ -</u>	<u>\$ (978)</u>	<u>\$ 263,464</u>

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, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State shared taxes	\$ 260,000	\$ 246,400	\$ (13,600)
Local sources	27,500	52,266	24,766
State sources	774,597	543,163	(231,434)
Federal sources	8,452	10,891	2,439
Earnings on investments	17,000	6,099	(10,901)
Total revenues	<u>\$ 1,087,549</u>	<u>\$ 858,819</u>	<u>\$ (228,730)</u>
EXPENDITURES			
Highways and streets	\$ 1,553,092	\$ 1,224,081	\$ 329,011
Total expenditures	<u>\$ 1,553,092</u>	<u>\$ 1,224,081</u>	<u>\$ 329,011</u>
Other Financing Sources			
Transfers in	<u>\$ 327,686</u>	<u>\$ 327,686</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>\$ 267,281</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, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ 1,500	\$ 1,400	\$ (100)
Total revenues	<u>\$ 1,500</u>	<u>\$ 1,400</u>	<u>\$ (100)</u>
EXPENDITURES			
Highways and streets	\$ 19,000	\$ 19,000	\$ -
Total expenditures	<u>\$ 19,000</u>	<u>\$ 19,000</u>	<u>\$ -</u>
Other Financing Sources			
Transfers in	<u>\$ 18,197</u>	<u>\$ 18,197</u>	<u>\$ -</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, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State shared taxes	\$ 275	\$ 113	\$ (162)
Total revenues	<u>\$ 275</u>	<u>\$ 113</u>	<u>\$ (162)</u>
EXPENDITURES			
Culture and recreation	\$ 1,300	\$ 500	\$ 800
Total expenditures	<u>\$ 1,300</u>	<u>\$ 500</u>	<u>\$ 800</u>
Other Financing Sources			
Transfers in	<u>\$ 18</u>	<u>\$ 18</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, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State shared taxes	\$ 45,000	\$ 28,265	\$ (16,735)
Local sources	-	-	-
State sources	27,338	22,017	(5,321)
Earnings on investments	2,500	603	(1,897)
Total revenues	<u>\$ 74,838</u>	<u>\$ 50,885</u>	<u>\$ (23,953)</u>
EXPENDITURES			
Public safety	<u>\$ 95,726</u>	<u>\$ 57,648</u>	<u>\$ 38,078</u>
Total expenditures	<u>\$ 95,726</u>	<u>\$ 57,648</u>	<u>\$ 38,078</u>
BUDGETED CASH BALANCE	<u>\$ 20,888</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, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State shared taxes	\$ 45,000	\$ 22,017	\$ (22,983)
State sources	27,338	38,136	10,798
Earnings on investments	<u>2,139</u>	<u>750</u>	<u>(1,389)</u>
Total revenues	<u>\$ 74,477</u>	<u>\$ 60,903</u>	<u>\$ (13,574)</u>
EXPENDITURES			
Public safety	<u>\$ 109,479</u>	<u>\$ 49,332</u>	<u>\$ 60,147</u>
Total expenditures	<u>\$ 109,479</u>	<u>\$ 49,332</u>	<u>\$ 60,147</u>
BUDGETED CASH BALANCE	<u>\$ 35,002</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, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State shared taxes	\$ 25,000	\$ 11,042	\$ (13,958)
Local sources	-	1,080	1,080
State sources	27,338	28,021	683
Earnings on investments	1,343	1,430	87
Total revenues	<u>\$ 53,681</u>	<u>\$ 41,573</u>	<u>\$ (12,108)</u>
EXPENDITURES			
Public safety	\$ 111,747	\$ 12,067	\$ 99,680
Total expenditures	<u>\$ 111,747</u>	<u>\$ 12,067</u>	<u>\$ 99,680</u>
BUDGETED CASH BALANCE	<u>\$ 58,066</u>		

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - McIntosh Fire District Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State shared taxes	\$ 45,000	\$ 21,541	\$ (23,459)
Local sources	-	7,952	7,952
State sources	27,338	28,214	876
Earnings on investments	<u>1,569</u>	<u>491</u>	<u>(1,078)</u>
Total revenues	<u>\$ 73,907</u>	<u>\$ 58,198</u>	<u>\$ (15,709)</u>
EXPENDITURES			
Public safety	<u>\$ 107,277</u>	<u>\$ 89,487</u>	<u>\$ 17,790</u>
Total expenditures	<u>\$ 107,277</u>	<u>\$ 89,487</u>	<u>\$ 17,790</u>
Other Financing Sources			
Transfers in	<u>\$ 6,145</u>	<u>\$ 6,145</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>\$ 27,879</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, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State shared taxes	\$ 25,000	\$ 11,042	\$ (13,958)
Local sources	-	12,326	12,326
State sources	27,338	29,453	2,115
Earnings on investments	2,864	2,416	(448)
Total revenues	<u>\$ 55,202</u>	<u>\$ 55,237</u>	<u>\$ 35</u>
EXPENDITURES			
Public safety	<u>\$ 182,989</u>	<u>\$ 28,645</u>	<u>\$ 154,344</u>
Total expenditures	<u>\$ 182,989</u>	<u>\$ 28,645</u>	<u>\$ 154,344</u>
BUDGETED CASH BALANCE	<u>\$ 127,787</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, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State sources	\$ 29,600	\$ 30,200	\$ 600
Total revenues	<u>\$ 29,600</u>	<u>\$ 30,200</u>	<u>\$ 600</u>
EXPENDITURES			
Public safety	\$ 29,600	\$ 29,000	\$ 600
Total expenditures	<u>\$ 29,600</u>	<u>\$ 29,000</u>	<u>\$ 600</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, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ -	\$ 2,510	\$ 2,510
State shared taxes	<u>286,520</u>	<u>225,920</u>	<u>(60,600)</u>
Total revenues	<u>\$ 286,520</u>	<u>\$ 228,430</u>	<u>\$ (58,090)</u>
EXPENDITURES			
Health and welfare	<u>\$ 351,454</u>	<u>\$ 210,457</u>	<u>\$ 140,997</u>
Total expenditures	<u>\$ 351,454</u>	<u>\$ 210,457</u>	<u>\$ 140,997</u>
BUDGETED CASH BALANCE	<u>\$ 64,934</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, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State sources	\$ 19,972	\$ 21,537	\$ 1,565
Total revenues	<u>\$ 19,972</u>	<u>\$ 21,537</u>	<u>\$ 1,565</u>
EXPENDITURES			
Public safety	\$ 15,397	\$ 13,692	\$ 1,705
Total expenditures	<u>\$ 15,397</u>	<u>\$ 13,692</u>	<u>\$ 1,705</u>
Other Financing (Uses)			
Transfers out	<u>\$ (6,145)</u>	<u>\$ (6,145)</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>\$ 1,570</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, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State sources	\$ 384,518	\$ 346,889	\$ (37,629)
Federal sources	<u>226,613</u>	<u>194,412</u>	<u>(32,201)</u>
Total revenues	<u>\$ 611,131</u>	<u>\$ 541,301</u>	<u>\$ (69,830)</u>
EXPENDITURES			
Health and welfare	<u>\$ 555,267</u>	<u>\$ 552,191</u>	<u>\$ 3,076</u>
Total expenditures	<u>\$ 555,267</u>	<u>\$ 552,191</u>	<u>\$ 3,076</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, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 29,000	\$ 30,384	\$ 1,384
State sources	165,347	121,278	(44,069)
Federal sources	<u>46,312</u>	<u>39,499</u>	<u>(6,813)</u>
Total revenues	<u>\$ 240,659</u>	<u>\$ 191,161</u>	<u>\$ (49,498)</u>
EXPENDITURES			
Health and welfare	<u>\$ 202,102</u>	<u>\$ 196,761</u>	<u>\$ 5,341</u>
Total expenditures	<u>\$ 202,102</u>	<u>\$ 196,761</u>	<u>\$ 5,341</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, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State sources	\$ 5,333	\$ 2,553	\$ (2,780)
Federal sources	<u>15,998</u>	<u>7,660</u>	<u>(8,338)</u>
Total revenues	<u>\$ 21,331</u>	<u>\$ 10,213</u>	<u>\$ (11,118)</u>
EXPENDITURES			
Public safety	<u>\$ 39,361</u>	<u>\$ 37,506</u>	<u>\$ 1,855</u>
Total expenditures	<u>\$ 39,361</u>	<u>\$ 37,506</u>	<u>\$ 1,855</u>
Other Financing Sources			
Transfers in	<u>\$ 16,920</u>	<u>\$ 16,920</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, 2002

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
State sources	\$ 275,217	\$ 197,381	\$ (77,836)
Total revenues	<u>\$ 275,217</u>	<u>\$ 197,381</u>	<u>\$ (77,836)</u>
EXPENDITURES			
Public safety	\$ 215,970	\$ 211,492	\$ 4,478
Total expenditures	<u>\$ 215,970</u>	<u>\$ 211,492</u>	<u>\$ 4,478</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, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 27,397	\$ 50,876	\$ 23,479
Total revenues	<u>\$ 27,397</u>	<u>\$ 50,876</u>	<u>\$ 23,479</u>
EXPENDITURES			
General government	\$ 141,341	\$ 48,546	\$ 92,795
Total expenditures	<u>\$ 141,341</u>	<u>\$ 48,546</u>	<u>\$ 92,795</u>
Other Financing Sources			
Transfers in	<u>\$ 23,464</u>	<u>\$ 23,464</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>\$ 90,480</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, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services	\$ 21,328	\$ 20,279	\$ (1,049)
Total revenues	<u>\$ 21,328</u>	<u>\$ 20,279</u>	<u>\$ (1,049)</u>
EXPENDITURES			
General government	\$ 35,388	\$ 24,290	\$ 11,098
Total expenditures	<u>\$ 35,388</u>	<u>\$ 24,290</u>	<u>\$ 11,098</u>
BUDGETED CASH BALANCE	<u>\$ 14,060</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, 2002

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ 48,000	\$ 11,381	\$ (36,619)
Total revenues	<u>\$ 48,000</u>	<u>\$ 11,381</u>	<u>\$ (36,619)</u>
EXPENDITURES			
Health and welfare	\$ 47,508	\$ 24,553	\$ 22,955
Total expenditures	<u>\$ 47,508</u>	<u>\$ 24,553</u>	<u>\$ 22,955</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Domestic Violence Court Fee Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 6,000	\$ 2,600	\$ (3,400)
Total revenues	<u>\$ 6,000</u>	<u>\$ 2,600</u>	<u>\$ (3,400)</u>
EXPENDITURES			
Health and Welfare	\$ 6,000	\$ -	\$ 6,000
Total expenditures	<u>\$ 6,000</u>	<u>\$ -</u>	<u>\$ 6,000</u>
BUDGETED CASH BALANCE	<u>\$ 270</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, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 8,000	\$ 1,000	\$ (7,000)
State shared taxes	<u>13,000</u>	<u>11,042</u>	<u>(1,958)</u>
Total revenues	<u>\$ 21,000</u>	<u>\$ 12,042</u>	<u>\$ (8,958)</u>
EXPENDITURES			
Public safety	<u>\$ 66,192</u>	<u>\$ 24,835</u>	<u>\$ 41,357</u>
Total expenditures	<u>\$ 66,192</u>	<u>\$ 24,835</u>	<u>\$ 41,357</u>
BUDGETED CASH BALANCE	<u>\$ 45,192</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, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ -	\$ 10,567	\$ 10,567
Total revenues	<u>\$ -</u>	<u>\$ 10,567</u>	<u>\$ 10,567</u>
EXPENDITURES			
Public safety	\$ -	\$ 1,414	\$ (1,414)
Total expenditures	<u>\$ -</u>	<u>\$ 1,414</u>	<u>\$ (1,414)</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - COPS in School Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ 121,410	\$ 69,396	\$ (52,014)
Total revenues	<u>\$ 121,410</u>	<u>\$ 69,396</u>	<u>\$ (52,014)</u>
EXPENDITURES			
Public safety	\$ 116,464	\$ 91,328	\$ 25,136
Total expenditures	<u>\$ 116,464</u>	<u>\$ 91,328</u>	<u>\$ 25,136</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, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ 556,480	\$ 322,107	\$ (234,373)
Total revenues	<u>\$ 556,480</u>	<u>\$ 322,107</u>	<u>\$ (234,373)</u>
EXPENDITURES			
Public safety	\$ 365,159	\$ 314,939	\$ 50,220
Total expenditures	<u>\$ 365,159</u>	<u>\$ 314,939</u>	<u>\$ 50,220</u>
Other Financing Sources			
Transfers in	<u>\$ -</u>	<u>\$ -</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, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State sources	\$ 65,293	\$ 65,293	\$ -
Total revenues	<u>\$ 65,293</u>	<u>\$ 65,293</u>	<u>\$ -</u>
EXPENDITURES			
Public safety	\$ -	\$ -	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Emergency 911 Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
State sources	\$ 10,322	\$ 3,815	\$ (6,507)
Total revenues	<u>\$ 10,322</u>	<u>\$ 3,815</u>	<u>\$ (6,507)</u>
EXPENDITURES			
Public safety	\$ 864	\$ 864	\$ -
Total expenditures	<u>\$ 864</u>	<u>\$ 864</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Fair Board Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2002

	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, 2002

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

See accompanying notes to financial statements.



STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Lodger's Tax Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ -	\$ -	\$ -
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES			
Culture and recreation	\$ 6,830	\$ 6,830	\$ -
Total expenditures	<u>\$ 6,830</u>	<u>\$ 6,830</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>\$ 6,830</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, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ 276,554	\$ 3,782	\$ (272,772)
Total revenues	<u>\$ 276,554</u>	<u>\$ 3,782</u>	<u>\$ (272,772)</u>
EXPENDITURES			
Health and welfare	\$ 268,000	\$ 43,061	\$ 224,939
Total expenditures	<u>\$ 268,000</u>	<u>\$ 43,061</u>	<u>\$ 224,939</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, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 18,000	\$ 13,444	\$ (4,556)
Total revenues	<u>\$ 18,000</u>	<u>\$ 13,444</u>	<u>\$ (4,556)</u>
EXPENDITURES			
Health and welfare	\$ 30,994	\$ 20,777	\$ 10,217
Total expenditures	<u>\$ 30,994</u>	<u>\$ 20,777</u>	<u>\$ 10,217</u>
BUDGETED CASH BALANCE	<u>\$ 12,994</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, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 7,500	\$ 8,765	\$ 1,265
Total expenditures	<u>\$ 7,500</u>	<u>\$ 8,765</u>	<u>\$ 1,265</u>
EXPENDITURES			
Public safety	\$ 15,124	\$ 3,181	\$ 11,943
Total revenues	<u>\$ 15,124</u>	<u>\$ 3,181</u>	<u>\$ 11,943</u>
BUDGETED CASH BALANCE	<u>\$ 7,624</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, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State shared taxes	\$ 25,000	\$ 11,052	\$ (13,948)
Local sources	1,500	140	(1,360)
State sources	<u>69,000</u>	<u>64,978</u>	<u>(4,022)</u>
Total revenues	<u>\$ 95,500</u>	<u>\$ 76,170</u>	<u>\$ (19,330)</u>
EXPENDITURES			
Public safety	<u>\$ 26,500</u>	<u>\$ 22,925</u>	<u>\$ 3,575</u>
Total expenditures	<u>\$ 26,500</u>	<u>\$ 22,925</u>	<u>\$ 3,575</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, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES			
Health and welfare	\$ 12,242	\$ 36,914	\$ (24,672)
Total expenditures	<u>\$ 12,242</u>	<u>\$ 36,914</u>	<u>\$ (24,672)</u>
Other Financing Sources			
Transfers in	<u>\$ 16,000</u>	<u>\$ 16,000</u>	<u>\$ -</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, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 330,006	\$ 133,839	\$ (196,167)
State sources	<u>55,000</u>	<u>30,835</u>	<u>(24,165)</u>
Total revenues	<u>\$ 385,006</u>	<u>\$ 164,674</u>	<u>\$ (220,332)</u>
EXPENDITURES			
Public safety	<u>\$ 817,415</u>	<u>\$ 817,237</u>	<u>\$ 178</u>
Total expenditures	<u>\$ 817,415</u>	<u>\$ 817,237</u>	<u>\$ 178</u>
Other Financing Sources			
Transfers in	<u>\$ 585,037</u>	<u>\$ 585,037</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Environmental Gross Receipts Tax Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2002

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
State shared taxes	\$ 68,000	\$ 57,505	\$ (10,495)
Total revenues	<u>\$ 68,000</u>	<u>\$ 57,505</u>	<u>\$ (10,495)</u>
EXPENDITURES			
Health and welfare	\$ 68,000	\$ 57,505	\$ 10,495
Total expenditures	<u>\$ 68,000</u>	<u>\$ 57,505</u>	<u>\$ 10,495</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, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ 18,158	\$ 18,158	\$ -
Total revenues	<u>\$ 18,158</u>	<u>\$ 18,158</u>	<u>\$ -</u>
EXPENDITURES			
Health and welfare	\$ 18,158	\$ 18,158	\$ -
Total expenditures	<u>\$ 18,158</u>	<u>\$ 18,158</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Special Revenue - Estancia Basin Water Study Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 35,000	\$ 1,385	\$ (33,615)
Total revenues	<u>\$ 35,000</u>	<u>\$ 1,385</u>	<u>\$ (33,615)</u>
EXPENDITURES			
Health and welfare	\$ 41,192	\$ 2,143	\$ 39,049
Total expenditures	<u>\$ 41,192</u>	<u>\$ 2,143</u>	<u>\$ 39,049</u>
BUDGETED CASH BALANCE	<u>\$ 7,087</u>		

See accompanying notes to financial statements.

### CAPITAL PROJECTS FUNDS

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

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

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

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

**SENIORS CAPITAL OUTLAY APPROPRIATION FUND** - To account for resources received from a state appropriation from the State Agency on Aging Chapter 21, Laws of 2000 to purchase a vehicle for Torrance County. Also, for an appropriation from the State Agency on Aging, Chapter 21, Laws of 2000 to purchase a freezer for the Senior Citizen Program.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Capital Projects Funds  
Combining Balance Sheet  
June 30, 2002

Statement B-1

	C.D.B.G. Grant Fund	Mountainair Clinic Fund	Judicial Complex Fund	Fire Substation Planning Fund	Senior Capital Outlay Appropriation Fund	Totals
<b>ASSETS</b>						
Cash on deposit	\$ -	\$ -	\$ 2,295,638	\$ 12,384	\$ (2,548)	\$ 2,305,474
Due from grantor	<u>46,446</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,446</u>
Total assets	<u><u>\$ 46,446</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,295,638</u></u>	<u><u>\$ 12,384</u></u>	<u><u>\$ (2,548)</u></u>	<u><u>\$ 2,351,920</u></u>
<b>LIABILITIES</b>						
Due to other funds	\$ 46,446	\$ -	\$ -	\$ -	\$ -	\$ 46,446
Total liabilities	<u>46,446</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,446</u>
<b>FUND BALANCES</b>						
Unreserved:						
Designated for subsequent year's expenditures	<u>-</u>	<u>-</u>	<u>2,295,638</u>	<u>12,384</u>	<u>(2,548)</u>	<u>2,305,474</u>
Total liabilities and fund equity	<u><u>\$ 46,446</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,295,638</u></u>	<u><u>\$ 12,384</u></u>	<u><u>\$ (2,548)</u></u>	<u><u>\$ 2,351,920</u></u>

See accompanying notes to financial statements.



STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Capital Projects Funds  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Year Ended June 30, 2002

Statement B-2

	C.D.B.G. Grant Fund	Mountainair Clinic Fund	Judicial Complex Fund	Fire Substation Planning Fund	Senior Capital Outlay Appropriation Fund	Totals
REVENUES						
State sources	\$ -	\$ -	\$ -	\$ 100,000	\$ 93,794	\$ 193,794
Federal sources	158,068	11,756	-	-	-	169,824
Earnings on investments	-	-	74,442	-	-	74,442
Total revenues	158,068	11,756	74,442	100,000	93,794	438,060
EXPENDITURES						
Capital outlay	158,068	11,756	263,287	-	96,342	529,453
Total expenditures	158,068	11,756	263,287	-	96,342	529,453
Excess (deficiency) of revenues over expenditures	-	-	(188,845)	100,000	(2,548)	(91,393)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	-	-	(188,845)	100,000	(2,548)	(91,393)
Fund balance, beginning of year	-	-	2,484,483	(87,616)	-	2,396,867
Fund balance, end of year	\$ -	\$ -	\$ 2,295,638	\$ 12,384	\$ (2,548)	\$ 2,305,474

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Capital Projects - C.D.B.G. Grant Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Federal sources	\$ 227,149	\$ 180,703	\$ (46,446)
Total revenues	<u>\$ 227,149</u>	<u>\$ 180,703</u>	<u>\$ (46,446)</u>
EXPENDITURES			
Capital outlay	\$ 227,149	\$ 158,068	\$ 69,081
Total expenditures	<u>\$ 227,149</u>	<u>\$ 158,068</u>	<u>\$ 69,081</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Capital Projects - Mountainair Clinic Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Federal sources	\$ 319,656	\$ 11,756	\$ (307,900)
Total revenues	<u>\$ 319,656</u>	<u>\$ 11,756</u>	<u>\$ (307,900)</u>
EXPENDITURES			
Capital outlay	\$ 319,656	\$ 11,756	\$ 307,900
Total expenditures	<u>\$ 319,656</u>	<u>\$ 11,756</u>	<u>\$ 307,900</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Capital Projects - Judicial Complex Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Earnings on investments	\$ 12,000	\$ 74,442	\$ 62,442
Total revenues	<u>\$ 12,000</u>	<u>\$ 74,442</u>	<u>\$ 62,442</u>
EXPENDITURES			
Capital outlay	\$ 2,496,483	\$ 263,287	\$ 2,233,196
Total expenditures	<u>\$ 2,496,483</u>	<u>\$ 263,287</u>	<u>\$ 2,233,196</u>
BUDGETED CASH BALANCE	<u>\$ 2,484,483</u>		

See accompanying notes to financial statements.



STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Capital Projects - Fire Substation Planning Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
State sources	\$ 140,457	\$ 100,000	\$ (40,457)
Total revenues	<u>\$ 140,457</u>	<u>\$ 100,000</u>	<u>\$ (40,457)</u>
EXPENDITURES			
Capital outlay	\$ 52,841	\$ -	\$ 52,841
Total expenditures	<u>\$ 52,841</u>	<u>\$ -</u>	<u>\$ 52,841</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Capital Projects - Seniors Capital Outlay Appropriation Fund  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2002

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
State sources	\$ 128,000	\$ 93,794	\$ (34,206)
Total revenues	<u>\$ 128,000</u>	<u>\$ 93,794</u>	<u>\$ (34,206)</u>
EXPENDITURES			
Capital outlay	\$ 128,000	\$ 96,342	\$ 31,658
Total expenditures	<u>\$ 128,000</u>	<u>\$ 96,342</u>	<u>\$ 31,658</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. The bonds were paid off in fiscal year ending June 30, 2001.

**GENERAL OBLIGATION BOND DEBT SERVICE FUND** - To accumulate monies for payment of the 2001 General Obligation Serial Bonds. The County is authorized to levy ad valorem taxes and other funds for the payment of principal and interest.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Debt Service Funds  
Combining Balance Sheet  
June 30, 2002

	General Obligation Bond	General Obligation Bond	Totals
ASSETS			
Cash on deposit	\$ -	\$ 336,444	\$ 336,444
Total assets	<u>\$ -</u>	<u>\$ 336,444</u>	<u>\$ 336,444</u>
FUND BALANCE			
Reserved for Debt Service	\$ -	\$ 336,444	\$ 336,444
Total fund balance	<u>\$ -</u>	<u>\$ 336,444</u>	<u>\$ 336,444</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, 2002

	General Obligation Bond	General Obligation Bond	Totals
REVENUES			
Local sources	\$ -	\$ 282,216	\$ 282,216
Total revenues	-	282,216	282,216
EXPENDITURES			
Principal paid	-	-	-
Interest paid	-	110,241	110,241
Total expenditures	-	110,241	110,241
Excess (deficiency) of revenues over expenditures	-	171,975	171,975
Other financing sources (uses)			
Operating transfers in	-	158,753	158,753
Operating transfers out	(158,753)	-	(158,753)
Total other financing sources (uses)	(158,753)	158,753	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(158,753)	330,728	171,975
Fund balance, beginning of year	158,753	5,716	164,469
Fund balance, end of year	\$ -	\$ 336,444	\$ 336,444

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, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ -	\$ -	\$ -
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES			
Principal paid	\$ -	\$ -	\$ -
Interest paid	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other financing (uses)			
Operating transfer out	<u>\$ (158,753)</u>	<u>\$ (158,753)</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>\$ 158,753</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, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 110,241	\$ 282,216	\$ 171,975
Total revenues	<u>\$ 110,241</u>	<u>\$ 282,216</u>	<u>\$ 171,975</u>
EXPENDITURES			
Principal paid	\$ -	\$ -	\$ -
Interest paid	<u>110,241</u>	<u>110,241</u>	<u>-</u>
Total expenditures	<u>\$ 110,241</u>	<u>\$ 110,241</u>	<u>\$ -</u>
Other financing sources			
Operating transfer in	<u>\$ 158,753</u>	<u>\$ 158,753</u>	<u>\$ -</u>

See accompanying notes to financial statements.

### AGENCY FUNDS

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

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

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

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

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

**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, 2002

	Balances June 30, 2001	Additions	Deletions	Balances June 30, 2002
<b>ASSETS</b>				
Cash on deposit	\$ 96,114	\$ 2,867,563	\$ 2,857,273	\$ 106,404
Total assets	<u>\$ 96,114</u>	<u>\$ 2,867,563</u>	<u>\$ 2,857,273</u>	<u>\$ 106,404</u>
<b>LIABILITIES</b>				
Deposits held for others				
Childrens Trust Fund	\$ 120	\$ 1,910	\$ 1,805	\$ 225
Treasurer-Undistributed Taxes	59,607	2,783,072	2,776,762	65,917
Treasurer-Overpayment of Taxes	2,262	18,332	18,408	2,186
Treasurer-Taxes Paid in Advance	30,262	1,923	-	32,185
Cost to State/Penalty and Interest	<u>3,863</u>	<u>62,326</u>	<u>60,298</u>	<u>5,891</u>
Total liabilities	<u>\$ 96,114</u>	<u>\$ 2,867,563</u>	<u>\$ 2,857,273</u>	<u>\$ 106,404</u>

See accompanying notes to financial statements.

**ACCOUNT GROUPS**

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Statement of Changes in General Fixed Assets  
Year Ended June 30, 2002

	Balances June 30, 2001	Additions	Deletions	Balances June 30, 2002
General Fixed Assets:				
Land	\$ 60,741	\$ -	\$ -	\$ 60,741
Right of way	21,084	-	-	21,084
Building and improvements	2,169,411	748,457	-	2,917,868
Furniture, fixtures and equipment	5,443,303	79,169	-	5,522,472
Vehicles	65,558	128,287	-	193,845
	<u>7,760,097</u>	<u>955,913</u>	<u>-</u>	<u>8,716,010</u>
Total	<u>\$ 7,760,097</u>	<u>\$ 955,913</u>	<u>\$ -</u>	<u>\$ 8,716,010</u>
Investment in General Fixed Assets:				
Acquisition prior to June 30, 1985				
not identifiable by source	\$ 822,432	\$ -	\$ -	\$ 822,432
General Fund	2,181,776	265,822	-	2,447,598
Special Revenue Fund	3,929,056	79,169	-	4,008,225
Capital Projects Fund	826,833	610,922	-	1,437,755
	<u>7,760,097</u>	<u>955,913</u>	<u>-</u>	<u>8,716,010</u>
Total	<u>\$ 7,760,097</u>	<u>\$ 955,913</u>	<u>\$ -</u>	<u>\$ 8,716,010</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
General Long-Term Debt  
Statement of Changes in General Long-Term Debt  
Year Ended June 30, 2002

	Balances June 30, 2001	Additions	Deletions	Balances June 30, 2002
Amount available in debt service funds	\$ 164,469	\$ 282,216	\$ 110,241	\$ 336,444
Amount to be provided for retirement of general long-term debt	<u>4,145,361</u>	<u>-</u>	<u>141,314</u>	<u>4,004,047</u>
Total	<u>\$ 4,309,830</u>	<u>\$ 282,216</u>	<u>\$ 251,555</u>	<u>\$ 4,340,491</u>
Capital leases payable	\$ 1,033,376	\$ 294,175	\$ 234,739	\$ 1,092,812
General obligation bonds	3,050,000	-	-	3,050,000
Notes payable	172,637	-	23,148	149,489
Accrued compensated absences payable	<u>53,817</u>	<u>-</u>	<u>5,627</u>	<u>48,190</u>
Total	<u>\$ 4,309,830</u>	<u>\$ 294,175</u>	<u>\$ 263,514</u>	<u>\$ 4,340,491</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, 2002

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	\$ 358,851
Bankhead-Jones	-	15.000	14,735
Passed through Department of Finance and Administration			
Taylor Grazing Act	-	15.227	<u>1,400</u>
Total Department of the Interior			<u>374,986</u>
<u>U.S. Department of Agriculture</u>			
Passed Through North Central New Mexico Economic Development District Area on Aging:			
Cash in Lieu of Commodities	-	10.570	<u>18,158</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed through New Mexico Department of Finance and Administration			
Community Development Block Grant	99-C-RS-I-3-G-08	14.218	158,068
Community Development Block Grant	00-C-RS-I-3-G-8	14.218	<u>11,756</u>
Total U.S. Department of Housing and Urban Development			<u>169,824</u>
<u>U.S. Department of Justice</u>			
COPS MORE	2000-CMWX-0435	16.710	1,414
*COPS in Schools	2001-SHWX-0208	16.710	91,327
*COPS Universal Hiring Supplemental Award	95CFWX4761	16.710	236,184
Domestic Violence and Child Victimization Enforcement	97-WR-VX-0021	16.589	43,061
Bulletproof Vest Partnership Grant		16.607	<u>2,289</u>
Total U.S. Department of Justice			<u>374,275</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through Medical Assistance Division			
Medicaid Transportation	-	93.778	12,645
Passed through New Mexico Department of Health			
Families First Program	-	93.000	26,074
Passed through North Central New Mexico Economic Development District Area Agency on Aging:			
Title III B	-	93.044	23,195
Title III C1	-	93.045	18,662
Title III C2	-	93.045	4,455
Rural Health Outreach	-	93.912	<u>162,876</u>
Total U.S. Department of Health and Human Services			<u>247,907</u>
<u>Federal Emergency Management Agency</u>			
Passed through the State of New Mexico			
Department of Finance and Administration	-	83.007	<u>7,660</u>
<u>U.S. Department of Transportation</u>			
Passed through NM State Highway and Transportation Department:			
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	-	20.601	5,280
Safety Incentive Grants for Use of Seatbelts	-	20.604	<u>17,062</u>
Total U.S. Department of Transportation			<u>22,342</u>
Total Expenditures of Federal Awards			<u>\$ 1,215,152</u>

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2002

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Accounting

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

2. Non-Cash Assistance

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

3. Subrecipients

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

\*Treated as a Major Program

AUDITING  
BOOKKEEPING

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

CERTIFIED PUBLIC ACCOUNTANTS

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

TAX PLANNING  
TAX PREPARATION

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

Mr. Domingo P. Martinez, CGFM  
State Auditor  
and

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

We have audited the financial statements of the County of Torrance, as of and for the year ended June 30, 2002, and have issued our report thereon dated July 28, 2003, in which we qualify the opinion due to a lack of detailed records for certain of the fixed assets of the General Fixed Assets Account Group and because the Attorney General's Office is seeking \$269,905 in funds resulting from potential errors in the Medicaid Transportation Fund. Except for the preceding, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the County of Torrance's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect of the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*, those comments are 00-01, 00-07, 01-05, 01-06, 01-07, 01-08, 02-03 and 02-04.



## Internal Control Over Financial Reporting

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

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

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

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

July 28, 2003

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, 2002. The County's major federal programs are identified in the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs are the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, 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, 2002.



### 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.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. 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. We note no matters involving the internal control over compliance and its operation that we consider to be a material weakness.

This report is intended solely for the information and use of the County Commission, management of the County, the New Mexico State Auditor, 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.

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

July 28, 2003

## STATUS OF COMMENTS

### Federal Required Comments

#### Prior Year Audit Findings:

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

#### Current Year Audit Findings:

NONE

### State Auditor Required Comments

#### Prior Year Audit Findings:

1. Fixed Assets - (96-01) - Repeated.
2. Grant Reimbursements - (97-22) - Repeated but modified as Receipt of Grant Monies.
3. County's Matching Share - (00-01) - Repeated.
4. Payroll Classifications - (00-02) - Repeated.
5. Multiple Programs in One Fund - (00-03) - Repeated.
6. Coding of Receipts - (00-06) - Resolved.
7. Late Audit Report - (00-07) - Repeated.
8. Disbursements Charged to the Wrong Fund (01-01) - Repeated.
9. Grant Payments (01-02) - Repeated.
10. CCA Jail Contract (01-03) - Repeated.
11. Bid Award (01-04) - Resolved.
12. Compensating Tax (01-05) - Repeated.
13. Social Security Withholding (01-06) - Repeated.
14. Budget Overruns (01-07) - Repeated.
15. Expenditure Category Overruns (01-08) - Repeated.
16. General Fund Supporting Smaller Funds (01-09) - Repeated.



Current Year Audit Findings:

1. Disbursements Made Twice (02-01)
2. Outstanding Checks Restored to Cash (02-02)
3. Depositing Within Twenty-Four Hours (02-03)
4. County Treasurers Property Tax Schedule (02-04)

Fixed Assets  
(96-01)

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

Receipt of Grant Monies  
(97-22)

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

County's - Matching Share  
(00-01)

CONDITION

The County is not recording/transferring their matching share of funds for certain grant programs, thus creating a negative cash balance.

CRITERIA

The County should budget and transfer all grant monies so that cash deficits are not created.

CAUSE

An employee has not been assigned the duty of investigating these cash deficits or ensuring that the County share has been transferred.

EFFECT

Negative cash balances are created.

RECOMMENDATION

We recommend that one employee be assigned the duties of ensuring all County matching monies have been correctly transferred so as to eliminate cash overdrafts.

RESPONSE

The County was unaware of some grants matching requirements until just recently. The original Universal Hiring Grant was obtained with the approval of the County Commission, and therefore, the County was unaware of the matching requirement. We have been researching this problem and are transferring matching funds as they are available. The County has covered the matching portion from the General Fund, so the obligation of the grant has been fulfilled. We are not trying to clear the negative fund balances by the transfer of funds.



Payroll Classifications  
(00-02)

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

Multiple Programs in One Fund  
(00-03)

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

Late Audit Report  
(00-07)

CONDITION	The June 30, 2002 audit report was submitted to the State Auditor after the required deadline.
CRITERIA	County audits are required to be submitted to the State Auditor by November 15. This is the State Auditors Office Rule 2.2.2.9A(1){c}.
CAUSE	The previous years audit report was not submitted timely, thus not allowing the current years report to be submitted timely.
EFFECT	State Auditor regulations have not been adhered to.
RECOMMENDATION	Now that the County is current with all previous years audit reports all future audit reports should be submitted timely.
RESPONSE	The County will work with the auditor to make sure that the audit report is submitted timely.

Disbursements Charged to the Wrong Fund  
(01-01)

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



Grant Payments  
(01-02)

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

CCA Jail Contract  
(01-03)

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

Compensating Tax  
(01-05)

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

Social Security Withholding  
(01-06)

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



Budget Overruns  
(01-07)

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

Expenditure Category Overruns  
(01-08)

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

General Fund Supporting Smaller Funds  
(01-09)

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

Disbursements Made Twice  
(02-01)

CONDITION	Management approved a payment for a lease agreement twice. The first payment was made correctly. The second payment was charged to an incorrect fund. The bank then refunded the second payment, however, it was posted to the wrong account.
CRITERIA	All payments should be reviewed to ensure that they are charged to the correct fund. These payments should also be marked in some way to ensure they are not paid twice.
CAUSE	The employee coding these payments and the receipt of the refund miscoded them.
EFFECT	This created a due to/due from between funds. Also, a lease payment that should have been made was not paid because of this mistake.
RECOMMENDATION	The County should implement some additional internal controls to ensure that this situation does not happen again.
RESPONSE	The County will have a staff member review the warrants to be paid to make sure that they have not already been paid. This will be done prior to each Commission Meeting.



Depositing Within Twenty-Four Hours  
(02-03)

CONDITION	Departments are not bringing in monies to be deposited with the County Treasurer within twenty-four hours.
CRITERIA	All receipt of monies should be deposited within twenty-four hours according to the Department of Finance and Administration.
CAUSE	Management of the County is not ensuring that all departments take all monies received to the County Treasurer to ensure all monies are deposited within twenty-four hours.
EFFECT	Revenues could be understated. Monies could be lost, stolen or misused. Also, Department of Finance and Administration Regulations have not been adhered to.
RECOMMENDATION	The management of the County should ensure that all departments are aware of this regulation and adhere to it.
RESPONSE	Management will issue a memo to all departments citing the regulation and the urgency of depositing funds within 24 hours of receipt.

County Treasurers Property Tax Schedule  
(02-04)

CONDITION	The County cannot provide a Property Tax Schedule that conforms to the State Auditors Rule 2.2.2.12D.
CRITERIA	State Auditors Rule 2.2.2.12D requires a property tax schedule providing tax information for the last ten years.
CAUSE	The County does not have this type of information readily available to compile into the required schedule.
EFFECT	The State Auditors Rule cannot be adhered to.
RECOMMENDATION	The County should research the possibility that the current software system could provide the information needed.
RESPONSE	The County doesn't have the staff to research the information needed to compile the schedule. The County doesn't have the financial resources to pay additional staff or have the current software upgraded to provide this information.

STATE OF NEW MEXICO  
COUNTY OF TORRANCE  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2002

Part 1 - Summary of Auditor Results

1. Type of Report - Qualified
2. Reportable Conditions - 96-01, 97-22, 00-02, 00-03, 01-01, 01-02, 01-03, 01-09, 02-01 and 02-02
3. Non-Compliance - 00-01, 00-07, 01-05, 01-06, 01-07, 01-08, 02-03 and 02-04
4. Reportable Conditions Over Major Programs - NONE
5. Type of Report Issued on Compliance with the Major Program - Qualified
6. Audit Findings - NONE
7. Major Programs - Payments in Lieu of Taxes (PILT), CFDA #15.226, Universal Hiring Grant, CFDA #16.710, COPS in Schools, CFDA #16.710
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 - NONE

Part 3 - Questioned

NONE

