



HINKLE + LANDERS

Certified Public Accountants + Business Consultants

TORRANCE COUNTY

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

For the Year Ended June 30, 2019

**STATE OF NEW MEXICO
TORRANCE COUNTY
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FOR THE YEAR ENDED JUNE 30, 2019**

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**STATE OF NEW MEXICO
TORRANCE COUNTY
OFFICIAL ROSTER
AS OF JUNE 30, 2019**

County Officials

| Name | Title |
|----------------|---------------------------|
| Kevin McCall | Commissioner – District 1 |
| Ryan Schwebach | Commissioner – District 2 |
| Javier Sanchez | Commissioner – District 3 |

Elected Officials

| Name | Title |
|------------------|----------------------|
| Jessie Lucero | County Assessor |
| Linda Jaramillo | County Clerk |
| Martin Rivera | County Sheriff |
| Tracy L. Sedillo | County Treasurer |
| Josie Chavez | County Probate Judge |

Administrative Officials

| Name | Title |
|-----------------|-----------------------|
| Wayne Johnson | County Manager |
| Belinda Garland | Deputy County Manager |
| Jeremy Oliver | Finance Director |

INDEPENDENT AUDITOR'S REPORT

Mr. Brian Colón, 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, 2019, 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, 2019, 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.

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 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 and other schedules 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, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The statements and schedules, listed as supplementary and other supplementary information in the table of contents, 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 statements and schedules were 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 26, 2019 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 26, 2019

**STATE OF NEW MEXICO
TORRANCE COUNTY
STATEMENT OF NET POSITION
AS OF JUNE 30, 2019**

| | Governmental Activities |
|---|----------------------------|
| ASSETS | |
| Current assets: | |
| Cash and investments | \$ 7,360,070 |
| NMFA cash- restricted | 496,076 |
| Accounts receivable | 37,378 |
| Grant accounts receivable | 143,739 |
| GRT receivable | 820,023 |
| Property tax receivable, net | 909,717 |
| Prepaid expenses | 177,293 |
| Total current assets | 9,944,296 |
| Non-current assets: | |
| Nondepreciable capital assets | 891,203 |
| Depreciable capital assets, net of accumulated depreciation | 11,789,480 |
| Total non-current assets | 12,680,683 |
| Total assets | 22,624,979 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Pension deferral | 1,921,777 |
| OPEB deferral | 71,767 |
| Total deferred outflows of resources | 1,993,544 |
| Total assets and deferred outflows of resources | \$ 24,618,523 |
| LIABILITIES | |
| Current liabilities: | |
| Due to other governmental units | \$ 295,912 |
| Accounts payable | 381,590 |
| Accrued payroll liabilities | 105,134 |
| Accrued interest payable | 18,920 |
| Capital lease payable - short-term portion | 34,595 |
| Bonds and notes payable - short-term portion | 526,906 |
| Total current liabilities | 1,363,057 |
| Long-term liabilities: | |
| Compensated absences | 211,434 |
| Capital lease payable - long-term portion | 112,890 |
| Bonds and notes payable - long-term portion | 2,888,411 |
| Net pension liability | 6,602,052 |
| Net OPEB liability | 3,541,300 |
| Total long-term liabilities | 13,356,087 |
| Total liabilities | 14,719,144 |
| Deferred inflows of resources | |
| Pension deferral | 305,883 |
| OPEB deferral | 1,040,328 |
| Total deferred inflows of resources | 1,346,211 |
| NET POSITION | |
| Net investment in capital assets | 9,265,366 |
| Restricted for: | |
| Other purposes | 6,106,901 |
| Unrestricted | (6,819,099) |
| Total net position | 8,553,168 |
| Total liabilities, deferred inflows of resources, and net position | \$ 24,618,523 |

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, 2019**

| 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 | \$ 5,406,811 | 414,317 | 364,250 | 42,525 | (4,585,719) |
| Public safety | 5,435,760 | 228,092 | 849,149 | - | (4,358,519) |
| Highways and streets | 1,727,083 | 125 | 101,475 | 615,447 | (1,010,036) |
| Health and welfare | 659,492 | 2,600 | 119,560 | - | (537,332) |
| Debt service interest | 85,505 | - | - | - | (85,505) |
| Total governmental activities | \$ 13,314,651 | 645,134 | 1,434,434 | 657,972 | (10,577,111) |
| General Revenues: | | | | | |
| Property taxes | | | | | \$ 5,407,364 |
| Payment in lieu of taxes | | | | | 1,330,320 |
| Local and state shared taxes | | | | | 3,095,214 |
| Investment income | | | | | 151,588 |
| Other revenues | | | | | 57,731 |
| Operating transfers, net | | | | | - |
| Total general revenues and transfers | | | | | 10,042,217 |
| Change in net position | | | | | (534,894) |
| Net position, beginning | | | | | 9,088,062 |
| Net position, ending | | | | | \$ 8,553,168 |

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, 2019**

| | 401 | Special Revenue Fund | | 562, 636 | Nonmajor | Total |
|--|--------------|----------------------|-------------|----------|-----------|------------|
| | | 402 | 420 | | | |
| | General | Road | Corrections | Service | Funds | Funds |
| | Fund | Fund | Fund | Fund | | |
| ASSETS | | | | | | |
| Cash and investments | \$ 7,360,070 | - | - | 496,076 | - | 7,856,146 |
| Due from other funds-pooled cash | - | 704,910 | 106,510 | 132,571 | 3,912,531 | 4,856,522 |
| Accounts receivable | 1,438 | - | 4,896 | 23,020 | 8,023 | 37,377 |
| Grant accounts receivable | - | - | - | - | 143,740 | 143,740 |
| GRT receivable | 531,465 | 34,893 | 37,126 | - | 216,540 | 820,024 |
| Property tax receivable, net | 841,246 | - | - | 68,471 | - | 909,717 |
| Prepaid expenses | 177,293 | - | - | - | - | 177,293 |
| Total assets | \$ 8,911,512 | 739,803 | 148,532 | 720,138 | 4,280,834 | 14,800,819 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | |
| LIABILITIES | | | | | | |
| Due to other funds-pooled cash | \$ 4,856,522 | - | - | - | - | 4,856,522 |
| Due to other governmental units | 295,912 | - | - | - | - | 295,912 |
| Accounts payable | 32,407 | 6,072 | 116,628 | - | 226,481 | 381,588 |
| Accrued payroll liabilities | 69,003 | 14,545 | 6,724 | - | 14,862 | 105,134 |
| Accrued interest payable | - | - | - | 18,920 | - | 18,920 |
| Unavailable revenue | - | - | - | - | - | - |
| Total liabilities | 5,253,844 | 20,617 | 123,352 | 18,920 | 241,343 | 5,658,076 |
| Deferred inflows of resources | | | | | | |
| Property taxes | 1,121,742 | - | - | 94,543 | - | 1,216,285 |
| GRT equalization | 475,636 | - | - | - | - | 475,636 |
| Total deferred inflows of resources | 1,597,378 | - | - | 94,543 | - | 1,691,921 |
| FUND BALANCES | | | | | | |
| Nonspendable- prepaid expenses | 177,293 | - | - | - | - | 177,293 |
| Restricted | 1,334,376 | 101,179 | 25,180 | 606,675 | 3,025,023 | 5,092,433 |
| Committed | - | - | - | - | - | - |
| Assigned | - | - | - | - | 1,014,468 | 1,014,468 |
| Unassigned | 548,621 | 618,007 | - | - | - | 1,166,628 |
| Total fund balance | 2,060,290 | 719,186 | 25,180 | 606,675 | 4,039,491 | 7,450,822 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 8,911,512 | 739,803 | 148,532 | 720,138 | 4,280,834 | 14,800,819 |

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, 2019**

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

| | | |
|--|----|-------------------------|
| Total fund balance - total governmental funds | \$ | 7,450,822 |
| Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet. | | 12,680,683 |
| 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 | | (3,415,317) |
| Capital lease payable | | (147,485) |
| Compensated absences | | (211,434) |
| Net pension/OPEB related deferrals and liability | | (9,496,019) |
| 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. | | 1,691,921 |
| Differences due to rounding | | (3) |
| Net position of governmental activities | \$ | <u><u>8,553,168</u></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, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

| | 401 | Special Revenue Fund | | 562, 636 | Nonmajor | Total |
|---|---------------------|----------------------|--------------------|----------------|------------------|-------------------|
| | | 402 | 420 | | | |
| | General | Road | Corrections | Service | Funds | Funds |
| | Fund | Fund | Fund | Fund | | |
| REVENUES | | | | | | |
| Intergovernmental sources - federal | \$ - | 101,475 | - | - | 78,012 | 179,487 |
| Intergovernmental sources - state | 285,000 | 615,447 | 18,485 | - | 993,989 | 1,912,921 |
| Local and state shared taxes | 689,770 | 476,219 | 201,357 | 280,298 | 1,322,129 | 2,969,773 |
| Property taxes | 5,023,410 | - | - | 380,485 | 101,000 | 5,504,895 |
| Payment in lieu of taxes | 334,820 | - | - | - | 995,500 | 1,330,320 |
| Charges for services | 152,804 | 125 | 61,467 | - | 430,739 | 645,135 |
| Interest | - | - | - | - | 151,588 | 151,588 |
| Other revenue | 23,980 | 2,281 | 1,276 | - | 30,226 | 57,763 |
| Total revenues | <u>6,509,784</u> | <u>1,195,547</u> | <u>282,585</u> | <u>660,783</u> | <u>4,103,183</u> | <u>12,751,882</u> |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| General government | 3,825,647 | - | - | - | 975,019 | 4,800,666 |
| Public safety | 1,483,060 | - | 1,670,231 | - | 1,591,249 | 4,744,540 |
| Highways and streets | - | 1,060,926 | - | - | 402,045 | 1,462,971 |
| Health and welfare | - | - | - | - | 617,717 | 617,717 |
| Culture and recreation | - | - | - | - | - | - |
| Debt Service | | | | | | |
| Principal payments | - | - | - | 566,010 | 33,205 | 599,215 |
| Interest payments | - | - | - | 77,874 | 7,659 | 85,533 |
| Capital Outlay | | | | | | |
| Capital outlay | - | 149,833 | 139,257 | - | 1,107,073 | 1,396,163 |
| Total expenditures | <u>5,308,707</u> | <u>1,210,759</u> | <u>1,809,488</u> | <u>643,884</u> | <u>4,733,967</u> | <u>13,706,805</u> |
| Excess (deficiency) of revenues over expenditures | <u>1,201,077</u> | <u>(15,212)</u> | <u>(1,526,903)</u> | <u>16,899</u> | <u>(630,784)</u> | <u>(954,923)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Proceeds from loan issuance | - | - | - | - | 251,112 | 251,112 |
| Transfers in | 50,455 | 40,000 | 1,400,000 | - | 732,018 | 2,222,473 |
| Transfers out | (1,210,019) | - | - | - | (1,012,454) | (2,222,473) |
| Total other financing sources (uses) | <u>(1,159,564)</u> | <u>40,000</u> | <u>1,400,000</u> | <u>-</u> | <u>(29,324)</u> | <u>251,112</u> |
| Net change in fund balance | 41,513 | 24,788 | (126,903) | 16,899 | (660,108) | (703,811) |
| Fund balances-beginning of year | 2,018,777 | 694,398 | 152,083 | 589,776 | 4,699,599 | 8,154,633 |
| Fund balances-end of the year | <u>\$ 2,060,290</u> | <u>719,186</u> | <u>25,180</u> | <u>606,675</u> | <u>4,039,491</u> | <u>7,450,822</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, 2019**

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

| | | |
|---|----|-----------|
| Net change in fund balance - total governmental funds | \$ | (703,811) |
|---|----|-----------|

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 | | (1,179,320) |
| Capital asset additions | | 1,465,797 |

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 | | (48,076) |
| Proceeds from loan issuance | | (251,112) |
| Principal payments on long-term debt payable | | 599,215 |

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 | | (445,491) |
|--------------------------|--|-----------|

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.

27,908

| | | |
|---|----|-----------|
| Rounding | | (4) |
| Change in net position of governmental activities | \$ | (534,894) |

**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, 2019**

| | Original Approved Budget | Final Approved Budget | Actual | Variances Favorable (Unfavorable) |
|--|--------------------------------|-----------------------------|--------------------|---|
| REVENUES | | | | |
| Intergovernmental sources - federal | \$ - | - | - | - |
| Intergovernmental sources - state | 200,000 | 200,000 | 285,000 | 85,000 |
| Local and state shared taxes | 730,000 | 730,000 | 689,966 | (40,034) |
| Property taxes | 4,519,101 | 4,519,101 | 5,016,811 | 497,710 |
| Payment in lieu of taxes | 250,000 | 250,000 | 334,820 | 84,820 |
| Charges for services | 128,200 | 131,280 | 152,962 | 21,682 |
| Interest | 1,200 | 1,200 | - | (1,200) |
| Other revenue | 51,500 | 51,500 | 37,395 | (14,105) |
| Total revenues | 5,880,001 | 5,883,081 | 6,516,954 | 633,873 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 4,174,803 | 4,301,866 | 3,864,968 | 436,898 |
| Public safety | 1,495,363 | 1,499,663 | 1,472,536 | 27,127 |
| Highways and streets | - | - | - | - |
| Health and welfare | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Debt Service | | | | |
| Principal payments | - | - | - | - |
| Interest payments | - | - | - | - |
| Capital Outlay | | | | |
| Capital outlay | 33,000 | 33,000 | - | 33,000 |
| Total expenditures | 5,703,166 | 5,834,529 | 5,337,504 | 497,025 |
| Excess (deficiency) of revenues over (under) expenditures | 176,835 | 48,552 | 1,179,450 | 1,130,898 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | 50,455 | 50,455 |
| Transfers out | - | - | (1,210,019) | (1,210,019) |
| Total other financing sources (uses) | - | - | (1,159,564) | (1,159,564) |
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | 176,835 | 48,552 | 19,886 | (28,666) |
| Budgeted cash carryover | - | - | | |
| Total | \$ 176,835 | 48,552 | | |
| RECONCILIATION FROM BUDGET/ACTUAL TO GAAP | | | | |
| Change in fund balance (Budget Basis) | | | \$ 19,886 | |
| To adjust applicable revenue accruals and deferrals | | | (7,168) | |
| To adjust applicable expenditure accruals | | | 28,795 | |
| Change in fund balance (GAAP basis) | | | \$ 41,513 | |

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, 2019**

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) |
|--|--------------------------------|-----------------------------|------------------|----------------------------|
| REVENUES | | | | |
| Intergovernmental sources - federal | \$ 9,200 | 9,200 | 101,475 | 92,275 |
| Intergovernmental sources - state | 311,000 | 311,000 | 615,447 | 304,447 |
| Local and state shared taxes | 824,600 | 824,600 | 476,350 | (348,250) |
| Property taxes | - | - | - | - |
| Payment in lieu of taxes | - | - | - | - |
| Charges for services | 3,200 | 3,200 | 125 | (3,075) |
| Interest | 500 | 500 | - | (500) |
| Other revenue | 9,029 | 9,029 | 2,281 | (6,748) |
| Total revenues | <u>1,157,529</u> | <u>1,157,529</u> | <u>1,195,678</u> | <u>38,149</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Highways and streets | 1,367,343 | 1,504,343 | 1,064,316 | 440,027 |
| Health and welfare | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Debt Service | | | | |
| Principal payments | - | - | - | - |
| Interest payments | - | - | - | - |
| Capital Outlay | | | | |
| Capital outlay | 341,487 | 250,487 | 149,833 | 100,654 |
| Total expenditures | <u>1,708,830</u> | <u>1,754,830</u> | <u>1,214,149</u> | <u>540,681</u> |
| Excess (deficiency) of revenues over (under) expenditures | (551,301) | (597,301) | (18,471) | 578,830 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from issuance of long-term capital-related debt | - | - | - | - |
| Sale of real and personal property | - | - | - | - |
| Transfers in | - | - | 40,000 | 40,000 |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>40,000</u> | <u>40,000</u> |
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | <u>(551,301)</u> | <u>(597,301)</u> | <u>21,529</u> | <u>618,830</u> |
| Budgeted cash carryover | <u>551,301</u> | <u>597,301</u> | | |
| Total | <u>\$ -</u> | <u>-</u> | | |
| RECONCILIATION FROM BUDGET/ACTUAL TO GAAP | | | | |
| Change in fund balance (Budget Basis) | | | \$ 21,529 | |
| To adjust applicable revenue accruals and deferrals | | | (131) | |
| To adjust applicable expenditure accruals | | | <u>3,390</u> | |
| Change in fund balance (GAAP basis) | | | <u>\$ 24,788</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, 2019**

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) |
|--|--------------------------------|-----------------------------|---------------------|----------------------------|
| REVENUES | | | | |
| Intergovernmental sources - federal | \$ - | - | - | - |
| Intergovernmental sources - state | 13,000 | 13,000 | 18,487 | 5,487 |
| Local and state shared taxes | 230,000 | 230,000 | 201,490 | (28,510) |
| Property taxes | - | - | - | - |
| Payment in lieu of taxes | - | - | - | - |
| Charges for services | 112,000 | 112,000 | 59,699 | (52,301) |
| Interest | - | - | - | - |
| Other revenue | - | - | 1,276 | 1,276 |
| Total revenues | <u>355,000</u> | <u>355,000</u> | <u>280,952</u> | <u>(74,048)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | 1,894,176 | 1,895,176 | 1,644,805 | 250,371 |
| Highways and streets | - | - | - | - |
| Health and welfare | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Debt Service | | | | |
| Principal payments | - | - | - | - |
| Interest payments | - | - | - | - |
| Capital Outlay | | | | |
| Capital outlay | 160,000 | 160,000 | 139,257 | 20,743 |
| Total expenditures | <u>2,054,176</u> | <u>2,055,176</u> | <u>1,784,062</u> | <u>271,114</u> |
| Excess (deficiency) of revenues over (under) expenditures | (1,699,176) | (1,700,176) | (1,503,110) | 197,066 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from issuance of long-term capital-related debt | - | - | - | - |
| Sale of real and personal property | - | - | - | - |
| Transfers in | - | - | 1,400,000 | 1,400,000 |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>1,400,000</u> | <u>1,400,000</u> |
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | (1,699,176) | (1,700,176) | <u>(103,110)</u> | <u>1,597,066</u> |
| Budgeted cash carryover | <u>1,699,176</u> | <u>1,700,176</u> | | |
| Total | <u>\$ -</u> | <u>-</u> | | |
| RECONCILIATION FROM BUDGET/ACTUAL TO GAAP | | | | |
| Change in net position (Budget Basis) | | | \$ (103,110) | |
| To adjust applicable revenue accruals and deferrals | | | 1,635 | |
| To adjust applicable expenditure accruals | | | <u>(25,428)</u> | |
| Change in net position (GAAP basis) | | | <u>\$ (126,903)</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, 2019**

| | | Agency Funds |
|-----------------------------------|----|-----------------|
| ASSETS | | |
| Property taxes receivable | \$ | 895,180 |
| Due from other governmental units | | 295,912 |
| Total assets | \$ | 1,191,092 |
| LIABILITIES | | |
| Due to other governmental units | \$ | 895,180 |
| Deposits held in trust for others | | 295,912 |
| Total liabilities | \$ | 1,191,092 |

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, 2019**

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, 2019.

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, 2019**

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, 2019, 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.

**STATE OF NEW MEXICO
TORRANCE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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:

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, 2019.

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.

**STATE OF NEW MEXICO
TORRANCE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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 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, 2019**

The County charged mil rates for the 2018 property tax year as follows:

| <u>Tax District</u> | <u>Residential</u> | <u>Non-Residential</u> | <u>Debt Service</u> |
|---------------------|--------------------|------------------------|---------------------|
| Estancia-In | 24.481 | 22.246 | 0.921 |
| Estancia-Out | 27.471 | 27.021 | 0.921 |
| Willard-In | 26.828 | 26.297 | 0.921 |
| Moriarty-In | 24.603 | 24.836 | 0.921 |
| Moriarty-Out | 26.684 | 27.499 | 0.921 |
| Mountainair-In | 20.574 | 20.766 | 0.921 |
| Mountainair-Out | 22.587 | 0.000 | 0.921 |
| Encino-In | 22.771 | 20.815 | 0.921 |
| Encino-Out | 20.925 | 18.638 | 0.921 |

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 \$895,180, with \$425,584 reported in the County's governmental funds and \$408,314 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, 2019**

- 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, 2019, 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, 2019**

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

The County reports unearned revenue on its financial statements. When resources are received in advance of charges for services being earned are in advance of any eligibility requirement other than a time requirement being met for government-mandated or voluntary nonexchange transactions (i.e. for intergovernmental revenues), a liability is reported for the unearned revenue.

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.

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 and sixty (160) hours of annual leave to the next calendar year. Also included in accrued compensated absences is the liability for unused compensatory time.

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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.

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.

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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 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, 2019. 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 26, 2019, 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.

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Cash and investments at June 30, 2019, consist of the following:

| Fund Type | Amount |
|----------------------------------|---------------|
| Cash and investments | |
| Deposits | \$ 397,116 |
| Local government investment pool | 6,962,954 |
| NMFA cash - restricted | 496,076 |
| Total cash and investments | \$ 7,856,146 |

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

| | |
|------------------------------------|--------------|
| Total cash and investments | \$ 7,360,070 |
| Due to other funds | (4,856,522) |
| Due to other governmental entities | (295,912) |
| Cash and investments, general fund | \$ 2,207,636 |

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, 2019:

| | Wells Fargo Bank | US Bank |
|---|------------------|-----------|
| Deposits | \$ 83,304 | 906,431 |
| Less FDIC coverage | (250,000) | (250,000) |
| Uninsured public funds | - | 656,431 |
| 50% collateral requirement | - | 328,216 |
| Pledged securities, fair value | - | 500,000 |
| Pledged collateral over the requirement | \$ - | (171,784) |

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, 2019, there were no bank balances exposed to custodial credit risk.

Investments: State Treasurer Local Governmental Investment Pool

As of June 30, 2019, the County has the following invested in the State Treasurer Local Government Investment Pool:

| Investment Type | Cost Basis | Market Value | Credit Risk- Rating Range | Weighted Average Maturity Range (Years) |
|--|-------------------|---------------------|--|--|
| State of NM Local Government Investment Pool (LGIP) | \$ 6,962,954 | 6,962,954 | AAAm | [35] day WAM (R); [112] day WAM (F) |
| | \$ 6,962,954 | 6,962,954 | | |

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

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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 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, 2019, 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.

Fair Value Measurement (GASB 72)

The County holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the County's mission, the County determines that the disclosures related to these investments only need to be disaggregated by major type. The County chooses a table format for the fair value disclosures.

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining this amount, three valuation techniques are available:

- Market approach: this uses prices generated for identical or similar assets or liabilities. The most common

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example is an investment in a public security traded in an active exchange such as the NYSE.

- Cost approach: this technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures.
- Income approach: this approach converts future amounts (such as cash flows) into a current discounted amount.

Each of these valuation techniques requires inputs to calculate a fair value. Valuation techniques should be applied consistently, though a change may be appropriate in certain circumstances. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

GASB 72 establishes a hierarchy of inputs to the valuation techniques as listed above.

The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy's three levels are as follows:

Level 1

Inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. (Examples: equity securities traded on an open market, actively traded mutual funds, and US treasuries)

Level 2

Are significant other observable inputs:

- a) Quoted prices for similar assets or liabilities in active markets.
- b) Quoted prices for identical or similar assets or liabilities in markets that are not active.
- c) Inputs other than quoted prices that are observable for the asset or liability, such as:
 1. Interest rates and yield curves observable at commonly quoted intervals,
 2. Implied volatilities, and
 3. Credit spreads.
- d) Market-corroborated inputs.

(Examples: a bond valued using market corroborated inputs such as yield curves, a bond valued using matrix pricing, and an interest rate swap valued using the LIBOR swap rate observed at commonly quoted intervals for the full term of the swap)

Level 3

Are significant unobservable inputs for an asset or liability. (Examples: Commercial real estate valued using a forecast of cash flows based on a university's own data and an interest rate swap valued using data that is neither directly observable nor corroborated by observable market data)

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 | \$ - | 4,856,522 |
| Road fund | 704,910 | - |
| Corrections fund | 106,510 | - |
| Debt service funds | 132,571 | - |
| Nonmajor governmental funds | 3,912,531 | - |
| | \$ 4,856,522 | 4,856,522 |

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 | \$ | - | 295,912 |
| Agency funds | | <u>295,912</u> | <u>-</u> |
| | \$ | <u><u>295,912</u></u> | <u><u>295,912</u></u> |

NOTE 4 – CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2019 follows. Land and construction in progress are not subject to depreciation.

| | Balance June 30, 2018 | Additions | Transfers & Adjustments | Balance June 30, 2019 |
|---|--------------------------|--------------------|----------------------------|--------------------------|
| <u>GOVERNMENTAL ACTIVITIES</u> | | | | |
| Non-depreciable capital assets: | | | | |
| Land and right-of-way | \$ 466,834 | - | - | 466,834 |
| Artwork and antiques | 372,500 | - | - | 372,500 |
| Construction in progress | <u>1,997,283</u> | <u>522,638</u> | <u>(2,468,052)</u> | <u>51,869</u> |
| Total non-depreciable capital assets | <u>2,836,617</u> | <u>522,638</u> | <u>(2,468,052)</u> | <u>891,203</u> |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 9,131,796 | 352,719 | - | 9,484,515 |
| Vehicles, machinery, and equipment | 8,996,820 | 590,440 | 1,542,175 | 11,129,435 |
| Infrastructure (roads) | <u>2,470,532</u> | <u>-</u> | <u>925,877</u> | <u>3,396,409</u> |
| Total capital assets being depreciated | <u>20,599,148</u> | <u>943,159</u> | <u>2,468,052</u> | <u>24,010,359</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | (3,916,781) | (204,783) | - | (4,121,564) |
| Vehicles, machinery, and equipment | (5,503,522) | (837,626) | - | (6,341,148) |
| Infrastructure (roads) | <u>(1,621,256)</u> | <u>(136,911)</u> | <u>-</u> | <u>(1,758,167)</u> |
| Total accumulated depreciation | <u>(11,041,559)</u> | <u>(1,179,320)</u> | <u>-</u> | <u>(12,220,879)</u> |
| Total capital assets being depreciated | <u>9,557,589</u> | <u>(236,161)</u> | <u>2,468,052</u> | <u>11,789,480</u> |
| Total capital assets, net of depreciation | <u>\$ 12,394,206</u> | <u>286,477</u> | <u>-</u> | <u>12,680,683</u> |

Depreciation expense for the year ended June 30, 2019 was charged to the following functions:

| | |
|-------------------------------|---------------------|
| Governmental activities: | |
| General government | \$ 347,457 |
| Public safety | 475,442 |
| Public works | 341,385 |
| Health and welfare | <u>15,036</u> |
| Total governmental activities | <u>\$ 1,179,320</u> |

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NOTE 5 – LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2019, was as follows:

| | Balance | | | Amount due | |
|-----------------------------|----------------------|------------------|--------------------|--------------------------|--------------------|
| | June 30, 2018 | Increases | Decreases | Balance June 30, 2019 | within one year |
| Governmental funds debt | | | | | |
| General obligation bonds \$ | 2,055,000 | - | (335,000) | 1,720,000 | 335,000 |
| Notes payable | 1,855,905 | 70,422 | (231,010) | 1,695,317 | 191,906 |
| Capital lease payable | - | 180,690 | (33,205) | 147,485 | 34,595 |
| Compensated absences | 163,358 | 144,735 | (96,659) | 211,434 | - |
| Net pension liability | 5,400,629 | 1,550,646 | (349,223) | 6,602,052 | - |
| Net OPEB liability | 3,814,309 | - | (273,009) | 3,541,300 | - |
| Total | <u>\$ 13,289,201</u> | <u>1,946,493</u> | <u>(1,318,106)</u> | <u>13,917,588</u> | <u>561,501</u> |

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 | 1,720,000 | 1.69% |
| | | | <u>\$ 2,400,000</u> | <u>1,720,000</u> | |

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> |
|-----------|---------------------|-----------------|------------------|
| 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 | 95,000 | 15,351 | 110,351 |
| 2025-2029 | 380,000 | 41,900 | 421,900 |
| 2030-2034 | 380,000 | 8,346 | 388,346 |
| Total | <u>\$ 1,720,000</u> | <u>149,281</u> | <u>1,869,281</u> |

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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 | 272,151 | 2.86% |
| NMFA #4 PP -2089 | 12/16/2007 | 5/1/2028 | 50,000 | 22,810 | 0.25% |
| NMFA #5 PP-2116 | 12/21/2007 | 5/1/2023 | 166,667 | 51,389 | 3.00% |
| NMFA #8 PP-2187 | 9/5/2008 | 5/1/2023 | 30,450 | 9,663 | 3.00% |
| NMFA #9 PP-2251 | 3/6/2009 | 5/1/2029 | 493,201 | 288,706 | 3.77% |
| NMFA#10 PP-2252 | 7/10/2009 | 5/1/2020 | 382,729 | 42,851 | 2.73% |
| NMFA#11 PP-2286 | 7/31/2009 | 5/1/2019 | 382,729 | - | 2.62% |
| NMFA#12 PP-2451 | 6/4/2010 | 5/1/2030 | 65,975 | 42,679 | 4.93% |
| NMFA#13 PP -2505 | 7/31/2005 | 5/1/2029 | 86,275 | 49,989 | 2.77% |
| NMFA #14 PP-2748 | 8/31/2012 | 5/1/2028 | 203,000 | 129,740 | 2.40% |
| NMFA #15 PP-3406 | 1/22/2016 | 5/1/2036 | 503,716 | 443,822 | 3.02% |
| NMFA#17 PP-3714 | 7/7/2017 | 5/1/2033 | 280,618 | 271,095 | 1.11% |
| Property Valuation Loan Agreement | 4/1/2019 | 1/15/2022 | 70,422 | 70,422 | 0.00% |
| NMFA PP-2168 Willard Fire | 11/1/2009 | 7/1/2018 | 96,215 | - | 2.40% |
| | | | \$ 3,393,317 | 1,695,317 | |

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

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May 1, 2020.

- NMFA #11 - 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, 2.618% 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.
- Property Valuation Loan Agreement – During the year ended June 30, 2019, the County received approval to enter into an agreement with the Property Tax Division of the Taxation and Revenue Department for the State of New Mexico in the amount of \$70,422. Pledged Revenues of \$23,474 from the Assessor's 1% Property Valuation Fund will be used to service the debt. The loan matures on January 15, 2022.

Debt service requirements for all notes is as follows:

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------|---------------------|-----------------|------------------|
| 2020 | \$ 191,906 | 42,167 | 234,073 |
| 2021 | 159,065 | 37,789 | 196,854 |
| 2022 | 162,504 | 34,673 | 197,177 |
| 2023 | 142,726 | 31,334 | 174,060 |
| 2024 | 130,255 | 27,772 | 158,027 |
| 2025-2029 | 613,228 | 86,345 | 699,573 |
| 2030-2034 | 231,035 | 27,004 | 258,039 |
| 2035-2039 | 64,598 | 3,493 | 68,091 |
| Total | <u>\$ 1,695,317</u> | <u>290,577</u> | <u>1,985,894</u> |

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Capital Lease

The County has the following capital leases to service in governmental activities

| <u>Description</u> | <u>Issue Date</u> | <u>Maturity Due</u> | <u>Original Issue</u> | <u>Outstanding</u> | <u>Rates</u> |
|--------------------|-----------------------|-------------------------|---------------------------|--------------------|--------------|
| Asphalt Zipper | 7/1/2018 | 5/23/2023 | \$ 180,690 | 147,485 | 4.23% |

The County's capital leases consist of the following:

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.

Debt service requirements for the capital lease is as follows:

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------|------------------|-----------------|----------------|
| 2020 | \$ 34,595 | 6,269 | 40,864 |
| 2021 | 36,078 | 4,786 | 40,864 |
| 2022 | 37,608 | 3,256 | 40,864 |
| 2023 | 39,204 | 1,660 | 40,864 |
| Tota \$ | <u>147,485</u> | <u>15,971</u> | <u>163,456</u> |

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.

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The composition of interfund transfers during the year ended June 30, 2019 was as follows:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|-----------------------------|---------------------|----------------------|
| Major Funds | | |
| General Fund | \$ 50,455 | 1,210,019 |
| Road fund | 40,000 | - |
| Corrections fund | 1,400,000 | - |
| Debt service funds | - | - |
| Nonmajor governmental funds | 732,018 | 1,012,454 |
| | \$ 2,222,473 | 2,222,473 |

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. 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 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

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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 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, 2019.

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

Municipal General Division, at June 30, 2019, the County reported a liability of \$5,350,706 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2018 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2018. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2018. 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, 2018, the County's proportion was 0.3356%, which was an increase of 0.0170% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized PERA Fund Division; Municipal General Division pension expense of \$288,044.

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At June 30, 2019, the County reported PERA Fund Division; Municipal General Division deferred outflows of resources and deferred inflows or 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 | \$ 154,647 | 140,481 |
| Changes of assumptions | 485,117 | 30,765 |
| Net difference between projected and actual earnings on pension plan investments | 396,835 | - |
| Change in proportion and differences between the County contributions and proportionate share of contributions | 205,575 | - |
| The County contributions subsequent to the measurement date | <u>274,866</u> | <u>-</u> |
| Total | <u>\$ 1,517,040</u> | <u>171,246</u> |

\$288,044 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, 2019.

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 | | Amount |
|------------|----|------------------|
| June 30: | | |
| 2020 | \$ | 662,697 |
| 2021 | | 283,512 |
| 2022 | | 104,288 |
| 2023 | | 20,431 |
| 2024 | | - |
| Thereafter | | - |
| | \$ | <u>1,070,928</u> |

Municipal Police Division, at June 30, 2019, the County reported a liability of \$11,251,346 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2018 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2018. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2018. 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, 2018, the County's proportion was 0.1834%, which was an increase of 0.0007% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized PERA Fund Division; Municipal Police Division pension expense of \$72,011.

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At June 30, 2019, 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 | \$ 61,261 | 124,041 |
| Changes of assumptions | 142,780 | 7,650 |
| Net difference between projected and actual earnings on pension plan investments | 86,110 | - |
| Change in proportion and differences between the County contributions and proportionate share of contributions | 29,397 | 2,946 |
| The County contributions subsequent to the measurement date | 68,717 | - |
| Total | <u>\$ 388,265</u> | <u>134,637</u> |

\$72,011 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, 2019.

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 |
|------------------------|-------------------|
| 2020 | \$ 123,973 |
| 2021 | 28,238 |
| 2022 | 28,208 |
| 2023 | 4,492 |
| 2024 | - |
| Thereafter | - |
| | <u>\$ 184,911</u> |

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, 2017 |
| Actuarial cost method | Entry Age Normal |
| Amortization method | Level Percentage of Pay |
| Amortization period | Solved for based on statutory rates |
| Asset valuation method | |
| Actuarial assumptions | |
| Investment rate of return | 7.25% annual rate, net of investment expense |
| Projected benefit payment | 100 years |
| Payroll growth | 3.00% |
| Projected salary increases | 3.25% to 13.50% annual rate |
| Includes inflation at | 2.5%, 2.75% all other years |
| Mortality assumption | The mortality assumptions are based on the RPH-2014 Blue Collar mortality table with female ages set forward one year. Future improvement in mortality rates is assumed using 60% of the MP-2017 projection scale generationally. For non-public safety groups, 25% of in-service deaths are assumed to be duty related and 35% are assumed to be duty-related for public safety groups. |
| Experience study dates | July 1, 2008 to June 30, 2017 (demographic) and July 1, 2010 through June 30, 2018 (economic) |

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The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2018. These assumptions were adopted by the Board use in the June 30, 2017 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% | 7.48% |
| Risk Reduction & Mitigation | 21.5% | 2.37% |
| Credit Oriented Fixed Income | 15.0% | 5.47% |
| Real Assets | 20.0% | 6.48% |
| Total | <u>100.0%</u> | |

Discount rate – A single discount rate of 7.25% was used to measure the total pension liability as of June 30, 2018. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.25%, 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 7.25%, as well as what the employer name’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 %) or 1-percentage-point higher (8.25 %) than the current rate:

| <u>PERA Fund Division -</u> | <u>1% Decrease (6.25%)</u> | <u>Current Discount Rate (7.25%)</u> | <u>1% Increase (8.25%)</u> |
|-----------------------------|----------------------------|--------------------------------------|----------------------------|
| Municipal General Division | \$ 8,245,080 | 5,350,706 | 2,958,044 |
| Municipal Police Division | \$ 1,924,057 | 1,251,346 | 702,928 |

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/>.

Payable Changes in the Net Pension Liability

At June 30, 2019, the County reported a payable of \$7,121 for outstanding contributions due to NMPERA for the year ended June 30, 2019.

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

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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, 2019, 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, 2019, 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, 2019, 2018, and 2017, were \$73,223, \$71,904 and \$69,614, respectively.

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

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(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, 2018, the Fund's measurement date, the following employees were covered by the benefit terms:

| | |
|--|----------------|
| Plan membership | |
| Current retirees and surviving spouses | 51,205 |
| Inactive and eligible for deferred benefit | 11,471 |
| Current active members | <u>93,349</u> |
| | <u>156,025</u> |
| Active membership | |
| State general | 19,593 |
| State police and corrections | 1,886 |
| Municipal general | 17,004 |
| Municipal police | 3,820 |
| Municipal FTRE | 2,290 |
| Educational Retirement Board | <u>48,756</u> |
| | <u>93,349</u> |

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. Contributions to the Fund from the County were \$71,904 for the year ended June 30, 2019.

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

At June 30, 2019, the County reported a liability of \$3,541,300 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017. The County's proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2018. At June 30, 2018, the County's proportion was 0.08144 percent.

For the year ended June 30, 2018, the Authority recognized OPEB income of \$31,258.

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At June 30, 2019 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 | \$ - | 209,668 |
| Changes of assumptions | - | 661,145 |
| Difference between actual and projected earnings on OPEB plan investments | - | 44,194 |
| Change in proportion | - | 125,321 |
| The County contributions made after the measurement date | <u>71,767</u> | <u>-</u> |
| Total | <u>\$ 71,767</u> | <u>1,040,328</u> |

Deferred outflows of resources totaling \$71,767 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

| Year Ended | Amount |
|-----------------|-----------------|
| <u>June 30:</u> | <u>Amount</u> |
| 2020 | \$ (259,034) |
| 2021 | (259,034) |
| 2022 | (259,034) |
| 2023 | (206,087) |
| 2024 | <u>(57,139)</u> |
| Total | (1,040,328) |

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 |
| Projected pay roll increases | 3.25% to 12.50%, based on years of service, including inflation |
| 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 |
| Mortality | ERB members: RP-2000 Combined Healthy Mortality Table with White Collar Adjustment (males) and GRS Southwest Region Teacher Mortality Table (females) PERA members: RP-2000 Combined Healthy Mortality |

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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 | 2.10% |
| U.S. equity - large cap | 7.10% |
| Non U.S. - emerging markets | 10.20% |
| Non U.S. - developed equities | 7.80% |
| Private equity | 11.80% |
| Credit and structured finance | 5.30% |
| Real estate | 4.90% |
| Absolute return | 4.10% |
| U.S. equity - small/ mid cap | 7.10% |

Discount Rate

The discount rate used to measure the Fund's total OPEB liability is 4.08% as of June 30, 2018. 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, 2029. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2029. Beyond 2029, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Thus, 4.08% 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 County, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.08 percent) or 1-percentage-point higher (5.08 percent) than the current discount rate:

| <u>RHC Fund Division - Municipal General Division</u> | <u>1% Decrease (3.08%)</u> | <u>Current Discount Rate (4.08%)</u> | <u>1% Increase (5.08%)</u> |
|---|--------------------------------|--|--------------------------------|
| The County's proportionate share of the net OPEB liability | \$ <u>4,285,807</u> | \$ <u>3,541,300</u> | \$ <u>2,954,463</u> |

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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>2,993,640</u> | \$ <u>3,541,300</u> | \$ <u>3,970,678</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, 2018.

Payable Changes in the Net OPEB Liability

At June 30, 2019, the County reported a payable of \$1,456 for outstanding contributions due to NMRHCA for the year ended June 30, 2019.

NOTE 12 – RISK MANAGEMENT AND 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. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the County. 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 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.

**STATE OF NEW MEXICO
TORRANCE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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 2019 | Cumulative Construction Expenditures | Estimated Project Costs/Budget | Balance of Construction Project Expenditures |
|---|---|--|--------------------------------------|--|
| Brushtruck | \$ 51,869 | 51,869 | 104,880 | 53,011 |
| Total - Construction in Progress | \$ 51,869 | 51,869 | 104,880 | 53,011 |

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 2019. The minimum future lease payments are as follows:

| Fiscal Year Ending June 30, | Amount |
|--------------------------------|---------------------|
| 2020 | \$ 235,349 |
| 2021 | 234,144 |
| 2022 | 232,122 |
| 2023 | 231,717 |
| 2024 | 231,717 |
| Thereafter | 579,293 |
| Total | <u>\$ 1,744,342</u> |

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, 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, 2019.

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

so will not be recognized as an expense or expenditure until then.

The County has the following deferred outflows of resources during fiscal year 2019 on the fund financials:

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

The County has the following deferred outflows of resources during fiscal year 2019 on the government wide financials:

| <u>Deferred Outflows of Resources - GW</u> | |
|---|---------------------------|
| Pension deferrals | \$ 1,921,777 |
| OPEB deferrals | <u> 71,767</u> |
| Total deferred outflows of resources | \$ <u> 1,993,544</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 2019 on the fund financials:

| <u>Deferred Inflows of Resources - Fund Financials</u> | |
|---|---------------------------|
| Property tax revenue | \$ 1,216,285 |
| GRT equalization | <u> 475,636</u> |
| Total deferred inflows of resources | \$ <u> 1,691,921</u> |

The County has the following deferred inflows of resources during fiscal year 2019 on the government wide financials:

| <u>Deferred Inflows of Resources - GW</u> | |
|--|---------------------------|
| Pension deferrals | \$ 305,883 |
| OPEB deferrals | <u> 1,040,328</u> |
| Total deferred inflows of resources | \$ <u> 1,346,211</u> |

NOTE 18 –RELATED PARTY DISCLOSURES

In the year ended June 30, 2019, County employees and elected officials have the following relationships:

- Finance Director and the Human Resources Director are married
- Treasurer and Operations Manager are married

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, 2019. The County’s entire disclosure as an abating agency is presented in the following pages.

**STATE OF NEW MEXICO
TORRANCE COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

| | |
|---|--|
| 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 Energy (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
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

| | |
|---|--|
| 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 Energy (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.

REQUIRED SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
TORRANCE COUNTY
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>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|------------------------|----------------------|----------------------|----------------------|----------------------|
| | Measurement Date as of | | | | |
| | <u>June 30, 2018</u> | <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) (%) | 0.3356% | 0.3186% | 0.3173% | 0.3025% | 0.3019% |
| The County's proportionate share of the net pension liability (asset) (\$) | \$ 5,350,706 | 4,377,833 | 5,069,386 | 3,084,250 | 2,355,144 |
| The County's covered-employee payroll | \$ 2,925,428 | 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 | 182.90% | 153.78% | 179.47% | 123.87% | 100.28% |
| Plan fiduciary net position as a percentage of the total pension liability | 71.13% | 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 2018 report is available at <http://www.nmpera.org/>

See independent auditor's report.

**STATE OF NEW MEXICO
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>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|------------------------|----------------------|----------------------|----------------------|----------------------|
| | Measurement Date as of | | | | |
| | <u>June 30, 2018</u> | <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) (%) | 0.1834% | 0.1841% | 0.1797% | 0.1683% | 0.1533% |
| The County's proportionate share of the net pension liability (asset) (\$) | \$ 1,251,346 | 1,022,796 | 1,325,880 | 809,281 | 499,741 |
| The County's covered-employee payroll | \$ 671,582 | 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 | 186% | 157% | 196% | 135% | 95% |
| Plan fiduciary net position as a percentage of the total pension liability | 71.13% | 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 2018 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>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|----------------|----------------|----------------|----------------|----------------|
| Contractually required contribution | \$ 274,866 | 279,378 | 271,865 | 269,754 | 237,915 |
| Contributions in relation to the contractually required contribution | <u>274,866</u> | <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> | <u>-</u> |

*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 2018 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>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|---------------|---------------|---------------|---------------|---------------|
| Contractually required contribution | \$ 68,717 | 69,845 | 67,966 | 70,218 | 62,391 |
| Contributions in relation to the contractually required contribution | <u>68,717</u> | <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> | <u>-</u> |

*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 2018 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***

| | 2019 | | 2018 | |
|--|------------------------|---------------|---------------|---------------|
| | Measurement Date as of | | | |
| | June 30, 2018 | June 30, 2018 | June 30, 2017 | June 30, 2017 |
| The County's proportion of the net OPEB liability (asset) (%) | 0.08144% | | 0.08417% | |
| The County's proportionate share of the net OPEB liability (asset) (\$) | \$ 3,541,300 | | \$ 3,814,309 | |
| The County's covered-employee payroll | \$ 3,494,278 | | \$ 3,506,225 | |
| The County's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll | 101.35% | | 108.79% | |
| Plan fiduciary net position as a percentage of the total OPEB liability | 13.14% | | 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.

See independent auditor's report.

**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>2019</u> | <u>2018</u> |
|--|-----------------|----------------|
| Contractually required contribution | \$ 127,264 | 267,279 |
| Contributions in relation to the contractually required contribution | <u>125,710</u> | <u>134,144</u> |
| Contribution deficiency (excess) | <u>\$ 1,554</u> | <u>133,135</u> |
| The County's covered-employee payroll | \$ 3,494,278 | 3,506,225 |
| Contributions as a percentage of covered-employee payroll | 3.60% | 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, 2019**

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.

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.

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.

**STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

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 Animal Care Fund – To account for the allotment funds from the NM State Veterinary Board. Authority is County Commission.

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.

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.

Loan Proceeds Fund – To account for the proceeds from the NM Property Tax Division loan obtained by the County Assessor. 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.

**STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

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.

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.

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.

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.

Attorney General Grant Fund – To account for the DRAM grant the County received from the NM Attorney General's Office. Authority is County Commission.

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.

**STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

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.

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.

**STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

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, 2019**

| | Special Revenue Funds | Capital Projects Funds | Total Non-major Funds |
|--|--------------------------------------|---------------------------------------|--------------------------------------|
| ASSETS | | | |
| Cash and investments | \$ - | - | - |
| Due from other funds- pooled cash | 3,117,261 | 795,270 | 3,912,531 |
| Accounts receivable | 8,023 | - | 8,023 |
| Grant accounts receivable | 143,740 | - | 143,740 |
| GRT receivable | 129,683 | 86,857 | 216,540 |
| Property tax receivable, net | - | - | - |
| Prepaid expenses | - | - | - |
| Total assets | <u>\$ 3,398,707</u> | <u>882,127</u> | <u>4,280,834</u> |
| LIABILITIES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Due to other funds- pooled cash | \$ - | - | - |
| Due to other governmental units | - | - | - |
| Accounts payable | 91,603 | 134,878 | 226,481 |
| Accrued payroll liabilities | 14,862 | - | 14,862 |
| Accrued interest payable | - | - | - |
| Unavailable revenue | - | - | - |
| Total Liabilities | <u>106,465</u> | <u>134,878</u> | <u>241,343</u> |
| Deferred inflows of resources | | | |
| Property taxes | - | - | - |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES | | | |
| Nonspendable- prepaid expenses | - | - | - |
| Restricted | 3,025,023 | - | 3,025,023 |
| Committed | - | - | - |
| Assigned | 267,219 | 747,249 | 1,014,468 |
| Unassigned | - | - | - |
| Total fund balances | <u>3,292,242</u> | <u>747,249</u> | <u>4,039,491</u> |
| Total liabilities deferred inflows of resources, and fund balances | <u>\$ 3,398,707</u> | <u>882,127</u> | <u>4,280,834</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, 2019**

| | Special Revenue Funds | Capital Projects Funds | Total Non-major Funds |
|---|--------------------------------------|---------------------------------------|--------------------------------------|
| REVENUES | | | |
| Intergovernmental sources - federal | \$ 78,012 | - | 78,012 |
| Intergovernmental sources - state | 993,989 | - | 993,989 |
| Local and state shared taxes | 850,116 | 472,013 | 1,322,129 |
| Property taxes | 101,000 | - | 101,000 |
| Payment in lieu of taxes | 995,500 | - | 995,500 |
| Charges for services | 430,739 | - | 430,739 |
| Interest | 151,588 | - | 151,588 |
| Other revenue | 30,225 | 1 | 30,226 |
| Total revenues | 3,631,169 | 472,014 | 4,103,183 |
| EXPENDITURES | | | |
| Current | | | |
| General government | 925,253 | 49,766 | 975,019 |
| Public safety | 1,591,249 | - | 1,591,249 |
| Public works | - | 402,045 | 402,045 |
| Health and welfare | 617,717 | - | 617,717 |
| Culture and recreation | - | - | - |
| Debt Service | | | |
| Principal payments | - | 33,205 | 33,205 |
| Interest payments | - | 7,659 | 7,659 |
| Capital Outlay | | | |
| Capital Outlay | 592,777 | 514,296 | 1,107,073 |
| Total Expenditures | 3,726,996 | 1,006,971 | 4,733,967 |
| Excess (deficiency) of revenues over expenditures | (95,827) | (534,957) | (630,784) |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from loan issuance | 70,422 | 180,690 | 251,112 |
| Transfers in | 732,018 | - | 732,018 |
| Transfers out | (1,012,454) | - | (1,012,454) |
| Total other financing sources (uses) | (210,014) | 180,690 | (29,324) |
| Net change in fund balance | (305,841) | (354,267) | (660,108) |
| Fund balances-beginning of year | 3,598,083 | 1,101,516 | 4,699,599 |
| Fund balances-end of the year | \$ 3,292,242 | 747,249 | 4,039,491 |

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, 2019**

| | 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 | 1,465 | 120,163 | 81,795 | 107,997 |
| Accounts receivable | - | - | - | - | - |
| Grant accounts receivable | - | - | - | - | - |
| GRT receivable | - | - | - | - | - |
| Property tax receivable, net | - | - | - | - | - |
| Prepaid expenses | - | - | - | - | - |
| Total assets | <u>2,090</u> | <u>1,465</u> | <u>120,163</u> | <u>81,795</u> | <u>107,997</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Due to other funds- pooled cash | - | - | - | - | - |
| Due to other governmental units | - | - | - | - | - |
| Accounts payable | - | - | 1,561 | 952 | 242 |
| Accrued payroll liabilities | - | - | - | - | - |
| Accrued interest payable | - | - | - | - | - |
| Unavailable revenue | - | - | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>1,561</u> | <u>952</u> | <u>242</u> |
| Deferred inflows of resources | - | - | - | - | - |
| FUND BALANCES | | | | | |
| Nonspendable- prepaid expenses | - | - | - | - | - |
| Restricted | 2,090 | 1,465 | 118,602 | 80,843 | 107,755 |
| Committed | - | - | - | - | - |
| Assigned | - | - | - | - | - |
| Unassigned | - | - | - | - | - |
| Total fund balances | <u>2,090</u> | <u>1,465</u> | <u>118,602</u> | <u>80,843</u> | <u>107,755</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>2,090</u> | <u>1,465</u> | <u>120,163</u> | <u>81,795</u> | <u>107,997</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, 2019**

| | 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 | 137,205 | 40,354 | 11,548 | 83,979 | 53,634 |
| Accounts receivable | - | - | - | - | - |
| Grant accounts receivable | - | - | - | - | - |
| GRT receivable | - | - | - | 24,026 | - |
| Property tax receivable, net | - | - | - | - | - |
| Prepaid expenses | - | - | - | - | - |
| Total assets | <u>137,205</u> | <u>40,354</u> | <u>11,548</u> | <u>108,005</u> | <u>53,634</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Due to other funds- pooled cash | - | - | - | - | - |
| Due to other governmental units | - | - | - | - | - |
| Accounts payable | 1,135 | 246 | - | 52,160 | 1,203 |
| Accrued payroll liabilities | - | - | - | - | - |
| Accrued interest payable | - | - | - | - | - |
| Unavailable revenue | - | - | - | - | - |
| Total liabilities | <u>1,135</u> | <u>246</u> | <u>-</u> | <u>52,160</u> | <u>1,203</u> |
| Deferred inflows of resources | - | - | - | - | - |
| FUND BALANCES | | | | | |
| Nonspendable- prepaid expenses | - | - | - | - | - |
| Restricted | 136,070 | 40,108 | 11,548 | 55,845 | - |
| Committed | - | - | - | - | - |
| Assigned | - | - | - | - | 52,431 |
| Unassigned | - | - | - | - | - |
| Total fund balances | <u>136,070</u> | <u>40,108</u> | <u>11,548</u> | <u>55,845</u> | <u>52,431</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>137,205</u> | <u>40,354</u> | <u>11,548</u> | <u>108,005</u> | <u>53,634</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, 2019**

| | 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 | 60,321 | 314,166 | 146,789 | 67,436 | 37,522 |
| Accounts receivable | - | - | - | - | 6,351 |
| Grant accounts receivable | - | - | - | - | - |
| GRT receivable | - | 31,404 | 3,713 | - | - |
| Property tax receivable, net | - | - | - | - | - |
| Prepaid expenses | - | - | - | - | - |
| Total assets | <u>\$ 60,321</u> | <u>345,570</u> | <u>150,502</u> | <u>67,436</u> | <u>43,873</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Due to other funds- pooled cash | \$ - | - | - | - | - |
| Due to other governmental units | - | - | - | - | - |
| Accounts payable | 3,557 | 7,071 | - | 398 | 9,982 |
| Accrued payroll liabilities | - | - | - | - | - |
| Accrued interest payable | - | - | - | - | - |
| Unavailable revenue | - | - | - | - | - |
| Total liabilities | <u>3,557</u> | <u>7,071</u> | <u>-</u> | <u>398</u> | <u>9,982</u> |
| Deferred inflows of resources | - | - | - | - | - |
| FUND BALANCES | | | | | |
| Nonspendable- prepaid expenses | - | - | - | - | - |
| Restricted | 56,764 | 338,499 | 150,502 | 67,038 | - |
| Committed | - | - | - | - | - |
| Assigned | - | - | - | - | 33,891 |
| Unassigned | - | - | - | - | - |
| Total fund balances | <u>56,764</u> | <u>338,499</u> | <u>150,502</u> | <u>67,038</u> | <u>33,891</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 60,321</u> | <u>345,570</u> | <u>150,502</u> | <u>67,436</u> | <u>43,873</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, 2019**

| | 423 Environmental Gross Receipts Tax | 424 GO Bond Proceeds Fund | 427 WIPP Funding | 428 Volunteer Recruitment/ Retention | 429 State Animal Care Fund |
|--|---|--|---------------------------------|---|---|
| ASSETS | | | | | |
| Cash and investments | \$ - | - | - | - | - |
| Due from other funds- pooled cash | - | 276,145 | 400 | 24,576 | 2,123 |
| Accounts receivable | - | - | - | - | - |
| Grant accounts receivable | - | - | - | - | - |
| GRT receivable | - | - | - | - | - |
| Property tax receivable, net | - | - | - | - | - |
| Prepaid expenses | - | - | - | - | - |
| Total assets | \$ - | 276,145 | 400 | 24,576 | 2,123 |
| 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 | - | - | - | - | - |
| Deferred inflows of resources | - | - | - | - | - |
| FUND BALANCES | | | | | |
| Nonspendable- prepaid expenses | - | - | - | - | - |
| Restricted | - | 276,145 | 400 | - | 2,123 |
| Committed | - | - | - | - | - |
| Assigned | - | - | - | 24,576 | - |
| Unassigned | - | - | - | - | - |
| Total fund balances | - | 276,145 | 400 | 24,576 | 2,123 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ - | 276,145 | 400 | 24,576 | 2,123 |

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, 2019**

| | 430 | 600 | 604 | 605 | 606 |
|--|---------------------------|---------------------------|--------------------------|------------------------|-----------------------|
| | Animal Shelter | Safety Program | Civil Defense | DWI Program | DWI School |
| ASSETS | | | | | |
| Cash and investments | \$ - | - | - | - | - |
| Due from other funds- pooled cash | 2,447 | 25,469 | 30,606 | 59,520 | 2,062 |
| Accounts receivable | - | - | - | - | - |
| Grant accounts receivable | - | - | - | - | - |
| GRT receivable | - | - | 5,198 | - | - |
| Property tax receivable, net | - | - | - | - | - |
| Prepaid expenses | - | - | - | - | - |
| Total assets | \$ <u>2,447</u> | <u>25,469</u> | <u>35,804</u> | <u>59,520</u> | <u>2,062</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Due to other funds- pooled cash | \$ - | - | - | - | - |
| Due to other governmental units | - | - | - | - | - |
| Accounts payable | - | - | 887 | 1,774 | - |
| Accrued payroll liabilities | - | - | - | 542 | - |
| Accrued interest payable | - | - | - | - | - |
| Unavailable revenue | - | - | - | - | - |
| Total liabilities | - | - | <u>887</u> | <u>2,316</u> | - |
| Deferred inflows of resources | - | - | - | - | - |
| FUND BALANCES | | | | | |
| Nonspendable- prepaid expenses | - | - | - | - | - |
| Restricted | - | - | - | 57,204 | 2,062 |
| Committed | - | - | - | - | - |
| Assigned | 2,447 | 25,469 | 34,917 | - | - |
| Unassigned | - | - | - | - | - |
| Total fund balances | <u>2,447</u> | <u>25,469</u> | <u>34,917</u> | <u>57,204</u> | <u>2,062</u> |
| Total liabilities, deferred inflows of resources, and fund balances | \$ <u>2,447</u> | <u>25,469</u> | <u>35,804</u> | <u>59,520</u> | <u>2,062</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, 2019**

| | 609 | 610 | 612 | 616 | 628 |
|--|----------------------------|-----------------------------|---------------------------------------|---------------------------------|--|
| | Treasurer's Fee | Reappraisal Fund | Clerk's Equipment Fund | RPHCA Grant Fund | Recycling and Illegal Dumping |
| ASSETS | | | | | |
| Cash and investments | \$ - | - | - | - | - |
| Due from other funds- pooled cash | 4,697 | 133,195 | 22,812 | - | 14,979 |
| Accounts receivable | - | - | - | - | - |
| Grant accounts receivable | - | - | - | 5,512 | - |
| GRT receivable | - | - | - | - | - |
| Property tax receivable, net | - | - | - | - | - |
| Prepaid expenses | - | - | - | - | - |
| Total assets | <u>\$ 4,697</u> | <u>133,195</u> | <u>22,812</u> | <u>5,512</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 | - | 1,296 | 519 | 5,512 | - |
| Accrued payroll liabilities | - | 2,193 | - | - | - |
| Accrued interest payable | - | - | - | - | - |
| Unavailable revenue | - | - | - | - | - |
| Total liabilities | <u>-</u> | <u>3,489</u> | <u>519</u> | <u>5,512</u> | <u>-</u> |
| Deferred inflows of resources | - | - | - | - | - |
| FUND BALANCES | | | | | |
| Nonspendable- prepaid expenses | - | - | - | - | - |
| Restricted | - | 129,706 | 22,293 | - | 14,979 |
| Committed | - | - | - | - | - |
| Assigned | 4,697 | - | - | - | - |
| Unassigned | - | - | - | - | - |
| Total fund balances | <u>4,697</u> | <u>129,706</u> | <u>22,293</u> | <u>-</u> | <u>14,979</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 4,697</u> | <u>133,195</u> | <u>22,812</u> | <u>5,512</u> | <u>14,979</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, 2019**

| | 629 Home Visiting Grant | 630 Esperanza Clinic Fund | 631 Senior Citizens Program | 632 Loan Proceeds Fund | 633 NMFA Loan Proceeds Fund |
|--|--|--|--|---|--|
| ASSETS | | | | | |
| Cash and investments | \$ - | - | - | - | - |
| Due from other funds- pooled cash | 3,019 | 12,377 | 5,346 | - | 1,344 |
| Accounts receivable | - | - | - | - | - |
| Grant accounts receivable | - | - | - | - | - |
| GRT receivable | - | - | - | - | - |
| Property tax receivable, net | - | - | - | - | - |
| Prepaid expenses | - | - | - | - | - |
| Total assets | <u>\$ 3,019</u> | <u>12,377</u> | <u>5,346</u> | <u>-</u> | <u>1,344</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 | 3,019 | 12,377 | - | - | 1,344 |
| Committed | - | - | - | - | - |
| Assigned | - | - | 5,346 | - | - |
| Unassigned | - | - | - | - | - |
| Total fund balances | <u>3,019</u> | <u>12,377</u> | <u>5,346</u> | <u>-</u> | <u>1,344</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 3,019</u> | <u>12,377</u> | <u>5,346</u> | <u>-</u> | <u>1,344</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, 2019**

| | 634 Court Forfeiture Fund | 635 Juvenile Justice Grant | 641 Wind PILT Fund | 642 Investment Interest Fund | 650 Estancia Basin Water Study |
|--|--|---|---------------------------------------|---|---|
| ASSETS | | | | | |
| Cash and investments | \$ - | - | - | - | - |
| Due from other funds- pooled cash | 13,739 | 47,313 | 276,260 | 200,328 | 4,299 |
| Accounts receivable | - | - | - | - | - |
| Grant accounts receivable | - | 13,850 | - | - | - |
| GRT receivable | - | - | - | - | - |
| Property tax receivable, net | - | - | - | - | - |
| Prepaid expenses | - | - | - | - | - |
| Total assets | <u>\$ 13,739</u> | <u>61,163</u> | <u>276,260</u> | <u>200,328</u> | <u>4,299</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 | 13,739 | 61,163 | 276,260 | 200,328 | 4,299 |
| Committed | - | - | - | - | - |
| Assigned | - | - | - | - | - |
| Unassigned | - | - | - | - | - |
| Total fund balances | <u>13,739</u> | <u>61,163</u> | <u>276,260</u> | <u>200,328</u> | <u>4,299</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 13,739</u> | <u>61,163</u> | <u>276,260</u> | <u>200,328</u> | <u>4,299</u> |

See Independent Auditor's Report.
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**STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2019**

| | 675 | 681 | 685 | 690 | 691 |
|--|-------------------|-------------------|-----------------------|-----------------|--------------------|
| | Rural | Attorney | Planning & | Domestic | DV |
| | Addressing | General | Zoning | Violence | Victim |
| | _____ | Grant Fund | Court Fees | _____ | Restitution |
| ASSETS | | | | | |
| Cash and investments | \$ - | - | - | - | - |
| Due from other funds- pooled cash | 52,601 | 37 | 12,232 | 29,452 | 28,782 |
| Accounts receivable | - | - | - | - | - |
| Grant accounts receivable | - | - | - | - | - |
| GRT receivable | 3,713 | - | - | - | - |
| Property tax receivable, net | - | - | - | - | - |
| Prepaid expenses | - | - | - | - | - |
| Total assets | <u>\$ 56,314</u> | <u>37</u> | <u>12,232</u> | <u>29,452</u> | <u>28,782</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Due to other funds- pooled cash | \$ - | - | - | - | - |
| Due to other governmental units | - | - | - | - | - |
| Accounts payable | 470 | - | 178 | 497 | - |
| Accrued payroll liabilities | 1,181 | - | - | 517 | - |
| Accrued interest payable | - | - | - | - | - |
| Unavailable revenue | - | - | - | - | - |
| Total liabilities | <u>1,651</u> | <u>-</u> | <u>178</u> | <u>1,014</u> | <u>-</u> |
| Deferred inflows of resources | - | - | - | - | - |
| FUND BALANCES | | | | | |
| Nonspendable- prepaid expenses | - | - | - | - | - |
| Restricted | - | 37 | 12,054 | 28,438 | - |
| Committed | - | - | - | - | - |
| Assigned | 54,663 | - | - | - | 28,782 |
| Unassigned | - | - | - | - | - |
| Total fund balances | <u>54,663</u> | <u>37</u> | <u>12,054</u> | <u>28,438</u> | <u>28,782</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 56,314</u> | <u>37</u> | <u>12,232</u> | <u>29,452</u> | <u>28,782</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, 2019**

| | 693 Title III Forest Reserve | 802 U.S. Marshall JLEO | 804 Drug Education Program | 805 Traffic Safety | 807 Teen Court Donation |
|--|---|---|---|-----------------------------------|--|
| ASSETS | | | | | |
| Cash and investments | - | - | - | - | - |
| Due from other funds- pooled cash | 160,402 | 13,896 | 13,228 | 6,257 | 1,325 |
| Accounts receivable | - | - | - | - | - |
| Grant accounts receivable | - | 2,691 | - | 2,656 | - |
| GRT receivable | - | - | - | - | - |
| Property tax receivable, net | - | - | - | - | - |
| Prepaid expenses | - | - | - | - | - |
| Total assets | <u>160,402</u> | <u>16,587</u> | <u>13,228</u> | <u>8,913</u> | <u>1,325</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 | 160,402 | 16,587 | 13,228 | 8,913 | 1,325 |
| Committed | - | - | - | - | - |
| Assigned | - | - | - | - | - |
| Unassigned | - | - | - | - | - |
| Total fund balances | <u>160,402</u> | <u>16,587</u> | <u>13,228</u> | <u>8,913</u> | <u>1,325</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>160,402</u> | <u>16,587</u> | <u>13,228</u> | <u>8,913</u> | <u>1,325</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, 2019**

| | 808 Forest Service Patrol | 825 ICE Inmate Care Association | 826 NMDHLS EMPG | 829 NMDOH Cities Readiness Initiative | 830 Disaster Public Assistance |
|--|--|--|--------------------------------|--|---|
| ASSETS | | | | | |
| Cash and investments | \$ - | - | - | - | - |
| Due from other funds- pooled cash | 3,324 | - | 18,883 | 11,001 | 74,345 |
| Accounts receivable | - | - | - | - | - |
| Grant accounts receivable | - | - | 6,744 | 7,857 | - |
| GRT receivable | - | - | - | - | - |
| Property tax receivable, net | - | - | - | - | - |
| Prepaid expenses | - | - | - | - | - |
| Total assets | <u>\$ 3,324</u> | <u>-</u> | <u>25,627</u> | <u>18,858</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 | - | - | - | - | - |
| Accrued payroll liabilities | - | - | 395 | - | - |
| Accrued interest payable | - | - | - | - | - |
| Unavailable revenue | - | - | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>395</u> | <u>-</u> | <u>-</u> |
| Deferred inflows of resources | - | - | - | - | - |
| FUND BALANCES | | | | | |
| Nonspendable- prepaid expenses | - | - | - | - | - |
| Restricted | 3,324 | - | 25,232 | 18,858 | 74,345 |
| Committed | - | - | - | - | - |
| Assigned | - | - | - | - | - |
| Unassigned | - | - | - | - | - |
| Total fund balances | <u>3,324</u> | <u>-</u> | <u>25,232</u> | <u>18,858</u> | <u>74,345</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 3,324</u> | <u>-</u> | <u>25,627</u> | <u>18,858</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, 2019**

| | 834 Dog Head Fire | 911 Emergency 911 | Total Special Revenue Funds |
|--|--------------------------------------|----------------------------------|--|
| ASSETS | | | |
| Cash and investments | \$ - | \$ - | - |
| Due from other funds- pooled cash | - | 261,976 | 3,117,261 |
| Accounts receivable | - | 1,672 | 8,023 |
| Grant accounts receivable | 104,430 | - | 143,740 |
| GRT receivable | - | 61,629 | 129,683 |
| Property tax receivable, net | - | - | - |
| Prepaid expenses | - | - | - |
| Total assets | \$ 104,430 | \$ 325,277 | 3,398,707 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Due to other funds- pooled cash | \$ - | \$ - | - |
| Due to other governmental units | - | - | - |
| Accounts payable | - | 1,963 | 91,603 |
| Accrued payroll liabilities | - | 10,034 | 14,862 |
| Accrued interest payable | - | - | - |
| Unavailable revenue | - | - | - |
| Total liabilities | - | 11,997 | 106,465 |
| Deferred inflows of resources | - | - | - |
| FUND BALANCES | | | |
| Nonspendable- prepaid expenses | - | - | - |
| Restricted | 104,430 | 313,280 | 3,025,023 |
| Committed | - | - | - |
| Assigned | - | - | 267,219 |
| Unassigned | - | - | - |
| Total fund balances | 104,430 | 313,280 | 3,292,242 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 104,430 | \$ 325,277 | 3,398,707 |

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 SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

| | 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 | \$ - | - | - | - | - |
| Intergovernmental sources - state | - | - | 141,130 | 105,977 | 53,945 |
| Local and state shared taxes | - | - | - | - | - |
| Property taxes | - | - | - | - | - |
| Payment in lieu of taxes | - | - | - | - | - |
| Charges for services | - | 506 | - | - | - |
| Interest | - | - | - | - | - |
| Other revenue | - | - | 518 | 193 | 91 |
| Total revenues | <u>-</u> | <u>506</u> | <u>141,648</u> | <u>106,170</u> | <u>54,036</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | - | - | - | - | - |
| Public safety | - | - | 95,973 | 102,299 | 30,898 |
| Highways and streets | - | - | - | - | - |
| Health and welfare | 32,500 | - | - | - | - |
| Culture and recreation | - | - | - | - | - |
| Debt Service | | | | | |
| Principal payments | - | - | - | - | - |
| Interest payments | - | - | - | - | - |
| Capital Outlay | | | | | |
| Capital outlay | - | - | - | - | - |
| Total expenditures | <u>32,500</u> | <u>-</u> | <u>95,973</u> | <u>102,299</u> | <u>30,898</u> |
| Excess (deficiency) of revenues over expenditures | (32,500) | 506 | 45,675 | 3,871 | 23,138 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from loan issuance | - | - | - | - | - |
| Transfers in | 32,500 | - | - | - | - |
| Transfers out | - | - | - | - | - |
| Total other financing sources (uses) | <u>32,500</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | - | 506 | 45,675 | 3,871 | 23,138 |
| Fund balances-beginning of year | 2,090 | 959 | 72,927 | 76,972 | 84,617 |
| Fund balances-end of the year | <u>\$ 2,090</u> | <u>1,465</u> | <u>118,602</u> | <u>80,843</u> | <u>107,755</u> |

See Independent Auditor's Report.
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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, 2019**

| | 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 | 128,140 | 41,393 | 27,800 | - | - |
| Local and state shared taxes | - | - | - | 91,074 | - |
| Property taxes | - | - | - | - | - |
| Payment in lieu of taxes | - | - | - | - | - |
| Charges for services | - | - | - | - | 159,905 |
| Interest | - | - | - | - | - |
| Other revenue | 241 | - | - | 2,975 | 350 |
| Total revenues | <u>128,381</u> | <u>41,393</u> | <u>27,800</u> | <u>94,049</u> | <u>160,255</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | - | - | - | 235 | 185,318 |
| Public safety | 92,957 | 26,975 | 20,955 | 78,816 | - |
| Highways and streets | - | - | - | - | - |
| Health and welfare | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - |
| Debt Service | | | | | |
| Principal payments | - | - | - | - | - |
| Interest payments | - | - | - | - | - |
| Capital Outlay | | | | | |
| Capital outlay | - | - | - | 397,871 | - |
| Total expenditures | <u>92,957</u> | <u>26,975</u> | <u>20,955</u> | <u>476,922</u> | <u>185,318</u> |
| Excess (deficiency) of revenues over expenditures | 35,424 | 14,418 | 6,845 | (382,873) | (25,063) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from loan issuance | - | - | - | - | - |
| Transfers in | - | - | - | - | 33,250 |
| Transfers out | - | - | - | (5,221) | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>(5,221)</u> | <u>33,250</u> |
| Net change in fund balance | 35,424 | 14,418 | 6,845 | (388,094) | 8,187 |
| Fund balances-beginning of year | 100,646 | 25,690 | 4,703 | 443,939 | 44,244 |
| Fund balances-end of the year | <u>\$ 136,070</u> | <u>40,108</u> | <u>11,548</u> | <u>55,845</u> | <u>52,431</u> |

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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 SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

| | 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 | 76,656 | - | 19,689 | 52,370 | - |
| Local and state shared taxes | - | 272,790 | 20,133 | - | - |
| Property taxes | - | - | - | - | - |
| Payment in lieu of taxes | - | - | - | - | - |
| Charges for services | - | - | - | - | 51,426 |
| Interest | - | - | - | - | - |
| Other revenue | 668 | - | - | 38 | - |
| Total revenues | <u>77,324</u> | <u>272,790</u> | <u>39,822</u> | <u>52,408</u> | <u>51,426</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | - | - | - | - | 132,011 |
| Public safety | 73,811 | - | 25,395 | 28,515 | - |
| Highways and streets | - | - | - | - | - |
| Health and welfare | - | 289,935 | - | - | - |
| Culture and recreation | - | - | - | - | - |
| Debt Service | | | | | |
| Principal payments | - | - | - | - | - |
| Interest payments | - | - | - | - | - |
| Capital Outlay | | | | | |
| Capital outlay | - | - | - | - | - |
| Total expenditures | <u>73,811</u> | <u>289,935</u> | <u>25,395</u> | <u>28,515</u> | <u>132,011</u> |
| Excess (deficiency) of revenues over expenditures | 3,513 | (17,145) | 14,427 | 23,893 | (80,585) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from loan issuance | - | - | - | - | - |
| Transfers in | - | - | - | - | 100,000 |
| Transfers out | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>100,000</u> |
| Net change in fund balance | 3,513 | (17,145) | 14,427 | 23,893 | 19,415 |
| Fund balances-beginning of year | 53,251 | 355,644 | 136,075 | 43,145 | 14,476 |
| Fund balances-end of the year | <u>\$ 56,764</u> | <u>338,499</u> | <u>150,502</u> | <u>67,038</u> | <u>33,891</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, 2019**

| | 423 Environmental Gross Receipts Tax | 424 GO Bonds Proceeds Fund | 427 WIPP Funding | 428 Volunteer Recruitment/ Retention | 429 State Animal Care Fund |
|---|---|---|---------------------------------|---|---|
| REVENUES | | | | | |
| Intergovernmental sources - federal | \$ - | - | - | - | - |
| Intergovernmental sources - state | - | - | 7,000 | - | 2,123 |
| Local and state shared taxes | 83,589 | - | - | - | - |
| Property taxes | - | - | - | - | - |
| Payment in lieu of taxes | - | - | - | - | - |
| Charges for services | - | - | - | - | - |
| Interest | - | 7,930 | - | - | - |
| Other revenue | - | - | - | - | - |
| Total revenues | <u>83,589</u> | <u>7,930</u> | <u>7,000</u> | <u>-</u> | <u>2,123</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | - | - | - | - | - |
| Public safety | - | - | 6,600 | 53,180 | - |
| Highways and streets | - | - | - | - | - |
| Health and welfare | 83,589 | - | - | - | - |
| Culture and recreation | - | - | - | - | - |
| Debt Service | | | | | |
| Principal payments | - | - | - | - | - |
| Interest payments | - | - | - | - | - |
| Capital Outlay | | | | | |
| Capital outlay | - | 96,469 | - | - | - |
| Total expenditures | <u>83,589</u> | <u>96,469</u> | <u>6,600</u> | <u>53,180</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | - | (88,539) | 400 | (53,180) | 2,123 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from loan issuance | - | - | - | - | - |
| Transfers in | - | - | - | 50,000 | - |
| Transfers out | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>50,000</u> | <u>-</u> |
| Net change in fund balance | - | (88,539) | 400 | (3,180) | 2,123 |
| Fund balances-beginning of year | - | 364,684 | - | 27,756 | - |
| Fund balances-end of the year | <u>\$ -</u> | <u>276,145</u> | <u>400</u> | <u>24,576</u> | <u>2,123</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, 2019**

| | 430 | 600 | 604 | 605 | 606 |
|---|---------------------------|---------------------------|--------------------------|------------------------|-----------------------|
| | Animal Shelter | Safety Program | Civil Defense | DWI Program | DWI School |
| REVENUES | | | | | |
| Intergovernmental sources - federal | \$ - | - | - | - | - |
| Intergovernmental sources - state | - | - | - | 137,219 | - |
| Local and state shared taxes | - | - | 28,186 | - | - |
| Property taxes | - | - | - | - | - |
| Payment in lieu of taxes | - | - | - | - | - |
| Charges for services | 605 | 5,781 | - | 156 | 600 |
| Interest | - | - | - | - | - |
| Other revenue | 295 | 7,400 | 8,472 | - | - |
| Total revenues | <u>900</u> | <u>13,181</u> | <u>36,658</u> | <u>137,375</u> | <u>600</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | - | - | - | - | - |
| Public safety | 1,750 | 26,648 | - | 152,876 | (24) |
| Highways and streets | - | - | - | - | - |
| Health and welfare | - | - | 26,098 | - | - |
| Culture and recreation | - | - | - | - | - |
| Debt Service | - | - | - | - | - |
| Principal payments | - | - | - | - | - |
| Interest payments | - | - | - | - | - |
| Capital Outlay | - | - | 2,690 | - | - |
| Capital outlay | - | - | - | - | - |
| Total expenditures | <u>1,750</u> | <u>26,648</u> | <u>28,788</u> | <u>152,876</u> | <u>(24)</u> |
| Excess (deficiency) of revenues over expenditures | (850) | (13,467) | 7,870 | (15,501) | 624 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from loan issuance | - | - | - | - | - |
| Transfers in | - | 22,672 | - | - | - |
| Transfers out | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>22,672</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | (850) | 9,205 | 7,870 | (15,501) | 624 |
| Fund balances-beginning of year | 3,297 | 16,264 | 27,047 | 72,705 | 1,438 |
| Fund balances-end of the year | <u>\$ 2,447</u> | <u>25,469</u> | <u>34,917</u> | <u>57,204</u> | <u>2,062</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, 2019**

| | 609 | 610 | 612 | 616 | 628 |
|---|----------------------------|-----------------------------|---------------------------------------|---------------------------------|--|
| | Treasurer's Fee | Reappraisal Fund | Clerk's Equipment Fund | RPHCA Grant Fund | Recycling and Illegal Dumping |
| REVENUES | | | | | |
| Intergovernmental sources - federal | \$ - | - | - | - | - |
| Intergovernmental sources - state | - | - | - | 73,100 | - |
| Local and state shared taxes | - | - | - | - | - |
| Property taxes | - | 101,000 | - | - | - |
| Payment in lieu of taxes | - | - | - | - | - |
| Charges for services | 20,782 | 9,900 | 20,223 | - | - |
| Interest | - | - | - | - | - |
| Other revenue | 60 | 70 | 50 | - | - |
| Total revenues | <u>20,842</u> | <u>110,970</u> | <u>20,273</u> | <u>73,100</u> | <u>-</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | 22,485 | 197,730 | 14,664 | - | - |
| Public safety | - | - | - | - | - |
| Highways and streets | - | - | - | - | - |
| Health and welfare | - | - | - | 78,608 | - |
| Culture and recreation | - | - | - | - | - |
| Debt Service | - | - | - | - | - |
| Principal payments | - | - | - | - | - |
| Interest payments | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - |
| Capital outlay | - | - | - | - | - |
| Total expenditures | <u>22,485</u> | <u>197,730</u> | <u>14,664</u> | <u>78,608</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | (1,643) | (86,760) | 5,609 | (5,508) | - |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from loan issuance | - | - | - | - | - |
| Transfers in | - | 47,700 | - | - | - |
| Transfers out | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>47,700</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | (1,643) | (39,060) | 5,609 | (5,508) | - |
| Fund balances-beginning of year | 6,340 | 168,766 | 16,684 | 5,508 | 14,979 |
| Fund balances-end of the year | <u>\$ 4,697</u> | <u>129,706</u> | <u>22,293</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, 2019**

| | 629 Home Visiting Grant | 630 Esperanza Clinic Fund | 631 Senior Citizens Program | 632 Loan Proceeds Fund | 633 NMFA Loan Proceeds Fund |
|---|--|--|--|---|--|
| REVENUES | | | | | |
| Intergovernmental sources - federal | \$ - | - | - | - | - |
| Intergovernmental sources - state | - | - | - | - | - |
| Local and state shared taxes | - | - | - | - | - |
| Property taxes | - | - | - | - | - |
| Payment in lieu of taxes | - | - | - | - | - |
| Charges for services | - | 2,400 | - | - | - |
| Interest | - | - | - | - | - |
| Other revenue | - | - | - | - | 28 |
| Total revenues | <u>-</u> | <u>2,400</u> | <u>-</u> | <u>-</u> | <u>28</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | - | - | - | - | - |
| Public safety | - | - | 11,268 | - | - |
| Highways and streets | - | - | - | - | - |
| Health and welfare | - | 1,291 | - | - | - |
| Culture and recreation | - | - | - | - | - |
| Debt Service | | | | | |
| Principal payments | - | - | - | - | - |
| Interest payments | - | - | - | - | - |
| Capital Outlay | | | | | |
| Capital outlay | - | - | - | 70,422 | - |
| Total expenditures | <u>-</u> | <u>1,291</u> | <u>11,268</u> | <u>70,422</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | - | 1,109 | (11,268) | (70,422) | 28 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from loan issuance | - | - | - | 70,422 | - |
| Transfers in | - | - | 10,000 | - | - |
| Transfers out | (47,749) | - | - | - | - |
| Total other financing sources (uses) | <u>(47,749)</u> | <u>-</u> | <u>10,000</u> | <u>70,422</u> | <u>-</u> |
| Net change in fund balance | (47,749) | 1,109 | (1,268) | - | 28 |
| Fund balances-beginning of year | <u>50,768</u> | <u>11,268</u> | <u>6,614</u> | <u>-</u> | <u>1,316</u> |
| Fund balances-end of the year | <u>\$ 3,019</u> | <u>12,377</u> | <u>5,346</u> | <u>-</u> | <u>1,344</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, 2019**

| | 634 Court Forfeiture Fund | 635 Juvenile Justice Grant | 641 Wind PILT Fund | 642 Investment Interest Fund | 650 Estancia Basin Water Study |
|---|--|---|---------------------------------------|---|---|
| REVENUES | | | | | |
| Intergovernmental sources - federal | \$ - | - | - | - | - |
| Intergovernmental sources - state | - | 79,250 | - | - | - |
| Local and state shared taxes | - | - | - | - | - |
| Property taxes | - | - | - | - | - |
| Payment in lieu of taxes | - | - | 995,500 | - | - |
| Charges for services | - | - | - | - | 9,750 |
| Interest | - | - | - | 143,658 | - |
| Other revenue | 3,524 | 301 | - | - | - |
| Total revenues | <u>3,524</u> | <u>79,551</u> | <u>995,500</u> | <u>143,658</u> | <u>9,750</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | - | 79,821 | 162,249 | 14,224 | 14,790 |
| Public safety | - | - | - | - | - |
| Highways and streets | - | - | - | - | - |
| Health and welfare | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - |
| Debt Service | | | | | |
| Principal payments | - | - | - | - | - |
| Interest payments | - | - | - | - | - |
| Capital Outlay | | | | | |
| Capital outlay | - | - | - | - | - |
| Total expenditures | <u>-</u> | <u>79,821</u> | <u>162,249</u> | <u>14,224</u> | <u>14,790</u> |
| Excess (deficiency) of revenues over expenditures | 3,524 | (270) | 833,251 | 129,434 | (5,040) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from loan issuance | - | - | - | - | - |
| Transfers in | - | - | 47,749 | - | - |
| Transfers out | - | - | (914,250) | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>(866,501)</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | 3,524 | (270) | (33,250) | 129,434 | (5,040) |
| Fund balances-beginning of year | 10,215 | 61,433 | 309,510 | 70,894 | 9,339 |
| Fund balances-end of the year | <u>\$ 13,739</u> | <u>61,163</u> | <u>276,260</u> | <u>200,328</u> | <u>4,299</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, 2019**

| | 675 | 681 | 685 | 690 | 691 |
|---|-------------------|-------------------|-----------------------|-----------------|--------------------|
| | Rural | Attorney | Planning & | Domestic | DV |
| | Addressing | General | Zoning | Violence | Victim |
| | _____ | Grant Fund | Court Fees | _____ | Restitution |
| | _____ | _____ | _____ | _____ | _____ |
| REVENUES | | | | | |
| Intergovernmental sources - federal | \$ - | - | - | 20,000 | - |
| Intergovernmental sources - state | - | 42,525 | - | - | 1,335 |
| Local and state shared taxes | 20,133 | - | - | - | - |
| Property taxes | - | - | - | - | - |
| Payment in lieu of taxes | - | - | - | - | - |
| Charges for services | 6,660 | - | 4,200 | - | 200 |
| Interest | - | - | - | - | - |
| Other revenue | 45 | - | - | 21 | 660 |
| Total revenues | <u>26,838</u> | <u>42,525</u> | <u>4,200</u> | <u>20,021</u> | <u>2,195</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | 72,716 | 17,163 | 11,847 | - | - |
| Public safety | - | - | - | - | - |
| Highways and streets | - | - | - | - | - |
| Health and welfare | - | - | - | 61,887 | 3,812 |
| Culture and recreation | - | - | - | - | - |
| Debt Service | | | | | |
| Principal payments | - | - | - | - | - |
| Interest payments | - | - | - | - | - |
| Capital Outlay | | | | | |
| Capital outlay | - | 25,325 | - | - | - |
| Total expenditures | <u>72,716</u> | <u>42,488</u> | <u>11,847</u> | <u>61,887</u> | <u>3,812</u> |
| Excess (deficiency) of revenues over expenditures | (45,878) | 37 | (7,647) | (41,866) | (1,617) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from loan issuance | - | - | - | - | - |
| Transfers in | 54,996 | - | 6,000 | 46,500 | - |
| Transfers out | - | - | - | - | - |
| Total other financing sources (uses) | <u>54,996</u> | <u>-</u> | <u>6,000</u> | <u>46,500</u> | <u>-</u> |
| Net change in fund balance | 9,118 | 37 | (1,647) | 4,634 | (1,617) |
| Fund balances-beginning of year | 45,545 | - | 13,701 | 23,804 | 30,399 |
| Fund balances-end of the year | <u>\$ 54,663</u> | <u>37</u> | <u>12,054</u> | <u>28,438</u> | <u>28,782</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, 2019**

| | 693 Title III Forest Reserve | 802 U.S. Marshall JLEO | 804 Drug Education Program | 805 Traffic Safety | 807 Teen Court Donation |
|---|---|---|---|-----------------------------------|--|
| REVENUES | | | | | |
| Intergovernmental sources - federal | \$ 11,939 | 14,076 | - | 4,010 | - |
| Intergovernmental sources - state | - | - | - | - | - |
| Local and state shared taxes | - | - | - | - | - |
| Property taxes | - | - | - | - | - |
| Payment in lieu of taxes | - | - | - | - | - |
| Charges for services | - | - | - | - | 532 |
| Interest | - | - | - | - | - |
| Other revenue | - | - | 105 | 2,082 | - |
| Total revenues | <u>11,939</u> | <u>14,076</u> | <u>105</u> | <u>6,092</u> | <u>532</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | - | - | - | - | - |
| Public safety | - | 16,388 | - | 2,684 | 168 |
| Highways and streets | - | - | - | - | - |
| Health and welfare | - | - | 3,485 | - | - |
| Culture and recreation | - | - | - | - | - |
| Debt Service | | | | | |
| Principal payments | - | - | - | - | - |
| Interest payments | - | - | - | - | - |
| Capital Outlay | | | | | |
| Capital outlay | - | - | - | - | - |
| Total expenditures | <u>-</u> | <u>16,388</u> | <u>3,485</u> | <u>2,684</u> | <u>168</u> |
| Excess (deficiency) of revenues over expenditures | 11,939 | (2,312) | (3,380) | 3,408 | 364 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from loan issuance | - | - | - | - | - |
| Transfers in | - | - | - | - | - |
| Transfers out | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | 11,939 | (2,312) | (3,380) | 3,408 | 364 |
| Fund balances-beginning of year | 148,463 | 18,899 | 16,608 | 5,505 | 961 |
| Fund balances-end of the year | <u>\$ 160,402</u> | <u>16,587</u> | <u>13,228</u> | <u>8,913</u> | <u>1,325</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, 2019**

| | 808 Forest Service Patrol | 825 ICE Inmate Care Association | 826 NMDHLS EMPG | 829 NMDOH Cities Readiness Initiative | 830 Disaster Public Assistance |
|---|--|--|--------------------------------|--|---|
| REVENUES | | | | | |
| Intergovernmental sources - federal | \$ 2,862 | - | 16,139 | 8,986 | - |
| Intergovernmental sources - state | - | - | - | - | - |
| Local and state shared taxes | - | - | - | - | - |
| Property taxes | - | - | - | - | - |
| Payment in lieu of taxes | - | - | - | - | - |
| Charges for services | - | - | - | - | - |
| Interest | - | - | - | - | - |
| Other revenue | - | - | - | - | - |
| Total revenues | <u>2,862</u> | <u>-</u> | <u>16,139</u> | <u>8,986</u> | <u>-</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | - | - | - | - | - |
| Public safety | 4,717 | - | - | - | - |
| Highways and streets | - | - | - | - | - |
| Health and welfare | - | - | 36,512 | - | - |
| Culture and recreation | - | - | - | - | - |
| Debt Service | | | | | |
| Principal payments | - | - | - | - | - |
| Interest payments | - | - | - | - | - |
| Capital Outlay | | | | | |
| Capital outlay | - | - | - | - | - |
| Total expenditures | <u>4,717</u> | <u>-</u> | <u>36,512</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | (1,855) | - | (20,373) | 8,986 | - |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from loan issuance | - | - | - | - | - |
| Transfers in | - | - | 20,651 | - | - |
| Transfers out | - | (3,466) | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>(3,466)</u> | <u>20,651</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | (1,855) | (3,466) | 278 | 8,986 | - |
| Fund balances-beginning of year | 5,179 | 3,466 | 24,954 | 9,872 | 74,345 |
| Fund balances-end of the year | <u>\$ 3,324</u> | <u>-</u> | <u>25,232</u> | <u>18,858</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, 2019**

| | 834 Dog Head Fire | 911 Emergency 911 | Total Special Revenue Funds |
|---|--------------------------------------|----------------------------------|--|
| REVENUES | | | |
| Intergovernmental sources - federal | \$ - | - | 78,012 |
| Intergovernmental sources - state | - | 4,337 | 993,989 |
| Local and state shared taxes | - | 334,211 | 850,116 |
| Property taxes | - | - | 101,000 |
| Payment in lieu of taxes | - | - | 995,500 |
| Charges for services | 29 | 137,084 | 430,739 |
| Interest | - | - | 151,588 |
| Other revenue | - | 2,038 | 30,225 |
| Total revenues | <u>29</u> | <u>477,670</u> | <u>3,631,169</u> |
| EXPENDITURES | | | |
| Current | | | |
| General government | - | - | 925,253 |
| Public safety | - | 738,400 | 1,591,249 |
| Highways and streets | - | - | - |
| Health and welfare | - | - | 617,717 |
| Culture and recreation | - | - | - |
| Debt Service | - | - | - |
| Principal payments | - | - | - |
| Interest payments | - | - | - |
| Capital Outlay | - | - | - |
| Capital outlay | - | - | 592,777 |
| Total expenditures | <u>-</u> | <u>738,400</u> | <u>3,726,996</u> |
| Excess (deficiency) of revenues over expenditures | 29 | (260,730) | (95,827) |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from loan issuance | - | - | 70,422 |
| Transfers in | - | 260,000 | 732,018 |
| Transfers out | - | (41,768) | (1,012,454) |
| Total other financing sources (uses) | <u>-</u> | <u>218,232</u> | <u>(210,014)</u> |
| Net change in fund balance | 29 | (42,498) | (305,841) |
| Fund balances-beginning of year | 104,401 | 355,778 | 3,598,083 |
| Fund balances-end of the year | <u>\$ 104,430</u> | <u>313,280</u> | <u>3,292,242</u> |

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**STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2019**

| | 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 | 240,986 | 531,409 | 22,875 | 795,270 |
| Accounts receivable | - | - | - | - |
| Grant accounts receivable | - | - | - | - |
| GRT receivable | 15,114 | 71,743 | - | 86,857 |
| Property tax receivable, net | - | - | - | - |
| Prepaid expenses | - | - | - | - |
| Total assets | <u>\$ 256,100</u> | <u>603,152</u> | <u>22,875</u> | <u>882,127</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Due to other funds- pooled cash | - | - | - | - |
| Due to other governmental units | - | - | - | - |
| Accounts payable | - | 134,878 | - | 134,878 |
| Accrued payroll liabilities | - | - | - | - |
| Accrued interest payable | - | - | - | - |
| Unavailable revenue | - | - | - | - |
| Total liabilities | <u>-</u> | <u>134,878</u> | <u>-</u> | <u>134,878</u> |
| Deferred inflows of resources | | | | |
| FUND BALANCES | | | | |
| Nonspendable- prepaid expenses | - | - | - | - |
| Restricted | - | - | - | - |
| Committed | - | - | - | - |
| Assigned | 256,100 | 468,274 | 22,875 | 747,249 |
| Unassigned | - | - | - | - |
| Total fund balances | <u>256,100</u> | <u>468,274</u> | <u>22,875</u> | <u>747,249</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 256,100</u> | <u>603,152</u> | <u>22,875</u> | <u>882,127</u> |

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**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, 2019**

| | 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 | 80,925 | 391,088 | - | 472,013 |
| Property taxes | - | - | - | - |
| Payment in lieu of taxes | - | - | - | - |
| Charges for services | - | - | - | - |
| Interest | - | - | - | - |
| Other revenue | - | - | 1 | 1 |
| Total revenues | <u>80,925</u> | <u>391,088</u> | <u>1</u> | <u>472,014</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 49,766 | - | - | 49,766 |
| Public safety | - | - | - | - |
| Highways and streets | - | 402,045 | - | 402,045 |
| Health and welfare | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Debt Service | | | | |
| Principal payments | - | 33,205 | - | 33,205 |
| Interest payments | - | 7,659 | - | 7,659 |
| Capital Outlay | | | | |
| Capital outlay | 26,377 | 487,919 | - | 514,296 |
| Total expenditures | <u>76,143</u> | <u>930,828</u> | <u>-</u> | <u>1,006,971</u> |
| Excess (deficiency) of revenues over expenditures | 4,782 | (539,740) | 1 | (534,957) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from loan issuance/ capital lease | - | 180,690 | - | 180,690 |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>180,690</u> | <u>-</u> | <u>180,690</u> |
| Net change in fund balance | 4,782 | (359,050) | 1 | (354,267) |
| Fund balances-beginning of year | 251,318 | 827,324 | 22,874 | 1,101,516 |
| Fund balances-end of the year | <u>\$ 256,100</u> | <u>468,274</u> | <u>22,875</u> | <u>747,249</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, 2019**

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
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2019**

| | Balance June 30, 2018 | Additions | Deductions | Balance June 30, 2019 |
|-----------------------------------|--------------------------------------|------------------|---------------------|--------------------------------------|
| Children's Trust Fund | | | | |
| Assets | | | | |
| Due from other governmental units | \$ 410 | 1,395 | (1,230) | 575 |
| Liabilities | | | | |
| Deposits held in trust for others | 410 | 1,395 | (1,230) | 575 |
| Undistributed Taxes | | | | |
| Assets | | | | |
| Property tax receivable | 1,074,143 | 4,811,896 | (4,990,859) | 895,180 |
| Due from other governmental units | 102,114 | 4,759,871 | (4,726,700) | 135,285 |
| | <u>1,176,257</u> | <u>9,571,767</u> | <u>(9,717,559)</u> | <u>1,030,465</u> |
| Liabilities | | | | |
| Due to other governmental units | 1,074,143 | 4,811,896 | (4,990,859) | 895,180 |
| Deposits held in trust for others | 102,114 | 4,759,871 | (4,726,700) | 135,285 |
| | <u>1,176,257</u> | <u>9,571,767</u> | <u>(9,717,559)</u> | <u>1,030,465</u> |
| Overpayment Taxes | | | | |
| Assets | | | | |
| Due from other governmental units | 32,570 | 29,313 | (35,686) | 26,197 |
| Liabilities | | | | |
| Deposits held in trust for others | 32,570 | 29,313 | (35,686) | 26,197 |
| Taxes Paid in Advance | | | | |
| Assets | | | | |
| Due from other governmental units | 346,470 | - | (225,892) | 120,578 |
| Liabilities | | | | |
| Deposits held in trust for others | 346,470 | - | (225,892) | 120,578 |
| Penalty and Interest | | | | |
| Assets | | | | |
| Due from other governmental units | 10,209 | 129,083 | (126,015) | 13,277 |
| Liabilities | | | | |
| Deposits held in trust for others | \$ 10,209 | 129,083 | (126,015) | 13,277 |
| Total - All Agency Funds | | | | |
| Assets | | | | |
| Property tax receivable | \$ 1,074,143 | 4,811,896 | (4,990,859) | 895,180 |
| Due from other governmental units | 491,773 | 4,919,662 | (5,115,523) | 295,912 |
| Total assets | <u>\$ 1,565,916</u> | <u>9,731,558</u> | <u>(10,106,382)</u> | <u>1,191,092</u> |
| Liabilities | | | | |
| Due to other governmental units | \$ 1,074,143 | 4,811,896 | (4,990,859) | 895,180 |
| Deposits held in trust for others | 491,773 | 4,919,662 | (5,115,523) | 295,912 |
| Total liabilities | <u>\$ 1,565,916</u> | <u>9,731,558</u> | <u>(10,106,382)</u> | <u>1,191,092</u> |

See independent auditor's report.

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF JOINT POWER AGREEMENT
AS OF JUNE 30, 2019**

| <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, 2019**

| <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 | 74,884 | 83,304 | | | | | | |
| Total Wells Fargo Secured by Collateral | | 74,884 | 83,304 | 83,304 | - | 50% | - | - | - |
| US Bank | | | | | | | | | |
| Operating account | Checking | 322,232 | 906,431 | | | | | | |
| Total US Bank Secured by Collateral | | 322,232 | 906,431 | 250,000 | 656,431 | 50% | 328,216 | 500,000 | 171,784 |
| NMFA | | | | | | | | | |
| NMFA #3 | Debt service reserve | 60,658 | 60,658 | | | | | | |
| NMFA #4 | Debt service reserve | 926 | 926 | | | | | | |
| NMFA #5 | Debt service reserve | 21,255 | 21,255 | | | | | | |
| NMFA #8 | Debt service reserve | 16,153 | 16,153 | | | | | | |
| NMFA #9 | Debt service reserve | 60,755 | 60,755 | | | | | | |
| NMFA #10 | Debt service reserve | 39,860 | 39,860 | | | | | | |
| NMFA #11 | Debt service reserve | - | - | | | | | | |
| NMFA #12 | Debt service reserve | 5,010 | 5,010 | | | | | | |
| NMFA #13 | Debt service reserve | 5,127 | 5,127 | | | | | | |
| NMFA #14 | Debt service reserve | 278 | 278 | | | | | | |
| NMFA #15 | Debt service reserve | 1,854 | 1,854 | | | | | | |
| NMFA #16 | Debt service reserve | 284,000 | 284,000 | | | | | | |
| NMFA #17 | Debt service reserve | 200 | 200 | | | | | | |
| Total NMFA | | 496,076 | 496,076 | 496,076 | - | 0% | - | - | - |
| Total cash and cash equivalents | | \$ 570,960 | 579,380 | 579,380 | - | | - | - | - |
| Cash and cash equivalents | | \$ 397,116 | 989,735 | | | | | | |
| Debt service reserves - held by Trustee | | 496,076 | 496,076 | | | | | | |
| Total cash and cash equivalents | | \$ 893,192 | 1,485,811 | | | | | | |
| Investments | | | | | | | | | |
| NM Local Investment Pool (LGIP) | Investment Pool | \$ 6,962,954 | 6,962,954 | 6,962,954 | - | 0% | - | - | - |
| Total cash and investments | | \$ 7,856,146 | 8,448,765 | | | | | | |

See independent auditor's report.

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF COLLATERAL
AS OF JUNE 30, 2019**

| | Wells Fargo Bank | US Bank |
|--|------------------|------------|
| Deposits | \$ 83,304 | 906,431 |
| Less FDIC coverage | (250,000) | (250,000) |
| Uninsured public funds | (166,696) | 656,431 |
| Pledged collateral held by the pledging bank's trust department or agent but not in the County's name | | |
| Uninsured and uncollateralized | - | 500,000 |
| Total pledged collateral | - | 500,000 |
| 50% pledged collateral requirement per statute | - | 328,216 |
| Pledged collateral over the requirement | \$ - | 171,784 |
| Pledged security at: | | |
| Federal Home Loan Bank of Cincinnati | | |
| Letter of Credit- 528189 | | |
| Total collateral | | \$ 500,000 |

See independent auditor's report.

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF FUND BALANCES
AS OF JUNE 30, 2019**

| | 401 | Special Revenue Fund | | 562, 636 | Nonmajor | Total |
|----------------------------|---------------------|----------------------|---------------|----------------|------------------|------------------|
| | | 402 | 420 | | | |
| | General | Road | Corrections | Service | Funds | Funds |
| | Fund | Fund | Fund | Fund | | |
| Fund Balances: | | | | | | |
| Nonspendable: | | | | | | |
| Prepaid expense | \$ 177,293 | - | - | - | - | 177,293 |
| Inventory | - | - | - | - | - | - |
| Subtotal nonspendable | <u>177,293</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>177,293</u> |
| Restricted for: | | | | | | |
| Capital projects | - | - | - | - | - | - |
| Debt service | - | - | - | 606,675 | - | 606,675 |
| Roads & highways | - | 101,179 | - | - | - | 101,179 |
| Forests & open spaces | - | - | - | - | 163,726 | 163,726 |
| Public safety | - | - | 25,180 | - | 414,212 | 439,392 |
| Special projects | - | - | - | - | 1,132,607 | 1,132,607 |
| Fire protection | - | - | - | - | 663,025 | 663,025 |
| EMS | - | - | - | - | 150,502 | 150,502 |
| Law enforcement | - | - | - | - | 11,548 | 11,548 |
| Disaster public assistance | - | - | - | - | 74,345 | 74,345 |
| Citizen health | - | - | - | - | 15,396 | 15,396 |
| Juvenile outreach | - | - | - | - | 61,163 | 61,163 |
| Indigent fund | - | - | - | - | 338,499 | 338,499 |
| Reserve requirement | 1,334,376 | - | - | - | - | 1,334,376 |
| Subtotal restricted | <u>1,334,376</u> | <u>101,179</u> | <u>25,180</u> | <u>606,675</u> | <u>3,025,023</u> | <u>5,092,433</u> |
| Assigned to: | | | | | | |
| Other purposes | - | - | - | - | 1,014,468 | 1,014,468 |
| Subtotal assigned | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,014,468</u> | <u>1,014,468</u> |
| Unassigned: | 548,621 | 618,007 | - | - | - | 1,166,628 |
| Total fund balances | <u>\$ 2,060,290</u> | <u>719,186</u> | <u>25,180</u> | <u>606,675</u> | <u>4,039,491</u> | <u>7,450,822</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, 2019**

Reconciliation of Property Taxes Receivable

| | |
|--|---------------------|
| Taxes receivable, beginning of year | \$ 2,074,646 |
| Changes to Tax roll: | |
| Net taxes charged to treasurer for fiscal year | 10,267,499 |
| Adjustments: | |
| Increases/(Decreases) in taxes receivables | (90,786) |
| Charge off of taxes receivables | (438,114) |
| Total receivables prior to collections | <u>11,813,245</u> |
| Collections for fiscal year ended June, 30, 2018 | <u>(9,174,449)</u> |
| Allowance for uncollectible | <u>(833,898)</u> |
| Taxes receivable, end of year net | <u>\$ 1,804,898</u> |
| Net Property Taxes Receivable by Years: | |
| 2018 | \$ 858,682 |
| 2017 | 353,605 |
| 2016 | 200,972 |
| 2015 | 129,514 |
| 2014 | 93,413 |
| 2013 | 70,700 |
| 2012 | 47,581 |
| 2011 | 27,329 |
| 2010 | 14,774 |
| 2009 | 8,328 |
| Taxes receivable, end of year net | <u>\$ 1,804,897</u> |

See independent auditor's report.

**STATE OF NEW MEXICO
TORRANCE COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2019**

| 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 |
|------------------------------------|------------------------------|--------------------------|---------------------|-------------------------------------|-------------------------|------------------------------|--|----------------------------|-------------------|
| COUNTY OPERATION | | | | | | | | | |
| 2018 \$ | 4,997,204 | (4,467,665) | - | (4,467,665) | - | - | 462,443 | (48,473) | 413,970 |
| 2017 | 4,763,804 | (297,160) | (4,205,697) | (297,160) | (4,205,697) | - | 211,673 | (45,955) | 165,718 |
| 2016 | 4,410,685 | (67,646) | (4,207,700) | (67,646) | (4,207,700) | - | 134,005 | (42,842) | 91,162 |
| 2015 | 4,301,658 | (27,184) | (4,173,905) | (27,184) | (4,173,905) | - | 99,497 | (41,410) | 58,086 |
| 2014 | 4,069,440 | (16,776) | (3,971,806) | (16,776) | (3,971,806) | - | 79,879 | (39,293) | 40,585 |
| 2013 | 3,925,477 | (11,364) | (3,844,349) | (11,364) | (3,844,349) | - | 68,858 | (37,947) | 30,910 |
| 2012 | 3,737,433 | (8,008) | (3,671,524) | (8,008) | (3,671,524) | - | 57,025 | (35,984) | 21,041 |
| 2011 | 3,498,226 | (5,822) | (3,446,525) | (5,822) | (3,446,525) | - | 45,056 | (33,852) | 11,204 |
| 2010 | 3,221,312 | (3,356) | (3,179,646) | (3,356) | (3,179,646) | - | 37,519 | (31,970) | 5,549 |
| 2009 | 3,406,881 | (2,425) | (3,367,648) | (2,425) | (3,367,648) | - | 35,971 | (32,951) | 3,020 |
| | 40,332,120 | (4,907,405) | (34,068,800) | (4,907,405) | (34,068,800) | - | 1,231,924 | (390,678) | 841,246 |
| Total County Operation | | | | | | | | | |
| COUNTY DEBT SERVICE | | | | | | | | | |
| 2018 | 389,900 | (348,557) | - | (348,557) | - | - | 36,128 | (3,782) | 32,346 |
| 2017 | 368,274 | (22,949) | (325,072) | (22,949) | (325,072) | - | 16,534 | (3,553) | 12,980 |
| 2016 | 377,555 | (5,844) | (360,057) | (5,844) | (360,057) | - | 11,540 | (3,667) | 7,873 |
| 2015 | 352,253 | (2,260) | (341,696) | (2,260) | (341,696) | - | 8,208 | (3,392) | 4,816 |
| 2014 | 357,626 | (1,506) | (348,972) | (1,506) | (348,972) | - | 7,061 | (3,454) | 3,607 |
| 2013 | 338,886 | (999) | (331,838) | (999) | (331,838) | - | 5,971 | (3,276) | 2,695 |
| 2012 | 344,115 | (747) | (338,023) | (747) | (338,023) | - | 5,264 | (3,314) | 1,951 |
| 2011 | 422,768 | (712) | (416,503) | (712) | (416,503) | - | 5,454 | (4,091) | 1,363 |
| 2010 | 345,875 | (353) | (341,424) | (353) | (341,424) | - | 4,013 | (3,434) | 578 |
| 2009 | 304,211 | (214) | (300,718) | (214) | (300,718) | - | 3,204 | (2,942) | 262 |
| | 3,601,463 | (384,142) | (3,104,303) | (384,142) | (3,104,303) | - | 103,377 | (34,906) | 68,471 |
| Total County Debt Service | | | | | | | | | |
| | 43,933,583 | (5,291,547) | (37,173,103) | (5,291,547) | (37,173,103) | - | 1,335,301 | (425,584) | 909,717 |
| Total Torrance County | | | | | | | | | |
| NM DEBT SERVICE/ LEVY | | | | | | | | | |
| 2018 \$ | 575,753 | (514,702) | - | (502,723) | - | (11,979) | 53,349 | (5,585) | 47,764 |
| 2017 | 560,241 | (34,912) | (494,519) | (42,533) | (485,356) | (10,705) | 25,152 | (5,405) | 19,746 |
| 2016 | 531,001 | (8,219) | (506,391) | (8,538) | (505,273) | (1,916) | 16,230 | (5,158) | 11,073 |
| 2015 | 517,228 | (3,319) | (501,727) | (4,151) | (500,765) | (1,092) | 12,052 | (4,981) | 7,072 |
| 2014 | 490,833 | (2,067) | (478,956) | (2,146) | (478,720) | (394) | 9,691 | (4,740) | 4,951 |
| 2013 | 481,678 | (1,420) | (471,661) | (1,357) | (471,550) | (285) | 8,487 | (4,657) | 3,830 |
| 2012 | 467,448 | (1,014) | (459,173) | (928) | (459,118) | (197) | 7,151 | (4,501) | 2,650 |
| 2011 | 446,202 | (751) | (439,589) | (738) | (439,557) | (77) | 5,757 | (4,318) | 1,438 |
| 2010 | 486,286 | (496) | (480,029) | (519) | (479,990) | (54) | 5,641 | (4,828) | 813 |
| 2009 | 349,609 | (246) | (345,595) | (243) | (345,586) | (20) | 3,682 | (3,381) | 301 |
| | 4,906,278 | (567,147) | (4,177,639) | (563,874) | (4,165,917) | (26,718) | 147,193 | (47,555) | 99,638 |
| Total NM Debt Service/ Levy | | | | | | | | | |
| VILLAGE OF WILLARD | | | | | | | | | |
| 2018 | 8,724 | (7,590) | - | (7,342) | - | (249) | 1,139 | (85) | 1,054 |
| 2017 | 7,981 | (492) | (6,848) | (635) | (6,650) | (252) | 640 | (77) | 563 |
| 2016 | 7,574 | (97) | (7,069) | (95) | (7,069) | (2) | 408 | (74) | 335 |
| 2015 | 7,220 | (13) | (7,064) | (19) | (7,059) | (5) | 143 | (70) | 73 |
| 2014 | 6,849 | (48) | (6,723) | (48) | (6,723) | - | 78 | (66) | 11 |
| 2013 | 6,734 | (18) | (6,675) | (18) | (6,675) | - | 42 | (65) | (22) |
| 2012 | 5,989 | (29) | (5,936) | (29) | (5,936) | - | 24 | (58) | (35) |
| 2011 | 5,795 | (11) | (5,765) | (11) | (5,765) | - | 20 | (56) | (37) |
| 2010 | 5,467 | (11) | (5,450) | (11) | (5,450) | - | 7 | (65) | (58) |
| 2009 | 6,139 | (12) | (6,120) | (12) | (6,120) | - | 7 | (60) | (53) |
| | 68,472 | (8,320) | (57,649) | (8,218) | (57,446) | (508) | 2,507 | (676) | 1,831 |
| Total Village of Willard | | | | | | | | | |
| TOWN OF ESTANCIA | | | | | | | | | |
| 2018 | 31,341 | (25,413) | - | (24,787) | - | (626) | 2,035 | (304) | 1,731 |
| 2017 | 18,009 | (4,921) | (10,459) | (5,327) | (10,012) | (488) | 889 | (175) | 715 |
| 2016 | 17,630 | (237) | (17,042) | (277) | (16,944) | (156) | 350 | (171) | 179 |
| 2015 | 17,456 | (113) | (17,206) | (179) | (17,135) | (76) | 136 | (171) | (34) |
| 2014 | 17,189 | (76) | (17,066) | (132) | (17,010) | (56) | 46 | (167) | (120) |
| 2013 | 16,897 | (17) | (16,844) | (17) | (16,844) | - | 36 | (164) | (129) |
| 2012 | 16,447 | (26) | (16,395) | (26) | (16,395) | - | 27 | (160) | (133) |
| 2011 | 15,788 | (21) | (15,739) | (21) | (15,739) | - | 27 | (153) | (126) |
| 2010 | 13,147 | - | (13,121) | - | (13,121) | - | 25 | (147) | (122) |
| 2009 | 19,522 | (12) | (19,497) | (12) | (19,497) | - | 13 | (165) | (152) |
| | 183,424 | (30,837) | (143,369) | (30,778) | (142,697) | (1,403) | 3,585 | (1,776) | 1,809 |
| Total Town of Estancia | | | | | | | | | |

See independent auditor's report.

**STATE OF NEW MEXICO
TORRANCE COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2019**

| 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 | | | | | | | | | |
| 2018 | 84,614 | (79,043) | - | (75,441) | - | (3,602) | 5,275 | (821) | 4,454 |
| 2017 | 81,891 | (3,382) | (76,451) | (4,381) | (75,258) | (1,387) | 2,073 | (795) | 1,279 |
| 2016 | 79,308 | (1,098) | (76,969) | (1,135) | (76,857) | (186) | 1,232 | (770) | 462 |
| 2015 | 78,796 | (517) | (77,827) | (613) | (77,731) | (97) | 444 | (765) | (322) |
| 2014 | 72,089 | (151) | (71,465) | (191) | (71,426) | (40) | 467 | (701) | (233) |
| 2013 | 68,932 | (59) | (68,683) | (57) | (68,683) | (1) | 185 | (671) | (486) |
| 2012 | 65,200 | (47) | (65,008) | (47) | (65,008) | (0) | 141 | (623) | (482) |
| 2011 | 59,925 | (40) | (59,743) | (40) | (59,743) | - | 137 | (589) | (452) |
| 2010 | 57,349 | (19) | (57,242) | (19) | (57,242) | - | 84 | (563) | (479) |
| 2009 | 65,602 | (9) | (65,502) | (9) | (65,502) | - | 90 | (642) | (551) |
| | 713,706 | (84,365) | (618,890) | (81,934) | (617,449) | (5,312) | 10,129 | (6,939) | 3,190 |
| Total City of Moriarty | | | | | | | | | |
| TOWN OF MOUNTAINAIR | | | | | | | | | |
| 2018 | 63,830 | (55,555) | - | (53,418) | - | (2,138) | 8,243 | (619) | 7,623 |
| 2017 | 59,683 | (4,234) | (52,076) | (5,421) | (50,625) | (1,715) | 3,337 | (585) | 2,752 |
| 2016 | 57,870 | (1,337) | (55,216) | (1,458) | (55,091) | (129) | 1,317 | (563) | 754 |
| 2015 | 56,571 | (440) | (55,944) | (444) | (55,940) | (5) | 187 | (557) | (370) |
| 2014 | 55,458 | (137) | (55,137) | (137) | (55,137) | - | 184 | (540) | (356) |
| 2013 | 53,069 | (12) | (52,946) | (11) | (52,946) | (1) | 111 | (517) | (406) |
| 2012 | 50,002 | (50) | (49,895) | (41) | (49,895) | (10) | 56 | (491) | (435) |
| 2011 | 46,366 | - | (46,311) | - | (46,311) | - | 55 | (452) | (396) |
| 2010 | 40,777 | - | (40,747) | - | (40,747) | - | 31 | (399) | (368) |
| 2009 | 49,215 | - | (49,187) | - | (49,187) | - | 28 | (483) | (455) |
| | 532,841 | (61,765) | (457,459) | (60,930) | (455,878) | (3,997) | 13,549 | (5,206) | 8,343 |
| Total Town of Mountainair | | | | | | | | | |
| VILLAGE OF ENCINO | | | | | | | | | |
| 2018 | 3,909 | (3,888) | - | (3,861) | - | (27) | 100 | (38) | 62 |
| 2017 | 3,521 | (130) | (3,355) | (136) | (3,349) | (6) | 36 | (33) | 3 |
| 2016 | 2,409 | (7) | (2,392) | (7) | (2,392) | - | 9 | (24) | (14) |
| 2015 | 2,110 | (1) | (2,101) | (1) | (2,101) | - | 8 | (20) | (12) |
| 2014 | 1,889 | - | (1,882) | - | (1,882) | - | 7 | (18) | (11) |
| 2013 | 1,795 | - | (1,788) | - | (1,788) | - | 7 | (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) |
| | 21,521 | (4,026) | (17,379) | (4,006) | (17,373) | (33) | 194 | (208) | (14) |
| Total Village of Encino | | | | | | | | | |
| ESTANCIA SCH LEVY | | | | | | | | | |
| 2018 | 52,063 | (45,424) | - | (44,525) | - | (900) | 3,883 | (505) | 3,378 |
| 2017 | 47,777 | (5,447) | (38,786) | (6,211) | (37,920) | (969) | 1,947 | (464) | 1,484 |
| 2016 | 45,903 | (605) | (44,048) | (647) | (43,893) | (268) | 1,224 | (445) | 778 |
| 2015 | 44,747 | (267) | (43,526) | (365) | (43,417) | (120) | 951 | (435) | 516 |
| 2014 | 43,291 | (198) | (42,375) | (226) | (42,344) | (34) | 718 | (420) | 297 |
| 2013 | 42,318 | (158) | (41,516) | (164) | (41,505) | (15) | 643 | (411) | 232 |
| 2012 | 40,755 | (97) | (40,149) | (102) | (40,140) | (12) | 509 | (393) | 115 |
| 2011 | 38,231 | (63) | (37,750) | (63) | (37,746) | (7) | 418 | (371) | 47 |
| 2010 | 33,819 | (33) | (33,448) | (34) | (33,447) | (1) | 337 | (353) | (16) |
| 2009 | 37,025 | (36) | (36,658) | (37) | (36,657) | (1) | 331 | (359) | (29) |
| | 425,930 | (52,328) | (358,255) | (52,374) | (357,069) | (2,325) | 10,961 | (4,156) | 6,805 |
| Total Estancia Sch Levy | | | | | | | | | |
| ESTANCIA SCH DEBT SERV | | | | | | | | | |
| 2018 | 699,420 | (609,794) | - | (598,237) | - | (11,557) | 50,479 | (6,784) | 43,694 |
| 2017 | 645,189 | (76,081) | (520,674) | (85,921) | (509,503) | (12,502) | 25,489 | (6,259) | 19,230 |
| 2016 | 623,752 | (7,838) | (599,313) | (8,428) | (597,271) | (3,493) | 16,230 | (6,053) | 10,177 |
| 2015 | 571,160 | (3,247) | (555,964) | (4,424) | (554,656) | (1,437) | 11,921 | (5,551) | 6,369 |
| 2014 | 579,840 | (2,512) | (567,902) | (2,868) | (567,510) | (426) | 9,414 | (5,628) | 3,786 |
| 2013 | 542,272 | (1,909) | (532,278) | (1,993) | (532,143) | (186) | 8,072 | (5,267) | 2,806 |
| 2012 | 266,059 | (606) | (262,176) | (637) | (262,125) | (72) | 3,271 | (2,567) | 704 |
| 2011 | 140,477 | (225) | (138,725) | (225) | (138,713) | (25) | 1,524 | (1,362) | 162 |
| 2010 | 85,814 | (76) | (84,914) | (80) | (84,910) | (4) | 822 | (902) | (79) |
| 2009 | 178,811 | (168) | (177,068) | (172) | (177,064) | (5) | 1,572 | (1,734) | (162) |
| | 4,332,795 | (702,455) | (3,439,014) | (702,986) | (3,423,894) | (29,707) | 128,794 | (42,107) | 86,687 |
| 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, 2019**

| 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 | | | | | | | | | |
| 2018 | 242,981 | (211,844) | - | (207,829) | - | (4,015) | 17,536 | (2,357) | 15,179 |
| 2017 | 231,416 | (27,289) | (186,755) | (30,818) | (182,748) | (4,484) | 9,142 | (2,245) | 6,897 |
| 2016 | 224,735 | (2,824) | (215,930) | (3,037) | (215,194) | (1,258) | 5,848 | (2,181) | 3,667 |
| 2015 | 212,972 | (1,223) | (207,277) | (1,667) | (206,784) | (542) | 4,461 | (2,070) | 2,391 |
| 2014 | 205,859 | (898) | (201,605) | (1,025) | (201,465) | (152) | 3,351 | (1,998) | 1,353 |
| 2013 | 201,274 | (717) | (197,543) | (748) | (197,493) | (70) | 3,009 | (1,955) | 1,054 |
| 2012 | 193,862 | (445) | (191,024) | (467) | (190,986) | (53) | 2,389 | (1,870) | 518 |
| 2011 | 182,221 | (290) | (179,952) | (290) | (179,936) | (33) | 1,975 | (1,767) | 208 |
| 2010 | 180,092 | (160) | (178,201) | (168) | (178,193) | (8) | 1,726 | (1,893) | (166) |
| 2009 | 147,964 | (145) | (146,495) | (148) | (146,491) | (4) | 1,321 | (1,436) | (115) |
| | 2,023,374 | (245,834) | (1,704,783) | (246,199) | (1,699,290) | (10,620) | 50,758 | (19,771) | 30,987 |
| Total Estancia Sch Capt Imprv | | | | | | | | | |
| ESTANCIA SCH TECH DEBT | | | | | | | | | |
| 2018 | - | - | - | - | - | - | - | - | - |
| 2017 | - | - | - | - | - | - | - | - | - |
| 2016 | - | - | - | - | - | - | - | - | - |
| 2015 | - | - | - | - | - | - | - | - | - |
| 2014 | - | - | - | - | - | - | - | - | - |
| 2013 | - | - | - | - | - | - | - | - | - |
| 2012 | - | - | - | - | - | - | - | - | - |
| 2011 | 41,774 | (67) | (41,253) | (67) | (41,249) | (7) | 453 | (405) | 48 |
| 2010 | 376,122 | (334) | (372,174) | (351) | (372,156) | (17) | 3,606 | (3,953) | (348) |
| 2009 | 249,360 | (234) | (246,930) | (240) | (246,924) | (7) | 2,193 | (2,419) | (226) |
| | 667,255 | (634) | (660,356) | (658) | (660,329) | (31) | 6,251 | (6,777) | (526) |
| Total Estancia Sch Tech Debt | | | | | | | | | |
| MORIARTY SCH LEVY | | | | | | | | | |
| 2018 | 79,578 | (71,319) | - | (68,871) | - | (2,448) | 8,584 | (772) | 7,812 |
| 2017 | 83,675 | (3,849) | (75,241) | (5,115) | (73,647) | (1,922) | 4,578 | (812) | 3,766 |
| 2016 | 78,062 | (1,444) | (73,208) | (1,487) | (73,042) | (287) | 3,394 | (758) | 2,636 |
| 2015 | 78,062 | (682) | (74,720) | (836) | (74,538) | (211) | 2,619 | (759) | 1,861 |
| 2014 | 73,549 | (401) | (70,899) | (398) | (70,858) | (85) | 2,211 | (714) | 1,497 |
| 2013 | 69,865 | (254) | (67,687) | (230) | (67,666) | (67) | 1,888 | (680) | 1,208 |
| 2012 | 66,958 | (178) | (65,148) | (154) | (65,140) | (40) | 1,598 | (645) | 953 |
| 2011 | 64,207 | (139) | (62,729) | (136) | (62,723) | (15) | 1,306 | (623) | 683 |
| 2010 | 61,781 | (86) | (60,545) | (90) | (60,538) | (11) | 1,117 | (598) | 519 |
| 2009 | 61,124 | (50) | (60,031) | (48) | (60,029) | (6) | 1,010 | (592) | 418 |
| | 716,861 | (78,402) | (610,208) | (77,364) | (608,182) | (5,090) | 28,305 | (6,952) | 21,353 |
| Total Moriarty Sch Levy | | | | | | | | | |
| MORIARTY SCH DEBT SERV | | | | | | | | | |
| 2018 | 1,492,584 | (1,331,821) | - | (1,286,059) | - | (45,762) | 166,147 | (14,478) | 151,669 |
| 2017 | 1,576,391 | (76,408) | (1,410,325) | (101,184) | (1,378,777) | (38,319) | 89,508 | (15,295) | 74,213 |
| 2016 | 1,511,769 | (29,427) | (1,415,394) | (30,154) | (1,412,067) | (5,927) | 66,587 | (14,678) | 51,909 |
| 2015 | 1,574,744 | (14,232) | (1,506,315) | (17,534) | (1,502,400) | (4,528) | 53,414 | (15,307) | 38,107 |
| 2014 | 1,549,688 | (9,001) | (1,493,454) | (8,935) | (1,492,515) | (1,944) | 46,455 | (15,050) | 31,405 |
| 2013 | 1,453,898 | (5,609) | (1,408,637) | (5,058) | (1,408,143) | (1,540) | 38,948 | (14,145) | 24,804 |
| 2012 | 1,311,341 | (3,711) | (1,276,008) | (3,178) | (1,275,834) | (881) | 30,982 | (12,660) | 18,322 |
| 2011 | 1,369,118 | (3,302) | (1,337,845) | (3,212) | (1,337,714) | (352) | 27,310 | (13,292) | 14,018 |
| 2010 | 1,343,586 | (2,030) | (1,317,103) | (2,125) | (1,316,917) | (277) | 23,780 | (13,016) | 10,764 |
| 2009 | 1,306,107 | (1,146) | (1,283,162) | (1,099) | (1,283,116) | (139) | 21,140 | (12,666) | 8,474 |
| | 14,489,227 | (1,476,686) | (12,448,244) | (1,458,538) | (12,407,484) | (99,670) | 564,270 | (140,586) | 423,684 |
| Total Moriarty Sch Debt Serv | | | | | | | | | |
| MORIARTY CLASS SCH CAPT IMPRV | | | | | | | | | |
| 2018 | 301,713 | (269,244) | - | (259,993) | - | (9,251) | 33,560 | (2,927) | 30,634 |
| 2017 | 318,876 | (15,383) | (285,419) | (20,377) | (279,066) | (7,712) | 18,045 | (3,094) | 14,951 |
| 2016 | 303,954 | (5,895) | (284,612) | (6,043) | (283,945) | (1,186) | 13,375 | (2,951) | 10,424 |
| 2015 | 307,189 | (2,776) | (293,840) | (3,420) | (293,076) | (883) | 10,419 | (2,986) | 7,434 |
| 2014 | 337,566 | (1,961) | (325,316) | (1,946) | (325,112) | (423) | 10,119 | (3,278) | 6,841 |
| 2013 | 328,564 | (1,268) | (318,335) | (1,143) | (318,224) | (348) | 8,802 | (3,197) | 5,605 |
| 2012 | 320,250 | (906) | (311,621) | (776) | (311,579) | (215) | 7,566 | (3,092) | 4,474 |
| 2011 | 307,670 | (739) | (300,641) | (719) | (300,611) | (79) | 6,141 | (2,987) | 3,154 |
| 2010 | 295,455 | (445) | (289,629) | (466) | (289,588) | (61) | 5,232 | (2,862) | 2,370 |
| 2009 | 291,412 | (256) | (286,292) | (245) | (286,282) | (31) | 4,717 | (2,826) | 1,891 |
| | 3,112,648 | (298,873) | (2,695,706) | (295,129) | (2,687,483) | (20,189) | 117,977 | (30,199) | 87,778 |
| Total Moriarty & EVC Sch Capt Imprv | | | | | | | | | |

See independent auditor's report.

**STATE OF NEW MEXICO
TORRANCE COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2019**

| 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 | | | | | | | | | |
| 2018 | 60,880 | (54,328) | - | (52,461) | - | (1,867) | 6,772 | (591) | 6,181 |
| 2017 | 59,209 | (2,856) | (52,997) | (3,784) | (51,817) | (1,432) | 3,351 | (574) | 2,776 |
| 2016 | 50,966 | (988) | (47,723) | (1,013) | (47,611) | (199) | 2,243 | (495) | 1,748 |
| 2015 | 48,767 | (441) | (46,648) | (543) | (46,526) | (140) | 1,654 | (474) | 1,180 |
| 2014 | - | - | - | - | - | - | - | - | - |
| 2013 | - | - | - | - | - | - | - | - | - |
| 2012 | - | - | - | - | - | - | - | - | - |
| 2011 | - | - | - | - | - | - | - | - | - |
| 2010 | - | - | - | - | - | - | - | - | - |
| 2009 | - | - | - | - | - | - | - | - | - |
| | 219,822 | (58,614) | (147,367) | (57,801) | (145,955) | (3,638) | 14,019 | (2,134) | 11,885 |
| Total EST. VALLEY CLASS. SCH CAPT IMPRV | | | | | | | | | |
| MOUNTAINAIR SCH LEVY | | | | | | | | | |
| 2018 | 30,289 | (25,945) | - | (25,490) | - | (455) | 4,589 | (294) | 4,295 |
| 2017 | 28,653 | (1,059) | (26,317) | (1,330) | (26,015) | (333) | 1,267 | (267) | 1,000 |
| 2016 | 27,423 | (482) | (26,513) | (501) | (26,487) | (32) | 428 | (267) | 161 |
| 2015 | 26,525 | (81) | (26,213) | (88) | (26,206) | (7) | 230 | (250) | (19) |
| 2014 | 25,387 | (36) | (25,195) | (37) | (25,195) | (0) | 156 | (238) | (82) |
| 2013 | 25,144 | (17) | (24,998) | (17) | (24,998) | (0) | 129 | (235) | (106) |
| 2012 | 25,236 | (26) | (25,089) | (22) | (25,089) | (4) | 121 | (240) | (119) |
| 2011 | 23,924 | (11) | (23,850) | (11) | (23,850) | - | 62 | (229) | (167) |
| 2010 | 21,890 | (6) | (21,828) | (6) | (21,828) | - | 57 | (215) | (158) |
| 2009 | 22,200 | (3) | (22,152) | (3) | (22,152) | - | 45 | (213) | (167) |
| | 256,671 | (27,667) | (222,154) | (27,507) | (221,819) | (831) | 7,085 | (2,447) | 4,638 |
| Total Mountainair Sch Levy | | | | | | | | | |
| MOUNTAINAIR SCH DEBT SERV | | | | | | | | | |
| 2018 | 267,571 | (230,080) | - | (225,916) | - | (4,164) | 39,503 | (2,595) | 36,907 |
| 2017 | 268,778 | (10,194) | (246,693) | (12,857) | (243,730) | (3,265) | 11,806 | (2,517) | 9,290 |
| 2016 | 256,402 | (4,411) | (247,941) | (4,593) | (247,694) | (311) | 4,046 | (2,498) | 1,548 |
| 2015 | 277,238 | (892) | (273,951) | (962) | (273,882) | (70) | 2,390 | (2,618) | (228) |
| 2014 | 279,714 | (425) | (277,619) | (429) | (277,616) | (4) | 1,669 | (2,629) | (960) |
| 2013 | 290,281 | (223) | (288,612) | (222) | (288,612) | (1) | 1,446 | (2,723) | (1,277) |
| 2012 | 259,532 | (313) | (258,058) | (266) | (258,058) | (47) | 1,160 | (2,475) | (1,314) |
| 2011 | 290,052 | (170) | (289,169) | (170) | (289,169) | - | 713 | (2,778) | (2,065) |
| 2010 | 273,046 | (82) | (272,270) | (82) | (272,270) | - | 694 | (2,684) | (1,990) |
| 2009 | 271,705 | (43) | (271,111) | (43) | (271,111) | - | 552 | (2,603) | (2,051) |
| | 2,734,319 | (246,834) | (2,425,424) | (245,540) | (2,422,141) | (7,861) | 63,980 | (26,120) | 37,860 |
| Total Mountainair Sch Debt Serv | | | | | | | | | |
| MOUNTAINAIR SCH CAPT IMPRV | | | | | | | | | |
| 2018 | 129,417 | (111,284) | - | (109,270) | - | (2,014) | 19,107 | (1,255) | 17,851 |
| 2017 | 124,492 | (4,722) | (114,262) | (5,955) | (112,890) | (1,512) | 5,469 | (1,166) | 4,303 |
| 2016 | 121,951 | (2,098) | (117,927) | (2,185) | (117,810) | (148) | 1,924 | (1,188) | 736 |
| 2015 | 116,949 | (376) | (115,562) | (406) | (115,533) | (29) | 1,008 | (1,104) | (96) |
| 2014 | 111,985 | (170) | (111,146) | (172) | (111,145) | (1) | 668 | (1,053) | (384) |
| 2013 | 110,923 | (85) | (110,284) | (85) | (110,284) | (0) | 553 | (1,040) | (487) |
| 2012 | 110,479 | (130) | (109,849) | (111) | (109,849) | (20) | 499 | (1,053) | (554) |
| 2011 | 104,362 | (59) | (104,044) | (59) | (104,044) | - | 259 | (999) | (740) |
| 2010 | 98,413 | (30) | (98,133) | (30) | (98,133) | - | 250 | (967) | (717) |
| 2009 | 90,018 | (14) | (89,821) | (14) | (89,821) | - | 183 | (862) | (680) |
| | 1,118,987 | (118,968) | (971,029) | (118,285) | (969,508) | (3,725) | 29,921 | (10,688) | 19,232 |
| Total Mountainair Sch Capt Imprv | | | | | | | | | |
| MOUNTAINAIR SCH TECH DEBT | | | | | | | | | |
| 2018 | - | - | - | - | - | - | - | - | - |
| 2017 | - | - | - | - | - | - | - | - | - |
| 2016 | - | - | - | - | - | - | - | - | - |
| 2015 | - | - | - | - | - | - | - | - | - |
| 2014 | - | - | - | - | - | - | - | - | - |
| 2013 | - | - | - | - | - | - | - | - | - |
| 2012 | - | - | - | - | - | - | - | - | - |
| 2011 | - | - | - | - | - | - | - | - | - |
| 2010 | - | - | - | - | - | - | - | - | - |
| 2009 | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - |
| Total Mountainair Sch Tech Debt | | | | | | | | | |

See independent auditor's report.

**STATE OF NEW MEXICO
TORRANCE COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2019**

| 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 | | | | | | | | | |
| 2018 | 22,711 | (22,555) | - | (22,493) | - | (63) | 173 | (220) | (47) |
| 2017 | 16,410 | (96) | (16,237) | (108) | (16,223) | (14) | 74 | (159) | (85) |
| 2016 | 14,128 | (29) | (14,062) | (27) | (14,062) | (1) | 34 | (137) | (103) |
| 2015 | 12,972 | (5) | (12,948) | (4) | (12,948) | (1) | 19 | (117) | (98) |
| 2014 | 11,802 | - | (11,788) | - | (11,788) | - | 14 | (114) | (100) |
| 2013 | 11,428 | - | (11,422) | - | (11,422) | - | 6 | (111) | (105) |
| 2012 | 10,821 | - | (10,818) | - | (10,818) | - | 2 | (104) | (101) |
| 2011 | 10,401 | - | (10,399) | - | (10,399) | - | 2 | (100) | (98) |
| 2010 | 10,218 | - | (10,215) | - | (10,215) | - | 2 | (97) | (94) |
| 2009 | 10,494 | - | (10,492) | - | (10,492) | - | 2 | (100) | (98) |
| | 131,385 | (22,685) | (108,381) | (22,632) | (108,368) | (79) | 329 | (1,259) | (930) |
| | Total Vaughn Sch Levy | | | | | | | | |
| VAUGHN SCH DEBT SERV | | | | | | | | | |
| 2018 | 128,900 | (128,019) | - | (127,662) | - | (357) | 981 | (1,250) | (269) |
| 2017 | 90,150 | (525) | (89,199) | (592) | (89,126) | (79) | 405 | (873) | (468) |
| 2016 | 70,469 | (142) | (70,137) | (137) | (70,137) | (6) | 170 | (684) | (514) |
| 2015 | 83,676 | (32) | (83,525) | (28) | (83,525) | (4) | 119 | (755) | (636) |
| 2014 | 78,165 | - | (78,071) | - | (78,071) | - | 94 | (755) | (661) |
| 2013 | 83,462 | - | (83,418) | - | (83,418) | - | 44 | (812) | (768) |
| 2012 | 92,981 | - | (92,960) | - | (92,960) | - | 21 | (892) | (871) |
| 2011 | 107,255 | - | (107,230) | - | (107,230) | - | 25 | (1,032) | (1,006) |
| 2010 | 99,281 | - | (99,257) | - | (99,257) | - | 24 | (942) | (918) |
| 2009 | 102,446 | - | (102,422) | - | (102,422) | - | 24 | (978) | (954) |
| | 936,786 | (128,718) | (806,220) | (128,419) | (806,147) | (445) | 1,908 | (8,972) | (7,064) |
| | Total Vaughn Sch Debt Serv | | | | | | | | |
| VAUGHN SCH CAPT IMPRV | | | | | | | | | |
| 2018 | 90,839 | (90,217) | - | (89,966) | - | (251) | 691 | (881) | (190) |
| 2017 | 65,635 | (383) | (64,943) | (431) | (64,889) | (58) | 295 | (635) | (341) |
| 2016 | 56,944 | (115) | (56,676) | (110) | (56,676) | (5) | 138 | (553) | (415) |
| 2015 | 52,396 | (20) | (52,301) | (18) | (52,301) | (2) | 75 | (473) | (398) |
| 2014 | 47,194 | - | (47,137) | - | (47,137) | - | 57 | (456) | (398) |
| 2013 | 45,674 | - | (45,650) | - | (45,650) | - | 24 | (444) | (420) |
| 2012 | 43,335 | - | (43,325) | - | (43,325) | - | 10 | (416) | (406) |
| 2011 | 41,684 | - | (41,675) | - | (41,675) | - | 10 | (401) | (391) |
| 2010 | 40,898 | - | (40,889) | - | (40,889) | - | 10 | (388) | (378) |
| 2009 | 42,038 | - | (42,028) | - | (42,028) | - | 10 | (401) | (391) |
| | 526,637 | (90,735) | (434,623) | (90,525) | (434,570) | (316) | 1,319 | (5,048) | (3,729) |
| | Total Vaughn Capt Imprv | | | | | | | | |
| VAUGHN SCH TECH DEBT | | | | | | | | | |
| 2018 | 66,131 | (65,679) | - | (65,496) | - | (183) | 503 | (641) | (138) |
| 2017 | 50,638 | (295) | (50,103) | (333) | (50,062) | (45) | 227 | (490) | (263) |
| 2016 | 52,986 | (107) | (52,737) | (103) | (52,737) | (4) | 128 | (514) | (386) |
| 2015 | 28,398 | (11) | (28,347) | (10) | (28,347) | (1) | 41 | (256) | (216) |
| 2014 | 24,795 | - | (24,765) | - | (24,765) | - | 30 | (239) | (210) |
| 2013 | 14,962 | - | (14,954) | - | (14,954) | - | 8 | (146) | (138) |
| 2012 | - | - | - | - | - | - | - | - | - |
| 2011 | - | - | - | - | - | - | - | - | - |
| 2010 | - | - | - | - | - | - | - | - | - |
| 2009 | - | - | - | - | - | - | - | - | - |
| | 237,910 | (66,092) | (170,906) | (65,941) | (170,865) | (233) | 937 | (2,287) | (1,350) |
| | Total Vaughn Sch Tech Debt | | | | | | | | |
| CORONA SCH LEVY | | | | | | | | | |
| 2018 | 4,861 | (4,692) | - | (4,649) | - | (43) | 150 | (47) | 103 |
| 2017 | 4,735 | (91) | (4,566) | (180) | (4,477) | (89) | 77 | (46) | 31 |
| 2016 | 4,418 | (15) | (4,367) | (15) | (4,367) | (0) | 36 | (43) | (7) |
| 2015 | 4,100 | (6) | (4,091) | (6) | (4,091) | (0) | 3 | (40) | (37) |
| 2014 | 3,800 | (1) | (3,796) | (1) | (3,796) | - | 3 | (37) | (34) |
| 2013 | 3,665 | (1) | (3,662) | (1) | (3,662) | - | 2 | (36) | (33) |
| 2012 | 3,455 | (0) | (3,452) | (0) | (3,452) | - | 2 | (34) | (31) |
| 2011 | 3,231 | (0) | (3,229) | (0) | (3,229) | - | 2 | (31) | (29) |
| 2010 | 3,045 | - | (3,043) | - | (3,043) | - | 2 | (29) | (27) |
| 2009 | 2,885 | - | (2,883) | - | (2,883) | - | 2 | (28) | (26) |
| | 38,195 | (4,807) | (33,091) | (4,853) | (33,001) | (133) | 279 | (371) | (92) |
| | Total Corona Sch Levy | | | | | | | | |

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**STATE OF NEW MEXICO
TORRANCE COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2019**

| 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 | | | | | | | | | |
| 2018 | 21,007 | (20,256) | - | (20,062) | - | (194) | 664 | (204) | 460 |
| 2017 | 20,341 | (399) | (19,597) | (795) | (19,200) | (396) | 345 | (197) | 149 |
| 2016 | 16,981 | (60) | (16,779) | (61) | (16,779) | (1) | 142 | (165) | (24) |
| 2015 | 17,620 | (28) | (17,581) | (28) | (17,580) | (1) | 12 | (171) | (159) |
| 2014 | 18,579 | (4) | (18,561) | (4) | (18,561) | - | 14 | (180) | (166) |
| 2013 | 19,699 | (4) | (19,683) | (4) | (19,683) | - | 12 | (191) | (179) |
| 2012 | 17,884 | (0) | (17,873) | (0) | (17,873) | - | 12 | (174) | (162) |
| 2011 | 19,557 | (0) | (19,544) | (0) | (19,544) | - | 13 | (190) | (177) |
| 2010 | 15,852 | - | (15,841) | - | (15,841) | - | 11 | (153) | (142) |
| 2009 | 16,822 | - | (16,810) | - | (16,810) | - | 12 | (164) | (153) |
| | 184,343 | (20,752) | (162,268) | (20,955) | (161,871) | (591) | 1,237 | (1,789) | (552) |
| Total Corona Sch Debt Serv | | | | | | | | | |
| CORONA SCH CAPT IMPRV | | | | | | | | | |
| 2018 | 19,633 | (18,931) | - | (18,749) | - | (181) | 620 | (190) | 430 |
| 2017 | 19,162 | (376) | (18,461) | (749) | (18,088) | (373) | 325 | (185) | 140 |
| 2016 | 18,264 | (65) | (18,046) | (66) | (18,046) | (1) | 153 | (178) | (25) |
| 2015 | 16,975 | (27) | (16,937) | (27) | (16,937) | (1) | 12 | (165) | (153) |
| 2014 | 15,328 | (3) | (15,314) | (3) | (15,314) | - | 12 | (148) | (137) |
| 2013 | 14,800 | (3) | (14,788) | (3) | (14,788) | - | 9 | (143) | (134) |
| 2012 | 13,969 | (0) | (13,960) | (0) | (13,960) | - | 9 | (136) | (127) |
| 2011 | 13,077 | (0) | (13,068) | (0) | (13,068) | - | 9 | (127) | (118) |
| 2010 | 12,314 | - | (12,306) | - | (12,306) | - | 8 | (119) | (111) |
| 2009 | 11,621 | - | (11,613) | - | (11,613) | - | 8 | (113) | (105) |
| | 155,144 | (19,405) | (134,493) | (19,598) | (134,118) | (556) | 1,165 | (1,506) | (340) |
| Total Corona Sch Capt Imprv | | | | | | | | | |
| CORONA SCH TECH DEBT | | | | | | | | | |
| 2018 | - | - | - | - | - | - | - | - | - |
| 2017 | - | - | - | - | - | - | - | - | - |
| 2016 | - | - | - | - | - | - | - | - | - |
| 2015 | - | - | - | - | - | - | - | - | - |
| 2014 | - | - | - | - | - | - | - | - | - |
| 2013 | - | - | - | - | - | - | - | - | - |
| 2012 | - | - | - | - | - | - | - | - | - |
| 2011 | - | - | - | - | - | - | - | - | - |
| 2010 | - | - | - | - | - | - | - | - | - |
| 2009 | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - |
| Total Corona Sch Tech Debt | | | | | | | | | |
| CATTLE LEVY | | | | | | | | | |
| 2018 | 49,272 | (45,842) | - | (44,727) | - | (1,115) | 3,430 | (478) | 2,952 |
| 2017 | 62,275 | (2,652) | (58,146) | (2,753) | (58,004) | (183) | 1,380 | (604) | 776 |
| 2016 | 54,077 | (27) | (53,250) | (58) | (53,219) | (31) | 721 | (527) | 195 |
| 2015 | 49,739 | (33) | (48,829) | (39) | (48,823) | (6) | 502 | (488) | 14 |
| 2014 | 38,530 | (43) | (37,620) | (50) | (37,613) | (7) | 447 | (374) | 73 |
| 2013 | 41,620 | (13) | (40,837) | (13) | (40,837) | - | 350 | (404) | (55) |
| 2012 | 37,034 | (7) | (36,270) | (7) | (36,270) | - | 337 | (361) | (24) |
| 2011 | 33,448 | - | (32,941) | - | (32,941) | - | 87 | (332) | (245) |
| 2010 | 30,493 | - | (30,006) | - | (30,006) | - | 66 | (296) | (230) |
| 2009 | 34,825 | - | (34,350) | - | (34,350) | - | 55 | (710) | (654) |
| | 431,311 | (48,617) | (372,249) | (47,646) | (372,063) | (1,342) | 7,375 | (4,573) | 2,802 |
| Total Cattle Levy | | | | | | | | | |
| SHEEP/GOAT LEVY | | | | | | | | | |
| 2018 | 423 | (407) | - | (369) | - | (39) | 15 | (4) | 11 |
| 2017 | 447 | (51) | (364) | (54) | (355) | (16) | 32 | (4) | 27 |
| 2016 | 402 | (3) | (388) | (3) | (385) | (6) | 11 | (4) | 7 |
| 2015 | 305 | (1) | (300) | (1) | (299) | (2) | 4 | (3) | 1 |
| 2014 | 331 | (0) | (327) | (1) | (326) | (1) | 3 | (3) | (0) |
| 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 |
| | 3,759 | (463) | (3,215) | (427) | (3,201) | (63) | 81 | (36) | 45 |
| Total Sheep/Goat Levy | | | | | | | | | |

See independent auditor's report.

**STATE OF NEW MEXICO
TORRANCE COUNTY
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FOR THE YEAR ENDED JUNE 30, 2019**

| 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 | | | | | | | | | |
| 2018 | 1,370 | (1,183) | - | (1,167) | - | (16) | 187 | (13) | 173 |
| 2017 | 1,407 | (77) | (1,185) | (115) | (1,147) | (38) | 144 | (14) | 130 |
| 2016 | 1,434 | (9) | (1,294) | (19) | (1,284) | (10) | 129 | (14) | 115 |
| 2015 | 1,288 | (16) | (1,160) | (15) | (1,159) | (3) | 111 | (13) | 98 |
| 2014 | 1,158 | (17) | (1,115) | (17) | (1,115) | - | 26 | (11) | 14 |
| 2013 | 1,232 | (8) | (1,189) | (8) | (1,189) | - | 35 | (12) | 23 |
| 2012 | 1,181 | (3) | (1,159) | (3) | (1,159) | - | 19 | (12) | 7 |
| 2011 | 1,292 | - | (1,283) | - | (1,283) | - | 9 | (13) | (4) |
| 2010 | 1,139 | - | (1,128) | - | (1,128) | - | 11 | (11) | (0) |
| 2009 | 1,201 | - | (1,197) | - | (1,197) | - | 4 | (12) | (8) |
| | 12,702 | (1,313) | (10,709) | (1,344) | (10,660) | (68) | 674 | (124) | 550 |
| | Total Equine Levy | | | | | | | | |
| DAIRY LEVY | | | | | | | | | |
| 2018 | 7,285 | (7,279) | - | (7,278) | - | (1) | 5 | (71) | (65) |
| 2017 | 9,008 | (1) | (9,004) | (6) | (8,999) | (5) | 3 | (87) | (84) |
| 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) |
| | 61,924 | (7,280) | (54,633) | (7,285) | (54,628) | (6) | 10 | (601) | (590) |
| | Total Dairy Levy | | | | | | | | |
| SWINE/BISON/RATITES LEVY | | | | | | | | | |
| 2018 | 98 | (95) | - | (91) | - | (4) | 3 | (1) | 2 |
| 2017 | 518 | (1) | (481) | (8) | (474) | (7) | 3 | (5) | (2) |
| 2016 | 508 | (12) | (483) | - | (483) | (12) | - | (5) | (5) |
| 2015 | 530 | (8) | (521) | - | (521) | (8) | 0 | (5) | (5) |
| 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) |
| | 3,922 | (115) | (3,746) | (99) | (3,739) | (30) | 14 | (38) | (24) |
| | Total Swine/Bison/Ratites Levy | | | | | | | | |
| NON-RENDITION | | | | | | | | | |
| 2018 | - | - | - | - | - | - | - | - | - |
| 2017 | 18 | (18) | - | (18) | - | - | - | - | - |
| 2016 | 245 | - | (245) | - | (245) | - | - | - | - |
| 2015 | 1,917 | - | (1,917) | - | (1,917) | - | - | - | - |
| 2014 | 141 | - | (141) | - | (141) | - | - | - | - |
| 2013 | 2 | - | (2) | - | (2) | - | - | - | - |
| 2012 | 5 | - | (5) | - | (5) | - | - | - | - |
| 2011 | 5 | - | (5) | - | (5) | - | - | - | - |
| 2010 | 5 | - | (5) | - | (5) | - | - | - | - |
| 2009 | 5 | - | (5) | - | (5) | - | - | - | - |
| | 2,344 | (18) | (2,326) | (18) | (2,326) | - | - | - | - |
| | Total Non-Rendition | | | | | | | | |
| ADMINISTRATIVE | | | | | | | | | |
| 2018 | 4,297 | (3,897) | - | (3,764) | - | (133) | 405 | (42) | 363 |
| 2017 | 4,339 | (288) | (3,830) | (405) | (3,707) | (129) | 242 | (42) | 200 |
| 2016 | 4,502 | (113) | (4,223) | (118) | (4,212) | (16) | 187 | (43) | 144 |
| 2015 | 4,764 | (81) | (4,525) | (89) | (4,515) | (12) | 161 | (46) | 115 |
| 2014 | 4,935 | (60) | (4,750) | (54) | (4,750) | (6) | 128 | (48) | 80 |
| 2013 | 5,867 | (13) | (5,760) | (12) | (5,760) | (2) | 97 | (57) | 40 |
| 2012 | 5,004 | (3) | (4,910) | (1) | (4,910) | (2) | 94 | (49) | 45 |
| 2011 | 5,262 | (3) | (5,165) | (3) | (5,165) | - | 97 | (51) | 46 |
| 2010 | 5,159 | - | (5,082) | - | (5,082) | - | 76 | (50) | 26 |
| 2009 | 4,702 | - | (4,632) | - | (4,632) | - | 70 | (46) | 24 |
| | 48,830 | (4,458) | (42,877) | (4,445) | (42,734) | (300) | 1,557 | (475) | 1,082 |
| | Total Administrative | | | | | | | | |

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FOR THE YEAR ENDED JUNE 30, 2019**

| 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 | | | | | | | | | |
| 2018 | 101,193 | (88,922) | - | (86,201) | - | (2,721) | 13,016 | (982) | 12,034 |
| 2017 | 113,764 | (5,640) | (100,832) | (7,379) | (98,449) | (3,026) | 7,278 | (1,103) | 6,175 |
| 2016 | 102,586 | (2,194) | (94,991) | (2,138) | (94,790) | (457) | 5,394 | (996) | 4,399 |
| 2015 | 99,426 | (885) | (94,431) | (1,099) | (94,151) | (346) | 4,112 | (967) | 3,145 |
| 2014 | 97,010 | (673) | (92,870) | (603) | (92,841) | (130) | 3,468 | (940) | 2,528 |
| 2013 | 94,446 | (426) | (90,911) | (350) | (90,885) | (128) | 3,111 | (918) | 2,193 |
| 2012 | 92,020 | (308) | (89,078) | (255) | (89,061) | (88) | 2,636 | (900) | 1,737 |
| 2011 | 91,711 | (214) | (89,362) | (217) | (89,347) | (27) | 2,137 | (887) | 1,249 |
| 2010 | 88,597 | (147) | (86,611) | (150) | (86,595) | (28) | 1,842 | (856) | 986 |
| 2009 | 66,500 | (31) | (64,846) | (35) | (64,841) | (6) | 1,626 | (643) | 983 |
| | 947,253 | (99,441) | (803,932) | (98,426) | (800,961) | (6,958) | 44,619 | (9,191) | 35,429 |
| Total Edgewood SWCD | | | | | | | | | |
| CLAUNCH PINTO SWCD | | | | | | | | | |
| 2018 | 75,681 | (67,413) | - | (66,618) | - | (795) | 8,615 | (734) | 7,881 |
| 2017 | 70,659 | (1,625) | (66,724) | (2,222) | (66,106) | (639) | 2,312 | (663) | 1,649 |
| 2016 | 68,078 | (851) | (66,507) | (853) | (66,476) | (59) | 722 | (660) | 62 |
| 2015 | 64,636 | (122) | (64,118) | (136) | (64,105) | (13) | 396 | (610) | (214) |
| 2014 | 60,716 | (37) | (60,440) | (37) | (60,440) | - | 239 | (571) | (332) |
| 2013 | 59,783 | (16) | (59,553) | (16) | (59,553) | - | 214 | (561) | (347) |
| 2012 | 59,542 | (11) | (59,240) | (11) | (59,240) | - | 290 | (566) | (276) |
| 2011 | 56,442 | (8) | (56,260) | (8) | (56,260) | - | 174 | (539) | (366) |
| 2010 | 53,097 | (8) | (52,930) | (8) | (52,930) | - | 159 | (520) | (360) |
| 2009 | 46,136 | (7) | (46,017) | (7) | (46,017) | - | 112 | (44) | 68 |
| | 614,770 | (70,100) | (531,789) | (69,917) | (531,128) | (1,506) | 13,232 | (5,467) | 7,765 |
| Total Claunch Pinto SWCD | | | | | | | | | |
| EAST TORRANCE SWCD | | | | | | | | | |
| 2018 | 161,761 | (145,296) | - | (143,233) | - | (2,063) | 9,948 | (1,569) | 8,379 |
| 2017 | 144,864 | (14,103) | (121,370) | (15,984) | (119,221) | (2,419) | 5,310 | (1,405) | 3,905 |
| 2016 | 138,025 | (1,663) | (132,972) | (1,871) | (132,511) | (714) | 3,339 | (1,341) | 1,997 |
| 2015 | 131,409 | (621) | (128,200) | (966) | (127,845) | (365) | 2,588 | (1,276) | 1,312 |
| 2014 | 126,933 | (459) | (124,588) | (558) | (124,483) | (110) | 1,886 | (1,231) | 656 |
| 2013 | 124,105 | (355) | (122,057) | (383) | (122,022) | (41) | 1,693 | (1,205) | 489 |
| 2012 | 119,436 | (178) | (117,887) | (193) | (117,866) | (26) | 1,372 | (1,142) | 230 |
| 2011 | 115,039 | (94) | (113,690) | (99) | (113,683) | (10) | 1,256 | (1,107) | 149 |
| 2010 | 112,381 | (62) | (111,218) | (66) | (111,214) | (4) | 1,101 | (1,148) | (47) |
| 2009 | 93,769 | (47) | (92,936) | (50) | (92,934) | (2) | 785 | (852) | (66) |
| | 1,267,723 | (162,878) | (1,064,918) | (163,402) | (1,061,778) | (5,754) | 29,278 | (12,275) | 17,004 |
| Total East Torrance SWCD | | | | | | | | | |
| CARRIZOZO SWCD | | | | | | | | | |
| 2018 | 267 | (267) | - | (267) | - | - | - | (3) | (3) |
| 2017 | 153 | - | (153) | - | (153) | - | - | (1) | (1) |
| 2016 | 11 | - | (11) | - | (11) | - | - | (0) | (0) |
| 2015 | 11 | - | (11) | - | (11) | - | - | (0) | (0) |
| 2014 | 8 | - | (8) | - | (8) | - | - | (0) | (0) |
| 2013 | 8 | - | (8) | - | (8) | - | - | (0) | (0) |
| 2012 | 8 | - | (8) | - | (8) | - | - | (0) | (0) |
| 2011 | 8 | - | (8) | - | (8) | - | - | (0) | (0) |
| 2010 | 8 | - | (8) | - | (8) | - | - | (0) | (0) |
| 2009 | 8 | - | (8) | - | (8) | - | - | (0) | (0) |
| | 489 | (267) | (221) | (267) | (221) | - | - | (5) | (5) |
| Total Carrizozo SWCD | | | | | | | | | |
| TOTALS BY YEAR | | | | | | | | | |
| 2018 | 10,267,499 | (9,174,449) | - | (9,065,236) | - | (109,213) | 958,276 | (99,595) | 858,682 |
| 2017 | 9,922,383 | (618,090) | (8,757,141) | (684,229) | (8,676,811) | (94,520) | 449,390 | (95,785) | 353,605 |
| 2016 | 9,340,674 | (145,901) | (8,900,282) | (148,666) | (8,890,489) | (16,820) | 291,694 | (90,721) | 200,972 |
| 2015 | 9,169,917 | (59,960) | (8,889,341) | (67,562) | (8,880,536) | (10,008) | 217,897 | (88,383) | 129,514 |
| 2014 | 8,816,959 | (37,662) | (8,598,091) | (38,301) | (8,595,865) | (3,813) | 178,598 | (85,185) | 93,413 |
| 2013 | 8,488,572 | (24,969) | (8,308,370) | (24,274) | (8,307,376) | (2,684) | 152,802 | (82,102) | 70,700 |
| 2012 | 7,788,770 | (16,843) | (7,647,002) | (16,008) | (7,646,586) | (1,666) | 122,596 | (75,015) | 47,581 |
| 2011 | 7,559,047 | (12,741) | (7,443,511) | (12,622) | (7,443,255) | (631) | 100,498 | (73,169) | 27,329 |
| 2010 | 7,416,082 | (7,731) | (7,317,797) | (7,913) | (7,317,474) | (465) | 88,264 | (73,491) | 14,774 |
| 2009 | 7,293,238 | (5,099) | (7,207,095) | (5,057) | (7,207,006) | (220) | 78,780 | (70,452) | 8,328 |
| | \$ 86,063,142 | (10,103,444) | (73,068,629) | (10,069,868) | (72,965,398) | (240,039) | 2,638,796 | (833,898) | 1,804,897 |
| GRAND TOTALS | | | | | | | | | |

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. Brian Colón, 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, 2019, 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 26, 2019.

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 consider the deficiency described in the accompanying schedule of findings and responses costs to be material weakness: 2019-005.

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 accompanying schedule of findings and responses costs to be significant deficiencies: 2019-001, 2019-003, 2019-004, 2019-006, and 2019-007.

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 items 2019-009, 2019-002, and 2019-008.

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.
Albuquerque, NM
November 26, 2019

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019**

SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report independent auditor issued on financial statements **Unmodified**

Internal control over financial reporting:

- | | | |
|---|---|-----------------------------|
| a. Material weakness(es) identified? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| b. Significant deficiency(ies) identified that not considered to be a material weakness(es)? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| c. Noncompliance material to the financial statements noted? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |

Summary Schedule of Current and Prior Audit Findings

| <u>Reference #</u> | <u>Finding</u> | <u>Status of Prior Year Findings</u> | <u>Type of Finding</u> |
|-------------------------------------|--|--|----------------------------|
| <u>Prior Year Findings</u> | | | |
| 2016-003 | INFORMATION TECHNOLOGY | RESOLVED | B |
| 2016-005 | PERSONNEL POLICIES | RESOLVED | B |
| 2019-009 [2018-001] | CONTROLS OVER STATE ISSUED GAS CARDS | Repeated | G |
| 2018-002 | GRANT MANAGEMENT | RESOLVED | B |
| <u>Current Year Findings</u> | | | |
| 2019-001 | FINANCIAL CLOSE AND MATERIAL ADJUSTMENTS | CURRENT | B |
| 2019-002 | IMPROPER USE OF VEHICLE AND TIMESHEET INCONSISTENCIES | CURRENT | C |
| 2019-003 | PAYROLL- TERMINATION OF BENEFITS | CURRENT | B |
| 2019-004 | PAY-RHC WITHHOLDING | CURRENT | B |
| 2019-005 | CONTROLS OVER DISBURSEMENTS | CURRENT | A |
| 2019-006 | OUTSTANDING CHECK LISTING | CURRENT | B |
| 2019-007 | CAPITAL ASSETS CERTIFICATION OF CAPITAL ASSETS ANNUAL | CURRENT | B |
| 2019-008 | INVENTORY | CURRENT | G |

* Legend for Type of Findings

- A.** Material Weakness in Internal Control Over Financial Reporting
- B.** Significant Deficiency in Internal Control Over Financial Reporting
- C.** Finding that Does Not Rise to the Level of a Significant Deficiency
(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, 2019**

PRIOR YEAR AUDIT FINDINGS

2019-009 [2018-001] – CONTROLS OVER GAS CARDS

Type of Finding: Compliance with State Audit Rule (Other Matter)

Statement of Condition

During our FY19 review of 15 Wright Express fuel card (WEX) transactions with total expenditures of \$3,028, transactions were examined for compliance with applicable statutes and County policy. As a result of this review, we noted that 5% of the fuel receipts were missing, totaling \$140.

The process for review of fuel card transactions appeared to have been modified and improvement was noted during testing.

Management's progress:

In FY18, 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. Furthermore, the County's internal policy requires a purchase order be completed for all equipment fuel purchases.

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.

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 continue to 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 of Responsible Officials and Corrective Action Plan

Torrance County has switched Vendors for Fuel card services from Wright Express WEX to US Bank. In the switch each fuel card has been assigned to a specific vehicle and labeled with the vehicle's VIN numbers. Torrance County is also working on a new/updated policy that would cover fuel and procurement cards within the county to deal with issues where a receipt is not accompanied with accounts payable authorization. The County will also implement fuel card training for all employees and include fuel card use training in bi-annual Defensive Driving Course training.

Corrective Action Plan Timeline:

New cards in place already, new policy in place by March 2020

Designated Employee Responsible for Corrective Action:

Finance Director

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019**

CURRENT YEAR AUDIT FINDINGS

2019-001 – FINANCIAL CLOSE AND MATERIAL ADJUSTMENTS

Type of Finding: B

Statement of Condition

While conducting the audit, 8 adjustments were identified by the auditor that were required to be made in order to present the financial statements materially correct. Based on the adjustments made, it was determined that the County should improve the effectiveness of its financial close, monitoring, and reporting process. The financial close should include, but not be limited to:

- Establishing and implementing procedures to initiate, authorize, record, process, and correct the general ledger, and report transactions and
- Monitoring if assigned personnel are completing their task timely and accurately.

The following outlines the categories and balances of significant adjustments that were proposed:

| FINANCIAL STATEMENT CATEGORY | NET ADJUSTMENT PROPOSED (ABSOLUTE VALUE) |
|---------------------------------------|--|
| Capital lease proceeds/capital outlay | \$180,690 |
| NMFA cash transfer | \$52,454 |
| Adjust prepaid expense | \$5,895 |
| Adjust bank reconciliation | \$23,593 |
| Capital assets found in search | \$198,154 |

Criteria

Some of the key underlying concepts of AU-C 265 Communicating Internal Control Related Matters Identified in an audit:

- The auditor cannot be part of a client’s internal control. Becoming part of a client’s internal control impairs the auditor’s independence.
- What the auditor does is independent of the client’s internal control over financial reporting. Therefore, the auditor cannot be a compensating control for the client.
- A system of internal control over the financial reporting does not stop at the general ledger; rather it includes controls over the review of the financial statements.

Financial Close and the recording of these adjustments are considered significant processes of internal control and should be performed by the County’s staff or addressed as nonaudit procedures to be performed by the auditor, but all threats to independence must be properly mitigated according to independence requirements.

Cause

The County did not design and implement effective procedures and workpapers to ensure that a timely and accurate financial close occurred at year end.

Effect

Because these adjustments were made/identified by the auditor, and not by the County, it shows an internal control weakness in maintaining the general ledger. The effects are the following:

- Risk of misstatements in the financial statements is significantly high
- Untimely financial reporting
- Increased risk of loss of funding sources

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019**

Recommendation

We recommend management evaluate all aspects of the financial close and reporting process and establish effective internal controls, procedures, and workpapers to ensure timely and accurate financial statements.

Asking for nonaudit services and technical advice from the auditor or from someone else when these procedures and adjustments are needed is not considered a control deficiency as long as the staff of the County initiates/oversees them and can mitigate the risk of a threat of lack of independence by the auditor. This would entail a person with the proper skills, knowledge and experience initiate the financial close or oversee the auditor's nonattest services in accordance with independence requirements set forth by professional standards.

In addition, we recommend that the County review all trial balances prior to providing them to the auditor, during the audit process and when adjustments are proposed, and at the end of the audit to ensure correctness. Additionally, we recommend that the County ensure that all proposed adjustments by the auditor are reviewed by key officials and that they are approved, prior to the audit completion.

View of Responsible Officials and Corrective Action Plan

The County will investigate and implement secondary software for the purpose of presenting financials. This will assist in fiscal year close.

Corrective Action Plan Timeline:

Purchase and implementation by March 31, 2020.

Designated Employee Responsible for Corrective Action:

Finance Director

2019-002—IMPROPER USE OF VEHICLE AND TIMESHEET INCONSISTENCIES.

Type of Finding: C

Statement of Condition

During our audit, Torrance County brought to our attention possible improper use of a county vehicle by an employee. Torrance County placed a GPS tracking device on a County Vehicle that was to be used for County purposes by a specific employee. The GPS tracker activity showed the vehicle was in Albuquerque during a time that the employee's timesheet shows that they were in Torrance County.

Another employee submitted an invoice for CPR training materials purchased from her personal business. In addition, the employee was on the clock during the time that the CPR class was taught.

Criteria

Torrance County Personnel Policy Manual section 9.3 states that all employees are responsible to "accurately record all work time".

Torrance County Personnel Policy Manual section 13.5 requires that "County vehicles shall only be used only for County business and commuting to and from work, if required for a work-related purpose. County vehicles shall not be used for personal business, except where incidental to commuting as determined by the employee's department head."

Effect

Possible misuse of County vehicles and potential misreporting of employee time is an abuse of public resources.

Cause

The employees appear to have misrepresented their hours and/or location.

Recommendation

We also recommend a careful review of the timekeeping procedures and that the procedures are being followed and enforced. Reimbursements to County personnel should be submitted using County approved forms, not vendor invoices.

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019**

View of Responsible Officials and Corrective Action Plan

Management generally agrees with this finding. Torrance County self-reported this issue. The specific incident involves a personnel matter and an on-going investigation. Once the investigation is complete, we will develop stronger policies and procedures surrounding use of County vehicles.

The CPR training matter involves a County employee with specific expertise related to CPR training. We believe that leveraging an employee's certification as a CPR trainer is an appropriate use of County resources and public funds. The purchase of training materials at an established cost from the employee's company creates the appearance of impropriety as well as increases the risk for fraud. Department heads will be notified that in the future, any required training materials will be obtained through normal procurement and will not be purchased from the employee or the employee's company.

Corrective Action Plan Timeline:

Immediate. Department heads will be notified through an Administrative Instruction by December 1st, 2019.

Designated Employee Responsible for Corrective Action:

Chief Procurement Officer and County Manager

2019-003—PAYROLL-TERMINATION OF BENEFITS

Type of Finding: B

Statement of Condition

Per the letter dated January 2019 from Universal Investigations Service, LLC., The county has paid \$18,831.01 in former employee benefits spanning back to 2016.

Our current year testing of payroll identified out of 14 former employees, 6 employees had their health insurance discontinued at the appropriate time, and 8 employees were never enrolled due to not meeting the 60 days of employment requirement.

Criteria

Torrance County's current policy states that benefits will be terminated in the month the employee discontinues services, i.e. last day of work is February 2nd, the benefits will be terminated February 28th.

Effect

The County spent additional public resources for employees who had terminated services.

Cause

Due to change of insurance broker from the state plan and oversight by the previous Human Resources Director led to paperwork not being filed in a timely manner.

Recommendation

The Human Resource Director should perform a monthly audit of employee insurance benefits to ensure that benefits are terminated timely, and the Deputy County Manager should review the process monthly. We also recommend completing the employee termination checklist with review by the Deputy County Manager.

View of Responsible Officials and Corrective Action Plan

Management agrees with this finding. We self-reported this issue and initiated an investigation that revealed the extent of the problem. Torrance County feels that it has addressed this issue and corrected it within fiscal year 2019. Benefits are being terminated in a timely manner by the Human Resources director since taking over duties from the former Deputy County Manager. There are reviews from finance, accounts payable/receivable to ensure former employees are properly removed from billing and we have created a termination checklist that is in place and being used by HR Director.

Corrective Action Plan Timeline:

Completed

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019**

Designated Employee Responsible for Corrective Action:
Human Resources Director

2019-004—PAYROLL-RHC WITHHOLDING

Type of Finding: B

Statement of Condition

During our payroll test work 1 out of 25 employees had the RHC and PERA withheld improperly.

Upon review of the pay period, it was discovered that all payroll in the month of February to had RHC and PERA withheld improperly by not including the compensated absences portion in the calculation.

Additional PERA was withheld from employee paychecks in a subsequent pay period, but the inappropriate withholding of RHC was not discovered until the audit.

Criteria

Torrance County is required to withhold 10.65% for PERA and 1% for RHC for enrolled employees as part of their participation in these retirement programs. This calculation includes compensated absences and wages.

Effect

The County did not withhold the appropriate amount from employees and therefore paid more than the County's share of PERA and RHC.

Cause

The County implemented a new system for calculating withholdings. The new system did not include compensated absences in the calculation during the month of February.

Recommendation

The Human Resource Director should perform a monthly audit of PERA and RHC withholdings to ensure that they are accurate, and the Deputy County Manager should review the process monthly.

View of Responsible Officials and Corrective Action Plan

Management agrees with this finding. The County identified improper withholding for PERA and corrected withholding for both PERA and RHC. This affected a single pay period. When the County collected under-withheld PERA contributions, we failed to collect RHC contributions from employees. The HR Director is working with our software vendor to correct a software deduction code and will collect under withheld employee contributions once the software issue is resolved.

Corrective Action Plan Timeline:

December 31, 2019

Designated Employee Responsible for Corrective Action:

Human Resources Director

2019-005—CONTROLS OVER DISBURSEMENTS

Type of Finding: A

Statement of Condition

During testing of transactions, the following control deficiencies were noted:

- For 1 of the 24 significant disbursement transactions tested, totaling \$1,830,974, the payment exceeded the amount of the invoice. The overpayment was for \$1,873.
- For 1 of the 15 travel reimbursement transactions tested, request was for reimbursement of actual expenses, but no receipts were provided.

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FOR THE YEAR ENDED JUNE 30, 2019**

- One vendor had solicited quotes on behalf of the County, which appeared to give the vendor an unfair advantage in the quote process.
- Invoices from one vendor provided for transactions with the Sheriff's Department have a different appearance from invoices provided to other departments from the same vendor.
- One invoice appeared to have been photocopied and the dates were modified and submitted for additional payment. Invoice number was not changed.

Criteria

State of New Mexico Manual of Model Accounting Practices Unit 1.02, Department policies and procedures and good accounting practices require that transactions be properly documented and authorized. Strong internal controls require that disbursement approval controls are in place to deter and detect fraud.

Effect

The Department is at a higher risk of financial reporting errors occurring or possible fraudulent transactions.

Cause

There appears to be a lack of tracking of expenditures associated with contracts and purchase orders. Lapses in the implementation of internal control process and/or a weakness in internal control procedures appear to have created an opportunity for improper disbursements to occur.

Recommendation

The County should develop and implement a Purchase Order tracking system. The accounting software developer could be contacted to see if a duplicate invoice check can be developed to avoid paying duplicated invoices. Invoices should not be paid if sufficient supporting documentation is not provided. Vendors should not be allowed to received quotes on behalf of the County.

View of Responsible Officials and Corrective Action Plan

Management agrees with this finding.

Poor tracking of contracts resulted in this overpayment. The County has contacted the vendor who has agreed to return the full amount of the overpayment. To improve tracking of contracts, Purchasing will require Purchase Orders for all liabilities.

Management will improve internal controls for travel reimbursement by including Finance Director review of reimbursement requests and materials prior to the issuance of reimbursement checks. Travel reimbursements will be withheld in cases where required documentation is not provided by the employee.

Our internal controls identified suspicious quotes from vendors and a subsequent review of procedures found that the Sheriff's Office had been of obtaining quotes for service from multiple vendors through one of the responding vendors. Management has directed the Sheriff's Office to only obtain quotes for service directly from the responding vendors. In addition, the County is requiring purchasing training for members of the Sheriff's Department who are involved in procurement.

Corrective Action Plan Timeline

Complete

Designated of Employee Position Responsible for Meeting Deadline

Finance Director and County Manager

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019**

2019-006—OUTSTANDING CHECK LISTING

Type of Finding: B

Statement of Condition

During our review of cash balances, it was discovered that one ACH listed in the outstanding items registry at year end had been voided and reissued. The transaction was reflected in the outstanding items twice. In order to correct the issue, an adjusting journal entry was needed to correct cash balances in the amount of \$23,593.11.

Criteria

NMSA Section 6-5-2C (Internal Accounting Controls) provides that agencies shall implement internal accounting controls designed to prevent accounting errors and violations of state and federal law and rules related to financial matters.

All bank accounts should be reconciled on a monthly basis and all balances included in the general ledger. It is important that all accounts are reconciled and that differences between the bank statements, treasurer reports, and the general ledger are investigated.

Effect

Without the audit entry, cash would have been understated and expenses would have been overstated by \$23,593.11.

Cause

The County is currently utilizing an accounting software that does not have a means of tracking ACH transactions. As a result, the County is issuing checks to represent these transactions.

The cause of the void near year end is the accounting software only tracks 2 decimal points, but the vendor tracks 4 decimal points. The vendor will reject the transactions if rounding does not tie to their calculations. In large amounts, such as the one voided in 2019, this difference creates the need to issue the check a second time in a different amount to match the vendor's required payment.

Recommendation

The County should request that the accounting software provide them with training on how best to handle ACH transactions and how to place payments on hold until amounts can be verified with the vendor prior to payment. Outstanding items on the bank reconciliation should also be reviewed for validity by both the preparer and the reviewer.

View of Responsible Officials and Corrective Action Plan

Management partially disagrees with this finding.

The Auditor identified two different checks to the same vendor as duplicate checks. Both checks were the direct result of the PERA rounding issue. We are working with our software vendor to correct the rounding error in PERA calculations resulting in the issuance of incorrect payroll matching checks.

Corrective Action Plan Timeline:

Completed by December 31, 2019.

Designated Employee Responsible for Corrective Action:

Finance Director

2019-007 – CAPITAL ASSETS

Type of Finding: B

Statement of Condition

During our capital asset test work, the following issues were discovered:

- Capital outlay accounts are not consistently being used

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019**

- Reclasses of non-capital expenditures from capital outlay accounts were required
- Missing final two construction in progress payments for communication tower project in rollforward totaling \$198,154
- Purchased two vehicles; however, only recorded one in capital asset software totaling \$35,741
- Tracking of Construction in Progress required more detail

Criteria

Capital assets should be tracked and maintained effectively and efficiently to ensure proper use of public funds. Capital outlay expenses should be tracked in capital project funds.

Effect

Capital assets are a significant asset for the County and the ineffective management of these projects could result in the loss of County resources.

Cause

The County does not have an effective system for tracking Capital Projects.

Recommendation

In general, the Finance Department should consider purchasing a capital asset/depreciation software as well as updating its policies and procedures surrounding tracking and managing of capital assets. There appears to be potential time-saving and accuracy benefits in updating software and process that would help the City greatly in saved time and money.

Capital Outlay accounts should be used to effectively manage projects. Construction in Progress should be tracked on a project by project basis. In other words, the projects should be identified by clear titles such as "Road A." Capital Outlay should be assessed throughout the year for potential items that should be capitalized. This could include a quarterly review.

We recommend updating the current policies and creating effective procedures for capturing and recording all capital outlay.

Several ways to improve tracking of capital assets include:

- Utilizing only capital outlay accounts for capital outlay purchases, i.e. truck purchases would be recorded in capital outlay- vehicles and tires would be recorded in maintenance-tires
- Record lease payments in lease expense accounts unless capital in nature
- Perform monthly reviews of capital outlay accounts, sort expenditures into capital and non-capital, make sure all capital items are recorded in capital asset software
- Compare capital outlay accounts in Triadic to capital asset additions in capital asset software near the close of each fiscal year
- Record all assets in software under easily identifiable names as in Canal Street for infrastructure
- Keep detailed records in construction in progress, including start date, names of roads included in project, estimated completion date, estimated total costs, and accumulated costs to date

View of Responsible Officials and Corrective Action Plan

Management agrees with this finding.

The County has implemented policies and procedures for the tracking of all capital assets. In addition, the County has purchased capital asset management software to aid in asset tracking and is in the process of implementation.

Corrective Action Plan Timeline:

In process, June 30, 2020 completion.

Designated Employee Responsible for Corrective Action:

Operations Manager and Chief Procurement Officer

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019**

2019-008—CERTIFICATION OF CAPITAL ASSETS ANNUAL INVENTORY

Type of Finding: G

Statement of Condition

The County did not conduct an annual physical inventory of its capital assets consisting of those with a historical cost of five thousand dollars or more as of June 30, 2019, as required by State Statute, in a timely manner.

Criteria

12-6-10(A) NMSA Annual Inventory requires that all state agencies, municipalities, counties and every political subdivision of the state must conduct an annual physical audit of its fixed (capital) assets with a historical cost of \$5,000 or more. Also, the results of the physical inventory shall be recorded in a written inventory report, certified as to the correctness and signed by the top governing official of the agency.

Cause

The County did not have sufficient staff to adequately perform this function.

Effect

The inventory and monitoring of capital assets must be maintained otherwise capital assets may go missing due to misplacement or theft.

Recommendation

We recommend the following:

- The County take a physical inventory of capital assets and remove items that do not appear to be with the County anymore.
- The County identify items that are still with the County but are considered obsolete or impaired.
- Certify the that the inventory is correct and that it be signed by the top governing official of the County, i.e. the County Manager.

View of Responsible Officials and Corrective Action Plan

Management agrees with this finding.

The County will take a physical inventory of all capital assets and remove, transfer, and add items as needed. Management will begin an annual physical asset inventory no later than June 1st of each year. The inventory process will be completed no later than June 30th of each year.

Corrective Action Plan Timeline:

June 30, 2020

Designated Employee Responsible for Corrective Action:

Chief Procurement Officer and Finance Director

**STATE OF NEW MEXICO
TORRANCE COUNTY
OTHER DISCLOSURES
FOR THE YEAR ENDED JUNE 30, 2019**

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 26, 2019. The following individuals were in attendance.

Torrance County Officials

Wayne Johnson

Kevin McCall

Noah Sedillo

Kathyrn Hernandez

Joanna Romero

County Manager
County Commissioner
Chief Procurement Officer
Accounts Payable Receivable Director
Financial Analyst

Auditors

Farley Vener, CPA, CFE, CGMA

Jacob Conner

President & Managing Shareholder
Audit Manager