



HINKLE + LANDERS

Certified Public Accountants + Business Consultants

TORRANCE COUNTY

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

For the Year Ended June 30, 2018

**STATE OF NEW MEXICO
TORRANCE COUNTY
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FOR THE YEAR ENDED JUNE 30, 2018**

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**STATE OF NEW MEXICO
TORRANCE COUNTY
OFFICIAL ROSTER
AS OF JUNE 30, 2018**

County Officials

Name	Title
James Frost	Commissioner – District 1
Julia DuCharme	Commissioner – District 2
Javier Sanchez	Commissioner – District 3

Elected Officials

Name	Title
Betty Cabber	County Assessor
Linda Jaramillo	County Clerk
Heath White	County Sheriff
Tracy L. Sedillo	County Treasurer
Jim Summers	County Probate Judge

Administrative Officials

Name	Title
Belinda Garland	County Manager
Annette Ortiz	Deputy County Manager
Amanda Tenorio	Finance Director

INDEPENDENT AUDITOR'S REPORT

Mr. Wayne A. Johnson, State Auditor and
The Board of County Commissioners
Torrance County
Estancia, New Mexico

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Torrance County (the County), as of and for the year ended June 30, 2018, and the related notes to the financial statements which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Torrance County as of June 30, 2018, and the respective changes in financial position, the respective budgetary comparison for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 to the financial statements, the 2018 financial statements have been restated due to implementation of GASB 75 and misstatements to accumulated depreciation. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, and the Schedules related to PERA, Net Pension Liabilities, OPEB, and Net OPEB Liabilities, listed as "Required Supplementary Information" in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements as listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other schedules listed as other supplementary information as required by 2.2.2 NMAC is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the other schedules listed as "other supplementary information" in the table of contents, required by 2.2.2 NMAC, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional schedules are fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2018 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Hinkle + Landers, P.C.
Albuquerque, NM
November 19, 2018

**STATE OF NEW MEXICO
TORRANCE COUNTY
STATEMENT OF NET POSITION
AS OF JUNE 30, 2018**

		Governmental Activities
ASSETS		
Current assets:		
Cash and investments	\$	7,902,404
NMFA cash- restricted		656,124
Accounts receivable		55,163
Grant accounts receivable		141,283
GRT receivable		696,506
Property tax receivable, net		1,000,503
Prepaid expenses		171,398
Total current assets		10,623,381
Non-current assets:		
Nondepreciable capital assets		2,836,617
Depreciable capital assets, net of accumulated depreciation		9,557,589
Total non-current assets		12,394,206
Total assets		23,017,587
DEFERRED OUTFLOWS OF RESOURCES		
Pension deferral		1,444,975
OPEB deferral		71,904
Total deferred outflows of resources		1,516,879
Total assets and deferred outflows of resources	\$	24,534,466
LIABILITIES		
Current liabilities:		
Due to other governmental units	\$	491,773
Accounts payable		261,604
Accrued payroll liabilities		26,521
Accrued interest payable		24,836
Bonds and notes payable - short-term portion		566,010
Unearned revenue		-
Total current liabilities		1,370,744
Long-term liabilities:		
Compensated absences		163,358
Bonds and notes payable - long-term portion		3,344,895
Net pension liability		5,400,629
Net OPEB liability		3,814,309
Total long-term liabilities		12,723,191
Total liabilities		14,093,935
Deferred inflows of resources		
Non-exchange transactions		-
Pension deferral		484,342
OPEB deferral		868,127
Total deferred inflows of resources		1,352,469
NET POSITION		
Net investment in capital assets		8,483,301
Restricted for:		
Other purposes		6,811,863
Unrestricted		(6,207,102)
Total net position		9,088,062
Total liabilities, deferred inflows of resources, and net position	\$	24,534,466

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
TORRANCE COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

Functions/Program	Expenses	Program Revenues			Net (Expenses), Revenues, and Changes in Net Position
		Charges for services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					Primary Government
Governmental Activities:					Governmental
General government	\$ 5,032,677	400,405	383,922	33,255	(4,215,095)
Public safety	5,339,847	278,987	860,808	-	(4,200,052)
Highways and streets	1,139,700	3,409	110,213	616,219	(409,859)
Health and welfare	889,223	600	182,766	-	(705,857)
Debt service interest	90,188	-	-	-	(90,188)
Total governmental activities	\$ 12,491,635	683,401	1,537,709	649,474	(9,621,051)
General Revenues:					
Property taxes					\$ 5,276,813
Payment in lieu of taxes					1,421,306
Local and state shared taxes					3,751,318
Investment income					80,298
Other revenues					176,274
Operating transfers, net					-
Total general revenues and transfers					10,706,009
Change in net position					1,084,958
Net position, beginning					12,452,770
Restatements					(4,449,666)
Net position, beginning restated					8,003,104
Net position, ending					\$ 9,088,062

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
TORRANCE COUNTY
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2018**

	401	Special Revenue Fund		562, 636 Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
		402	420			
	General Fund	Road Fund	Corrections Fund			
ASSETS						
Cash and investments	\$ 7,902,404	-	-	656,124	-	8,558,528
Due from other funds- pooled cash	-	683,382	209,621	-	4,365,923	5,258,926
Accounts receivable	1,111	-	3,128	-	50,925	55,164
Grant accounts receivable	-	-	-	-	141,283	141,283
GRT receivable	406,233	35,024	37,259	-	217,989	696,505
Property tax receivable, net	924,343	-	-	76,160	-	1,000,503
Prepaid expenses	171,398	-	-	-	-	171,398
Total assets	\$ 9,405,489	718,406	250,008	732,284	4,776,120	15,882,307
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Due to other funds- pooled cash	\$ 5,243,605	-	-	15,292	29	5,258,926
Due to other governmental units	491,773	-	-	-	-	491,773
Accounts payable	63,178	24,008	97,925	-	76,492	261,603
Accrued payroll liabilities	26,522	-	-	-	-	26,522
Accrued interest payable	-	-	-	24,836	-	24,836
Unavailable revenue	-	-	-	-	-	-
Total liabilities	5,825,078	24,008	97,925	40,128	76,521	6,063,660
Deferred inflows of resources						
Property taxes	1,211,439	-	-	102,380	-	1,313,819
GRT equalization	350,195	-	-	-	-	350,195
Total deferred inflows of resources	1,561,634	-	-	102,380	-	1,664,014
FUND BALANCES						
Nonspendable- prepaid expenses	171,398	-	-	-	-	171,398
Restricted	1,290,555	79,850	152,083	589,776	3,376,101	5,488,365
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	1,323,498	1,323,498
Unassigned	556,824	614,548	-	-	-	1,171,372
Total fund balance	2,018,777	694,398	152,083	589,776	4,699,599	8,154,633
Total liabilities, deferred inflows of resources, and fund balances	\$ 9,405,489	718,406	250,008	732,284	4,776,120	15,882,307

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
TORRANCE COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
TO STATEMENT OF NET POSITION
AS OF JUNE 30, 2018**

Amount reported for governmental activities in the statement of net position are different because:

Total fund balance - total governmental funds	\$	8,154,633
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.		12,394,206
Long-term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet:		
Bonds and notes payable		(3,910,905)
Compensated absences		(163,358)
Net pension/OPEB related deferrals and liability		(9,050,528)
In order to convert to the full accrual basis of accounting, it is necessary to recognize deferred inflows of property tax revenue, and other intergovernmental revenues earned, as revenue.		1,664,014
Differences due to rounding		-
Net position of governmental activities	\$	9,088,062

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
TORRANCE COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	401	Special Revenue Fund		562, 636	Nonmajor	Total
		402	420			
	General	Road	Corrections	Service	Funds	Funds
	Fund	Fund	Fund	Fund		
REVENUES						
Intergovernmental sources - federal	\$ -	110,212	-	-	85,735	195,947
Intergovernmental sources - state	278,000	611,668	31,382	-	1,070,182	1,991,232
Local and state shared taxes	652,060	526,363	265,226	275,135	1,899,062	3,617,846
Property taxes	4,592,985	-	-	345,798	94,041	5,032,824
Payment in lieu of taxes	425,806	-	-	-	995,500	1,421,306
Charges for services	167,617	3,409	80,275	-	432,100	683,401
Interest	1,033	174	-	-	79,091	80,298
Other revenue	34,709	16,073	2,247	-	123,243	176,272
Total revenues	<u>6,152,210</u>	<u>1,267,899</u>	<u>379,130</u>	<u>620,933</u>	<u>4,778,954</u>	<u>13,199,126</u>
EXPENDITURES						
Current						
General government	3,590,028	-	-	-	964,849	4,554,877
Public safety	1,452,668	-	1,807,630	-	1,564,509	4,824,807
Highways and streets	-	824,251	-	-	-	824,251
Health and welfare	-	-	-	-	834,883	834,883
Culture and recreation	-	-	-	-	-	-
Debt Service						
Principal payments	-	-	-	560,882	-	560,882
Interest payments	-	-	-	86,944	3,244	90,188
Capital Outlay						
Capital outlay	-	143,496	38,006	-	1,455,493	1,636,995
Total expenditures	<u>5,042,696</u>	<u>967,747</u>	<u>1,845,636</u>	<u>647,826</u>	<u>4,822,978</u>	<u>13,326,883</u>
Excess (deficiency) of revenues over expenditures	<u>1,109,514</u>	<u>300,152</u>	<u>(1,466,506)</u>	<u>(26,893)</u>	<u>(44,024)</u>	<u>(127,757)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from loan issuance	-	-	-	-	280,618	280,618
Transfers in	152,318	95,000	1,175,295	-	1,969,523	3,392,136
Transfers out	(1,203,560)	-	-	(1,094,283)	(1,094,293)	(3,392,136)
Total other financing sources (uses)	<u>(1,051,242)</u>	<u>95,000</u>	<u>1,175,295</u>	<u>(1,094,283)</u>	<u>1,155,848</u>	<u>280,618</u>
Net change in fund balance	58,272	395,152	(291,211)	(1,121,176)	1,111,824	152,861
Fund balances-beginning of year	1,960,505	299,246	443,294	1,710,952	3,587,775	8,001,772
Restatements	-	-	-	-	-	-
Fund balances-beginning of year, as restated	<u>1,960,505</u>	<u>299,246</u>	<u>443,294</u>	<u>1,710,952</u>	<u>3,587,775</u>	<u>8,001,772</u>
Fund balances-end of the year	<u>\$ 2,018,777</u>	<u>694,398</u>	<u>152,083</u>	<u>589,776</u>	<u>4,699,599</u>	<u>8,154,633</u>

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
TORRANCE COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

Amount reported for governmental activities in the statement of activities are different because:

Net change in fund balance - total governmental funds	\$	152,861
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In addition, donations and disposals of capital assets do not affect current financial resources in governmental funds, but do affect capital assets in the statement of net position. In the current period these amounts are:

Depreciation expense		(871,072)
Capital asset additions		1,579,241

The issuance of long-term debt (e.g. bonds, notes, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. In the current period, these amounts are:

Change in noncurrent and current accrued compensated absences		32,610
Proceeds from loan issuance		(280,618)
Principal payments on long-term debt payable		560,882

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Pension and OPEB expense		(466,406)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. This amount represents the change in deferred inflows of resources related to delinquent property taxes and other intergovernmental revenues.

377,456

Rounding		4
Change in net position of governmental activities	\$	1,084,958

**STATE OF NEW MEXICO
TORRANCE COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Original Approved Budget	Final Approved Budget	Actual	Variances Favorable (Unfavorable)
REVENUES				
Intergovernmental sources - federal	\$ -	-	-	-
Intergovernmental sources - state	200,000	200,000	278,000	78,000
Local and state shared taxes	730,000	730,000	698,770	(31,230)
Property taxes	4,519,101	4,519,101	4,614,856	95,755
Payment in lieu of taxes	250,000	250,000	425,806	175,806
Charges for services	128,200	131,280	170,586	39,306
Interest	1,200	1,200	1,033	(167)
Other revenue	51,500	51,500	33,743	(17,757)
Total revenues	5,880,001	5,883,081	6,222,794	339,713
EXPENDITURES				
Current:				
General government	3,825,174	3,820,287	3,694,834	125,453
Public safety	1,497,579	1,501,879	1,467,386	34,493
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Debt Service				
Principal payments	-	-	-	-
Interest payments	-	-	-	-
Capital Outlay				
Capital outlay	-	-	-	-
Total expenditures	5,322,753	5,322,166	5,162,220	159,946
Excess (deficiency) of revenues over (under) expenditures	557,248	560,915	1,060,574	499,659
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	152,320	152,320
Transfers out	-	-	(1,203,560)	(1,203,560)
Total other financing sources (uses)	-	-	(1,051,240)	(1,051,240)
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	557,248	560,915	9,334	(551,581)
Budgeted cash carryover	-	-		
Total	\$ 557,248	560,915		
RECONCILIATION FROM BUDGET/ACTUAL TO GAAP				
Change in fund balance (Budget Basis)			\$ 9,334	
To adjust applicable revenue accruals and deferrals			(70,586)	
To adjust applicable expenditure accruals			119,524	
Change in fund balance (GAAP basis)			\$ 58,272	

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
TORRANCE COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ROAD FUND (402)
FOR THE YEAR ENDED JUNE 30, 2018**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable)
REVENUES				
Intergovernmental sources - federal	\$ 9,200	9,200	110,213	101,013
Intergovernmental sources - state	311,000	311,000	611,668	300,668
Local and state shared taxes	824,600	824,600	557,503	(267,097)
Property taxes	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	3,200	3,200	3,409	209
Interest	500	500	174	(326)
Other revenue	9,029	9,029	16,073	7,044
Total revenues	<u>1,157,529</u>	<u>1,157,529</u>	<u>1,299,040</u>	<u>141,511</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	1,228,788	1,235,860	814,704	421,156
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Debt Service				
Principal payments	-	-	-	-
Interest payments	-	-	-	-
Capital Outlay				
Capital outlay	143,496	143,496	143,496	-
Total expenditures	<u>1,372,284</u>	<u>1,379,356</u>	<u>958,200</u>	<u>421,156</u>
Excess (deficiency) of revenues over (under) expenditures	(214,755)	(221,827)	340,840	562,667
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of long-term capital-related debt	-	-	-	-
Sale of real and personal property	-	-	-	-
Transfers in	-	-	95,000	95,000
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>95,000</u>	<u>95,000</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(214,755)</u>	<u>(221,827)</u>	<u>435,840</u>	<u>657,667</u>
Budgeted cash carryover	<u>214,755</u>	<u>221,827</u>		
Total	<u>\$ -</u>	<u>-</u>		
RECONCILIATION FROM BUDGET/ACTUAL TO GAAP				
Change in fund balance (Budget Basis)			\$ 435,840	
To adjust applicable revenue accruals and deferrals			(31,141)	
To adjust applicable expenditure accruals			<u>(9,547)</u>	
Change in fund balance (GAAP basis)			<u>\$ 395,152</u>	

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
TORRANCE COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CORRECTIONS FUND (420)
FOR THE YEAR ENDED JUNE 30, 2018**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable)
REVENUES				
Intergovernmental sources - federal	\$ -	-	-	-
Intergovernmental sources - state	13,000	13,000	31,382	18,382
Local and state shared taxes	230,000	230,000	297,421	67,421
Property taxes	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	112,000	112,000	85,423	(26,577)
Interest	-	-	-	-
Other revenue	-	-	2,247	2,247
Total revenues	<u>355,000</u>	<u>355,000</u>	<u>416,473</u>	<u>61,473</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	1,275,519	1,910,551	1,794,904	115,647
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Debt Service				
Principal payments	-	-	-	-
Interest payments	-	-	-	-
Capital Outlay				
Capital outlay	20,000	40,263	38,006	2,257
Total expenditures	<u>1,295,519</u>	<u>1,950,814</u>	<u>1,832,910</u>	<u>117,904</u>
Excess (deficiency) of revenues over (under) expenditures	(940,519)	(1,595,814)	(1,416,437)	179,377
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of long-term capital-related debt	-	-	-	-
Sale of real and personal property	-	-	-	-
Transfers in	-	-	1,175,295	1,175,295
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,175,295</u>	<u>1,175,295</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(940,519)	(1,595,814)	<u>(241,142)</u>	<u>1,354,672</u>
Budgeted cash carryover	<u>940,519</u>	<u>1,595,814</u>		
Total	<u>\$ -</u>	<u>-</u>		
RECONCILIATION FROM BUDGET/ACTUAL TO GAAP				
Change in net position (Budget Basis)			\$ (241,142)	
To adjust applicable revenue accruals and deferrals			(37,343)	
To adjust applicable expenditure accruals			<u>(12,726)</u>	
Change in net position (GAAP basis)			<u>\$ (291,211)</u>	

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
TORRANCE COUNTY
STATEMENT OF FIDUCIARY ASSETS
AND LIABILITIES - AGENCY FUND
FIDUCIARY FUNDS
AS OF JUNE 30, 2018**

		Agency Funds
ASSETS		
Property taxes receivable	\$	1,074,143
Due from other governmental units		491,773
Total assets	\$	1,565,916
LIABILITIES		
Due to other governmental units	\$	1,074,143
Deposits held in trust for others		491,773
Total liabilities	\$	1,565,916

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
TORRANCE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Description and Reporting Entity

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

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

Reporting Entity

GASB Statement No. 14, as amended by GASB Statement No. 61, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the County is considered the primary government, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the County may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The County has no *component units*, as defined by GASB Statement No. 14, as there are no other legally separate organizations for which the elected Commissioners are financially accountable.

Basic Financial Statements – GASB Statements No. 34, No. 63, and No. 65

The basic financial statements include both government-wide (based on the County as a whole) and fund financial statements. The reporting model focuses on either the County as a whole or major individual funds (within the basic financial statements). Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type activities. In the government-wide Statement of Net Position, both governmental and business-type activities columns are presented on a consolidated basis by column, and are reflected on a full accrual, economic resources basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. The County did not have any business-type activities during the year ended June 30, 2018.

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

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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

The governmental fund statements are presented on a current financial resource and modified accrual basis of accounting.

This presentation is deemed appropriate to:

- a) demonstrate legal compliance,
- b) demonstrate the source and use of liquid resources, and
- c) demonstrate how the County's actual experience conforms to the budget or fiscal plan.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statement's governmental activities column, a reconciliation is presented on the page following each statement, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column on the governmental-wide presentation.

Internal activity between the various funds is eliminated in the government-wide financial statements. Interfund receivables and payables at June 30, 2018, have been eliminated. These consist of amounts titled "Interfund receivable (payable)" and "Due from (to) other funds."

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

Basis of Presentation

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

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

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

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

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

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

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

Under the requirements of GASB Statement No. 34, the County is required to present certain of its governmental funds as major funds based upon certain criteria. The major funds presented in the fund financial statements include the following:

**STATE OF NEW MEXICO
TORRANCE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

General Fund (401)—The primary operating fund of the County accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is always considered to be a major fund.

Road Fund (402)—To account for funds used to maintain roads for which the County has responsibility. Financing is provided by motor vehicle fees flowing through the State. Expenditures are restricted to the construction and maintenance of County roads. Authority is Section 67-4-1 NMSA 1978.

Corrections Fund (420)—To account for resources used to pay for the housing and care of Torrance County inmates. Funding is provided by charges to local municipalities, the New Mexico Department of Corrections, local gross receipts tax option, and transfers from the Torrance County General Fund. This fund also accounts for the Community Monitoring Program. Authority is the County Commission.

Debt Service Fund (562, 636)—This fund accounts for gross receipts and state allotment revenues collected to pay the current year's debt service on New Mexico Finance Authority Loans. It also accounts for property tax revenues collected to pay off the current year's debt service on the 2001 general obligation bonds of the County.

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the County. The County only reports agency funds during the year ended June 30, 2018.

Agency funds—used to account for assets that government holds for others in an agency capacity.

Basis of Accounting

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

The government-wide financial statements and the fiduciary fund financial statements are presented on an accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange transactions are recognized when the exchange takes place. The governmental funds in the fund financial statements are presented on a modified accrual basis.

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

Property taxes are recognized when levied. Derived tax revenues are recognized when the exchange transaction takes place. Property tax and interest revenue are susceptible to accrual. Gross receipt taxes collected and held by the State at year-end on behalf of the government are also recognized as revenue. These are generally received within 60 days of year-end. Other receipts and taxes become measurable and available when cash is received by the County and are recognized as revenue at that time. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grants requirements have been met.

In applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to GASB Statement No. 33, the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenues when the applicable eligibility requirements, including time requirements, are

**STATE OF NEW MEXICO
TORRANCE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

met. Resources transmitted before the eligibility requirements are met, under most circumstances, should be reported as advances by the provider and unearned revenue by the recipient.

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 into banks. In the accompanying financial statements, monies held for other than County entities are presented as agency fund monies.

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

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

Chapter 7, Articles 35 through 38, NMSA 1978, is the Property Tax Code. The code provides for valuation, administration and enforcement of property taxes. The Department of Finance and Administration (DFA) 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 for property taxation purposes in a manner that limits annual increases in valuation of residential property. The limitation may be applied to classes of residential property taxpayers based on owner-occupancy, age or income. The limitations may be authorized state-wide 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 state-wide or multi-jurisdictional property tax rates to the value of the property as if the evaluation increase limitation did not apply.

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

The County charged mil rates for the 2017 property tax year as follows:

<u>Tax District</u>	<u>Residential</u>	<u>Non-Residential</u>	<u>Debt Service</u>
Estancia-In	23.015	22.500	0.894
Estancia-Out	21.461	22.068	0.894
Willard-In	26.448	26.654	0.894
Moriarty-In	26.217	26.230	0.894
Moriarty-Out	23.992	24.832	0.894
Mountainair-In	25.790	27.280	0.894
Mountainair-Out	20.152	20.922	0.894
Encino-In	21.912	22.817	0.894
Encino-Out	20.223	20.894	0.894

All property tax receivables are shown net of allowance for uncollectibles. The property tax receivable allowance is equal to .97% of property taxes billed for each year and for 100% of the outstanding receivable that are no longer collectible under state statute. The total allowance for all property taxes is \$833,824, with \$409,312 reported in the County's governmental funds and \$424,512 reported in the agency funds.

Budgetary Information

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 DFA.
2. The Local Government Division shall:
 - a. Examine each proposed budget, and on or before July 1 of each year, approve and certify for the County an operating budget for use pending approval of a final budget;
 - b. Hold public hearings on proposed budgets;
 - c. Make such corrections, revisions, and amendments to proposed budgets as may be necessary to meet the requirements of law;
 - d. Certify a final budget for the County prior to the first Monday of September of each year. Such budgets, when approved, shall be binding upon all officials of the State;
 - e. Upon the approval of the director of the DFA, 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 DFA, the budget may be revised to authorize such expenditures;
 - f. With written approval of the director of the DFA, increase the total budget of the County in the event the County undertakes an activity, service, project or construction program which was not contemplated at the time of the final budget was adopted and approved and which activity, service, project or construction program will produce sufficient revenue to cover such increase in the budget or the County has surplus funds on hand not necessary to meet the expenditures provided for in the budget with which to cover such increase in the budget;
 - g. Supervise the disbursement of funds to the end that expenditures will not be made in excess of budgeted items or for items not budgeted and that there will not be illegal expenditures;
 - h. Prescribe the form for all budgets, books, records and accounts for the County; and

**STATE OF NEW MEXICO
TORRANCE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

- i. With the approval of the director of the DFA, make rules and regulations relating to budgets, records, reports, handling and disbursement of public funds, or in any matter relating to the financial affairs of the County.
3. The County Manager is authorized to transfer budgeted amounts between departments within any fund.
4. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Fund.
5. Budgets for the General, Special Revenue, Debt Service, and Capital Projects Fund are adopted on a basis inconsistent with GAAP. Budgetary and actual comparisons presented for these funds in this report are on the non-GAAP (cash) budgetary basis.
6. Budgeted amounts are as originally adopted, or as amended by the County Commissioners and approved by the DFA.
7. The level of classification detail in which expenditures may not legally exceed appropriations for budget is at the fund level.

Assets, Liabilities, and Net Position/Fund Balance

Deposits and Investments

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

Receivables

Receivable are recorded in the various governmental funds. They consist of amounts receivable from local governments relating to various grant agreements and property taxes receivable. In the government-wide statements, property taxes are recognized in the year for which the taxes are levied. As of June 30, 2018, there was an allowance for uncollectable property taxes. However, there is no allowance for all other receivables because there is no history of write-offs. In the governmental funds statements, those property taxes receivable which are not available within sixty days are deferred. Nonexchange transactions, including grants and contributions, which are not measurable (reasonably estimated) are not recognized.

Capital Assets

Capital assets are recorded at historical cost and depreciated over their estimated useful lives (with no salvage value). Capital assets are defined by the County as assets with an initial individual cost of more than \$5,000 in accordance with Section 12- 6-10 NMSA 1978 and an estimated useful life in excess of one year. Donated capital assets are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized.

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

Estimated useful life is management's estimate of how long the asset is expected to meet service demands.

**STATE OF NEW MEXICO
TORRANCE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

Straight-line depreciation is used based on the following estimated useful lives:

<u>Asset Type</u>	<u>Years</u>
Buildings and improvements	15-45
Vehicles, machinery and equipment	4-20
Infrastructure (roads)	10

GASB Statement No. 34 requires the recording and depreciation of infrastructure assets, which include roads, bridges, traffic signals, etc. The County infrastructure assets consist of roads only. These are depreciated over an estimated useful life of 10 years. In accordance with the provisions of GASB Statement No. 34, the County is considered to be a Phase 3 Government (total annual revenues of less than \$10 million) and has elected to report infrastructure assets in a prospective manner only. That is, infrastructure in place before July 1, 2003, is not reported.

Unearned Revenues and Deferred Outflows/ Inflows of Resources

The County reports unearned revenues on its statement of net position and funds balance sheet. Unearned revenues arise when resources are received by the County before it has legal claim to them. Delinquent property taxes receivable is not considered available financial resources and therefore are reported as deferred inflows of resources in the fund financial statements. In subsequent periods, when the County has a legal claim to the resources, the deferred inflows of resources for unavailable revenue is removed from the balance sheet and the revenue is recognized.

Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide Statement of Net Assets. The General Fund is typically the fund used to liquidate compensated absences not liquidated by another fund.

Long-term Liabilities

For government-wide reporting, the costs associated with bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34, the amortization of the costs of bonds will be amortized prospectively from the date of adoption of GASB Statement No. 34. For fund financial reporting, bond premiums and discounts, as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as other financing sources net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Pension

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Mexico Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the New Mexico Retiree Health Care Authority (NMRHCA) and additions to and deductions from NMRHCA's fiduciary net position have been determined on the same basis as they are reported by NMRHCA. For this purpose, NMRHCA recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**STATE OF NEW MEXICO
TORRANCE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities less deferred inflows of resources. The County classifies net position in the government-wide fund financial statements as follows:

- *Net Investment in Capital Assets* includes the County's capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds.
- *Restricted Net Position* includes assets that have limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments (statutory, bond covenant, or granting agency). The County typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.
- *Unrestricted Net Position* typically includes the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment of capital assets or restricted net position.

Fund Balance

GASB Statement No. 54 requires fund balance amounts to be reported within one of the fund balance categories list below:

- *Nonspendable*—includes amounts that cannot be spent because (1) they are either not in spendable form or (2) they are legally or contractually required to be maintained intact.
- *Restricted*—fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- *Committed*—fund balance classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government's highest level of decision-making authority removes or changes the specified use by taking the same action it employed to previously commit those amounts.
- *Assigned*—fund balance classification intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.
- *Unassigned*—fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

The County would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

According to New Mexico State Statute and the DFA, the County is required to reserve 3/12ths of the general fund's budgeted expenditures for subsequent year expenditures as a reserve requirement. The DFA also requires that 1/12th of the road fund budgeted expenditures be reserved. These balances are reported as restricted fund balance for subsequent years expenditures in the general fund and the road fund. Reserves can be spent during the course of the fiscal year as long as they are replenished by fiscal year-end.

Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except

**STATE OF NEW MEXICO
TORRANCE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Estimates

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

Recently Issued Accounting Pronouncements

GASB has issued several statements which have not been implemented by the County at June 30, 2018. The County will implement the new GASB pronouncements in the fiscal year no later than the required effective date. Management is still evaluating the financial impact that these pronouncements will have.

Income Taxes

As a local government entity, the County is not subject to federal or state income taxes.

Evaluation of Subsequent Events

Subsequent events are events or transactions that occur after the statement of financial position date but before the financial statements are issued. The County recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. The County's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after the statement of financial position date and before financial statements are available to be issued. The organization has evaluated subsequent events through November 19, 2018, which is the date the financial statements were available to be issued.

NOTE 2 – CASH AND INVESTMENTS

Cash

The County operates a pooled cash fund. That is, all cash is maintained in a single bank account and is accounted for internally by fund. In the fund financial statements, total cash and investments are reported in the general fund. Cash in other governmental funds is reported as "due from other funds" (or as "due to other funds" in the case of a fund overdraft) with a corresponding amount in the general fund. Cash in the agency funds is reported as "due from other governmental units," with a corresponding entry in the general fund.

Cash and investments at June 30, 2018, consist of the following:

Fund Type	Amount
Cash and investments	
Deposits	\$ 957,216
Local government investment pool	6,945,188
NMFA cash - restricted	656,124
Total cash and investments	\$ 8,558,528

**STATE OF NEW MEXICO
TORRANCE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

Cash and investments of the General Fund only is calculated as follows:

Total cash and investments	\$ 7,902,404
Due to other funds	(5,243,605)
Due to other governmental entities	<u>(491,773)</u>
Cash and investments, general fund	<u>\$ 2,167,026</u>

Pledged Collateral

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

Pledged collateral for the County's deposits is shown below at June 30, 2018:

	<u>Wells Fargo Bank</u>
Deposits	\$ 1,519,190
Less FDIC coverage	<u>(250,000)</u>
Uninsured public funds	1,269,190
50% collateral requirement	<u>634,595</u>
Pledged securities, fair value	<u>1,450,929</u>
Pledged collateral over the requirement	<u>\$ (816,334)</u>

Custodial Credit Risk

Custodial credit is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County's policy regarding custodial credit risk is to comply with Section 6-10-17, NMSA 1978. At June 30, 2018, there were no bank balances exposed to custodial credit risk.

Investments: State Treasurer Local Governmental Investment Pool

As of June 30, 2018, the County has the following invested in the State Treasurer Local Government Investment Pool:

<u>Investment Type</u>	<u>Cost Basis</u>	<u>Market Value</u>	<u>Credit Risk- Rating Range</u>	<u>Weighted Average Maturity Range (Years)</u>
State of NM Local Government Investment Pool (LGIP)	\$ 6,945,188	<u>6,945,188</u>	AAAm	[50] day WAM (R); [100] day WAM (F)
	<u>\$ 6,945,188</u>	<u>6,945,188</u>		

New Mexico State Statutes authorize the creation of the short-term investment fund in the New Mexico State Treasury. The Statutes authorize the State Treasurer to pool monies received from local public bodies for investment purposes with public monies under control. The purpose of the local short-term fund is to provide a voluntary investment alternative for local political subdivisions to realize the maximum return consistent with safe and prudent management. The local short-term investment fund, along with other public monies in the State Treasurer's investment account, is invested in repurchase agreements secured at 102% by U.S. Government Securities. The State Treasurer has the responsibility to pledge collaterals at 102% of investment balances for the County. All investing is performed in accordance with State Statutes and the County's investment policy. Per review of GASB Statement No. 72, the State Treasurer Local Government Investment Pool is exempt from GASB 72 and should continue to be measured and disclosed in accordance with existing literature.

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 67-10-10 I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term

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investment fund in securities that are issued by the United States government, or by its departments or agencies and are either direct obligations of the United States, or are backed by the full faith and credit of the United States government, or are agencies sponsored by the United States government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the local government investment pool is voluntary.

The LGIP's portfolio's weighted average maturity (WAM) is a key determinant of the tolerance of a fund's investment to rising interest rates. In general, the longer the WAM, the more susceptible the fund is to rising interest rates.

State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The County has no investment policy that would further limit its investment choices. As of June 30, 2018, the County's investment in the New MexiGROW Local Government Investment Pool (LGIP) was rated AAAM by Standard & Poor's. The independent auditor's report, together with the financial statements, the accompanying notes to the financial statements, and the independent auditor's report on compliance and internal controls are available from New Mexico State Treasurer, 2019 Galisteo Street, Bldg K, Santa Fe, New Mexico 87504, upon written request.

Credit Risk LGIP – With respect to credit risk, the LGIP, is rated AAAM by Standard & Poor's. Therefore, the LGIP reports AAAM for credit risk. Public funds are not required to disclose custodial credit risk for external investment pools. Therefore, the LGIP is exempt from this requirement.

Concentration of Risk – GASB Statement No. 40 defines concentration of credit risk as investments of more than 5% in any one issuer. External investment pools, such as LGIP, are excluded from the requirement of disclosing concentration of credit risk. Therefore, the LGIP is exempt from this disclosure.

Foreign Currency Risk – GASB Statement No. 40 defines interest rate risk that interest rate variation may adversely affect the fair value of an investment. The County is not exposed to the risk that exchange rates will adversely affect the fair value of an investment as none of the investments pools or certificates of deposit are dominated in a foreign currency.

NOTE 3—INTERFUND RECEIVABLES/PAYABLES

In the fund financial statements, total cash and investments are reported in the general fund. Cash in other governmental funds is reported as “due from other funds” (or as “due to other funds” in the case of a fund overdraft) with a corresponding amount in the general fund.

These are summarized as follows:

	Due From	Due To
Major Funds		
General Fund	\$ -	5,243,605
Road fund	683,382	-
Corrections fund	209,621	-
Debt service funds	-	15,292
Nonmajor governmental funds	4,365,923	29
	\$ 5,258,926	5,258,926

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

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The following are the interfund receivables/payables that have not been eliminated and are reported as due to other governmental entities in the government wide balance sheet:

		<u>Due From</u>	<u>Due To</u>
General fund	\$	-	491,773
Agency funds		<u>491,773</u>	<u>-</u>
	\$	<u><u>491,773</u></u>	<u><u>491,773</u></u>

NOTE 4 – CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2018 follows. Land and construction in progress are not subject to depreciation.

	Balance			Transfers	Balance
<u>GOVERNMENTAL ACTIVITIES</u>	<u>June 30, 2017</u>	<u>Additions</u>	<u>Restatement</u>	<u>& Adjustments</u>	<u>June 30, 2018</u>
Non-depreciable capital assets:					
Land and right-of-way	\$ 466,834	-	-	-	466,834
Artwork and antiques	372,500	-	-	-	372,500
Construction in progress	-	653,263	-	1,344,020	1,997,283
Total non-depreciable capital assets	<u>839,334</u>	<u>653,263</u>	<u>-</u>	<u>1,344,020</u>	<u>2,836,617</u>
Capital assets being depreciated:					
Buildings and improvements	9,131,796	-	-	-	9,131,796
Vehicles, machinery, and equipment	9,665,239	675,601	-	(1,344,020)	8,996,820
Infrastructure (roads)	2,220,155	250,377	-	-	2,470,532
Total capital assets being depreciated	<u>21,017,190</u>	<u>925,978</u>	<u>-</u>	<u>(1,344,020)</u>	<u>20,599,148</u>
Less accumulated depreciation for:					
Buildings and improvements	(3,715,718)	(201,063)	-	-	(3,916,781)
Vehicles, machinery, and equipment	(5,060,273)	(524,378)	81,129	-	(5,503,522)
Infrastructure (roads)	(1,475,625)	(145,631)	-	-	(1,621,256)
Total accumulated depreciation	<u>(10,251,616)</u>	<u>(871,072)</u>	<u>81,129</u>	<u>-</u>	<u>(11,041,559)</u>
Total capital assets being depreciated	<u>10,765,574</u>	<u>54,906</u>	<u>81,129</u>	<u>(1,344,020)</u>	<u>9,557,589</u>
Total capital assets, net of depreciation	<u>\$ 11,604,908</u>	<u>708,169</u>	<u>81,129</u>	<u>-</u>	<u>12,394,206</u>

Depreciation expense for the year ended June 30, 2018 was charged to the following functions:

Governmental activities:	
General government	\$ 256,639
Public safety	351,172
Public works	252,155
Health and welfare	11,106
Total governmental activities	<u>\$ 871,072</u>

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NOTE 5 – LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2018, was as follows:

	Balance				Amount due	
	June 30, 2017	Increases	Decreases	Restatement	Balance June 30, 2018	within one year
Governmental funds debt						
General obligation bonds \$	2,400,000	-	(345,000)	-	2,055,000	335,000
Notes payable	1,791,169	280,618	(215,882)	-	1,855,905	231,010
Compensated absences	195,968	131,365	(163,975)	-	163,358	-
Net pension liability	6,395,266	339,831	(1,334,468)	-	5,400,629	-
Net OPEB liability	-	223,909	(940,395)	4,530,795	3,814,309	-
Total	\$ 10,782,403	975,723	(2,999,720)	4,530,795	13,289,201	566,010

General Obligation Bonds

The County has the following GO bonds to service:

<u>Description</u>	<u>Issue Date</u>	<u>Maturity Due</u>	<u>Original Issue</u>	<u>Outstanding</u>	<u>Rates</u>
Series 2016 GO Bond (NMFA #16 PP-3641)	12/16/2016	8/1/2031	\$ 2,400,000	2,055,000	1.69%
			\$ 2,400,000	2,055,000	

During the year ended June 30, 2016, voters of the County authorized the Board of County Commissioners to issue general obligations bonds of \$2.4 million for the purposes of constructing, equipping, and acquiring communication equipment and towers for the County law enforcement, fire protection, and emergency medical responders, as well as to construct and repair public roads in the County. The bonds were sold in a private placement to New Mexico Finance Authority in December 2016 at a rate of 1.6919%. The bonds mature annually on August 1 each year from fiscal year 2017 through fiscal year 2032.

Future payment requirements on the governmental activities GO bonds are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 335,000	30,586	365,586
2020	335,000	26,376	361,376
2021	340,000	21,727	361,727
2022	95,000	18,556	113,556
2023	95,000	17,025	112,025
2024-2028	380,000	49,905	429,905
2029-2033	475,000	15,692	490,692
Total	\$ 2,055,000	179,867	2,234,867

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Notes Payable

The County has the following notes payable to service in governmental activities:

Description	Issue Date	Maturity Due	Original Issue	Outstanding	Rates
NMFA #3 PP - 1992	6/30/2007	5/1/2027	\$ 581,320	301,996	2.86%
NMFA #4 PP - 2089	12/16/2007	5/1/2028	50,000	25,313	0.25%
NMFA #5 PP-2116	12/21/2007	5/1/2023	166,667	63,313	3.00%
NMFA #8 PP-2187	9/5/2008	5/1/2023	30,450	11,906	3.00%
NMFA #9 PP-2251	3/6/2009	5/1/2029	493,201	312,197	3.77%
NMFA #10 PP-2252	7/10/2009	5/1/2020	382,729	84,370	2.73%
NMFA #11 PP-2286	7/31/2009	5/1/2019	382,729	43,524	2.62%
NMFA #12 PP-2451	6/4/2010	5/1/2030	65,975	45,590	4.93%
NMFA #13 PP - 2505	7/31/2005	5/1/2029	86,275	54,259	2.77%
NMFA #14 PP-2748	8/31/2012	5/1/2028	203,000	142,686	2.40%
NMFA #15 PP-3406	1/22/2016	5/1/2036	503,716	465,172	3.02%
NMFA #17 PP-3714	7/7/2017	5/1/2033	280,618	280,618	1.11%
NMFA PP-2168 Willard Fire	11/1/2009	7/1/2018	96,215	24,961	2.40%
			\$ 3,322,895	1,855,905	

Long-Term Notes

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

- NMFA #3 - During the year ended June 30, 2007, the County received approval for a loan from the New Mexico Finance Authority in the amount of \$581,320, 2.875% interest, for the construction of a fire station in the Northeast Torrance Fire District. Revenues from the District's State Fire Allotment and Fire Protection Excise Tax will be pledged in repayment of this loan and are by the Finance Authority. The balance matures on May 1, 2027.
- NMFA #4 - During the year ended June 30, 2008, the County received approval for a loan from the New Mexico Finance Authority in the amount of \$50,000, .25% interest, for the construction, renovation and completion of the interior of the Homestead Estates Fire Station. Revenues from the State Fire Protection Fund and State Fire Excise Tax will be pledged in repayment of this loan and are by the Finance Authority. The loan matures on May 1, 2028.
- NMFA #5 - During the year ended June 30, 2008, the County received approval for a loan from the New Mexico Finance Authority in the amount of \$166,667, 3% interest, for the construction of a new fire station for the Fire Protection Districts within the County. Revenues from the County Fire Excise Tax will be pledged in repayment of this loan. The loan matures on May 1, 2023.
- NMFA #8 - During the year ended June 30, 2009, the County received approval for a loan from the New Mexico Finance Authority in the amount of \$30,450, 3.0% interest for the renovation and completion of the McIntosh Fire Station. Revenues from First Protection Excise Tax will be pledged in repayment for this loan and are by the Finance Authority. The loan matures on May 1, 2023.
- NMFA #9 - During the year ended June 30, 2010, the County received approval for a loan from the New Mexico Finance Authority in the amount of \$493,201, 3.776% interest, for the designing, constructing, equipping, and furnishing a new County Dispatch Center. The County Gross Receipts Tax will be imposed on all gross receipts of all persons engaging in business within the governmental unit, which provides for the pledged revenues for the loan and are by the New Mexico Finance Authority. The loan matures on May 1, 2029.
- NMFA #10 - During the year ended June 30, 2010, the County received approval for a loan from the New Mexico Finance Authority in the amount of \$382,729, 2.726% interest, for the cost of purchasing and equipping a fire pumper for the use by Fire District #2. State Fire Protection Funds will provide pledged revenues that are by the New Mexico Finance Authority beginning in fiscal year 2011. The loan matures on May 1, 2020.
- NMFA #11 - During the year ended June 30, 2010, the County received approval for a loan from the New

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Mexico Finance Authority in the amount of \$382,729, 2.618% interest, for the cost of purchasing and equipping a fire pumper for the use by Fire District #2. One fourth of one percent (.25%) of the County Fire Protection Excise Tax on the gross receipts of all persons engaging in business within the governmental unit will provide the pledged revenues, are intercepted by the New Mexico Finance Authority. The loan matures on May 1, 2019.

- NMFA #12 - During the year ended June 30, 2010, the County received approval for a loan from the New Mexico Finance Authority in the amount of \$65,975, 4.925% interest, for the cost of purchasing, designing and building a communications tower dispatch center. Pledged Revenues of the County's Gross Receipts are by the New Mexico Finance Authority beginning in fiscal year 2011. The loan matures on May 1, 2030.
- NMFA #13 - During the year ended June 30, 2010, the County received approval for a loan from the New Mexico Finance Authority in the amount of \$86,275, 2.767% interest, for the cost of purchasing, designing and building a communications tower dispatch center. Pledged Revenues of the County's Gross Receipts are by the New Mexico Finance Authority beginning in fiscal year 2011. The loan matures on May 1, 2029.
- NMFA #14 - During the year ended June 30, 2013, the County received approval for a loan from the New Mexico Finance Authority in the amount of \$203,000, 2.403% blended interest rate, for the cost of purchasing a fire tanker truck. Pledged Revenues of the County's Fire Protection Funds are intercepted by the New Mexico Finance Authority in fiscal year 2014. The loan and matures on May 1, 2028.
- NMFA #15 - During the year ended June 30, 2016, the County received approval for a loan from NMFA in the amount of \$503,716, 3.0165% blended interest rate, for the cost of purchasing a fire tanker. Pledged revenues of the County's Fire Protection Funds are intercepted by NMFA beginning in fiscal year 2017. The loan matures on May 1, 2036.
- NMFA #17 - During the fiscal year ended June 30, 2018, the County received approval for a loan from the New Mexico Finance Authority in the amount of \$280,618, 0.58% blended interest, for the cost of acquiring a 3,000-gallon water tender for the Indian Hills Fire District #2. Pledged Revenues are the distribution of State Fire Protection Funds to the Governmental Unit for the Indian Hills Fire District #2 made periodically by the State Treasurer pursuant to Section 59A-53-7, NMSA 1978. The loan matures on May 1, 2033.
- NMFA Willard Fire - During the year ended June 30, 2015, the County received approval to transfer a loan from the Village of Willard to the County in the amount of \$96,215. Pledged Revenues of the County's Fire Protection Funds are intercepted by the New Mexico Finance Authority beginning in fiscal year 2016. The loan matures on July 1, 2018.

Debt service requirements for all notes is as follows:

	Principal	Interest	Total
2019	\$ 231,010	48,378	279,388
2020	168,432	42,167	210,599
2021	135,591	37,789	173,380
2022	139,030	34,673	173,703
2023	142,726	31,334	174,060
2024-2028	651,979	103,885	755,864
2029-2033	291,873	33,856	325,729
2034-2038	95,264	6,873	102,137
Total	<u>\$ 1,855,905</u>	<u>338,955</u>	<u>2,194,860</u>

In fiscal year 2019, the County received approval to enter in a lease-purchase agreement for an asphalt zipper with Welch State Bank in the amount of \$180,690, 4.23% interest. The loan will be paid out of the operating budget and principal and interest payments are due May 23 annually in the amount of \$40,864. The loan matures on May 23, 2023.

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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 bi-weekly pay period. Accrued sick leave is forfeited upon termination of employment.

Full-time County employees accrue annual leave based on hours per bi-weekly pay period and years of service, according to the following schedule:

<u>Hours Per Bi-Weekly Pay Period</u>	<u>Accrual Rate Range Per Bi-Weekly Pay Period</u>
64	2.46 - 4.92
72	2.77 - 5.54
80	3.08 - 6.15

Annual leave must be taken within the calendar year. Employees are only allowed to carry over one hundred (100) hours of annual leave to the next calendar year. Also included in accrued compensated absences is the liability for unused compensatory time.

NOTE 6 – INDUSTRIAL REVENUE BONDS

On September 15, 2008, the County issued \$195 million in industrial revenue bonds related to the High Lonesome Wind Project for the purposes of constructing a wind farm. The County has no obligation to pay this debt. It is the responsibility of High Lonesome Mesa, LLC. The County's sole responsibility is to lease the project site property to High Lonesome Mesa, LLC through at least November 2038.

On December 17, 2015, the County issued \$575 million in industrial revenue bonds related to the El Cabo Wind Project for the purposes of constructing a wind farm. The County has no obligation to pay this debt. It is the responsibility of El Cabo Wind, LLC. The County's sole responsibility is to lease the project site property to El Cabo Wind, LLC through at least December 2045.

NOTE 7 – TRANSFERS

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

The composition of interfund transfers during the year ended June 30, 2018 was as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds		
General Fund	\$ 152,318	1,203,560
Road fund	95,000	-
Corrections fund	1,175,295	-
Debt service funds	-	1,094,283
Nonmajor governmental funds	<u>1,969,523</u>	<u>1,094,293</u>
	<u>\$ 3,392,136</u>	<u>3,392,136</u>

NOTE 8 – PERA PENSION 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 benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan.

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That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, NM 87504-2123. The report is also available on PERA's website at <http://www.pera.state.nm.us>.

Funding Policy – Plan members are required to contribute the following percentages of their gross salary: 10.65% for general members, and 8.50% for union and non-union law enforcement of their gross salary. The County is required contribute the following percentages of their gross salary: 9.55% for general members, and 10.40% for Union and Non-union law of their gross salary. The contribution requirements of plan members and the County are established in State statute under Chapter 10, Article 11, NMSA 1978.

NOTE 9 – PENSION PLAN AND POST EMPLOYMENT BENEFITS

Summary of Significant Accounting Policies

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA's. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description – *Public Employees Retirement Fund* is a cost-sharing, multiple employer defined benefit pension plan. This fund has six divisions of members, including State General, State Police/Adult Correction Officers, Municipal General, Municipal Police/Detention Officers, Municipal Fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the Public Employees Retirement Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), each employee and elected official of every affiliated public employer is required to be a member in the Public Employees Retirement Fund, unless specifically excluded.

Benefits provided – Benefits are generally available at age 65 with five or more years of service or after 25 years of service regardless of age for TIER I members. Provisions also exist for retirement between ages 60 and 65, with varying amounts of service required. Certain police and fire members may retire at any age with 20 or more years of service for Tier I members. Generally, the amount of retirement pension is based on final average salary, which is defined under Tier I as the average of salary for the 36 consecutive months of credited service producing the largest average; credited service; and the pension factor of the applicable coverage plan. Monthly benefits vary depending upon the plan under which the member qualifies, ranging from 2% to 3.5% of the member's final average salary per year of service. The maximum benefit that can be paid to a retiree may not exceed a range of 60% to 90% of the final average salary, depending on the division. Benefits for duty and non-duty death and disability and for post-retirement survivors' annuities are also available.

TIER II – The retirement age and service credit requirements for normal retirement for PERA state and municipal general members hired increased effective July 1, 2013 with the passage of Senate Bill 27 in the 2013 Legislative Session. Under the new requirements (Tier II), general members are eligible to retire at any age if the member has at least eight years of service credit and the sum of the member's age and service credit equals at least 85 or at age 67 with 8 or more years of service credit. General members hired on or before June 30, 2013 (Tier I) remain eligible to retire at any age with 25 or more years of service credit. Under Tier II, police and firefighters in Plans 3, 4 and 5 are eligible to retire at any age with 25 or more years of service credit. State police and adult correctional officers, peace officers and municipal juvenile detention officers will remain in 25-year retirement plans, however, service credit will no longer be enhanced by 20%. All public safety members in Tier II may retire at age 60 with 6 or more years of service credit. Generally, under Tier II pension factors were reduced by .5%, employee Contribution

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increased 1.5 percent and effective July 1, 2014 employer contributions were raised .05 percent. The computation of final average salary increased as the average of salary for 60 consecutive months.

Contributions – See PERA’s publicly available financial report and comprehensive annual financial report obtained at <http://saonm.org/> using the Audit Report Search function for agency 366, for the employer and employee contribution rates in effect for fiscal year, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

Municipal General Division, at June 30, 2018, the County reported a liability of \$4,377,833 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2017 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2017. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2017. The County’s proportion of the net pension liability was based on a projection of the County’s long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2017, the County’s proportion was 0.3186%, which was an increase of 0.0013% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized PERA Fund Division; Municipal General Division pension expense of \$279,378.

At June 30, 2018, the County reported PERA Fund Division; Municipal General Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Municipal General Division</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 172,019	224,220
Changes of assumptions	201,883	45,239
Net difference between projected and actual earnings on pension plan investments	359,175	-
Change in proportion and differences between the County contributions and proportionate share of contributions	92,036	-
The County contributions subsequent to the measurement date	279,378	-
Total	<u>\$ 1,104,491</u>	<u>269,459</u>

\$279,378 reported as deferred outflows of resources related to pensions resulting from the County’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Amount
2019	\$ 167,816
2020	427,285
2021	65,520
2022	(104,967)
2023	-
Thereafter	-
	<u>\$ 555,654</u>

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Municipal Police Division, at June 30, 2018, the County reported a liability of \$1,022,796 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2017 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2017. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2017. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2017, the County's proportion was 0.1841%, which was an increase of 0.0044% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized PERA Fund Division; Municipal Police Division pension expense of \$69,845.

At June 30, 2018, the County reported PERA Fund Division; Municipal Police Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

Municipal Police Division	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 62,120	191,100
Changes of assumptions	60,853	23,783
Net difference between projected and actual earnings on pension plan investments	82,372	-
Change in proportion and differences between the County contributions and proportionate share of contributions	65,294	-
The County contributions subsequent to the measurement date	69,845	-
Total	<u>\$ 340,484</u>	<u>214,883</u>

\$69,845 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Amount
2019	\$ 31,962
2020	71,958
2021	(24,079)
2022	(24,085)
2023	-
Thereafter	-
	<u>\$ 55,756</u>

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Actuarial assumptions – The total pension liability in the June 30, 2017 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2016
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Pay, Open
Amortization period	Solved for based on statutory rates
Asset valuation method	4 Year Smoothed Market Value
Actuarial assumptions	
Investment rate of return	7.51% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll growth	2.75% for first 9 years, then 3.25 annual rate
Projected salary increases	2.75% to 14.00% annual rate
Includes inflation at	Includes inflation at 2.25% for the first 10 years and 2.75% thereafter
Mortality assumption	RP-2000 Mortality Tables (Combined table for healthy post-retirement, Employee table for active members, and Disabled table for disabled retirees before retirement age) with projection to 2018 using Scale AA.
Experience study dates	July 1, 2008 to June 30, 2013 (demographic) and July 1, 2010 through June 30, 2016 (economic)

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2017. These assumptions were adopted by the Board use in the June 30, 2016 actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>All Funds - Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	43.5%	7.39%
Risk Reduction & Mitigation	21.5%	1.79%
Credit Oriented Fixed Income	15.0%	5.77%
Real Assets	20.0%	7.35%
Total	<u>100.0%</u>	

Discount rate – A single discount rate of 7.51% was used to measure the total pension liability as of June 30, 2017. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.51%, compounded annually, net of expense. Based on the stated assumptions and the projection of cash flows, the plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

The projections of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels.

Sensitivity of the County’s proportionate share of the net pension liability to changes in the discount rate – The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.51%, as well as what the employer name’s proportionate share of the net pension liability

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would be if it were calculated using a discount rate that is 1-percentage-point lower (6.51 %) or 1-percentage-point higher (8.51 %) than the current rate:

PERA Fund Division -	1% Decrease (6.51%)	Current Discount Rate (7.51%)	1% Increase (8.51%)
Municipal General Division	\$ 6,861,511	4,377,833	2,312,310
Municipal Police Division	\$ 1,631,076	1,022,796	523,613

Pension plan fiduciary net position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued PERA financial reports, available at <http://www.nmpera.org/>.

NOTE 10 – POST EMPLOYMENT BENEFITS – STATE RETIREE HEALTHCARE PLAN

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

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person’s behalf unless that person retires before the employer’s RHCA effective date, in which the event the time period required for employee and employer contributions shall become the period of time between the employer’s effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

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

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

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2018,

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the statute required each participating employer to contribute 2.5% of each participating employee’s annual salary; and each participating employee was required to contribute 1.25% of their salary.

For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2018, the statute required each participating employer to contribute 2.0% of each participating employee’s annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The County’s contributions to the RHCA for the years ended June 30, 2018, 2017, and 2016, were \$71,904, \$69,614 and \$67,478, respectively, which equal the required contributions for each year.

NOTE 11—POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN AND OPEB LIABILITY

General Information About The OPEB

Plan Description

Employees of the County are provided with OPEB through the Retiree Health Care Fund (the Fund)—a cost-sharing multiple-employer defined benefit OPEB plan administered by the New Mexico Retiree Health Care Authority (NMRHCA). NMRHCA was formed February 13, 1990, under the New Mexico Retiree Health Care Act (the Act) of New Mexico Statutes Annotated, as amended (NMSA 1978), to administer the Fund under Section 10-7C-1-19 NMSA 1978. The Fund was created to provide comprehensive group health insurance coverage for individuals (and their spouses, dependents and surviving spouses) who have retired or will retire from public service in New Mexico. NMRHCA is an independent agency of the State of New Mexico. The funds administered by NMRHCA are considered part of the State of New Mexico financial reporting entity and are OPEB trust funds of the State of New Mexico. NMRHCA’s financial information is included with the financial presentation of the State of New Mexico.

Benefits Provided

The Fund is a multiple employer cost sharing defined benefit healthcare plan that provides eligible retirees (including terminated employees who have accumulated benefits but are not yet receiving them), their spouses, dependents and surviving spouses and dependents with health insurance and prescription drug benefits consisting of a plan, or optional plans of benefits, that can be contributions to the Fund and by co-payments or out-of-pocket payments of eligible retirees.

Employees Covered By Benefit Terms

At June 30, 2017, the Fund’s measurement date, the following employees were covered by the benefit terms:

Plan membership	
Current retirees and surviving spouses	51,208
Inactive and eligible for deferred benefit	11,478
Current active members	97,349
	<u>160,035</u>
Active membership	
State general	19,593
State police and corrections	1,886
Municipal general	21,004
Municipal police	3,820
Municipal FTRE	2,290
Educational Retirement Board	48,756
	<u>97,349</u>

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Contributions

Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee's salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer's participation in the Fund.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2018, the County reported a liability of \$3,814,309 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The County's proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2017. At June 30, 2017, the County's proportion was 0.08417 percent.

For the year ended June 30, 2018, the Authority recognized OPEB expense of \$79,737. At June 30, 2018 the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Municipal General/Police Division</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	146,373
Changes of assumptions	-	666,883
Difference between actual and projected earnings on OPEB plan investments	-	54,871
The County contributions made after the measurement date	71,904	-
Total	<u>\$ 71,904</u>	<u>868,127</u>

Deferred outflows of resources totaling \$71,904 represent the County's contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ended		Amount
June 30:		
2019	\$	184,570
2020		184,570
2021		184,570
2022		184,570
2023		129,847
Thereafter		-

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Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions:

Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry Age Normal, level percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets
Actuarial assumptions	
Investment rate of return	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Inflation	2.50% for ERB, 2.25% for PERA
Payroll growth	2.75% for first 9 years, then 3.25 annual rate
Projected salary increases	3.50%
Health care cost trend rate	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 for Medicare and medical plans

Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which the expected future real rates of return (net of investment fees and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumptions.

The best estimates for the long-term expected rate of return is summarized as follow:

<u>All Funds - Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. core fixed income	4.10%
U.S. equity - large cap	9.10%
Non U.S. - emerging markets	12.20%
Non U.S. - developed equities	9.80%
Private equity	13.80%
Credit and structured finance	7.30%
Real estate	6.90%
Absolute return	6.10%
U.S. equity - small/ mid cap	9.10%

Discount Rate

The discount rate used to measure the Fund's total OPEB liability is 3.81% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2028. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2029. Beyond 2029,

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the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Thus, 3.81% is the blended discount rate.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the net OPEB liability of the Authority, as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.81 percent) or 1-percentage-point higher (4.81 percent) than the current discount rate:

RHC Fund Division - Municipal General Division	1% Decrease (2.81%)	Current Discount Rate (3.81%)	1% Increase (4.81%)
The County's proportionate share of the net OPEB liability	\$ <u>4,626,698</u>	\$ <u>3,814,309</u>	\$ <u>3,176,917</u>

The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

RHC Fund Division - Municipal General Division	1% Decrease	Current Trend Rate	1% Increase
The County's proportionate share of the net OPEB liability	\$ <u>3,244,333</u>	\$ <u>3,814,309</u>	\$ <u>4,258,750</u>

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in NMRHCA's audited financial statements for the year ended June 30, 2017.

Payable Changes in the Net OPEB Liability

At June 30, 2018, the County reported a payable of \$6,302 for outstanding contributions due to NMRHCA for the year ended June 30, 2018.

NOTE 12 – INSURANCE COVERAGE

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

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

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

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FOR THE YEAR ENDED JUNE 30, 2018**

made” basis. The County pays an operational deductible of \$15,000 per occurrence. The Association pays covered losses above the deductible up to \$250,000 per occurrence from the Association’s funds collected for law enforcement only. Excess coverage is provided in an amount up to \$12,750,000 for the annual pool aggregate for covered claims which exceed the self- insured retention.

NOTE 13 – COMMITMENTS, CONTINGENT LIABILITIES AND LITIGATION

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

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

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

The County had the following construction commitments outstanding as of June 30:

Project Description	Construction Expenditures for FY 2018	Cumulative Construction Expenditures	Estimated Project Costs/Budget	Balance of Construction Project Expenditures	Percentage of Project Complete	Estimated Completion Date
Admin Building Counter Remodel Project	\$ 12,760	12,760	89,680	76,920	14%	8/2018
Emergency Communication Equip.	390,046	1,280,546	1,362,100	81,554	94%	6/2019
Road Construction/Repair & Cap Equip.	250,457	703,978	975,716	271,738	72%	6/2019
Total - Construction in Progress	\$ 653,263	1,997,283	2,427,496	430,212		

NOTE 14 – OPERATING LEASES

The County is obligated to several operating leases for the use of copiers. The county also entered into an agreement for 9 Motor Graders with payments of \$115,858 due semi-annually. Expenses related to these leases were \$207,103 for 2018. The minimum future lease payments are as follows:

Fiscal Year Ending June 30,	Amount
2019	\$ 242,405
2020	235,349
2021	234,144
2022	232,122
2023	231,717
Thereafter	811,010
Total	\$ 1,986,747

NOTE 15 – ENVIRONMENTAL GROSS RECEIPTS TAX-PLEDGED REVENUES

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

As part of the above agreement, the County pledged the revenues received from its 1/8 of 1% county environmental services gross receipts tax as security for payment of the loan agreement. The City of Moriarty, Town of Estancia,

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Town of Mountainair, and the Village of Willard, as members of the Solid Waste Authority, also pledged revenues received from the 1/16 of 1% municipal environmental services gross receipts tax imposed by them. These revenues are all intercepted by the New Mexico Finance Authority.

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

NOTE 16 – DEFICIT FUND BALANCE

The County had no funds with deficit fund balance for the year end June 30, 2018.

NOTE 17 – DEFERRED INFLOWS AND OUTFLOWS

In addition to assets, the statement of net position and/or the balance sheet for governmental funds will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position/fund balance that applies to a future period and so will not be recognized as an expense or expenditure until then.

The County has the following deferred outflows of resources during fiscal year 2018 on the fund financials:

<u>Deferred Outflows of Resources - Fund Financials</u>	
Non-exchange transactions	\$ _____ -
Total deferred inflows of resources	\$ <u> -</u>

The County has the following deferred outflows of resources during fiscal year 2018 on the government wide financials:

<u>Deferred Outflows of Resources - GW</u>	
Pension deferrals	\$ 1,444,975
OPEB deferrals	<u>71,904</u>
Total deferred outflows of resources	\$ <u>1,516,879</u>

In addition to liabilities, the statement of net position and/or the balance sheet for the governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position/fund balance that applied to a future period and so will not be recognized until then.

The County has the following deferred inflows of resources during fiscal year 2018 on the fund financials:

<u>Deferred Inflows of Resources - Fund Financials</u>	
Property tax revenue	\$ 1,313,819
GRT equalization	<u>350,195</u>
Total deferred inflows of resources	\$ <u>1,664,014</u>

The County has the following deferred inflows of resources during fiscal year 2018 on the government wide financials:

<u>Deferred Inflows of Resources - GW</u>	
Pension deferrals	\$ 484,342
OPEB deferrals	<u>868,127</u>
Total deferred inflows of resources	\$ <u>1,352,469</u>

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NOTE 18 – RESTATEMENT

The following summarizes the restatements:

<u>Government-Wide Only</u>		
	To adjust mistatements to accumulated depreciation	81,129
	To put on beginning balance OPEB liability due to the adoption of the new pronouncement, GASB 75	<u>(4,530,795)</u>
n/a	Total additional GW restatements	<u>(4,449,666)</u>
	Total government-wide restatements	\$ <u><u>(4,449,666)</u></u>

NOTE 19 – TAX ABATEMENT DISCLOSURES

The County negotiates property tax abatements and has tax abatement agreements with El Cabo Wind, LLC and High Lonesome Mesa, LLC as of June 30, 2018. The County's entire disclosure as an abating agency is presented in this report, in the Schedule of Tax Abatements – Abating Agency, as stated in the table of contents.

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REQUIRED SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
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SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY OF PERA FUND DIVISION;
MUNICIPAL GENERAL DIVISION
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN
LAST 10 FISCAL YEARS***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
	Measurement Date as of			
	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
The County's proportion of the net pension liability (asset) (%)	0.3186%	0.3173%	0.3025%	0.3019%
The County's proportionate share of the net pension liability (asset) (\$)	\$ 4,377,833	\$ 5,069,386	\$ 3,084,250	\$ 2,355,144
The County's covered-employee payroll	\$ 2,846,756	\$ 2,824,653	\$ 2,489,956	\$ 2,348,461
The County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	153.78%	179.47%	123.87%	100.28%
Plan fiduciary net position as a percentage of the total pension liability	73.74%	69.18%	76.99%	81.29%

*Governmental Accounting Standards Board Statement 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the County is not available prior to fiscal year 2015, the year the statement's requirements became effective.

Notes to Required Supplementary Information:

Changes of Benefit Terms: The PERA and COLA and retirement eligibility benefits changes in recent years are described in Note 1 of PERA's CFAR. <https://www.saonm.org>

Changes of Assumptions: The Public Employ Retirement Association of New Mexico Annual Actuarial Valuations as of June 2017 report is available at <http://www.nmpera.org/>

See independent auditor's report.

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TORRANCE COUNTY
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY OF PERA FUND DIVISION;
MUNICIPAL POLICE DIVISION
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN
LAST 10 FISCAL YEARS***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
	Measurement Date as of			
	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
The County's proportion of the net pension liability (asset) (%)	0.1841%	0.1797%	0.1683%	0.1533%
The County's proportionate share of the net pension liability (asset) (\$)	\$ 1,022,796	1,325,880	809,281	499,741
The County's covered-employee payroll	\$ 653,521	675,169	600,201	525,038
The County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	157%	196%	135%	95%
Plan fiduciary net position as a percentage of the total pension liability	73.74%	69.18%	76.99%	81.29%

*Governmental Accounting Standards Board Statement 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the County is not available prior to fiscal year 2015, the year the statement's requirements became effective.

Notes to Required Supplementary Information:

Changes of Benefit Terms: The PERA and COLA and retirement eligibility benefits changes in recent years are described in Note 1 of PERA's CFAR. <https://www.saonm.org>

Changes of Assumptions: The Public Employ Retirement Association of New Mexico Annual Actuarial Valuations as of June 2017 report is available at <http://www.nmpera.org/>

See independent auditor's report.

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN
PERA FUND DIVISION; MUNICIPAL GENERAL DIVISION
LAST 10 FISCAL YEARS***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 279,378	271,865	269,754	237,915
Contributions in relation to the contractually required contribution	<u>279,378</u>	<u>271,865</u>	<u>269,754</u>	<u>237,915</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
The County's covered-employee payroll	\$ 2,925,428	2,846,756	2,824,653	2,489,956
Contributions as a percentage of covered-employee payroll	9.55%	9.55%	9.55%	9.55%

*Governmental Accounting Standards Board Statement 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the County is not available prior to fiscal year 2015, the year the statement's requirements became effective.

Notes to Required Supplementary Information:

Changes of Benefit Terms: The PERA and COLA and retirement eligibility benefits changes in recent years are described in Note 1 of PERA's CFAR. <https://www.saonm.org>

Changes of Assumptions: The Public Employ Retirement Association of New Mexico Annual Actuarial Valuations as of June 2017 report is available at <http://www.nmpera.org/>

See independent auditor's report.

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN
PERA FUND DIVISION; MUNICIPAL POLICE DIVISION
LAST 10 FISCAL YEARS***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 69,845	67,966	70,218	62,391
Contributions in relation to the contractually required contribution	<u>69,845</u>	<u>67,966</u>	<u>70,218</u>	<u>62,391</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
The County's covered-employee payroll	\$ 671,582	653,521	675,169	600,201
Contributions as a percentage of covered-employee payroll	10.40%	10.40%	10.40%	10.40%

*Governmental Accounting Standards Board Statement 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the County is not available prior to fiscal year 2015, the year the statement's requirements became effective.

Notes to Required Supplementary Information:

Changes of Benefit Terms: The PERA and COLA and retirement eligibility benefits changes in recent years are described in Note 1 of PERA's CFAR. <https://www.saonm.org>

Changes of Assumptions: The Public Employ Retirement Association of New Mexico Annual Actuarial Valuations as of June 2017 report is available at <http://www.nmpera.org/>

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY OF RHC FUND DIVISION;
RETIREE HEALTH CARE ASSOCIATION (RHC) PLAN
LAST 10 FISCAL YEARS***

		<u>2018</u>
		Measurement Date as of June 30, 2017
The County's proportion of the net OPEB liability (asset) (%)		0.08417%
The County's proportionate share of the net OPEB liability (asset) (\$)	\$	3,814,309
The County's covered-employee payroll	\$	3,506,225
The County's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll		108.79%
Plan fiduciary net position as a percentage of the total OPEB liability		11.34%

*Governmental Accounting Standards Board Statement 75 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the County is not available prior to fiscal year 2018, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS
RETIREE HEALTH CARE ASSOCIATION (RHC) PLAN
RHC FUND DIVISION; MUNICIPAL GENERAL DIVISION
LAST 10 FISCAL YEARS***

	<u>2018</u>
Contractually required contribution	\$ 267,279
Contributions in relation to the contractually required contribution	<u>134,144</u>
Contribution deficiency (excess)	\$ <u><u>133,135</u></u>
The County's covered-employee payroll	\$ 3,506,225
Contributions as a percentage of covered-employee payroll	3.83%

*Governmental Accounting Standards Board Statement 75 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the County is not available prior to fiscal year 2018, the year the statement's requirements became effective.

SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

NON-MAJOR SPECIAL REVENUE FUNDS

The special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Non-major special revenue funds consist of the following:

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.

CR A085 Developer Fee Fund—To account for fees received for improvements, as may be necessary to County Road A-085. Financing is provided by a developer as a condition of approving a special use permit from the County and as defined in a Road Maintenance Agreement. Authority is the County Commission.

Fire District Funds—To account for the operations of the five fire districts, which are defined by the area served. The individual fire districts are Northeast Torrance, Torrance County District II, Duran, McIntosh, and Torreon-Tajique. Financing is provided from the County's share of the fire allotment issued by the State Fire Marshal under 59A-53-5, NMSA 1978, and also by gross receipts taxes approved by the voters of the County.

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

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

County Fair Board Fund—To account for the proceeds and expenditures of all revenue associated with the Torrance County Fair. Authority is the County Commission.

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

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

Emergency Medical Services (EMS) Fund—To account for a grant from the State of New Mexico to be used for the provision of emergency medical services to County residents. Sources of funds are the State of New Mexico Health Department Emergency Medical Services Bureau. Authority is Section 24-10A-3 through 10, NMSA 1978.

EVSWA Contract Fund – To account for the transactions of Torrance County's management contract with the Estancia Valley Solid Waste Authority. Authority is the County Commission.

Environmental Gross Receipts Tax Fund—To account for funds received for environmental gross receipts taxes that are then provided to the Torrance County Solid Waste Authority to help repay a loan arranged with the New Mexico Finance Authority. Authority is the County Commission.

WIPP Funding—To account for the WIPP funding received from the State Fire Marshal's Office as defined by the contract with the State Fire Marshal's Office. Authority is the State Fire Marshal's Office.

Volunteer Recruitment/Retention –To account for a grant from the National Rifle Association for yearly membership fees for deputies to an indoor shooting range. Authority is the National Rifle Association.

**STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

Animal Shelter Fund—To be used to account for fundraising money and donations given to the Torrance County Animal Shelter. Authority is the County Commission.

Safety Program Fund—To be used to account for fees received from the use of a separate dumping area (asbestos and construction). The proceeds are used in the County's safety program. Authority is the County Commission.

Civil Defense Fund—To account for a grant from the State of New Mexico for the operation of the Civil Defense Unit. Proceeds are 25% from the State of New Mexico and 75% from reimbursements from the Federal Emergency Management Agency (FEMA). Authority is FEMA.

DWI Program Fund—To account for a grant from the State of New Mexico Department of Finance and Administration for D.W.I. detection and prevention pursuant to Chapter 65, New Mexico Laws of 1993. Authority is Section 6-5-8, NMSA 1978.

DWI School Fund —To account for fees generated by the DWI School. Authority is the County Commission.

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

Reappraisal Fund—To account for the operations of a fund to help with reappraisal of County property to ensure 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 \$7.00 recording fee collected by the Clerk's Office to pay for equipment/supplies for the Clerk's Office. Authority is the Absentee- Early Voting Act (Section 14-89-12.2, NMSA 1978).

RPHCA Grant—To account for a grant from the State of New Mexico Department of Health, to provide health services at the Mountainair Family Health Clinic. Authority is the State of New Mexico Department of Health.

Community Development Block Grant—To account for a grant from the U.S. Department of Housing and Urban Development for capital improvements. Authority is the NM Department of Finance and Administration and the County Commission.

WRRGP 2015-2016 Wildfire Risk Reduction Grant – To account for funds received for the wild fire risk reduction grant funding. Authority is New Mexico Association of Counties.

Recycling & Illegal Dumping Grant—To account for a grant from the State of New Mexico Environment Department, to clean up illegal tire dumps within Torrance County. Authority is the State of New Mexico Environment Department.

Home Visiting Grant—To account for a grant from the State of New Mexico Children, Youth and Families Department to be used for prenatal home visiting services. Authority is the State of New Mexico Children, Youth and Families Department.

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

Senior Citizens Program—To account for proceeds from the sale of senior program vehicles. Funds to be used for senior citizen program operations. Authority is the County Commission.

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

Juvenile Justice Grant—To account for a grant received from the State of New Mexico Children Youth and Families Department to be used for the support and defense of juveniles. The Authority is the State of New Mexico Children Youth and Families Department.

Wind PILT Fund—To account for the payment in lieu of taxes payments received from High Lonesome Mesa, LLC according to the lease agreement and Ordinance 2008-01. Authority is the County Commission.

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

Rural Addressing Fund—To account for the proceeds of a part of the local option gross receipts tax to be used to mark rural addresses for use by emergency personnel. Authority is Section 67- 3-28.2 NMSA 1978.

NM Forest Re-Leaf Fund—To account for the New Mexico State Forestry Re-Leaf program funding. Authority is New Mexico Energy, Minerals and Natural Resources Department.

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

Domestic Violence Fund—To account for a grant from the of New Mexico Children Youth and Families Department, to be used for the prevention of domestic violence. Authority is the State of New Mexico Children Youth and Families Department.

DV Victim Restitution—To account for supplemental funding and donations received to assist victims of domestic violence. Authority is the County Commission.

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.

U.S. Marshal JLEO Fund—To account for funds allocated to reimburse Torrance County for overtime incurred in association with the Joint Law Enforcement Operations task force. Authority is the U.S. Marshals.

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

Traffic Safety Fund—To account for funds received from the U.S. Department of Transportation passed through the State of New Mexico Highway and Transportation Department for the purpose of helping local law enforcement officers reduce highway deaths and injuries resulting from individuals riding unrestrained or improperly restrained in motor vehicles, to increase seatbelt use rates, and to discourage drunk driving. Authority is the U.S. Department of Transportation.

Teen Court Donation Fund—To account for donations made to the Teen Court Program. Authority is the County Commission.

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

ICE Inmate Care—To account for the payments for Immigration & Customs Enforcement inmates that are housed at Corrections Corporation of America – Torrance County Detention Facility under Torrance County's agreement. Authority is the County Commission.

NMDHLS EMPG Fund—To account for the Emergency Management Performance Grant funding from NM Department of Homeland Security. Authority is State of New Mexico Department of Homeland Security.

**STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

NMDHLS Mitigation Grant Fund— To account for the NM Department of Homeland Security Mitigation grant funding. Authority is State of New Mexico Department of Homeland Security.

NMDOH Cities Readiness Initiative Fund—To account for the NM Department of Health Cities Readiness Initiative contract funding. Authority is State of New Mexico Department of Health.

Disaster Public Assistance Fund—To account for the FEMA disaster – public assistance funding for a declared flooding disaster that occurred in Torrance County. Authority is FEMA.

Dog Head Fire Fund—To account for Federal Emergency Management Agency (FEMA) disaster public assistance funding for the Dog Head Fire. Authority is FEMA.

Emergency 911 Fund—To account for local option gross receipts tax proceeds and a training grant from the State of New Mexico Department of Finance and Administration. The training 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.” Authority is the County Commission.

GO Bond Proceeds Fund – To account for the proceeds from the GO Bond that is held by the New Mexico Finance Authority. Authority is County Commission.

NMFA Loan Proceeds Fund – To account for the proceeds from any loans from the New Mexico Finance Authority. Authority is County Commission.

Investment Interest Fund – To account for interest earned from the New Mexico State Treasurer Local Government Investment Pool or any other investments. Authority is County Commission.

**STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

NON-MAJOR CAPITAL PROJECTS FUNDS

The capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Non-major capital projects funds consist of the following:

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

Capital Outlay GRT—To account for funds received for the capital outlay gross receipts taxes. County ordinance 2014-03 states the specific purposes for which this tax can be used. Authority is County Commission.

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
AS OF JUNE 30, 2018**

	Special Revenue Funds	Capital Projects Funds	Total Non-major Funds
ASSETS			
Cash and investments	\$ -	-	-
Due from other funds- pooled cash	3,327,780	1,038,143	4,365,923
Accounts receivable	39,194	11,731	50,925
Grant accounts receivable	141,283	-	141,283
GRT receivable	128,052	89,937	217,989
Property tax receivable, net	-	-	-
Prepaid expenses	-	-	-
Total assets	<u>\$ 3,636,309</u>	<u>1,139,811</u>	<u>4,776,120</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to other funds- pooled cash	\$ 29	-	29
Due to other governmental units	-	-	-
Accounts payable	38,197	38,295	76,492
Accrued payroll liabilities	-	-	-
Accrued interest payable	-	-	-
Unavailable revenue	-	-	-
Total Liabilities	<u>38,226</u>	<u>38,295</u>	<u>76,521</u>
Deferred inflows of resources			
Property taxes	-	-	-
Non-exchange transactions	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable- prepaid expenses	-	-	-
Restricted	3,376,101	-	3,376,101
Committed	-	-	-
Assigned	221,982	1,101,516	1,323,498
Unassigned	-	-	-
Total fund balances	<u>3,598,083</u>	<u>1,101,516</u>	<u>4,699,599</u>
Total liabilities deferred inflows of resources, and fund balances	<u>\$ 3,636,309</u>	<u>1,139,811</u>	<u>4,776,120</u>

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
TORRANCE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	Special Revenue Funds	Capital Projects Funds	Total Non-major Funds
REVENUES			
Intergovernmental sources - federal	\$ 85,735	-	85,735
Intergovernmental sources - state	1,070,182	-	1,070,182
Local and state shared taxes	1,250,353	648,709	1,899,062
Property taxes	94,041	-	94,041
Payment in lieu of taxes	995,500	-	995,500
Charges for services	432,100	-	432,100
Interest	79,091	-	79,091
Other revenue	88,335	34,908	123,243
Total revenues	<u>4,095,337</u>	<u>683,617</u>	<u>4,778,954</u>
EXPENDITURES			
Current			
General government	964,849	-	964,849
Public safety	1,564,509	-	1,564,509
Public works	-	-	-
Health and welfare	834,883	-	834,883
Culture and recreation	-	-	-
Debt Service			
Principal payments	-	-	-
Interest payments	3,244	-	3,244
Capital Outlay			
Capital Outlay	919,016	536,477	1,455,493
Total Expenditures	<u>4,286,501</u>	<u>536,477</u>	<u>4,822,978</u>
Excess (deficiency) of revenues over expenditures	(191,164)	147,140	(44,024)
OTHER FINANCING SOURCES (USES)			
Proceeds from loan issuance	280,618	-	280,618
Transfers in	1,936,163	33,360	1,969,523
Transfers out	(1,094,293)	-	(1,094,293)
Total other financing sources (uses)	<u>1,122,488</u>	<u>33,360</u>	<u>1,155,848</u>
Net change in fund balance	931,324	180,500	1,111,824
Fund balances-beginning of year	2,666,759	921,016	3,587,775
Restatements	-	-	-
Fund balances-beginning of year, as restated	<u>2,666,759</u>	<u>921,016</u>	<u>3,587,775</u>
Fund balances-end of the year	<u>\$ 3,598,083</u>	<u>1,101,516</u>	<u>4,699,599</u>

See Independent Auditor's Report.

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2018**

	403 Farm and Range Fund	404 CR A085 Developer Fee Fund	405 District 5 Volunteer Fire District	406 District 2 Volunteer Fire District	407 District 1 Volunteer Fire District
ASSETS					
Cash and investments	-	-	-	-	-
Due from other funds- pooled cash	2,090	959	72,962	77,337	86,946
Accounts receivable	-	-	-	-	-
Grant accounts receivable	-	-	-	-	-
GRT receivable	-	-	-	-	-
Property tax receivable, net	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total assets	<u>\$ 2,090</u>	<u>959</u>	<u>72,962</u>	<u>77,337</u>	<u>86,946</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds- pooled cash	-	-	-	-	-
Due to other governmental units	-	-	-	-	-
Accounts payable	-	-	35	365	2,329
Accrued payroll liabilities	-	-	-	-	-
Accrued interest payable	-	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>35</u>	<u>365</u>	<u>2,329</u>
Deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable- prepaid expenses	-	-	-	-	-
Restricted	2,090	959	72,927	76,972	84,617
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>2,090</u>	<u>959</u>	<u>72,927</u>	<u>76,972</u>	<u>84,617</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,090</u>	<u>959</u>	<u>72,962</u>	<u>77,337</u>	<u>86,946</u>

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2018**

	408 District 3 Volunteer Fire District	409 District 4 Volunteer Fire District	410 Law Enforcement Protection	411 Fire Pool 1/4% Tax	412 County Fair Board
ASSETS					
Cash and investments	\$ -	-	-	-	-
Due from other funds- pooled cash	100,787	25,690	4,703	421,967	49,769
Accounts receivable	-	-	-	-	-
Grant accounts receivable	-	-	-	-	-
GRT receivable	-	-	-	22,022	-
Property tax receivable, net	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total assets	<u>\$ 100,787</u>	<u>25,690</u>	<u>4,703</u>	<u>443,989</u>	<u>49,769</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds- pooled cash	\$ -	-	-	-	-
Due to other governmental units	-	-	-	-	-
Accounts payable	141	-	-	50	5,525
Accrued payroll liabilities	-	-	-	-	-
Accrued interest payable	-	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total liabilities	<u>141</u>	<u>-</u>	<u>-</u>	<u>50</u>	<u>5,525</u>
Deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable- prepaid expenses	-	-	-	-	-
Restricted	100,646	25,690	4,703	443,939	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	44,244
Unassigned	-	-	-	-	-
Total fund balances	<u>100,646</u>	<u>25,690</u>	<u>4,703</u>	<u>443,939</u>	<u>44,244</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 100,787</u>	<u>25,690</u>	<u>4,703</u>	<u>443,989</u>	<u>49,769</u>

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2018**

	413 Fire Department Administration	414 Indigent Fund	415 Emergency Medical Services	418 District 6 Volunteer Fire District	419 EVSWA County Contract
ASSETS					
Cash and investments	\$ -	-	-	-	-
Due from other funds- pooled cash	56,072	324,122	132,350	43,145	686
Accounts receivable	-	-	-	-	24,407
Grant accounts receivable	-	-	-	-	-
GRT receivable	-	31,522	3,725	-	-
Property tax receivable, net	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total assets	<u>\$ 56,072</u>	<u>355,644</u>	<u>136,075</u>	<u>43,145</u>	<u>25,093</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds- pooled cash	\$ -	-	-	-	-
Due to other governmental units	-	-	-	-	-
Accounts payable	2,821	-	-	-	10,617
Accrued payroll liabilities	-	-	-	-	-
Accrued interest payable	-	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total liabilities	<u>2,821</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,617</u>
Deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable- prepaid expenses	-	-	-	-	-
Restricted	53,251	355,644	136,075	43,145	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	14,476
Unassigned	-	-	-	-	-
Total fund balances	<u>53,251</u>	<u>355,644</u>	<u>136,075</u>	<u>43,145</u>	<u>14,476</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 56,072</u>	<u>355,644</u>	<u>136,075</u>	<u>43,145</u>	<u>25,093</u>

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The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2018**

	423	424	427	428	430
	Environmental Gross Receipts Tax	GO Bond Proceeds Fund	WIPP Funding	Volunteer Recruitment/ Retention	Animal Shelter
ASSETS					
Cash and investments	\$ -	-	-	-	-
Due from other funds- pooled cash	-	364,684	-	27,756	3,297
Accounts receivable	-	-	-	-	-
Grant accounts receivable	-	-	-	-	-
GRT receivable	-	-	-	-	-
Property tax receivable, net	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total assets	\$ -	<u>364,684</u>	<u>-</u>	<u>27,756</u>	<u>3,297</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds- pooled cash	\$ -	-	-	-	-
Due to other governmental units	-	-	-	-	-
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	-	-	-	-
Accrued interest payable	-	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable- prepaid expenses	-	-	-	-	-
Restricted	-	364,684	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	27,756	3,297
Unassigned	-	-	-	-	-
Total fund balances	<u>-</u>	<u>364,684</u>	<u>-</u>	<u>27,756</u>	<u>3,297</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ -	<u>364,684</u>	<u>-</u>	<u>27,756</u>	<u>3,297</u>

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**STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2018**

	600	604	605	606	609
	Safety Program	Civil Defense	DWI Program	DWI School	Treasurer's Fee
ASSETS					
Cash and investments	-	-	-	-	-
Due from other funds- pooled cash	14,267	21,831	72,903	1,438	6,340
Accounts receivable	1,997	-	-	-	-
Grant accounts receivable	-	-	-	-	-
GRT receivable	-	5,216	-	-	-
Property tax receivable, net	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total assets	<u>16,264</u>	<u>27,047</u>	<u>72,903</u>	<u>1,438</u>	<u>6,340</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds- pooled cash	-	-	-	-	-
Due to other governmental units	-	-	-	-	-
Accounts payable	-	-	198	-	-
Accrued payroll liabilities	-	-	-	-	-
Accrued interest payable	-	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>198</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable- prepaid expenses	-	-	-	-	-
Restricted	-	-	72,705	1,438	-
Committed	-	-	-	-	-
Assigned	16,264	27,047	-	-	6,340
Unassigned	-	-	-	-	-
Total fund balances	<u>16,264</u>	<u>27,047</u>	<u>72,705</u>	<u>1,438</u>	<u>6,340</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>16,264</u>	<u>27,047</u>	<u>72,903</u>	<u>1,438</u>	<u>6,340</u>

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**STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2018**

	610	612	616	624	628
	Reappraisal	Clerk's	RPHCA	2015-2016	Recycling and
	Fund	Equipment	Grant	WRRGP	Illegal
		Fund	Fund		Dumping
ASSETS					
Cash and investments	\$ -	-	-	-	-
Due from other funds- pooled cash	168,766	17,285	5,504	-	14,979
Accounts receivable	-	-	-	-	-
Grant accounts receivable	-	-	5,512	-	-
GRT receivable	-	-	-	-	-
Property tax receivable, net	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total assets	<u>\$ 168,766</u>	<u>17,285</u>	<u>11,016</u>	<u>-</u>	<u>14,979</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds- pooled cash	\$ -	-	-	-	-
Due to other governmental units	-	-	-	-	-
Accounts payable	-	601	5,508	-	-
Accrued payroll liabilities	-	-	-	-	-
Accrued interest payable	-	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>601</u>	<u>5,508</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable- prepaid expenses	-	-	-	-	-
Restricted	168,766	16,684	5,508	-	14,979
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>168,766</u>	<u>16,684</u>	<u>5,508</u>	<u>-</u>	<u>14,979</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 168,766</u>	<u>17,285</u>	<u>11,016</u>	<u>-</u>	<u>14,979</u>

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**STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2018**

	629 Home Visiting Grant	630 Esperanza Clinic Fund	631 Senior Citizens Program	633 NMFA Loan Proceeds Fund	634 Court Forfeiture Fund
ASSETS					
Cash and investments	\$ -	-	-	-	-
Due from other funds- pooled cash	50,034	11,268	6,614	1,316	10,215
Accounts receivable	-	-	-	-	-
Grant accounts receivable	734	-	-	-	-
GRT receivable	-	-	-	-	-
Property tax receivable, net	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total assets	<u>\$ 50,768</u>	<u>11,268</u>	<u>6,614</u>	<u>1,316</u>	<u>10,215</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds- pooled cash	\$ -	-	-	-	-
Due to other governmental units	-	-	-	-	-
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	-	-	-	-
Accrued interest payable	-	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable- prepaid expenses	-	-	-	-	-
Restricted	50,768	11,268	-	1,316	10,215
Committed	-	-	-	-	-
Assigned	-	-	6,614	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>50,768</u>	<u>11,268</u>	<u>6,614</u>	<u>1,316</u>	<u>10,215</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 50,768</u>	<u>11,268</u>	<u>6,614</u>	<u>1,316</u>	<u>10,215</u>

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**STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2018**

	635 Juvenile Justice Grant	641 Wind PILT Fund	642 Investment Interest Fund	650 Estancia Basin Water Study	675 Rural Addressing
ASSETS					
Cash and investments	-	-	-	-	-
Due from other funds- pooled cash	46,700	309,510	70,894	87	42,979
Accounts receivable	-	-	-	9,252	-
Grant accounts receivable	14,733	-	-	-	-
GRT receivable	-	-	-	-	3,725
Property tax receivable, net	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total assets	<u>\$ 61,433</u>	<u>309,510</u>	<u>70,894</u>	<u>9,339</u>	<u>46,704</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds- pooled cash	-	-	-	-	-
Due to other governmental units	-	-	-	-	-
Accounts payable	-	-	-	-	1,159
Accrued payroll liabilities	-	-	-	-	-
Accrued interest payable	-	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,159</u>
Deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable- prepaid expenses	-	-	-	-	-
Restricted	61,433	309,510	70,894	9,339	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	45,545
Unassigned	-	-	-	-	-
Total fund balances	<u>61,433</u>	<u>309,510</u>	<u>70,894</u>	<u>9,339</u>	<u>45,545</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 61,433</u>	<u>309,510</u>	<u>70,894</u>	<u>9,339</u>	<u>46,704</u>

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**STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2018**

	680	685	690	691	693
	NM Forest Re-Leaf	Planning & Zoning Court Fees	Domestic Violence	DV Victim Restitution	Title III Forest Reserve
ASSETS					
Cash and investments	\$ -	-	-	-	-
Due from other funds- pooled cash	-	14,917	23,804	30,399	148,463
Accounts receivable	-	-	-	-	-
Grant accounts receivable	-	-	-	-	-
GRT receivable	-	-	-	-	-
Property tax receivable, net	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total assets	\$ -	14,917	23,804	30,399	148,463
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds- pooled cash	\$ -	-	-	-	-
Due to other governmental units	-	-	-	-	-
Accounts payable	-	1,216	-	-	-
Accrued payroll liabilities	-	-	-	-	-
Accrued interest payable	-	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total liabilities	-	1,216	-	-	-
Deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable- prepaid expenses	-	-	-	-	-
Restricted	-	13,701	23,804	-	148,463
Committed	-	-	-	-	-
Assigned	-	-	-	30,399	-
Unassigned	-	-	-	-	-
Total fund balances	-	13,701	23,804	30,399	148,463
Total liabilities, deferred inflows of resources, and fund balances	\$ -	14,917	23,804	30,399	148,463

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**STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2018**

	802 U.S. Marshall JLEO	804 Drug Education Program	805 Traffic Safety	807 Teen Court Donation	808 Forest Service Patrol
ASSETS					
Cash and investments	\$ -	-	-	-	-
Due from other funds- pooled cash	15,863	16,608	4,528	961	4,340
Accounts receivable	-	-	-	-	-
Grant accounts receivable	3,036	-	977	-	839
GRT receivable	-	-	-	-	-
Property tax receivable, net	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total assets	<u>\$ 18,899</u>	<u>16,608</u>	<u>5,505</u>	<u>961</u>	<u>5,179</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds- pooled cash	\$ -	-	-	-	-
Due to other governmental units	-	-	-	-	-
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	-	-	-	-
Accrued interest payable	-	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable- prepaid expenses	-	-	-	-	-
Restricted	18,899	16,608	5,505	961	5,179
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>18,899</u>	<u>16,608</u>	<u>5,505</u>	<u>961</u>	<u>5,179</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 18,899</u>	<u>16,608</u>	<u>5,505</u>	<u>961</u>	<u>5,179</u>

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**STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2018**

	825 ICE Inmate Care Association	826 NMDHLS EMPG	828 NMDHLS Mitigation Grant	829 NMDOH Cities Readiness Initiative	830 Disaster Public Assistance
ASSETS					
Cash and investments	\$ -	-	-	-	-
Due from other funds- pooled cash	3,466	13,932	-	12,718	74,345
Accounts receivable	-	-	-	-	-
Grant accounts receivable	-	11,022	-	-	-
GRT receivable	-	-	-	-	-
Property tax receivable, net	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total assets	<u>\$ 3,466</u>	<u>24,954</u>	<u>-</u>	<u>12,718</u>	<u>74,345</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds- pooled cash	\$ -	-	-	-	-
Due to other governmental units	-	-	-	-	-
Accounts payable	-	-	-	2,846	-
Accrued payroll liabilities	-	-	-	-	-
Accrued interest payable	-	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,846</u>	<u>-</u>
Deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable- prepaid expenses	-	-	-	-	-
Restricted	3,466	24,954	-	9,872	74,345
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>3,466</u>	<u>24,954</u>	<u>-</u>	<u>9,872</u>	<u>74,345</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,466</u>	<u>24,954</u>	<u>-</u>	<u>12,718</u>	<u>74,345</u>

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**STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2018**

	834 Dog Head Fire	911 Emergency 911	Total Special Revenue Funds
ASSETS			
Cash and investments	\$ -	\$ -	-
Due from other funds- pooled cash	-	295,184	3,327,780
Accounts receivable	-	3,538	39,194
Grant accounts receivable	104,430	-	141,283
GRT receivable	-	61,842	128,052
Property tax receivable, net	-	-	-
Prepaid expenses	-	-	-
Total assets	\$ <u>104,430</u>	\$ <u>360,564</u>	<u>3,636,309</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Due to other funds- pooled cash	\$ 29	\$ -	29
Due to other governmental units	-	-	-
Accounts payable	-	4,786	38,197
Accrued payroll liabilities	-	-	-
Accrued interest payable	-	-	-
Unavailable revenue	-	-	-
Total liabilities	<u>29</u>	<u>4,786</u>	<u>38,226</u>
Deferred inflows of resources	-	-	-
FUND BALANCES			
Nonspendable- prepaid expenses	-	-	-
Restricted	104,401	355,778	3,376,101
Committed	-	-	-
Assigned	-	-	221,982
Unassigned	-	-	-
Total fund balances	<u>104,401</u>	<u>355,778</u>	<u>3,598,083</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>104,430</u>	\$ <u>360,564</u>	<u>3,636,309</u>

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**STATE OF NEW MEXICO
TORRANCE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	403 Farm and Range Fund	404 CR A085 Developer Fee Fund	405 District 5 Volunteer Fire District	406 District 2 Volunteer Fire District	407 District 1 Volunteer Fire District
REVENUES					
Intergovernmental sources - federal	\$ 1,834	-	-	-	-
Intergovernmental sources - state	-	-	137,826	114,160	52,844
Local and state shared taxes	-	-	-	-	-
Property taxes	-	-	-	-	-
Payment in lieu of taxes	-	-	-	-	-
Charges for services	-	387	-	-	-
Interest	-	-	-	-	-
Other revenue	-	-	-	-	17
Total revenues	<u>1,834</u>	<u>387</u>	<u>137,826</u>	<u>114,160</u>	<u>52,861</u>
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	-	-	82,144	67,678	19,895
Highways and streets	-	-	-	-	-
Health and welfare	31,500	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt Service					
Principal payments	-	-	-	-	-
Interest payments	-	-	-	-	-
Capital Outlay					
Capital outlay	-	-	-	-	-
Total expenditures	<u>31,500</u>	<u>-</u>	<u>82,144</u>	<u>67,678</u>	<u>19,895</u>
Excess (deficiency) of revenues over expenditures	(29,666)	387	55,682	46,482	32,966
OTHER FINANCING SOURCES (USES)					
Proceeds from loan issuance	-	-	-	-	-
Transfers in	31,500	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>31,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,834	387	55,682	46,482	32,966
Fund balances-beginning of year	256	572	17,245	30,490	51,651
Restatements	-	-	-	-	-
Fund balances-beginning of year, as restated	<u>256</u>	<u>572</u>	<u>17,245</u>	<u>30,490</u>	<u>51,651</u>
Fund balances-end of the year	<u>\$ 2,090</u>	<u>959</u>	<u>72,927</u>	<u>76,972</u>	<u>84,617</u>

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**STATE OF NEW MEXICO
TORRANCE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	408 District 3 Volunteer Fire District	409 District 4 Volunteer Fire District	410 Law Enforcement Protection	411 Fire Pool 1/4% Tax	412 County Fair Board
REVENUES					
Intergovernmental sources - federal	\$ -	-	-	-	-
Intergovernmental sources - state	124,478	36,347	27,800	-	-
Local and state shared taxes	-	-	-	182,284	-
Property taxes	-	-	-	-	-
Payment in lieu of taxes	-	-	-	-	-
Charges for services	-	-	-	-	157,330
Interest	-	-	-	188	-
Other revenue	-	-	-	73,375	4,050
Total revenues	<u>124,478</u>	<u>36,347</u>	<u>27,800</u>	<u>255,847</u>	<u>161,380</u>
EXPENDITURES					
Current					
General government	-	-	-	508	172,542
Public safety	87,141	39,126	26,878	82,403	-
Highways and streets	-	-	-	-	-
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt Service					
Principal payments	-	-	-	-	-
Interest payments	-	-	-	-	-
Capital Outlay					
Capital outlay	-	-	-	-	-
Total expenditures	<u>87,141</u>	<u>39,126</u>	<u>26,878</u>	<u>82,911</u>	<u>172,542</u>
Excess (deficiency) of revenues over expenditures	37,337	(2,779)	922	172,936	(11,162)
OTHER FINANCING SOURCES (USES)					
Proceeds from loan issuance	-	-	-	-	-
Transfers in	-	-	-	-	19,000
Transfers out	-	-	-	(11,243)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,243)</u>	<u>19,000</u>
Net change in fund balance	37,337	(2,779)	922	161,693	7,838
Fund balances-beginning of year	63,309	28,469	3,781	282,246	36,406
Restatements	-	-	-	-	-
Fund balances-beginning of year, as restated	<u>63,309</u>	<u>28,469</u>	<u>3,781</u>	<u>282,246</u>	<u>36,406</u>
Fund balances-end of the year	<u>\$ 100,646</u>	<u>25,690</u>	<u>4,703</u>	<u>443,939</u>	<u>44,244</u>

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**STATE OF NEW MEXICO
TORRANCE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	413 Fire Department Administration	414 Indigent Fund	415 Emergency Medical Services	418 District 6 Volunteer Fire District	419 EVSWA County Contract
REVENUES					
Intergovernmental sources - federal	\$ -	-	-	-	-
Intergovernmental sources - state	75,091	-	15,079	49,425	-
Local and state shared taxes	-	380,400	26,519	-	-
Property taxes	-	-	-	-	-
Payment in lieu of taxes	-	-	-	-	-
Charges for services	-	-	-	-	24,407
Interest	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	<u>75,091</u>	<u>380,400</u>	<u>41,598</u>	<u>49,425</u>	<u>24,407</u>
EXPENDITURES					
Current					
General government	-	-	-	-	126,605
Public safety	62,301	-	13,059	21,326	-
Highways and streets	-	-	-	-	-
Health and welfare	-	394,099	-	-	-
Culture and recreation	-	-	-	-	-
Debt Service					
Principal payments	-	-	-	-	-
Interest payments	-	-	-	-	-
Capital Outlay					
Capital outlay	-	-	-	-	-
Total expenditures	<u>62,301</u>	<u>394,099</u>	<u>13,059</u>	<u>21,326</u>	<u>126,605</u>
Excess (deficiency) of revenues over expenditures	12,790	(13,699)	28,539	28,099	(102,198)
OTHER FINANCING SOURCES (USES)					
Proceeds from loan issuance	-	-	-	-	-
Transfers in	-	-	-	-	60,000
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,000</u>
Net change in fund balance	12,790	(13,699)	28,539	28,099	(42,198)
Fund balances-beginning of year	40,461	369,343	107,536	15,046	56,674
Restatements	-	-	-	-	-
Fund balances-beginning of year, as restated	<u>40,461</u>	<u>369,343</u>	<u>107,536</u>	<u>15,046</u>	<u>56,674</u>
Fund balances-end of the year	<u>\$ 53,251</u>	<u>355,644</u>	<u>136,075</u>	<u>43,145</u>	<u>14,476</u>

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**STATE OF NEW MEXICO
TORRANCE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	423 Environmental Gross Receipts Tax	424 GO Bonds Proceeds Fund	427 WIPP Funding	428 Volunteer Recruitment/ Retention	430 Animal Shelter
REVENUES					
Intergovernmental sources - federal	\$ -	-	-	-	-
Intergovernmental sources - state	-	-	14,000	-	-
Local and state shared taxes	155,793	-	-	-	-
Property taxes	-	-	-	-	-
Payment in lieu of taxes	-	-	-	-	-
Charges for services	-	-	-	-	45
Interest	-	6,285	-	-	-
Other revenue	-	-	-	-	790
Total revenues	<u>155,793</u>	<u>6,285</u>	<u>14,000</u>	<u>-</u>	<u>835</u>
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	-	-	15,425	60,593	-
Highways and streets	-	-	-	-	-
Health and welfare	155,793	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt Service					
Principal payments	-	-	-	-	-
Interest payments	-	-	-	-	-
Capital Outlay					
Capital outlay	-	640,503	-	-	-
Total expenditures	<u>155,793</u>	<u>640,503</u>	<u>15,425</u>	<u>60,593</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	(634,218)	(1,425)	(60,593)	835
OTHER FINANCING SOURCES (USES)					
Proceeds from loan issuance	-	-	-	-	-
Transfers in	-	998,902	-	50,000	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>998,902</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
Net change in fund balance	-	364,684	(1,425)	(10,593)	835
Fund balances-beginning of year					
Restatements	-	-	1,425	38,349	2,462
Fund balances-beginning of year, as restated	<u>-</u>	<u>-</u>	<u>1,425</u>	<u>38,349</u>	<u>2,462</u>
Fund balances-end of the year	<u>\$ -</u>	<u>364,684</u>	<u>-</u>	<u>27,756</u>	<u>3,297</u>

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**STATE OF NEW MEXICO
TORRANCE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	600	604	605	606	609
	Safety Program	Civil Defense	DWI Program	DWI School	Treasurer's Fee
REVENUES					
Intergovernmental sources - federal	\$ -	-	-	-	-
Intergovernmental sources - state	-	-	141,406	-	-
Local and state shared taxes	-	37,127	-	-	-
Property taxes	-	-	-	-	-
Payment in lieu of taxes	-	-	-	-	-
Charges for services	7,075	-	260	529	11,064
Interest	-	-	-	-	-
Other revenue	7,003	24	-	-	-
Total revenues	<u>14,078</u>	<u>37,151</u>	<u>141,666</u>	<u>529</u>	<u>11,064</u>
EXPENDITURES					
Current					
General government	-	-	-	-	34,532
Public safety	31,946	-	144,263	565	-
Highways and streets	-	-	-	-	-
Health and welfare	-	38,486	-	-	-
Culture and recreation	-	-	-	-	-
Debt Service					
Principal payments	-	-	-	-	-
Interest payments	-	-	-	-	-
Capital Outlay					
Capital outlay	-	-	-	-	-
Total expenditures	<u>31,946</u>	<u>38,486</u>	<u>144,263</u>	<u>565</u>	<u>34,532</u>
Excess (deficiency) of revenues over expenditures	(17,868)	(1,335)	(2,597)	(36)	(23,468)
OTHER FINANCING SOURCES (USES)					
Proceeds from loan issuance	-	-	-	-	-
Transfers in	22,672	-	36,000	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>22,672</u>	<u>-</u>	<u>36,000</u>	<u>-</u>	<u>-</u>
Net change in fund balance	4,804	(1,335)	33,403	(36)	(23,468)
Fund balances-beginning of year	11,460	28,382	39,302	1,474	29,808
Restatements	-	-	-	-	-
Fund balances-beginning of year, as restated	<u>11,460</u>	<u>28,382</u>	<u>39,302</u>	<u>1,474</u>	<u>29,808</u>
Fund balances-end of the year	<u>\$ 16,264</u>	<u>27,047</u>	<u>72,705</u>	<u>1,438</u>	<u>6,340</u>

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**STATE OF NEW MEXICO
TORRANCE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	610	612	616	624	628
	Reappraisal	Clerk's	RPHCA	2015-2016	Recycling and
	Fund	Equipment	Grant	WRRGP	Illegal
	Fund	Fund	Fund	Fund	Dumping
REVENUES					
Intergovernmental sources - federal	\$ -	-	-	-	-
Intergovernmental sources - state	-	-	73,100	-	37,804
Local and state shared taxes	-	-	-	1,500	-
Property taxes	94,041	-	-	-	-
Payment in lieu of taxes	-	-	-	-	-
Charges for services	8,567	23,650	-	-	-
Interest	-	-	-	-	-
Other revenue	49	-	-	-	-
Total revenues	<u>102,657</u>	<u>23,650</u>	<u>73,100</u>	<u>1,500</u>	<u>37,804</u>
EXPENDITURES					
Current					
General government	195,673	16,188	-	1,500	32,856
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Health and welfare	-	-	67,592	-	-
Culture and recreation	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal payments	-	-	-	-	-
Interest payments	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>195,673</u>	<u>16,188</u>	<u>67,592</u>	<u>1,500</u>	<u>32,856</u>
Excess (deficiency) of revenues over expenditures	(93,016)	7,462	5,508	-	4,948
OTHER FINANCING SOURCES (USES)					
Proceeds from loan issuance	-	-	-	-	-
Transfers in	44,141	-	-	-	15,000
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>44,141</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,000</u>
Net change in fund balance	(48,875)	7,462	5,508	-	19,948
Fund balances-beginning of year	217,641	9,222	-	-	(4,969)
Restatements	-	-	-	-	-
Fund balances-beginning of year, as restated	<u>217,641</u>	<u>9,222</u>	<u>-</u>	<u>-</u>	<u>(4,969)</u>
Fund balances-end of the year	<u>\$ 168,766</u>	<u>16,684</u>	<u>5,508</u>	<u>-</u>	<u>14,979</u>

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**STATE OF NEW MEXICO
TORRANCE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	629 Home Visiting Grant	630 Esperanza Clinic Fund	631 Senior Citizens Program	633 NMFA Loan Proceeds Fund	634 Court Forfeiture Fund
REVENUES					
Intergovernmental sources - federal	\$ -	-	-	-	-
Intergovernmental sources - state	54,130	-	-	-	-
Local and state shared taxes	-	-	-	-	-
Property taxes	-	-	-	-	-
Payment in lieu of taxes	-	-	-	-	-
Charges for services	-	-	-	-	-
Interest	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	<u>54,130</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	-	-	4,167	-	-
Highways and streets	-	-	-	-	-
Health and welfare	55,815	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt Service					
Principal payments	-	-	-	-	-
Interest payments	-	-	-	2,089	-
Capital Outlay					
Capital outlay	-	-	-	278,513	-
Total expenditures	<u>55,815</u>	<u>-</u>	<u>4,167</u>	<u>280,602</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(1,685)	-	(4,167)	(280,602)	-
OTHER FINANCING SOURCES (USES)					
Proceeds from loan issuance	-	-	-	280,618	-
Transfers in	55,000	-	10,000	1,300	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>55,000</u>	<u>-</u>	<u>10,000</u>	<u>281,918</u>	<u>-</u>
Net change in fund balance	53,315	-	5,833	1,316	-
Fund balances-beginning of year	(2,547)	11,268	781	-	10,215
Restatements	-	-	-	-	-
Fund balances-beginning of year, as restated	<u>(2,547)</u>	<u>11,268</u>	<u>781</u>	<u>-</u>	<u>10,215</u>
Fund balances-end of the year	<u>\$ 50,768</u>	<u>11,268</u>	<u>6,614</u>	<u>1,316</u>	<u>10,215</u>

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**STATE OF NEW MEXICO
TORRANCE COUNTY
OMBING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	635 Juvenile Justice Grant	641 Wind PILT Fund	642 Investment Interest Fund	650 Estancia Basin Water Study	675 Rural Addressing
REVENUES					
Intergovernmental sources - federal	-	-	-	-	-
Intergovernmental sources - state	86,670	-	-	19,252	-
Local and state shared taxes	-	-	-	-	26,517
Property taxes	-	-	-	-	-
Payment in lieu of taxes	-	995,500	-	-	-
Charges for services	-	-	-	9,750	4,285
Interest	-	407	72,049	-	-
Other revenue	-	-	-	-	85
Total revenues	<u>86,670</u>	<u>995,907</u>	<u>72,049</u>	<u>29,002</u>	<u>30,887</u>
EXPENDITURES					
Current					
General government	95,418	190,027	-	12,959	74,988
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt Service					
Principal payments	-	-	-	-	-
Interest payments	-	-	1,155	-	-
Capital Outlay					
Capital outlay	-	-	-	-	-
Total expenditures	<u>95,418</u>	<u>190,027</u>	<u>1,155</u>	<u>12,959</u>	<u>74,988</u>
Excess (deficiency) of revenues over expenditures	(8,748)	805,880	70,894	16,043	(44,101)
OTHER FINANCING SOURCES (USES)					
Proceeds from loan issuance	-	-	-	-	-
Transfers in	60,000	-	-	-	54,996
Transfers out	-	(1,036,056)	-	-	-
Total other financing sources (uses)	<u>60,000</u>	<u>(1,036,056)</u>	<u>-</u>	<u>-</u>	<u>54,996</u>
Net change in fund balance	51,252	(230,176)	70,894	16,043	10,895
Fund balances-beginning of year	10,181	539,686	-	(6,704)	34,650
Restatements	-	-	-	-	-
Fund balances-beginning of year, as restated	<u>10,181</u>	<u>539,686</u>	<u>-</u>	<u>(6,704)</u>	<u>34,650</u>
Fund balances-end of the year	<u>61,433</u>	<u>309,510</u>	<u>70,894</u>	<u>9,339</u>	<u>45,545</u>

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**STATE OF NEW MEXICO
TORRANCE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	680	685	690	691	693
	NM Forest	Planning &	Domestic	DV	Title III
	Re-Leaf	Zoning	Violence	Victim	Forest
	Re-Leaf	Court Fees	Violence	Restitution	Reserve
REVENUES					
Intergovernmental sources - federal	\$ -	-	20,000	-	-
Intergovernmental sources - state	-	-	-	1,171	-
Local and state shared taxes	-	-	-	-	-
Property taxes	-	-	-	-	-
Payment in lieu of taxes	-	-	-	-	-
Charges for services	-	15,063	20	600	-
Interest	-	-	-	-	-
Other revenue	-	-	-	150	-
Total revenues	<u>-</u>	<u>15,063</u>	<u>20,020</u>	<u>1,921</u>	<u>-</u>
EXPENDITURES					
Current					
General government	-	10,343	710	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Health and welfare	-	-	56,060	108	-
Culture and recreation	-	-	-	-	-
Debt Service					
Principal payments	-	-	-	-	-
Interest payments	-	-	-	-	-
Capital Outlay					
Capital outlay	-	-	-	-	-
Total expenditures	<u>-</u>	<u>10,343</u>	<u>56,770</u>	<u>108</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	4,720	(36,750)	1,813	-
OTHER FINANCING SOURCES (USES)					
Proceeds from loan issuance	-	-	-	-	-
Transfers in	-	9,100	56,500	-	-
Transfers out	(83)	-	-	-	-
Total other financing sources (uses)	<u>(83)</u>	<u>9,100</u>	<u>56,500</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(83)	13,820	19,750	1,813	-
Fund balances-beginning of year	83	(119)	4,054	28,586	148,463
Restatements	-	-	-	-	-
Fund balances-beginning of year, as restated	<u>83</u>	<u>(119)</u>	<u>4,054</u>	<u>28,586</u>	<u>148,463</u>
Fund balances-end of the year	\$ <u>-</u>	<u>13,701</u>	<u>23,804</u>	<u>30,399</u>	<u>148,463</u>

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**STATE OF NEW MEXICO
TORRANCE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	802 U.S. Marshall JLEO	804 Drug Education Program	805 Traffic Safety	807 Teen Court Donation	808 Forest Service Patrol
REVENUES					
Intergovernmental sources - federal	\$ 22,468	-	4,197	-	4,702
Intergovernmental sources - state	-	-	-	-	-
Local and state shared taxes	-	-	-	-	-
Property taxes	-	-	-	-	-
Payment in lieu of taxes	-	-	-	-	-
Charges for services	-	-	-	350	-
Interest	-	-	-	-	-
Other revenue	-	143	365	-	-
Total revenues	<u>22,468</u>	<u>143</u>	<u>4,562</u>	<u>350</u>	<u>4,702</u>
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	16,376	-	4,393	-	5,197
Highways and streets	-	-	-	-	-
Health and welfare	-	2,433	-	-	-
Culture and recreation	-	-	-	-	-
Debt Service					
Principal payments	-	-	-	-	-
Interest payments	-	-	-	-	-
Capital Outlay					
Capital outlay	-	-	-	-	-
Total expenditures	<u>16,376</u>	<u>2,433</u>	<u>4,393</u>	<u>-</u>	<u>5,197</u>
Excess (deficiency) of revenues over expenditures	6,092	(2,290)	169	350	(495)
OTHER FINANCING SOURCES (USES)					
Proceeds from loan issuance	-	-	-	-	-
Transfers in	15,000	-	6,000	-	6,000
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>15,000</u>	<u>-</u>	<u>6,000</u>	<u>-</u>	<u>6,000</u>
Net change in fund balance	21,092	(2,290)	6,169	350	5,505
Fund balances-beginning of year	(2,193)	18,898	(664)	611	(326)
Restatements	-	-	-	-	-
Fund balances-beginning of year, as restated	<u>(2,193)</u>	<u>18,898</u>	<u>(664)</u>	<u>611</u>	<u>(326)</u>
Fund balances-end of the year	<u>\$ 18,899</u>	<u>16,608</u>	<u>5,505</u>	<u>961</u>	<u>5,179</u>

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**STATE OF NEW MEXICO
TORRANCE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	825 ICE Inmate Care Association	826 NMDHLS EMPG	828 NMDHLS Mitigation Grant	829 NMDOH Cities Readiness Initiative	830 Disaster Public Assistance
REVENUES					
Intergovernmental sources - federal	\$ -	21,534	-	11,000	-
Intergovernmental sources - state	-	-	-	-	9,149
Local and state shared taxes	-	-	-	-	-
Property taxes	-	-	-	-	-
Payment in lieu of taxes	-	-	-	-	-
Charges for services	8,828	-	-	-	-
Interest	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	<u>8,828</u>	<u>21,534</u>	<u>-</u>	<u>11,000</u>	<u>9,149</u>
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	6,200	-	2,914	-	-
Highways and streets	-	-	-	-	-
Health and welfare	-	17,231	-	15,766	-
Culture and recreation	-	-	-	-	-
Debt Service					
Principal payments	-	-	-	-	-
Interest payments	-	-	-	-	-
Capital Outlay					
Capital outlay	-	-	-	-	-
Total expenditures	<u>6,200</u>	<u>17,231</u>	<u>2,914</u>	<u>15,766</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	2,628	4,303	(2,914)	(4,766)	9,149
OTHER FINANCING SOURCES (USES)					
Proceeds from loan issuance	-	-	-	-	-
Transfers in	-	20,651	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>20,651</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	2,628	24,954	(2,914)	(4,766)	9,149
Fund balances-beginning of year	838	-	2,914	14,638	65,196
Restatements	-	-	-	-	-
Fund balances-beginning of year, as restated	<u>838</u>	<u>-</u>	<u>2,914</u>	<u>14,638</u>	<u>65,196</u>
Fund balances-end of the year	<u>\$ 3,466</u>	<u>24,954</u>	<u>-</u>	<u>9,872</u>	<u>74,345</u>

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**STATE OF NEW MEXICO
TORRANCE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	834 Dog Head Fire	911 Emergency 911	Total Special Revenue Funds
REVENUES			
Intergovernmental sources - federal	\$ -	-	85,735
Intergovernmental sources - state	-	450	1,070,182
Local and state shared taxes	-	440,213	1,250,353
Property taxes	-	-	94,041
Payment in lieu of taxes	-	-	995,500
Charges for services	-	159,890	432,100
Interest	-	162	79,091
Other revenue	-	2,284	88,335
Total revenues	<u>-</u>	<u>602,999</u>	<u>4,095,337</u>
EXPENDITURES			
Current			
General government	-	-	964,849
Public safety	-	770,519	1,564,509
Highways and streets	-	-	-
Health and welfare	-	-	834,883
Culture and recreation	-	-	-
Debt Service	-	-	-
Principal payments	-	-	-
Interest payments	-	-	3,244
Capital Outlay	-	-	-
Capital outlay	-	-	919,016
Total expenditures	<u>-</u>	<u>770,519</u>	<u>4,286,501</u>
Excess (deficiency) of revenues over expenditures	-	(167,520)	(191,164)
OTHER FINANCING SOURCES (USES)			
Proceeds from loan issuance	-	-	280,618
Transfers in	104,401	260,000	1,936,163
Transfers out	-	(46,911)	(1,094,293)
Total other financing sources (uses)	<u>104,401</u>	<u>213,089</u>	<u>1,122,488</u>
Net change in fund balance	104,401	45,569	931,324
Fund balances-beginning of year	-	310,209	2,666,759
Restatements	-	-	-
Fund balances-beginning of year, as restated	<u>-</u>	<u>310,209</u>	<u>2,666,759</u>
Fund balances-end of the year	<u>\$ 104,401</u>	<u>355,778</u>	<u>3,598,083</u>

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2018**

	620 County Infrastructure GRT	621 Capital Outlay GRT	803 Legislative Appropriations	Total Capital Project Funds
ASSETS				
Cash and investments	\$ -	-	-	-
Due from other funds- pooled cash	233,459	793,541	11,143	1,038,143
Accounts receivable	-	-	11,731	11,731
Grant accounts receivable	-	-	-	-
GRT receivable	17,859	72,078	-	89,937
Property tax receivable, net	-	-	-	-
Prepaid expenses	-	-	-	-
Total assets	<u>\$ 251,318</u>	<u>865,619</u>	<u>22,874</u>	<u>1,139,811</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Due to other funds- pooled cash	\$ -	-	-	-
Due to other governmental units	-	-	-	-
Accounts payable	-	38,295	-	38,295
Accrued payroll liabilities	-	-	-	-
Accrued interest payable	-	-	-	-
Unavailable revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>38,295</u>	<u>-</u>	<u>38,295</u>
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable- prepaid expenses	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	251,318	827,324	22,874	1,101,516
Unassigned	-	-	-	-
Total fund balances	<u>251,318</u>	<u>827,324</u>	<u>22,874</u>	<u>1,101,516</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 251,318</u>	<u>865,619</u>	<u>22,874</u>	<u>1,139,811</u>

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
TORRANCE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	620 County Infrastructure GRT	621 Capital Outlay GRT	803 Legislative Appropriations	Total Capital Project Funds
REVENUES				
Intergovernmental sources - federal	\$ -	-	-	-
Intergovernmental sources - state	-	-	-	-
Local and state shared taxes	132,257	516,452	-	648,709
Property taxes	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Other revenue	-	1,778	33,130	34,908
Total revenues	<u>132,257</u>	<u>518,230</u>	<u>33,130</u>	<u>683,617</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Debt Service				
Principal payments	-	-	-	-
Interest payments	-	-	-	-
Capital Outlay				
Capital outlay	66,218	437,528	32,731	536,477
Total expenditures	<u>66,218</u>	<u>437,528</u>	<u>32,731</u>	<u>536,477</u>
Excess (deficiency) of revenues over expenditures	66,039	80,702	399	147,140
OTHER FINANCING SOURCES (USES)				
Proceeds from loan issuance	-	-	-	-
Transfers in	-	-	33,360	33,360
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>33,360</u>	<u>33,360</u>
Net change in fund balance	66,039	80,702	33,759	180,500
Fund balances-beginning of year	185,279	746,622	(10,885)	921,016
Restatements	-	-	-	-
Fund balances-beginning of year, as restated	<u>185,279</u>	<u>746,622</u>	<u>(10,885)</u>	<u>921,016</u>
Fund balances-end of the year	<u>\$ 251,318</u>	<u>827,324</u>	<u>22,874</u>	<u>1,101,516</u>

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
TORRANCE COUNTY
FIDUCIARY FUNDS – AGENCY FUNDS DESCRIPTION
FOR THE YEAR ENDED JUNE 30, 2018**

AGENCY FUNDS

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

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

Undistributed Taxes—To account for property taxes collected by the County Treasurer and distributed to other governmental units in accordance with Section 7-38-43, NMSA 1978.

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

Taxes Paid in Advance—To account for the prepayment of property taxes in accordance with Section 7-38-38.2 NMSA 1978, which are not legally due.

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
TORRANCE COUNTY
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
Children's Trust Fund				
Assets				
Due from other governmental units	\$ 343	976	(909)	410
Liabilities				
Deposits held in trust for others	343	976	(909)	410
Undistributed Taxes				
Assets				
Property tax receivable	808,161	4,911,055	(4,645,073)	1,074,143
Due from other governmental units	143,218	4,502,223	(4,543,327)	102,114
	<u>951,379</u>	<u>9,413,278</u>	<u>(9,188,400)</u>	<u>1,176,257</u>
Liabilities				
Due to other governmental units	808,161	4,911,055	(4,645,073)	1,074,143
Deposits held in trust for others	143,218	4,502,223	(4,543,327)	102,114
	<u>951,379</u>	<u>9,413,278</u>	<u>(9,188,400)</u>	<u>1,176,257</u>
Overpayment Taxes				
Assets				
Due from other governmental units	16,690	25,642	(9,762)	32,570
Liabilities				
Deposits held in trust for others	16,690	25,642	(9,762)	32,570
Taxes Paid in Advance				
Assets				
Due from other governmental units	13,883	332,587	-	346,470
Liabilities				
Deposits held in trust for others	13,883	332,587	-	346,470
Penalty and Interest				
Assets				
Due from other governmental units	13,107	96,598	(99,496)	10,209
Liabilities				
Deposits held in trust for others	\$ 13,107	96,598	(99,496)	10,209
Total - All Agency Funds				
Assets				
Property tax receivable	\$ 808,161	4,911,055	(4,645,073)	1,074,143
Due from other governmental units	187,241	4,958,026	(4,653,494)	491,773
Total assets	<u>\$ 995,402</u>	<u>9,869,081</u>	<u>(9,298,567)</u>	<u>1,565,916</u>
Liabilities				
Due to other governmental units	\$ 808,161	4,911,055	(4,645,073)	1,074,143
Deposits held in trust for others	187,241	4,958,026	(4,653,494)	491,773
Total liabilities	<u>\$ 995,402</u>	<u>9,869,081</u>	<u>(9,298,567)</u>	<u>1,565,916</u>

See independent auditor's report.

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF JOINT POWER AGREEMENT
AS OF JUNE 30, 2018**

<u>Joint Power Agreement</u>	<u>Participants</u>	<u>Responsible Party</u>	<u>Description</u>	<u>Beginning and Ending Dates</u>	<u>Total Estimated Project Amount and Amount Applicable to County</u>	<u>Amount Contributed by County During Fiscal Year</u>	<u>Audit Responsibility</u>	<u>Fiscal Agent and Responsible Reporting Entity</u>
Estancia Valley Solid Waste Authority	County of Torrance, City of Moriarty, Town of Estancia, and Mountainair, Village of Willard and Encino	Estancia Valley Solid Waste Authority	Coordinate solid waste resources in the area	When parties decide	Unknown	\$0	Estancia Valley Solid Waste Authority	N/A

See independent auditor's report.

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF CASH AND INVESTMENTS
AS OF JUNE 30, 2018**

<u>Financial Institution</u>	<u>Account Type</u>	<u>Reconciled Balance</u>	<u>Balance Per Bank</u>	<u>Treasury Obligations or FDIC/NCUA Coverage</u>	<u>Total Uninsured</u>	<u>Required Collateral Coverage</u>	<u>Collateral Requirement</u>	<u>Collateral Pledged</u>	<u>Over/ (Under) Collateralized</u>
Cash and cash equivalents									
Petty cash	Petty cash	\$ -	-	-	-	-	-	-	-
Wells Fargo									
Operating account	Checking	957,216	1,519,190						
Total Wells Fargo Secured by Collateral		957,216	1,519,190	250,000	1,269,190	50%	634,595	1,450,929	816,334
NMFA									
NMFA #3	Debt service reserve	59,154	59,154						
NMFA #4	Debt service reserve	816	816						
NMFA #5	Debt service reserve	20,809	20,809						
NMFA #8	Debt service reserve	15,790	15,790						
NMFA #9	Debt service reserve	59,490	59,490						
NMFA #10	Debt service reserve	40,841	40,841						
NMFA #11	Debt service reserve	55,086	55,086						
NMFA #12	Debt service reserve	4,882	4,882						
NMFA #13	Debt service reserve	4,988	4,988						
NMFA #14	Debt service reserve	3,957	3,957						
NMFA #15	Debt service reserve	1,523	1,523						
NMFA #16	Debt service reserve	364,684	364,684						
Willard3	Debt service reserve	24,104	24,104						
Total NMFA		656,124	656,124	656,124	-	0%	-	-	-
Total cash and cash equivalents		<u>\$ 1,613,340</u>	<u>2,175,314</u>	<u>906,124</u>	<u>1,269,190</u>		<u>634,595</u>	<u>1,450,929</u>	<u>816,334</u>
Cash and cash equivalents		\$ 957,216	1,519,190						
Debt service reserves - held by Trustee		656,124	656,124						
Total cash and cash equivalents		<u>\$ 1,613,340</u>	<u>2,175,314</u>						
Investments									
NM Local Investment Pool (LGIP)	Investment Pool	\$ 6,945,188	6,945,188	6,945,188	-	0%	-	-	-
Total cash and investments		<u>\$ 8,558,528</u>	<u>9,120,502</u>						

See independent auditor's report.

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF COLLATERAL
AS OF JUNE 30, 2018**

		<u>Wells Fargo Bank</u>
Deposits	\$	1,519,190
Less FDIC coverage		<u>(250,000)</u>
Uninsured public funds		1,269,190
Pledged collateral held by the pledging bank's trust department or agent but not in the County's name		<u>1,450,929</u>
Uninsured and uncollateralized		-
Total pledged collateral		1,450,929
50% pledged collateral requirement per statute		<u>634,595</u>
Pledged collateral over the requirement	\$	<u><u>816,334</u></u>

<u>Security Description</u>	<u>CUSIP Number</u>	<u>Maturity Date</u>	<u>Fair Market Value</u>
FNMS 3%	31417DAD5	9/1/2042	1,450,929

See independent auditor's report.

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF FUND BALANCES
AS OF JUNE 30, 2018**

	401	Special Revenue Fund		562, 636 Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
		402	420			
	General Fund	Road Fund	Corrections Fund			
Fund Balances:						
Nonspendable:						
Prepaid expense	\$ 171,398	-	-	-	-	171,398
Inventory	-	-	-	-	-	-
Subtotal nonspendable	<u>171,398</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>171,398</u>
Restricted for:						
Debt service	-	-	-	589,776	-	589,776
Roads & highways	-	79,850	-	-	-	79,850
Forests & open spaces	-	-	-	-	153,642	153,642
Public safety	-	-	152,083	-	470,333	622,416
Special projects	-	-	-	-	1,156,703	1,156,703
Fire protection	-	-	-	-	901,187	901,187
EMS	-	-	-	-	136,075	136,075
Law enforcement	-	-	-	-	4,703	4,703
Disaster public assistance	-	-	-	-	74,345	74,345
Citizen health	-	-	-	-	62,036	62,036
Juvenile outreach	-	-	-	-	61,433	61,433
Indigent fund	-	-	-	-	355,644	355,644
Reserve requirement	1,290,555	-	-	-	-	1,290,555
Subtotal restricted	<u>1,290,555</u>	<u>79,850</u>	<u>152,083</u>	<u>589,776</u>	<u>3,376,101</u>	<u>5,488,365</u>
Committed to:						
PILT	-	-	-	-	-	-
Subtotal committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Assigned to:						
Other purposes	-	-	-	-	1,323,498	1,323,498
Subtotal assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,323,498</u>	<u>1,323,498</u>
Unassigned:	556,824	614,548	-	-	-	1,171,372
Total fund balances	<u>\$ 2,018,777</u>	<u>694,398</u>	<u>152,083</u>	<u>589,776</u>	<u>4,699,599</u>	<u>8,154,633</u>

See independent auditor's report.

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF RECONCILIATION OF
PROPERTY TAX RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2018**

Reconciliation of Property Taxes Receivable

Taxes receivable, beginning of year	\$ 1,588,317
Changes to Tax roll:	
Net taxes charged to treasurer for fiscal year	10,223,471
Adjustments:	
Increases/(Decreases) in taxes receivables	220,346
Charge off of taxes receivables	(44,193)
Total receivables prior to collections	<u>11,987,941</u>
Collections for fiscal year ended June, 30, 2017	<u>(9,079,470)</u>
Allowance for uncollectible	<u>(833,824)</u>
Taxes receivable, end of year net	<u>\$ 2,074,646</u>
Net Property Taxes Receivable by Years:	
2017	\$ 1,092,019
2016	368,525
2015	203,392
2014	142,259
2013	104,251
2012	71,302
2011	45,691
2010	27,452
2009	17,195
2008	2,561
Taxes receivable, end of year net	<u>\$ 2,074,646</u>

See independent auditor's report.

**STATE OF NEW MEXICO
TORRANCE COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018**

AGENCY	Taxes Levied w/ Add & Del	Reporting Period Paid	To-Date Paid	Reporting Period Distribution	To-Date Distribution	Undistributed at Year-End	Outstanding Receivable at Year-End	Allowance Uncollectible	Net Receivable
CITY OF MORIARTY									
2017	81,906	(76,450)	-	(75,257)	-	(1,193)	5,440	794	4,645
2016	79,334	(3,025)	(73,943)	(7,758)	(69,099)	(4,956)	2,339	770	1,569
2015	78,804	(1,266)	(76,560)	(1,309)	(76,421)	(236)	969	765	204
2014	72,088	(408)	(71,056)	(397)	(71,027)	(69)	624	701	(77)
2013	68,931	(273)	(68,409)	(273)	(68,409)	-	249	671	(422)
2012	65,200	(168)	(64,840)	(168)	(64,840)	-	193	623	(430)
2011	59,924	(100)	(59,642)	(104)	(59,639)	(4)	182	589	(407)
2010	57,349	(37)	(57,204)	(38)	(57,203)	(2)	108	563	(455)
2009	65,602	(45)	(65,457)	(47)	(65,455)	(2)	100	642	(542)
2008	70,349	(53)	(70,210)	(53)	(70,210)	-	86	688	(602)
	699,487	(81,824)	(607,322)	(85,404)	(602,302)	(6,461)	10,289	6,806	3,483
Total City of Moriarty									
TOWN OF MOUNTAINAIR									
2017	60,335	(52,076)	-	(50,625)	-	(1,451)	7,606	585	7,021
2016	57,892	(3,783)	(51,433)	(4,901)	(50,189)	(1,369)	2,654	563	2,091
2015	56,592	(897)	(55,047)	(967)	(54,972)	(79)	627	557	70
2014	55,479	(411)	(54,726)	(447)	(54,690)	(36)	321	540	(219)
2013	53,077	(314)	(52,632)	(322)	(52,623)	(9)	123	517	(394)
2012	50,010	(244)	(49,651)	(247)	(49,648)	(3)	106	491	(385)
2011	46,375	(26)	(46,285)	(50)	(46,261)	(25)	55	452	(396)
2010	40,785	-	(40,746)	-	(40,746)	-	31	399	(368)
2009	49,220	(17)	(49,170)	(17)	(49,170)	-	28	483	(455)
2008	49,294	-	(49,270)	-	(49,270)	-	24	532	(508)
	519,061	(57,768)	(448,960)	(57,577)	(447,570)	(2,972)	11,576	5,119	6,457
Total Town of Mountainair									
VILLAGE OF ENCINO									
2017	3,414	(3,355)	-	(3,349)	-	(6)	166	33	133
2016	2,409	(8)	(2,384)	17	(2,409)	25	17	24	(7)
2015	2,110	-	(2,101)	-	(2,101)	-	9	20	(11)
2014	1,889	-	(1,882)	-	(1,882)	-	7	18	(11)
2013	1,795	-	(1,788)	-	(1,788)	-	6	17	(10)
2012	1,585	-	(1,579)	-	(1,579)	-	6	15	(9)
2011	1,433	-	(1,427)	-	(1,427)	-	6	14	(8)
2010	1,367	-	(1,360)	-	(1,360)	-	6	13	(7)
2009	1,503	-	(1,495)	-	(1,495)	-	8	15	(7)
2008	1,546	-	(1,536)	-	(1,536)	-	11	15	(4)
	19,051	(3,363)	(15,551)	(3,331)	(15,576)	19	243	185	59
Total Village of Encino									
ESTANCIA SCH LEVY									
2017	47,784	(38,786)	-	(37,920)	-	(866)	8,991	464	8,528
2016	45,917	(1,721)	(42,327)	(2,266)	(41,626)	(855)	1,855	445	1,409
2015	44,782	(663)	(42,883)	(637)	(42,800)	(192)	1,221	435	786
2014	43,301	(179)	(42,196)	(197)	(42,147)	(79)	916	420	496
2013	42,314	(72)	(41,426)	(96)	(41,391)	(46)	801	411	391
2012	40,718	(43)	(40,058)	(47)	(40,047)	(20)	606	393	213
2011	38,280	(18)	(37,770)	(15)	(37,770)	(4)	482	371	111
2010	33,845	(19)	(33,448)	(19)	(33,448)	(2)	371	353	18
2009	36,999	(16)	(36,615)	(15)	(36,615)	(1)	367	359	8
2008	40,263	(10)	(39,917)	(9)	(39,917)	(1)	335	394	(60)
	414,202	(41,528)	(356,640)	(41,222)	(355,760)	(2,067)	15,946	4,045	11,901
Total Estancia Sch Levy									
ESTANCIA SCH DEBT SERV									
2017	645,247	(520,673)	-	(509,501)	-	(11,171)	124,515	6,259	118,256
2016	623,932	(22,340)	(576,972)	(29,371)	(567,899)	(11,114)	24,439	6,053	18,386
2015	571,328	(8,040)	(547,922)	(7,758)	(546,896)	(2,333)	15,196	5,551	9,645
2014	579,936	(2,300)	(565,581)	(2,526)	(564,963)	(1,009)	11,938	5,628	6,310
2013	542,442	(890)	(531,388)	(1,173)	(530,969)	(554)	9,994	5,267	4,727
2012	266,095	(271)	(261,878)	(291)	(261,806)	(123)	3,882	2,566	1,316
2011	140,489	(64)	(138,641)	(54)	(138,638)	(16)	1,752	1,362	390
2010	85,827	(43)	(84,869)	(41)	(84,867)	(6)	901	902	(1)
2009	178,813	(73)	(176,994)	(69)	(176,994)	(5)	1,743	1,734	8
2008	166,526	(41)	(165,104)	(38)	(165,103)	(6)	1,378	1,630	(253)
	3,800,633	(554,733)	(3,049,349)	(550,823)	(3,038,136)	(26,337)	195,737	36,952	158,785
Total Estancia Sch Debt Serv									

See independent auditor's report.

STATE OF NEW MEXICO
TORRANCE COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018

AGENCY	Taxes Levied w/ Add & Del	Reporting Period Paid	To-Date Paid	Reporting Period Distribution	To-Date Distribution	Undistributed at Year-End	Outstanding Receivable at Year-End	Allowance Uncollectible	Net Receivable
ESTANCIA SCH CAPT IMPRV									
2017	231,436	(186,754)	-	(182,747)	-	(4,007)	44,661	2,245	42,416
2016	224,800	(8,049)	(207,881)	(10,582)	(204,612)	(4,004)	8,805	2,181	6,624
2015	213,035	(3,028)	(204,248)	(2,919)	(203,863)	(878)	5,694	2,070	3,625
2014	205,909	(821)	(200,792)	(902)	(200,571)	(361)	4,254	1,998	2,256
2013	201,338	(333)	(197,210)	(440)	(197,052)	(208)	3,730	1,955	1,776
2012	193,927	(199)	(190,843)	(214)	(190,790)	(91)	2,838	1,870	968
2011	182,251	(83)	(179,858)	(70)	(179,854)	(20)	2,268	1,767	502
2010	180,122	(91)	(178,109)	(86)	(178,106)	(12)	1,890	1,893	(2)
2009	147,965	(63)	(146,431)	(59)	(146,431)	(4)	1,469	1,436	32
2008	161,106	(40)	(159,724)	(37)	(159,723)	(6)	1,339	1,577	(238)
	1,941,888	(199,460)	(1,665,096)	(198,057)	(1,661,002)	(9,591)	76,949	18,992	57,957
Total Estancia Sch Capt Imprv									
ESTANCIA SCH TECH DEBT									
2017	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-
2011	41,816	(19)	(41,265)	(16)	(41,265)	(5)	521	405	116
2010	376,186	(189)	(371,984)	(180)	(371,976)	(25)	3,948	3,953	(5)
2009	249,364	(102)	(246,828)	(96)	(246,827)	(7)	2,430	2,419	11
2008	281,902	(69)	(279,496)	(64)	(279,493)	(10)	2,332	2,760	(428)
	949,268	(379)	(939,573)	(356)	(939,561)	(47)	9,231	9,537	(306)
Total Estancia Sch Tech Debt									
MORIARTY SCH LEVY									
2017	83,689	(75,248)	-	(73,654)	-	(1,594)	8,427	812	7,616
2016	78,098	(3,680)	(69,526)	(5,984)	(67,058)	(2,634)	4,854	758	4,096
2015	78,138	(1,368)	(73,387)	(1,339)	(73,234)	(335)	3,343	759	2,584
2014	73,476	(501)	(70,314)	(586)	(70,188)	(167)	2,647	713	1,933
2013	69,857	(289)	(67,368)	(313)	(67,322)	(67)	2,176	679	1,497
2012	67,073	(165)	(65,076)	(200)	(65,033)	(51)	1,813	646	1,167
2011	64,284	(110)	(62,679)	(142)	(62,642)	(42)	1,480	624	856
2010	61,822	(99)	(60,478)	(119)	(60,450)	(35)	1,237	598	639
2009	61,082	(66)	(59,917)	(92)	(59,889)	(30)	1,092	592	500
2008	58,107	(41)	(57,162)	(61)	(57,141)	(22)	902	581	321
	695,628	(81,566)	(585,906)	(82,488)	(582,956)	(4,977)	27,971	6,762	21,209
Total Moriarty Sch Levy									
MORIARTY SCH DEBT SERV									
2017	1,576,780	(1,410,463)	-	(1,378,916)	-	(31,548)	165,924	15,295	150,629
2016	1,512,588	(75,044)	(1,340,346)	(116,249)	(1,295,815)	(47,859)	96,375	14,678	81,697
2015	1,575,660	(29,374)	(1,476,941)	(28,543)	(1,473,857)	(6,999)	68,429	15,307	53,122
2014	1,550,172	(11,072)	(1,482,448)	(12,937)	(1,479,643)	(3,743)	56,237	15,051	41,186
2013	1,454,472	(6,319)	(1,402,315)	(6,769)	(1,401,371)	(1,438)	45,260	14,145	31,116
2012	1,311,676	(3,442)	(1,272,493)	(4,119)	(1,271,642)	(1,025)	35,331	12,659	22,672
2011	1,369,477	(2,367)	(1,335,452)	(3,025)	(1,334,663)	(921)	31,272	13,292	17,980
2010	1,343,821	(2,228)	(1,314,873)	(2,556)	(1,314,358)	(701)	26,483	13,016	13,467
2009	1,306,297	(1,413)	(1,281,745)	(1,894)	(1,281,219)	(571)	22,945	12,666	10,279
2008	1,142,785	(795)	(1,124,497)	(1,117)	(1,124,151)	(369)	17,422	11,440	5,982
	14,143,726	(1,542,518)	(12,031,109)	(1,556,124)	(11,976,720)	(95,173)	565,678	137,548	428,130
Total Moriarty Sch Debt Serv									
MORIARTY & ESTANCIA VALLEY CLASS SCH CAPT IMPRV									
2017	355,255	(314,779)	-	(304,267)	-	(10,512)	40,329	3,446	36,883
2016	356,212	(19,183)	(314,664)	(25,274)	(307,876)	(7,485)	22,314	3,460	18,854
2015	337,712	(8,119)	(314,783)	(8,951)	(313,340)	(2,054)	14,751	3,278	11,473
2014	328,919	(3,386)	(313,521)	(4,452)	(312,241)	(1,493)	11,787	3,197	8,590
2013	320,471	(1,343)	(309,437)	(1,629)	(308,943)	(701)	9,570	3,092	6,478
2012	307,900	(1,021)	(299,120)	(1,208)	(298,756)	(541)	7,648	2,987	4,661
2011	295,605	(927)	(288,210)	(872)	(288,151)	(173)	6,367	2,862	3,505
2010	291,550	(771)	(285,205)	(661)	(285,197)	(125)	5,478	2,826	2,652
2009	278,243	(435)	(273,263)	(358)	(273,257)	(91)	4,451	2,785	1,667
2008	266,085	(657)	(262,366)	(635)	(262,359)	(35)	3,371	2,585	786
	3,137,952	(350,620)	(2,660,567)	(348,306)	(2,650,119)	(23,209)	126,067	30,517	95,550
Total Moriarty & EVC Sch Capt Imprv									

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TORRANCE COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
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AGENCY	Taxes Levied w/ Add & Del	Reporting Period Paid	To-Date Paid	Reporting Period Distribution	To-Date Distribution	Undistributed at Year-End	Outstanding Receivable at Year-End	Allowance Uncollectible	Net Receivable
Est. VALLEY CLASS. SCH CAPT IMPRV									
2017	378,176	(338,449)	-	(330,916)	-	(7,533)	39,636	3,668	35,968
2016	355,108	(17,553)	(314,779)	(27,285)	(304,267)	(11,291)	22,585	3,446	19,139
2015	356,161	(6,640)	(333,847)	(6,452)	(333,149)	(1,582)	15,468	3,460	12,008
2014	337,653	(2,412)	(322,901)	(2,818)	(322,290)	(815)	12,249	3,278	8,971
2013	328,693	(1,428)	(316,907)	(1,530)	(316,693)	(325)	10,228	3,197	7,032
2012	320,350	(841)	(310,780)	(1,006)	(310,572)	(250)	8,629	3,092	5,537
2011	307,790	(532)	(300,141)	(680)	(299,964)	(207)	7,030	2,987	4,043
2010	295,504	(489)	(289,136)	(562)	(289,023)	(154)	5,826	2,862	2,964
2009	291,453	(315)	(285,975)	(422)	(285,858)	(127)	5,119	2,826	2,293
2008	278,149	(194)	(273,698)	(272)	(273,614)	(90)	4,241	2,785	1,456
	3,249,036	(368,851)	(2,748,164)	(371,943)	(2,735,431)	(22,374)	131,011	31,601	99,410
Total EST. VALLEY CLASS. SCH CAPT									
MOUNTAINAIR SCH LEVY									
2017	27,560	(26,316)	-	(26,014)	-	(302)	2,336	267	2,069
2016	27,427	(916)	(25,597)	(1,269)	(25,219)	(404)	911	267	643
2015	26,541	(621)	(25,603)	(649)	(25,568)	(42)	312	250	63
2014	25,358	(229)	(24,937)	(254)	(24,911)	(26)	192	238	(46)
2013	25,138	(124)	(24,864)	(125)	(24,863)	(1)	146	235	(88)
2012	25,263	(79)	(25,033)	(79)	(25,033)	(0)	147	240	(93)
2011	23,956	(25)	(23,854)	(27)	(23,852)	(2)	73	229	(156)
2010	21,902	(14)	(21,823)	(14)	(21,823)	-	63	215	(152)
2009	22,184	(16)	(22,120)	(16)	(22,120)	-	48	212	(164)
2008	20,686	(8)	(20,635)	(8)	(20,635)	-	43	205	(162)
	246,016	(28,348)	(214,466)	(28,455)	(214,024)	(777)	4,272	2,359	1,913
Total Mountainair Sch Levy									
MOUNTAINAIR SCH DEBT SERV									
2017	259,457	(246,692)	-	(243,729)	-	(2,963)	22,085	2,517	19,568
2016	256,444	(8,991)	(238,950)	(12,423)	(235,271)	(3,925)	8,461	2,498	5,963
2015	277,292	(6,464)	(267,487)	(6,784)	(267,098)	(459)	3,287	2,618	669
2014	279,762	(2,663)	(274,980)	(2,973)	(274,666)	(318)	2,095	2,630	(535)
2013	290,327	(1,530)	(287,080)	(1,538)	(287,072)	(8)	1,669	2,723	(1,054)
2012	259,566	(829)	(257,223)	(832)	(257,220)	(3)	1,474	2,474	(1,001)
2011	290,093	(328)	(288,832)	(354)	(288,806)	(26)	883	2,778	(1,895)
2010	273,062	(177)	(272,093)	(177)	(272,093)	-	776	2,684	(1,908)
2009	271,710	(198)	(270,913)	(198)	(270,913)	-	594	2,603	(2,009)
2008	258,320	(95)	(257,689)	(95)	(257,689)	-	536	2,562	(2,026)
	2,716,034	(267,967)	(2,415,248)	(269,102)	(2,410,829)	(7,702)	41,860	26,087	15,774
Total Mountainair Sch Debt Serv									
MOUNTAINAIR SCH CAPT IMPRV									
2017	120,174	(114,262)	-	(112,889)	-	(1,373)	10,229	1,166	9,064
2016	121,971	(4,276)	(113,650)	(5,908)	(111,900)	(1,867)	4,024	1,188	2,836
2015	116,971	(2,727)	(112,835)	(2,862)	(112,671)	(194)	1,387	1,104	282
2014	111,994	(1,066)	(110,080)	(1,190)	(109,954)	(127)	839	1,053	(214)
2013	110,940	(583)	(109,701)	(587)	(109,698)	(3)	638	1,040	(402)
2012	110,486	(352)	(109,487)	(353)	(109,486)	(1)	630	1,053	(423)
2011	104,383	(116)	(103,931)	(125)	(103,922)	(9)	318	999	(681)
2010	98,418	(64)	(98,069)	(64)	(98,069)	-	280	967	(688)
2009	90,019	(66)	(89,755)	(66)	(89,755)	-	197	862	(665)
2008	83,896	(31)	(83,691)	(31)	(83,691)	-	174	832	(658)
	1,069,253	(123,543)	(931,199)	(124,075)	(929,146)	(3,574)	18,715	10,265	8,450
Total Mountainair Sch Capt Imprv									
MOUNTAINAIR SCH TECH DEBT									
2017	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total Mountainair Sch Tech Debt									

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**STATE OF NEW MEXICO
TORRANCE COUNTY
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AGENCY	Taxes Levied w/ Add & Del	Reporting Period Paid	To-Date Paid	Reporting Period Distribution	To-Date Distribution	Undistributed at Year-End	Outstanding Receivable at Year-End	Allowance Uncollectible	Net Receivable
VAUGHN SCH LEVY									
2017	16,377	(16,235)	-	(16,222)	-	(13)	173	159	14
2016	14,128	(27)	(14,034)	(1,017)	(13,044)	(990)	66	137	(71)
2015	12,977	(8)	(12,944)	(397)	(12,556)	(389)	24	117	(94)
2014	11,795	(8)	(11,779)	(8)	(11,779)	-	14	114	(100)
2013	11,424	(2)	(11,415)	(2)	(11,415)	-	6	111	(105)
2012	10,830	(2)	(10,826)	(2)	(10,826)	-	2	104	(101)
2011	10,418	(2)	(10,414)	(2)	(10,414)	-	2	100	(98)
2010	10,222	(2)	(10,218)	(2)	(10,218)	-	2	97	(95)
2009	10,487	(2)	(10,483)	(2)	(10,483)	-	2	100	(98)
2008	9,366	(2)	(9,362)	(2)	(9,362)	-	2	92	(89)
	118,024	(16,290)	(101,476)	(17,656)	(100,097)	(1,392)	295	1,131	(835)
Total Vaughn Sch Levy									
VAUGHN SCH DEBT SERV									
2017	89,978	(89,199)	-	(89,126)	-	(73)	951	873	78
2016	70,468	(137)	(70,000)	(5,077)	(65,060)	(4,941)	331	684	(353)
2015	83,676	(54)	(83,470)	(2,562)	(80,962)	(2,508)	151	755	(604)
2014	78,127	(53)	(78,019)	(53)	(78,019)	-	94	755	(661)
2013	83,462	(15)	(83,403)	(15)	(83,403)	-	44	812	(768)
2012	92,975	(16)	(92,937)	(16)	(92,937)	-	21	892	(871)
2011	107,249	(19)	(107,205)	(19)	(107,205)	-	25	1,032	(1,006)
2010	99,281	(18)	(99,240)	(18)	(99,240)	-	24	942	(918)
2009	102,446	(17)	(102,405)	(17)	(102,405)	-	24	978	(954)
2008	97,785	(17)	(97,742)	(17)	(97,742)	-	26	956	(930)
	905,446	(89,546)	(814,422)	(96,921)	(806,973)	(7,522)	1,691	8,677	(6,986)
Total Vaughn Sch Debt Serv									
VAUGHN SCH CAPT IMPRV									
2017	65,510	(64,943)	-	(64,889)	-	(53)	693	635	57
2016	56,944	(110)	(56,566)	(4,103)	(52,574)	(3,992)	268	553	(285)
2015	52,396	(34)	(52,267)	(1,605)	(50,696)	(1,571)	95	473	(378)
2014	47,160	(32)	(47,094)	(32)	(47,094)	-	57	455	(398)
2013	45,673	(8)	(45,641)	(8)	(45,641)	-	24	444	(420)
2012	43,335	(8)	(43,317)	(8)	(43,317)	-	10	416	(406)
2011	41,684	(7)	(41,668)	(7)	(41,668)	-	10	401	(391)
2010	40,898	(7)	(40,881)	(7)	(40,881)	-	10	388	(378)
2009	42,038	(7)	(42,021)	(7)	(42,021)	-	10	401	(391)
2008	37,509	(7)	(37,492)	(7)	(37,492)	-	10	367	(357)
	473,146	(65,163)	(406,947)	(70,673)	(401,384)	(5,616)	1,185	4,533	(3,348)
Total Vaughn Capt Imprv									
VAUGHN SCH TECH DEBT									
2017	50,540	(50,103)	-	(50,062)	-	(41)	534	490	44
2016	52,986	(103)	(52,635)	(3,818)	(48,920)	(3,715)	249	514	(265)
2015	28,398	(18)	(28,329)	(870)	(27,477)	(851)	51	256	(205)
2014	24,788	(17)	(24,754)	(17)	(24,754)	-	30	239	(210)
2013	14,961	(3)	(14,951)	(3)	(14,951)	-	8	146	(138)
2012	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-
	171,674	(50,244)	(120,668)	(54,769)	(116,102)	(4,607)	872	1,646	(774)
Total Vaughn Sch Tech Debt									
CORONA SCH LEVY									
2017	4,719	(4,566)	-	(4,477)	-	(89)	168	46	122
2016	4,418	(154)	(4,213)	(209)	(4,158)	(55)	51	43	8
2015	4,102	(42)	(4,051)	(47)	(4,046)	(5)	9	40	(31)
2014	3,797	(0)	(3,793)	(0)	(3,793)	-	4	37	(33)
2013	3,664	(0)	(3,661)	(0)	(3,661)	-	3	36	(33)
2012	3,457	(1)	(3,453)	(1)	(3,453)	-	2	34	(31)
2011	3,234	(0)	(3,231)	(0)	(3,231)	-	2	31	(29)
2010	3,046	(0)	(3,044)	(0)	(3,044)	-	2	29	(27)
2009	2,883	(0)	(2,881)	(0)	(2,881)	-	2	28	(26)
2008	2,267	(0)	(2,265)	(0)	(2,265)	-	2	22	(20)
	35,588	(4,765)	(30,593)	(4,735)	(30,534)	(149)	245	345	(100)
Total Corona Sch Levy									

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FOR THE YEAR ENDED JUNE 30, 2018**

AGENCY	Taxes Levied w/ Add & Del	Reporting Period Paid	To-Date Paid	Reporting Period Distribution	To-Date Distribution	Undistributed at Year-End	Outstanding Receivable at Year-End	Allowance Uncollectible	Net Receivable
CORONA SCH DEBT SERV									
2017	20,275	(19,597)	-	(19,200)	-	(396)	744	197	547
2016	16,981	(594)	(16,185)	(807)	(15,971)	(214)	202	165	37
2015	17,620	(187)	(17,394)	(206)	(17,374)	(21)	39	171	(132)
2014	18,579	(1)	(18,560)	(1)	(18,560)	-	18	180	(162)
2013	19,699	(1)	(19,682)	(1)	(19,682)	-	16	191	(174)
2012	17,883	(5)	(17,866)	(5)	(17,866)	-	12	174	(162)
2011	19,558	(1)	(19,544)	(1)	(19,544)	-	13	190	(177)
2010	15,852	(1)	(15,840)	(1)	(15,840)	-	11	153	(142)
2009	16,822	(1)	(16,809)	(1)	(16,809)	-	12	164	(153)
2008	13,849	(1)	(13,837)	(1)	(13,837)	-	11	134	(122)
	177,117	(20,388)	(155,716)	(20,224)	(155,483)	(631)	1,078	1,719	(641)
Total Corona Sch Debt Serv									
CORONA SCH CAPT IMPRV									
2017	19,100	(18,461)	-	(18,088)	-	(373)	701	185	516
2016	18,264	(640)	(17,407)	(869)	(17,177)	(230)	218	178	40
2015	16,975	(180)	(16,757)	(199)	(16,738)	(20)	38	165	(127)
2014	15,331	(1)	(15,315)	(1)	(15,315)	-	15	148	(133)
2013	14,800	(1)	(14,787)	(1)	(14,787)	-	12	143	(131)
2012	13,969	(4)	(13,956)	(4)	(13,956)	-	9	136	(127)
2011	13,077	(1)	(13,067)	(1)	(13,067)	-	9	127	(118)
2010	12,314	(0)	(12,305)	(0)	(12,305)	-	8	119	(111)
2009	11,621	(0)	(11,613)	(0)	(11,613)	-	8	113	(105)
2008	9,096	(0)	(9,088)	(0)	(9,088)	-	7	88	(80)
	144,547	(19,289)	(124,295)	(19,163)	(124,046)	(624)	1,025	1,403	(377)
Total Corona Sch Capt Imprv									
CORONA SCH TECH DEBT									
2017	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total Corona Sch Tech Debt									
CATTLE LEVY									
2017	62,275	(58,146)	-	(58,004)	-	(142)	4,128	604	3,524
2016	54,077	(959)	(52,291)	(1,281)	(51,938)	(385)	827	527	300
2015	49,739	(240)	(48,589)	(240)	(48,582)	(12)	910	488	422
2014	38,530	(123)	(37,496)	(120)	(37,493)	(10)	910	374	536
2013	41,620	(4)	(40,833)	(4)	(40,833)	-	782	404	378
2012	37,034	(127)	(36,143)	(127)	(36,143)	-	764	361	403
2011	33,448	(6)	(32,936)	(6)	(32,936)	-	507	332	175
2010	30,493	-	(30,006)	(3)	(30,004)	(3)	486	296	190
2009	34,825	-	(34,350)	(3)	(34,347)	(3)	475	710	(234)
2008	34,575	-	(34,561)	-	(34,561)	-	14	351	(337)
	416,614	(59,604)	(347,206)	(59,787)	(346,838)	(554)	9,804	4,446	5,358
Total Cattle Levy									
SHEEP/GOAT LEVY									
2017	447	(364)	-	(355)	-	(9)	83	4	79
2016	402	(13)	(375)	(18)	(368)	(10)	14	4	10
2015	305	(1)	(299)	-	(299)	(1)	5	3	2
2014	331	(1)	(326)	-	(326)	(1)	4	4	-
2013	485	-	(482)	-	(482)	-	3	5	(1)
2012	570	-	(567)	-	(567)	-	3	6	(3)
2011	275	-	(271)	-	(271)	-	4	3	1
2010	255	-	(252)	-	(252)	-	3	2	1
2009	267	-	(264)	-	(264)	-	3	3	1
2008	437	-	(435)	-	(435)	-	2	4	(3)
	3,774	(379)	(3,271)	(372)	(3,264)	(21)	124	37	87
Total Sheep/Goat Levy									

See independent auditor's report.

**STATE OF NEW MEXICO
TORRANCE COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018**

AGENCY	Taxes Levied w/ Add & Del	Reporting Period Paid	To-Date Paid	Reporting Period Distribution	To-Date Distribution	Undistributed at Year-End	Outstanding Receivable at Year-End	Allowance Uncollectible	Net Receivable
EQUINE LEVY									
2017	1,407	(1,185)	-	(1,147)	-	(38)	222	14	209
2016	1,434	(96)	(1,198)	(116)	(1,168)	(40)	140	14	126
2015	1,288	(14)	(1,146)	(13)	(1,146)	(1)	128	13	116
2014	1,158	(8)	(1,107)	(8)	(1,107)	-	43	11	31
2013	1,232	(5)	(1,184)	(5)	(1,184)	-	43	12	31
2012	1,181	(7)	(1,152)	(7)	(1,152)	-	22	12	10
2011	1,292	(1)	(1,282)	(5)	(1,278)	(4)	9	13	(4)
2010	1,139	-	(1,128)	(3)	(1,125)	(3)	11	11	(0)
2009	1,201	-	(1,197)	(3)	(1,194)	(3)	4	12	(8)
2008	-	-	-	-	-	-	-	-	-
	11,332	(1,316)	(9,394)	(1,306)	(9,354)	(89)	622	111	512
	Total Equine Levy								
DAIRY LEVY									
2017	9,008	(9,004)	-	(8,999)	-	(5)	4	87	(83)
2016	7,669	-	(7,669)	-	(7,669)	-	-	74	(74)
2015	8,112	-	(8,112)	-	(8,112)	-	-	79	(79)
2014	8,953	-	(8,952)	-	(8,952)	-	2	87	(85)
2013	8,960	-	(8,960)	-	(8,960)	-	-	87	(87)
2012	8,369	-	(8,369)	-	(8,369)	-	-	81	(81)
2011	1,429	-	(1,429)	-	(1,429)	-	-	14	(14)
2010	1,433	-	(1,433)	-	(1,433)	-	-	14	(14)
2009	706	-	(706)	-	(706)	-	-	7	(7)
2008	2,354	-	(2,354)	-	(2,354)	-	-	23	(23)
	56,994	(9,004)	(47,984)	(8,999)	(47,984)	(5)	6	553	(547)
	Total Dairy Levy								
SWINE/BISON/RATITES LEVY									
2017	518	(481)	-	(474)	-	(7)	38	5	33
2016	508	-	(483)	(4)	(479)	(4)	25	5	20
2015	530	-	(521)	-	(521)	-	8	5	3
2014	330	-	(329)	-	(329)	-	1	3	(3)
2013	369	-	(362)	-	(362)	-	7	4	3
2012	467	-	(467)	-	(467)	-	-	5	(5)
2011	392	-	(392)	-	(392)	-	-	4	(4)
2010	309	-	(309)	-	(309)	-	-	3	(3)
2009	402	-	(402)	-	(402)	-	-	4	(4)
2008	231	-	(231)	-	(231)	-	-	3	(3)
	4,056	(481)	(3,497)	(478)	(3,493)	(11)	78	40	38
	Total Swine/Bison/Ratites Levy								
NON-RENDITION									
2017	-	-	-	-	-	-	18	-	18
2016	245	-	(245)	-	(245)	-	-	-	-
2015	1,917	-	(1,917)	(809)	(1,108)	(809)	-	-	-
2014	141	-	(141)	-	(141)	-	-	-	-
2013	2	-	(2)	-	(2)	-	-	-	-
2012	5	-	(5)	-	(5)	-	-	-	-
2011	5	-	(5)	-	(5)	-	-	-	-
2010	5	-	(5)	-	(5)	-	-	-	-
2009	5	-	(5)	-	(5)	-	-	-	-
2008	52	-	(52)	-	(52)	-	-	-	-
	2,378	-	(2,378)	(809)	(1,569)	(809)	18	-	18
	Total Non-Rendition								
ADMINISTRATIVE									
2017	4,333	(3,830)	-	(3,707)	-	(123)	509	42	467
2016	4,509	(233)	(3,990)	(322)	(3,891)	(109)	279	43	236
2015	4,764	(83)	(4,442)	(96)	(4,419)	(34)	238	46	192
2014	4,935	(53)	(4,697)	(53)	(4,697)	-	184	48	137
2013	5,867	(42)	(5,718)	(42)	(5,718)	-	107	57	50
2012	5,004	(35)	(4,875)	(35)	(4,875)	-	94	49	45
2011	5,262	(28)	(5,138)	(28)	(5,138)	-	97	51	46
2010	5,159	(16)	(5,067)	(16)	(5,067)	-	76	50	26
2009	4,702	(14)	(4,617)	(14)	(4,617)	-	70	46	24
2008	4,652	(14)	(4,581)	(14)	(4,581)	-	57	45	12
	49,186	(4,349)	(43,124)	(4,328)	(43,001)	(266)	1,712	478	1,234
	Total Administrative								

See independent auditor's report.

**STATE OF NEW MEXICO
TORRANCE COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018**

AGENCY	Taxes Levied w/ Add & Del	Reporting Period Paid	To-Date Paid	Reporting Period Distribution	To-Date Distribution	Undistributed at Year-End	Outstanding Receivable at Year-End	Allowance Uncollectible	Net Receivable
EDGEWOOD SWCD									
2017	113,753	(100,832)	-	(98,449)	-	(2,383)	12,931	1,103	11,828
2016	102,598	(4,949)	(90,042)	(6,295)	(88,495)	(1,747)	7,595	996	6,599
2015	99,443	(1,842)	(92,589)	(1,767)	(92,385)	(484)	4,995	967	4,028
2014	96,998	(603)	(92,268)	(811)	(92,030)	(268)	4,140	940	3,200
2013	94,458	(296)	(90,615)	(334)	(90,551)	(90)	3,535	918	2,618
2012	92,020	(167)	(88,911)	(204)	(88,856)	(73)	2,942	900	2,043
2011	91,712	(123)	(89,239)	(149)	(89,199)	(56)	2,349	887	1,461
2010	88,598	(105)	(86,506)	(130)	(86,465)	(57)	1,986	856	1,131
2009	66,500	(64)	(64,782)	(98)	(64,743)	(44)	1,654	643	1,012
2008	62,268	(21)	(60,853)	(45)	(60,829)	(24)	1,394	636	758
	908,348	(109,001)	(755,805)	(108,283)	(753,552)	(5,225)	43,522	8,845	34,677
Total Edgewood SWCD									
CLAUNCH PINTO SWCD									
2017	68,351	(66,724)	-	(66,106)	-	(618)	3,935	663	3,272
2016	68,050	(1,772)	(64,735)	(2,617)	(63,860)	(905)	1,572	660	912
2015	64,608	(1,348)	(62,770)	(1,409)	(62,696)	(88)	518	610	(92)
2014	60,681	(441)	(59,999)	(499)	(59,941)	(58)	276	571	(295)
2013	59,755	(232)	(59,321)	(232)	(59,321)	-	230	561	(331)
2012	59,513	(117)	(59,123)	(117)	(59,123)	-	301	566	(265)
2011	56,413	(55)	(56,205)	(55)	(56,205)	-	181	539	(358)
2010	53,097	(23)	(52,907)	(23)	(52,907)	-	167	520	(353)
2009	46,136	(23)	(45,994)	(23)	(45,994)	-	119	44	75
2008	38,698	(7)	(38,594)	(7)	(38,594)	-	97	376	(279)
	575,302	(70,742)	(499,648)	(71,088)	(498,641)	(1,669)	7,396	5,109	2,287
Total Claunch Pinto SWCD									
EAST TORRANCE SWCD									
2017	138,298	(128,507)	-	(128,507)	-	-	9,524	1,341	8,182
2016	131,437	(4,974)	(121,454)	(7,084)	(119,345)	(2,110)	4,987	1,276	3,711
2015	126,894	(2,097)	(121,924)	(2,400)	(121,621)	(303)	2,889	1,231	1,659
2014	124,106	(829)	(120,971)	(1,104)	(120,696)	(275)	2,305	1,205	1,100
2013	119,436	(356)	(117,421)	(454)	(117,323)	(97)	1,659	1,142	518
2012	115,039	(183)	(113,453)	(183)	(113,453)	-	1,403	1,107	296
2011	112,381	(131)	(111,040)	(131)	(111,040)	-	1,210	1,148	62
2010	93,769	(68)	(92,830)	(68)	(92,830)	-	871	852	20
2009	89,190	(65)	(88,433)	(65)	(88,433)	-	692	874	(182)
2008	64,905	(45)	(64,293)	(45)	(64,293)	-	568	628	(60)
	1,115,456	(137,257)	(951,818)	(140,042)	(949,033)	(2,785)	26,108	10,803	15,305
Total East Torrance SWCD									
CARRIZOZO SWCD									
2017	153	(153)	-	(153)	-	-	-	1	(1)
2016	11	-	(11)	-	(11)	-	-	1	(1)
2015	11	-	(11)	-	(11)	-	-	-	-
2014	8	-	(8)	-	(8)	-	-	-	-
2013	8	-	(8)	-	(8)	-	-	-	-
2012	8	-	(8)	-	(8)	-	-	-	-
2011	8	-	(8)	-	(8)	-	-	-	-
2010	8	-	(8)	-	(8)	-	-	-	-
2009	8	-	(8)	-	(8)	-	-	-	-
2008	10	-	(10)	-	(10)	-	-	-	-
	232	(153)	(79)	(153)	(79)	-	-	2	(2)
Total Carrizozo SWCD									
TOTALS BY YEAR									
2017	10,223,471	(9,079,470)	-	(8,990,779)	-	(88,691)	1,191,187	99,168	1,092,019
2016	9,693,597	(392,970)	(8,834,614)	(505,413)	(8,712,143)	(132,500)	462,641	94,117	368,525
2015	9,506,577	(160,826)	(9,047,237)	(168,355)	(9,030,648)	(25,651)	295,007	91,616	203,392
2014	9,144,415	(56,989)	(8,855,221)	(62,259)	(8,847,616)	(9,939)	230,616	88,357	142,259
2013	8,806,825	(30,191)	(8,584,679)	(31,785)	(8,581,918)	(3,929)	189,382	85,131	104,251
2012	8,094,045	(17,646)	(7,925,247)	(18,918)	(7,923,403)	(2,416)	149,270	77,967	71,302
2011	7,853,606	(10,098)	(7,720,031)	(11,047)	(7,718,719)	(1,675)	121,763	76,072	45,691
2010	7,690,060	(8,787)	(7,576,666)	(9,168)	(7,575,848)	(1,255)	103,472	76,020	27,452
2009	7,567,495	(6,140)	(7,470,215)	(6,765)	(7,469,419)	(966)	90,454	73,259	17,195
2008	7,273,623	(4,086)	(7,194,923)	(4,545)	(7,194,381)	(625)	74,679	72,118	2,561
	\$ 85,853,714	(9,767,202)	(73,208,833)	(9,809,033)	(73,054,094)	(267,648)	2,908,470	833,824	2,074,646
GRAND TOTALS									

See independent auditor's report.

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF TAX ABATEMENTS - ABATING AGENCY
FOR THE YEAR ENDED JUNE 30, 2018**

Agency Number	5030
Agency Name	Torrance County
Agency Type	County
Tax Abatement Agreement Name	El Cabo Wind, LLC
Recipient(s) of tax abatement	El Cabo Wind, LLC (or its successor)
Parent company(ies) of recipient(s) of tax abatement	Avangrid Renewables (or its successor)
Tax abatement program (name and brief description)	Industrial Revenue Bond - Renewable Engery (Wind Farm)
Specific Tax(es) Being Abated	Property Tax
Legal authority under which tax abatement agreement was entered into	N.M.S.A. 1978, §4-59-1 et seq. and N.M.S.A. 1978 7-36-3
Criteria that make a recipient eligible to receive a tax abatement	The project is related to the generation, transportation and delivery of electricity that constitutes an industrial development project as defined in the County Industrial Revenue Bond Act NMSA 1978 §§4-59-1 through 4-59
How are the tax abatement recipient's taxes reduced? (For example: through a reduction of assessed value)	Through statutory abatement pursuant to the County Industrial Revenue Bond Act.
How is the amount of the tax abatement determined? For example, this could be a specific dollar amount, a percentage of the tax liability, etc.	Through statutory abatement pursuant to the County Industrial Revenue Bond Act.
Are there provisions for recapturing abated taxes? (Yes or No)	Yes
If there are provisions for recapturing abated taxes, describe them, including the conditions under which abated taxes become eligible for recapture.	Payment in Lieu of Taxes - Annual Payment to County & School Districts
List each specific commitment made by the recipient of the abatement.	Torrance County -\$670,500, Vaugh Schools \$268,200 & Estancia Municipal Schools - \$178,800
Gross dollar amount, on an accrual basis, by which the government's tax revenues were reduced during the reporting period as a result of the tax abatement agreement.	This was set up in 2008 through an IRB and Assessor's office has no record of any values used to determine any reductions
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency or another agency in association with the foregone tax revenue, list the authority for and describe the payment, including the agency that is supposed to receive the payment	N.M.S.A. 1978, §4-59-1 et seq. and N.M.S.A. 1978 7-36-3
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	\$335,250
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by a different agency in association with the foregone tax revenue, list the name of the agency and the amount of payments received in the current fiscal year	County receives \$625,800.00 for years 1-10. Schools receive \$447,000.00.
List each specific commitment made by your agency or any other government, other than the tax abatement.	N/A
Are any other governments affected by this tax abatement agreement? (Yes or No) If yes, list each affected agency and complete an intergovernmental disclosure for each such agency.	Estancia Public Schools, Vaughn Public Schools, East Torrance SWCD, and Department of Finance and Administration
If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission.	N/A

See independent auditor's report.

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF TAX ABATEMENTS - ABATING AGENCY
FOR THE YEAR ENDED JUNE 30, 2018**

Agency Number	5030
Agency Name	Torrance County
Agency Type	County
Tax Abatement Agreement Name	High Lonesome Mesa, LLC
Recipient(s) of tax abatement	High Lonesome Mesa, LLC (or its successor)
Parent company(ies) of recipient(s) of tax abatement	High Lonesome Mesa, LLC (or its successor)
Tax abatement program (name and brief description)	Industrial Revenue Bond - Renewable Engery (Wind Farm)
Specific Tax(es) Being Abated	Property Tax
Legal authority under which tax abatement agreement was entered into	N.M.S.A. 1978, §4-59-1 et seq. and N.M.S.A. 1978 7-36-3
Criteria that make a recipient eligible to receive a tax abatement	The project is related to the generation, transportation and delivery of electricity that constitutes an industrial development project as defined in the County Industrial Revenue Bond Act NMSA 1978 §§4-59-1 through 4-59
How are the tax abatement recipient's taxes reduced? (For example: through a reduction of assessed value)	Through statutory abatement pursuant to the County Industrial Revenue Bond Act.
How is the amount of the tax abatement determined? For example, this could be a specific dollar amount, a percentage of the tax liability, etc.	Through statutory abatement pursuant to the County Industrial Revenue Bond Act.
Are there provisions for recapturing abated taxes? (Yes or No)	Yes
If there are provisions for recapturing abated taxes, describe them, including the conditions under which abated taxes become eligible for recapture.	Payment in Lieu of Taxes - Annual Payment to County & School Districts
List each specific commitment made by the recipient of the abatement.	Torrance County -\$175,500 & Estancia Municipal Schools - \$149,500
Gross dollar amount, on an accrual basis, by which the government's tax revenues were reduced during the reporting period as a result of the tax abatement agreement.	This was set up in 2008 through an IRB and Assessor's office has no record of any values used to determine any reductions
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency or another agency in association with the foregone tax revenue, list the authority for and describe the payment, including the agency that is supposed to receive the payment	N.M.S.A. 1978, §4-59-1 et seq. and N.M.S.A. 1978 7-36-3
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	\$175,500
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by a different agency in association with the foregone tax revenue, list the name of the agency and the amount of payments received in the current fiscal year	\$149,500
List each specific commitment made by your agency or any other government, other than the tax abatement.	N/A
Are any other governments affected by this tax abatement agreement? (Yes or No) If yes, list each affected agency and complete an intergovernmental disclosure for each such agency.	Estancia Public Schools, Claunch-Pinto SWCD and Department of Finance and Administration
If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission.	N/A

See independent auditor's report.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Mr. Wayne Johnson, State Auditor and
The Board of County Commissioners
Torrance County
Estancia, New Mexico

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds of Torrance County (County) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 19, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We did not identify any deficiencies considered to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and responses costs to be significant deficiencies: 2016-003, 2016-005 and 2018-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2018-001.

The County's Response to the Findings

The County's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hinkle & Landers, P.C.

Hinkle + Landers, P.C.
Albuquerque, NM
November 19, 2018

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2018**

<u>Reference #</u>	<u>Finding</u>	<u>Status of Prior Year Findings</u>	<u>Type of Finding</u>
<u>Prior Year Findings</u>			
2016-001 [2008-006]	FINANCIAL CLOSE AND MATERIAL ADJUSTMENTS	RESOLVED	A
2016-002 [2015-004]	COMPENSATED ABSENCES	RESOLVED	B
2016-003	INFORMATION TECHNOLOGY	Repeated	B
2016-005	PERSONNEL POLICIES	Repeated	B
2016-008	LATE AUDIT REPORT	RESOLVED	G
2017-001	BANK RECONCILIATIONS AND GENERAL LEDGER CONTROLS OVER CASH	RESOLVED	A
2017-002	TRACKING OF CAPITAL ASSETS	RESOLVED	A
2017-003	CERTIFICATION OF CAPITAL ASSETS ANNUAL INVENTORY	RESOLVED	G
2017-004	TRACKING NMFA ACTIVITY	RESOLVED	A
2017-005	RECONCILING/MONITORING PERA PAYMENTS	RESOLVED	B, G
<u>Current Year Findings</u>			
2018-001	CONTROLS OVER STATE ISSUED GAS CARDS	Current	G
2018-002	GRANT MANAGEMENT	Current	B

* Legend for Type of Findings

- A. Material Weakness in Internal Control Over Financial Reporting
- B. Significant Deficiency in Internal Control Over Financial Reporting
- C. Other Matters Involving Internal Control Over Financial Reporting
- D. Material Weakness in Internal Control Over Compliance of Federal Awards
- E. Significant Deficiency in Internal Control Over Compliance of Federal Awards
- F. Instance of Noncompliance related to Federal Awards
- G. Non-compliance with State Audit Rule, NM State Statutes, NMAC, or other entity compliance

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2018**

PRIOR YEAR AUDIT FINDINGS

2016-003 — INFORMATION TECHNOLOGY

Type of Finding: B

Statement of Condition

Several areas of the IT infrastructure were identified as needing enhanced controls. These areas are:

- Governance over IT functions
- Updated IT general policies and procedures
- Documented disaster recovery policies and procedures
- User set up and termination policies and procedures

Managements Progress Toward Prior Year Corrective Action Plan:

County Manager has consulted with Ambitions group to resolve these issues. Policy and procedures are in progress.

Criteria

Information technology (IT) including systems and infrastructure are essential and integral to the efficiency of the County's operations. IT internal controls are essential to maintain the confidentiality, integrity and availability of data and are as important as the internal controls that surround the input of financial transactions into the County's general ledger.

Cause

The County outsources several responsibilities in IT to an external contractor. There does not appear to be any IT governance structure, formal reporting structure, and established leadership for IT. As a result, formal policies and procedures have not been implemented.

Effect

Without strong internal controls over the County's IT infrastructure there is the potential for the confidentiality, integrity and/or availability of data to be compromised. This compromise could be by an internal user of the system, by an external source (hacker) and could be intentional or unintentional.

Recommendation

The County should design and implement an IT governance structure. Once IT governance is established, the person charged with governance should work with the County's external contractor to draft policies and procedures for general IT functions, disaster recovery and user controls. These procedures should then be approved by the Board of County Commissioners.

Management Response

The IT policies are still being drafted. The policies should be adopted and implemented mid fiscal year.

Finding resolved timeline:

June 30, 2019

Designation of employee position responsible for meeting this deadline:

County Manager and Operations Manager

2016-005 — PERSONNEL POLICIES

Type of Finding: B

Statement of Condition

The County has not updated its Personnel Policies since year 2000.

Managements Progress Toward Prior Year Corrective Action Plan:

The current policy has been reviewed and revised. It is currently pending legal review and formal adoption by the

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2018**

County Commission.

Criteria

Fundamental to a good system of internal controls is properly documented personnel policies and procedures. These should include documentation of eligible employment status, conditions of employment, hiring and termination procedures, compensation and benefits, as well as communicate internal controls over many of these processes.

Cause

There has been turnover in many key positions at the County, which has made it difficult to ensure policies and procedures are sufficiently updated.

Effect

Some areas of the Personnel Policy are not being consistently followed during the year, which could result in operational difficulties or inefficiency for County employees.

Recommendation

Current processes in this area should be evaluated to ensure they comply with any applicable statutes, as well as incorporate strong internal controls. This information should then be used to update its Personnel Policy. The updated policy should be approved by the Board of County Commissioners.

Management Response

The process of updating all Personnel Policies has started. The updated policy is currently in review and will be scheduled for approval before June 30, 2019.

Finding resolved timeline:

June 30, 2019

Designation of employee position responsible for meeting this deadline:

County Manager and Human Resources Manager

CURRENT YEAR AUDIT FINDINGS

2018-001 – CONTROLS OVER GAS CARDS

Type of Finding: G

Statement of Condition

During our review of 15 Wright Express fuel card (WEX) transactions with total expenditures of \$2,704, transactions were examined for compliance with applicable statutes and County policy. As a result of this review, we noted that 9% of the fuel receipts were missing, totaling \$232.

Criteria

Per 1.5.4.12., State of New Mexico credit cards shall be used only for official business and only to furnish state-owned vehicles with: A. regular gasoline; B. unleaded gasoline; C. diesel fuel; D. lubrication motor oil; F. car wash; and G. emergency purchases not exceeding \$100.00 in total. Per NMAC 1.5.3.19, the state agency shall seek reimbursement from employees who make unauthorized purchases on the state fuel credit card.

Additionally, per 1.5.3.19 B. NMAC, the state agency shall assign a single fuel credit card to each vehicle using the state issued license plate number or a unique fixed asset number that is tied back to the vehicle that the card is assigned to.

Effect

Inadequate internal oversight can heighten the potential for fraud or misappropriation of public funds.

Cause

The County does not appear to have controls in place to require receipts for all fuel purchases.

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2018**

Recommendation

The County may consider seeking restitution for unauthorized purchases made using the Wright Express Fuel Cards, in accordance with statutory requirements. The County should implement regular monitoring of purchases made with the fuel cards and require supporting documentation for purchases made should be remitted to the liaison at the time the vehicle is returned. The County should document inquiries and explanations for transactions which appear to be in violation of policy. Reimbursement for all unauthorized purchases should be documented with the Vehicle Coordinator.

View or Responsible Officials and Corrective Action Plan

A formal vehicle fuel card policy will be formulated with appropriate logs and forms to document lost receipts. The policy will address restitution for unauthorized purchases.

Corrective Action Plan Timeline:

June 30,2019

Designated Employee Responsible for Corrective Action:

County Manager and Chief Procurement Officer

2018-002—Grant Management

Type of Finding: B

Condition

Internal control over grant management is not adequate to properly track the County's grants.

Criteria

Revenue recognition rules per GASB 33 should be adhered to. Specifically, revenue for reimbursable grants is recognized when expenditures are incurred (i.e. revenues must match expenditures).

Effect

The County may have over /under spent grant funds and there is a risk that the presentation of the financial statements are not materially correct.

Cause

Management has not analyzed and implemented the needed controls over grant management.

Recommendation:

Management should make an evaluation of controls in place, identify the weakest areas and develop controls to strengthen those areas.

View or Responsible Officials and Corrective Action Plan

The County is in the process of hiring a Grant Coordinator. This employee will have adequate time to devote to monitoring and tracking all grants for the County.

Corrective Action Plan Timeline:

December 31,2018

Designated Employee Responsible for Corrective Action:

Accounts Payable/Receivable Manager and Grant Coordinator

**STATE OF NEW MEXICO
TORRANCE COUNTY
OTHER DISCLOSURES
FOR THE YEAR ENDED JUNE 30, 2018**

A. PREPARATION OF FINANCIAL STATEMENTS

Presentation: The accompanying financial statements are the responsibility of the County and are based on information from the County's financial records. Assistance was provided by Hinkle + Landers, PC to the County in preparing the financial statements.

B. EXIT CONFERENCE

The contents of the report for Torrance County were discussed on November 19, 2018. The following individuals were in attendance.

Torrance County Officials

Belinda Garland

Amanda Tenorio

Kristin Oliver

Noah Sedillo

Julia DuCharme

Kathryn Hernandez

Tracy Sedillo

County Manager
Finance Director
Human Resources Director
Chief Procurement Officer
County Commissioner Chair
Accounts Payable Receivable Officer
County Treasurer

Auditors

Farley Vener, CPA, CFE, CGMA

Jacob Conner

President & Managing Shareholder
Audit Manager