

**STATE OF NEW MEXICO
COUNTY OF TORRANCE**

FINANCIAL STATEMENTS

JUNE 30, 2014

**STATE OF NEW MEXICO
COUNTY OF TORRANCE**

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**STATE OF NEW MEXICO
COUNTY OF TORRANCE**

Official Roster
June 30, 2014

COUNTY COMMISSION

Lonnie Freyburger	Chairman
Leanne Tapia	Commissioner
Leroy Candelaria	Commissioner

ELECTED OFFICIALS

Linda Jaramillo	County Clerk
Dorothy Sandoval	County Treasurer
Betty Cabber	County Assessor
Heath White	Sheriff
Jim Summers	Probate Judge

ADMINISTRATIVE OFFICIALS

Joy Ansley	County Manager
Annette Ortiz	Deputy County Manager
Tracy Sedillo	Comptroller



Independent Auditor's Report

6200 Uptown Blvd NE
Suite 400
Albuquerque, NM 87110
505.338.0800

Mr. Timothy Keller, State Auditor
and

To the Honorable Members of the Board of County Commissioners
State of New Mexico - County of Torrance
Estancia, New Mexico

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information and the budgetary comparisons for the general fund and major special revenue funds of the State of New Mexico, County of Torrance (County) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the County's non-major governmental funds, fiduciary funds and the budgetary comparisons for all non-major funds presented as supplementary information, as defined by the Governmental Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2014, 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 entity'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 entity'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 the County, as of June 30, 2014, and the respective changes in financial position, and 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. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund, and fiduciary funds of the County as of June 30, 2014, and the respective changes in financial position thereof and the respective budgetary comparisons for all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 10 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 County's financial statements as a whole, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of federal awards as required by the Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the other schedules required by 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2014 and May 1, 2015 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.

Ricci & Company, LLC

Albuquerque, New Mexico

November 12, 2014 (except as to Note 18, which is as of May 1, 2015)

**STATE OF NEW MEXICO
COUNTY OF TORRANCE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

Torrance County's discussion and analysis is designed to (a) provide an overview of the County's financial activities, its mission and function, (b) provide a description of significant capital assets, (c) provide a brief discussion of the basic financial statements, including the relationships of the statements to each other, and the significant differences in the information they provide, (d) provide an analysis of the County's financial position, and (e) identify any material deviations from the financial plan (approved budget).

Torrance County Government Mission Statement

Torrance County is committed to effective, efficient and responsible public policy, excellent public service, courteous public contact, sensitivity to cultural beliefs and preservations of their heritage, providing quality services as required by law or mandated by the public, enhancing the health, safety and general well-being of the citizens of Torrance County and conducting county operations in a legal, ethical and fair manner.

The County of Torrance is a political subdivision of the State of New Mexico, created in 1905 under Section NMSA 4-30-1 to 4-30-2.

Financial Highlights

- Torrance County's total net assets at June 30, 2014 were \$15,633,138, which is an increase of \$618,188 over FY2013.
- As of the close of the fiscal year 2014, the County's government wide financial statements showed current assets of \$5,737,172 and net capital assets of \$13,364,536.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to Torrance County's basic financial statements. Torrance County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of Torrance County's finances, in a manner similar to the private-sector business. These statements consist of the statement of net assets and the statement of activities.

**STATE OF NEW MEXICO
COUNTY OF TORRANCE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, the increases or decreases in net assets may serve as a useful indicator of whether the financial position of Torrance County is improving or deteriorating.

The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide Statement of Activities of the County reflects the activities of the County by its governmental functions. The Statement of Activities identifies financial resources that are directly related to the governmental function. Financial resources that are not specifically related to the governmental functions are shown as general resources in the bottom portion of this statement. The Statement of Activities also shows the change in net assets for the fiscal year.

The government-wide financial statements can be found on pages 11-12 of this report.

Fund Financial Statements – Governmental Funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County are considered *Governmental Funds*, except for the *Agency Funds* of the County, which report on financial resources collected, held for, and distributed to other governmental entities by the County Treasurer.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements and resources.

The governmental funds use the modified accrual basis of accounting whereby revenues are recognized when they become available and measurable as net current assets. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**STATE OF NEW MEXICO
COUNTY OF TORRANCE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental fund financial statements and the government-wide financial statements.

In addition to the General Fund, the County maintained other individual governmental funds that are classified as Special Revenue funds. Of these, the Road, Jail and Civil Defense Funds are considered major funds. (A fund is considered to be a major fund depending on the amount of its assets, liabilities, revenues, or expenditures.)

Torrance County adopts an annual appropriated budget for all of its governmental funds. Budgetary comparison statements have been provided for the governmental funds to demonstrate budget compliance.

The basic governmental fund financial statements can be found on pages 13-19 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. The notes to the financial statements can be found on pages 21 to 50 of this report.

Budgetary Comparisons. GASB 34 requires budgetary comparison schedules for the general fund and for each major special revenue fund that has a legally adopted annual budget. The budgetary comparison schedules present both the original and the final approved budgets for the reporting period as well as the actual inflows, outflows and balances, stated on the County's budgetary (cash) basis. As required by the Office of the New Mexico State Auditor under 2.2.2 NMAC, "*Requirements for Contracting and Conducting Audits of Agencies*," the budgetary comparison statements of the non-major governmental funds are presented as supplemental information. Budgetary information is provided at the approved budget level to demonstrate compliance with legal requirements.

Other Information. The combining statements referred to earlier in connection with non-major government funds are presented immediately following the Notes to the Financial Statements. Combining and individual fund statements can be found on pages 51 to 130 of this report.

**STATE OF NEW MEXICO
COUNTY OF TORRANCE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$15,633,138 at the close of the most recent fiscal year. Comparative net assets are shown below:

	Governmental Activities June 30, 2014	Governmental Activities June 30, 2013
Assets:		
Current assets:		
Cash and investments	\$ 3,890,845	3,461,616
Other current assets	<u>1,846,327</u>	<u>2,273,415</u>
Total current assets	5,737,172	5,735,031
Capital assets, net	<u>13,364,536</u>	<u>13,733,802</u>
Total assets	<u>19,101,708</u>	<u>19,468,833</u>
Liabilities:		
Current liabilities	1,216,208	1,637,452
Non-current liabilities	<u>2,252,362</u>	<u>2,816,431</u>
Total liabilities	<u>3,468,570</u>	<u>4,453,883</u>
Net assets:		
Invested in capital assets net of related debt	10,655,376	10,499,144
Restricted for debt service	359,596	387,858
Restricted for capital projects	6,878	6,878
Special projects	2,201,998	1,853,701
Unrestricted	<u>1,169,108</u>	<u>2,265,369</u>
Total net assets	<u>\$ 15,633,138</u>	<u>15,014,950</u>

The increase of \$618,188 from the previous year is due to:

- An increase in investments, purchases and investment gains.
- An increase in net capital assets related to road improvements, the completion of construction projects and on-going construction projects.

**STATE OF NEW MEXICO
COUNTY OF TORRANCE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

Changes in Net Assets: The overall increase in the County's net assets is shown in the following schedule:

	Governmental Activities June 30, 2014	Governmental Activities June 30, 2013
Program revenues		
Charges for services	\$ 722,344	474,147
Operating grants	2,226,399	2,630,079
Capital grants	652,763	379,109
General revenues		
Property taxes	4,327,030	4,133,840
Local and State share taxes	2,671,515	2,362,561
IRB payment in lieu of taxes	325,000	325,000
Federal payment in lieu of taxes	328,267	-
Investment	2,380	891
Other Miscellaneous Revenues	93,140	8,879
Loss on disposal of capital assets	<u>-</u>	<u>(11,121)</u>
Total revenues	<u>11,348,838</u>	<u>10,303,385</u>
Expenses		
General Government	3,848,308	3,462,828
Public safety	4,642,416	3,830,989
Highways and streets	1,099,931	1,248,033
Health and Welfare	1,015,574	985,813
Culture and recreation	3,380	252,705
Interest on long-term debt	<u>121,041</u>	<u>121,947</u>
Total expenses	<u>10,730,650</u>	<u>9,902,315</u>
Change in net assets	618,188	401,070
Beginning net assets, July 1	<u>15,014,950</u>	<u>14,613,880</u>
Ending net assets, June 30	<u>\$ 15,633,138</u>	<u>15,014,950</u>

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, and balances of expendable resources. Such information is more useful in assessing the County's financial position than the government-wide statements, because the fund financial statements better reflect the reality that certain revenues are legally restricted for specific purposes and cannot be used to cover the costs of other operations.

At June 30, 2014, the County had no deficit fund balances. This is the fifth consecutive year the County accomplished this goal.

**STATE OF NEW MEXICO
COUNTY OF TORRANCE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

General Fund Budgetary Highlights

Changes between the original General Fund budget and the final amended General Fund budget are summarized as follows:

- There were changes between the original and final amended budgeted revenues and expenses for all of the County's major funds.
- The General fund received approximately 113% of budgeted revenues. Property tax revenues exceeded budgeted amounts by approximately 5%, while revenues related to the shared local and states taxes exceeded the budget by 127%. The county expended 96% of budgeted expenditures. Public Safety expenditures in the General Fund spent approximately 102% of the budgeted amount.
- The Road Fund exceeded budgeted revenues by approximately 10%. It also expended approximately 95% of its budgeted expenditures.
- Budget adjustments were made to various non-major special revenue and capital project funds that were related to changes in grant funding, changes in legislative appropriations, and the creation of new funds.

Economic Factors and Next Years Budgets

The County implements an across the board 3% increase in residential property values. This in turn generally results in an increase in property tax revenues for the County. The increase has been reflected in the June 30, 2014 budgets in all funds, and line items, affected by property taxes.

The economy as a whole has had an impact on Gross Receipts Taxes throughout the County. Although revenues have steadily decreased, it has not been significant enough to adversely impact the County.

Request for Information

This financial report is designed to provide a general overview of the County's finances. Questions concerning any of the information provided in this report or any request for additional financial information should be addressed to Joy Ansley, County Manager, PO Box 48, Estancia, NM 87016.

**STATE OF NEW MEXICO
COUNTY OF TORRANCE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
Year Ended June 30, 2014**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			Net (Expenses) Revenues and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Expenses					
Governmental activities					
General government	\$ (3,848,308)	464,685	268,095	-	\$ (3,115,528)
Public safety	(4,642,416)	249,119	1,228,475	-	(3,164,822)
Highways and streets	(1,099,931)	210	77,872	440,218	(581,631)
Health and welfare	(1,015,574)	8,330	651,957	212,545	(142,742)
Culture and recreation	(3,380)	-	-	-	(3,380)
Interest on long-term debt	(121,041)	-	-	-	(121,041)
Total governmental activities	\$ (10,730,650)	722,344	2,226,399	652,763	(7,129,144)

General Revenues	
Property taxes	4,327,030
IRB payment in lieu of taxes	325,000
Federal payment in lieu of taxes	328,267
Local and state shared taxes	2,671,515
Investment income	2,380
Other miscellaneous revenues	93,140
Loss on disposal of capital assets	-
Total general revenues and transfers	<u>7,747,332</u>
Change in net position	618,188
Net position, beginning	<u>15,014,950</u>
Net position, ending	<u>\$ 15,633,138</u>

The Notes to the Financial Statements are an integral part of this statement.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
COMBINED BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2014

	Major Funds			Non-Major Funds	Total
	401	402	420		
	General Fund	Road Fund	Corrections Fund		
ASSETS					
Cash and investments	\$ 3,890,845	-	-	-	3,890,845
Due from other funds - pooled cash	162,075	273,156	15,903	2,181,047	2,632,181
Prepaid expenses	101,262	-	-	-	101,262
Intergovernmental receivable	38,028	59,066	66,140	474,261	637,495
Negative net receipts receivable	101,913	-	-	-	101,913
Property tax receivable, net	927,837	-	-	77,820	1,005,657
Total assets	\$ 5,221,960	332,222	82,043	2,733,128	8,369,353
LIABILITIES AND FUND BALANCES					
Liabilities					
Due to other funds - pooled cash	\$ 2,470,104	-	-	162,077	2,632,181
Due to other governmental units	193,941	-	-	-	193,941
Accounts payable	45,408	7,164	52,828	56,871	162,272
Accrued payroll and taxes	92,794	17,007	-	30,994	140,795
Due to State of New Mexico	101,913	-	-	-	101,913
Total liabilities	2,904,160	24,171	52,828	249,942	3,231,102
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - delinquent taxes	812,594	-	-	70,121	882,715
Fund Balances					
Nonspendable					
Prepaid expenses	101,262	-	-	-	101,262
Restricted					
Subsequent year's expenditures	1,113,976	126,207	-	-	1,240,183
Special projects	-	-	-	2,020,154	2,020,154
Road maintainence	-	181,844	-	-	181,844
Jail	-	-	29,215	-	29,215
Capital projects	-	-	-	6,878	6,878
Debt service	-	-	-	359,596	359,596
Committed					
Special projects	-	-	-	8,368	8,368
Assigned					
Special projects	-	-	-	18,069	18,069
Unassigned	289,968	-	-	-	289,968
Total fund balances	1,505,206	308,051	29,215	2,413,065	4,255,537
Total liabilities and fund balances	\$ 5,221,960	332,222	82,043	2,733,128	8,369,353

The Notes to the Financial Statements are an integral part of this statement.

**STATE OF NEW MEXICO
COUNTY OF TORRANCE
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
June 30, 2014**

Total fund balances - Governmental Funds (Balance Sheet - Governmental Funds)	\$ 4,255,536
Amounts reported for governmental activities in the Statement of Net Position are different at June 30, 2014 because:	
Delinquent property taxes receivable are not considered available financial resources and therefore are reported as unavailable revenue in the fund financial statements	882,715
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund. These assets consist of:	
Total capital assets	\$ 23,682,229
Less accumulated depreciation	(10,317,693)
Related debt	<u>(2,709,160)</u>
Total capital assets, net of related debt and depreciation	10,655,376
Some liabilities are not due and payable in the current period and therefore are not reported in the fund:	
Compensated absences	<u>(160,489)</u>
Net position of governmental activities (Statement of Net Position)	<u><u>\$ 15,633,138</u></u>

The Notes to the Financial Statements are an integral part of this statement.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUNDS
Year Ended June 30, 2014

	Major Funds			Non-Major Funds	Total
	401	402	420		
	General Fund	Road Fund	Corrections Fund		
Revenues					
Intergovernmental sources - federal	\$ 328,267	77,872	-	393,196	799,335
Intergovernmental sources - state	240,000	440,218	37,498	1,690,378	2,408,094
Local and state shared taxes	675,030	701,768	238,169	1,093,730	2,708,697
Property taxes	3,994,629	-	-	332,401	4,327,030
PILT from industrial revenue bonds	-	-	-	325,000	325,000
Charges for services	211,100	28,712	148,455	334,077	722,344
Interest	1,584	220	-	576	2,380
Other	64,266	25,345	-	3,529	93,140
Total revenues	5,514,876	1,274,135	424,122	4,172,887	11,386,020
Expenditures					
Current:					
General government	2,788,285	-	-	669,589	3,457,875
Public safety	1,144,380	-	1,187,085	1,746,478	4,077,943
Highways and streets	-	983,767	-	-	983,767
Health and welfare	-	-	-	858,784	858,784
Culture and recreation	-	-	-	-	-
Capital outlay	38,951	430,095	58,998	333,206	861,250
Debt service - principal	-	-	-	525,498	525,498
Debt service - interest	-	-	-	121,041	121,041
Total expenditures	3,971,616	1,413,862	1,246,083	4,254,596	10,886,158
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	1,543,260	(139,727)	(821,961)	(81,709)	499,862
Other Financing Sources (Uses)					
Operating transfers in	19,576	301,419	875,000	491,713	1,687,708
Operating transfers out	(1,564,867)	-	-	(122,841)	(1,687,708)
Total other financing sources (uses)	(1,545,291)	301,419	875,000	368,872	-
Net change in fund balances	(2,031)	161,692	53,039	287,163	499,862
Fund balances, beginning of year	1,507,237	146,359	(23,824)	2,125,902	3,755,674
Fund balances, end of year	\$ 1,505,206	308,051	29,215	2,413,065	4,255,536

The Notes to the Financial Statements are an integral part of this statement.

**STATE OF NEW MEXICO
COUNTY OF TORRANCE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2014**

Amounts reported for governmental activities in the Statement of Activities are different at June 30, 2014 because:

Net change in fund balances - total governmental funds \$ 499,862

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 and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period. In addition, the Statement of Activities reports gains or losses on disposals.

Depreciation expense	\$ (1,230,516)	
Capital outlay	<u>861,250</u>	
Excess of depreciation expense over capital outlay		(369,266)

The issuance of long-term debt (e.g., bonds, leases) provided 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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Payment on long-term debt	525,498
Payment on long-term liabilities	

Deferred revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(139,095)
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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. Changes in:

Due to State of New Mexico	101,913	
Compensated absences	<u>(724)</u>	<u>101,189</u>

Change in net position of governmental activities	<u>\$ 618,188</u>
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The Notes to the Financial Statements are an integral part of this statement.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
GENERAL FUND
Year Ended June 30, 2014

	401			
	Budgeted Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Property taxes	\$ 3,796,546	3,796,546	3,975,527	178,981
Local and state shared taxes	628,052	628,052	800,721	172,669
Intergovernmental revenue - federal	250,000	250,000	328,267	78,267
Intergovernmental revenue - state	261,000	102,925	240,000	137,075
Interest	-	-	1,584	1,584
Charges for services	176,330	176,330	205,524	29,194
Other	-	-	64,266	64,266
Total revenues	5,111,928	4,953,853	5,615,889	662,036
Expenditures				
General government	2,993,808	3,009,600	2,843,222	166,378
Public safety	1,085,891	1,139,675	1,157,362	(17,687)
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Total expenditures	4,079,699	4,149,275	4,000,584	148,691
Excess of revenues over expenditures	1,032,229	804,578	1,615,305	810,727
Other Financing Sources (Uses)				
Operating transfers in	-	19,576	19,576	-
Operating transfers out	(1,328,637)	(1,564,897)	(1,564,867)	30
Total other financing sources (uses)	(1,328,637)	(1,545,321)	(1,545,291)	30
Excess (deficiency) of revenues over expenditures and other sources (uses)	(296,408)	(740,743)	70,014	810,757
Net change in fund balance	\$ (296,408)	(740,743)	70,014	810,757
Prior year cash balance to balance the budget	\$ 296,408	740,743		
	<u>\$ -</u>	<u>-</u>		
Budgetary Revenues			\$ 5,615,889	
Intergovernmental receivable			(35,071)	
Property tax receivable			(41,915)	
Negative net receipts receivable			(101,913)	
Deferred revenue			77,886	
GAAP revenues			<u>\$ 5,514,876</u>	
Budgetary Expenses			\$ 4,000,584	
Prepaid expenses			(5,695)	
Accounts payable			(16,029)	
Accrued payroll			(7,244)	
GAAP expenses			<u>\$ 3,971,616</u>	

The Notes to the Financial Statements are an integral part of this statement.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
ROAD FUND
Year Ended June 30, 2014

402

	Budgeted Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Local and state shared taxes	\$ 761,352	761,352	716,619	(44,733)
Intergovernmental revenue - federal	304,254	304,254	77,872	(226,382)
Intergovernmental revenue - state	71,287	71,287	434,159	362,872
Interest	100	100	220	120
Charges for services	40,500	24,744	28,712	3,968
Other	-	-	25,345	25,345
Total revenues	1,177,493	1,161,737	1,282,927	121,190
Expenditures				
General government	900,450	938,466	-	938,466
Public works	427,873	427,873	1,013,538	(585,665)
Capital outlay	158,000	158,000	430,534	(272,534)
Total expenditures	1,486,323	1,524,339	1,444,072	80,267
Excess (deficiency) of revenues over expenditures	(308,830)	(362,602)	(161,145)	201,457
Other Financing Sources (Uses)				
Operating transfers in	301,419	616,403	301,419	(314,984)
Total other financing sources (uses)	301,419	616,403	301,419	(314,984)
Net change in fund balance	\$ (7,411)	253,801	140,274	(113,527)
Prior year cash balance to balance the budget				
	\$ 7,411	-		
	\$ -	253,801		
Budgetary Revenues				
			\$ 1,282,927	
Intergovernmental receivable			(29,149)	
Deferred revenue			20,357	
GAAP revenues			\$ 1,274,135	
Budgetary Expenses				
			\$ 1,444,072	
Accounts payable			(23,593)	
Accrued payroll			(6,617)	
GAAP expenses			\$ 1,413,862	

The Notes to the Financial Statements are an integral part of this statement.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE CORRECTIONS FUND
Year Ended June 30, 2014

420				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Local and state shared taxes	\$ 208,000	208,000	234,607	26,607
Charges for services	63,400	63,400	128,405	65,005
Intergovernmental revenue	189,000	189,000	37,498	(151,502)
Total revenues	<u>460,400</u>	<u>460,400</u>	<u>400,510</u>	<u>(59,890)</u>
Expenditures				
Public safety	1,116,019	1,351,019	1,276,683	74,336
Total expenditures	<u>1,116,019</u>	<u>1,351,019</u>	<u>1,276,683</u>	<u>74,336</u>
Excess (deficiency) of revenues over expenditures	<u>(655,619)</u>	<u>(890,619)</u>	<u>(876,173)</u>	<u>14,446</u>
Other Financing Sources (Uses)				
Operating transfers in	640,000	875,000	875,000	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>640,000</u>	<u>875,000</u>	<u>875,000</u>	<u>-</u>
Net change in fund balance	<u>\$ (15,619)</u>	<u>(15,619)</u>	<u>(1,173)</u>	<u>14,446</u>
Prior year cash balance to balance the budget				
	<u>\$ 15,619</u>	<u>15,619</u>		
	<u>\$ -</u>	<u>-</u>		
Budgetary Revenues				
Intergovernmental receivable			\$ 400,510	
Deferred revenue			12,378	
			<u>11,234</u>	
GAAP revenues			<u>\$ 424,122</u>	
Budgetary Expenses				
Accounts payable			\$ 1,276,683	
			<u>(30,600)</u>	
GAAP expenses			<u>\$ 1,246,083</u>	

The Notes to the Financial Statements are an integral part of this statement.

**STATE OF NEW MEXICO
COUNTY OF TORRANCE
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUNDS
Year Ended June 30, 2014**

ASSETS

Property tax receivable	\$ 994,855
Due from other governmental units	<u>193,941</u>

Total assets

\$ 1,188,796

LIABILITIES

Due to other governmental units	\$ 994,855
Deposits held for others	<u>193,941</u>

Total liabilities

\$ 1,188,796

The Notes to the Financial Statements are an integral part of this statement.

**STATE OF NEW MEXICO
COUNTY OF TORRANCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 service 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.

In June 1999, the GASB unanimously approved Statement #34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

The County implemented the provisions of GASB #34 and its later amendments effective July 1, 2003.

A. Reporting Entity

GASB Statement No. 14 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.

**STATE OF NEW MEXICO
COUNTY OF TORRANCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. 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 new reporting model focuses on either 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 the 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, 2014.

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.

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 fund financial statements are similar to the financial statements presented in the previous accounting model. Emphasis here is on major funds in either the governmental or business-type categories. Non-major funds (by category) are summarized into a single column.

**STATE OF NEW MEXICO
COUNTY OF TORRANCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic Financial Statements – GASB Statements No. 34, No. 63, and No. 65 (Continued)

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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their entity-wide statements, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

Internal activity between the various funds is eliminated in the government-wide financial statements. Interfund receivables and payables at June 30, 2014 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 the third party and cannot be used to address activities or obligations of the government, these funds are presented separately in the governmental funds and are not incorporated into the government-wide statements.

C. 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.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

Governmental Funds

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 Fund – account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Under the requirements of GASB #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 – The primary operating fund of the County accounts for all financial resources, except those required to be accounted for in other funds. Per GASB #34, the General Fund is always included as a major fund.

Road Fund – 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 – 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.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

Fiduciary Funds

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 had agency funds during the year ended June 30, 2014. *Agency funds* are used to account for assets that government holds for others in an agency capacity.

D. 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.

Modified Accrual – All governmental funds are accounted for using the modified accrual basis of accounting. 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
COUNTY OF TORRANCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Continued)

In applying the “susceptible to accrual” concept to intergovernmental revenues pursuant to GASB Statement #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 deferred revenue by the recipient.

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

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

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

**STATE OF NEW MEXICO
COUNTY OF TORRANCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Property Taxes (Continued)

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 mils 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 mils 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 mils 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.

The County's operational tax rate for the 2013 property tax year was 10.777 mils for residential property and 11.356 mils for nonresidential property. The debt service tax rate was .0957 mils for both types of property.

All property tax receivables are shown net of allowance for uncollectibles. The property tax receivable allowance is equal to .5% 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 \$357,356.

F. Budgetary Information

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

1. Prior to June 1, the County submitted a proposed budget to the Local Government Division of the Department of Finance and Administration;
2. The Local Government Division in relation to the County shall:
 - a. Examine each proposed budget, and on or before July 1 of each year, approve and certify for the County an operating budget for use pending approval of a final budget;

STATE OF NEW MEXICO
COUNTY OF TORRANCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Budgetary Information (Continued)

- 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 Department of Finance and Administration, authorize the transfer of funds from one budget item to another when such transfer is requested and an emergency condition exists meriting such transfer and such transfer is not prohibited by law. In case of emergency necessitating the expenditure for item or items not provided for in the budget, upon approval of the director of the Department of Finance and Administration, the budget may be revised to authorize such expenditures;
 - f. With written approval of the director of the Department of Finance and Administration, increase the total budget of the County in the event the County undertakes an activity, service, project or construction program which was not contemplated at the time 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
 - i. With the approval of the director of the Department of Finance and Administration, make rules and regulations relating to budgets, records, reports, handling and disbursement of public funds, or in any matter relating to the financial affairs of the County.
3. The County Manager is authorized to transfer budgeted amounts between departments within any fund;

**STATE OF NEW MEXICO
COUNTY OF TORRANCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Budgetary Information (Continued)

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 Funds.
5. Budgets for the General, Special Revenue, Debt Service, and Capital Projects Funds 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 Department of Finance and Administration;
7. The level of classification detail in which expenditures may not legally exceed appropriations for budget is at the fund level.

G. Assets, Liabilities and Fund Equity

1. *Deposits and Investments*

The County's cash and investments are considered to be cash on hand, demand deposits and short-term investments with original maturities of one year or less from the date of acquisition. State statutes (Public Monies Act 6-10 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 Investment Pool. Sections 6-10-16 and 6-10-17 NMSA 1978 requires that the deposit of public money be secured by securities of the United States, its agencies, 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.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Fund Equity (Continued)

2. *Accounts Receivable*

Accounts 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, 2014, there was an allowance for uncollectable property taxes. However, there is no allowance for all other accounts receivable 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.

3. *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 \$1,000 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 regards 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. Straight-line depreciation is used based on the following estimated useful lives:

Land developments	20 years
Buildings and building improvements	20 - 40 years
Furniture and equipment	3 - 7 years

GASB Statement #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 #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.

**STATE OF NEW MEXICO
COUNTY OF TORRANCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Fund Equity (Continued)

4. Deferred Revenues and Inflows of Resources

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

5. 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.

6. 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.

7. Net Positions

Net position represents the difference between assets plus deferred outflows of resources and liabilities less deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. Net investment in capital assets excludes unspent debt proceeds. Net positions are reported as restricted when there are 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.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Fund Equity (Continued)

7. *Net Position (Continued)*

The government-wide statement of net position reports \$3,808,655 of restricted net position, of which \$379,801 is restricted by enabling legislation. Net position is otherwise restricted for capital projects, special revenue funds, and by New Mexico State Statute for subsequent year's expenditures.

Government-wide Financial Statements. 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.

Restricted Net Position includes assets that have third-party (statutory, bond covenant, or granting agency) limitations on their use. 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 unrestricted liquid assets. The Village Trustees have the authority to revisit or alter this designation.

8. *Fund Financial Statements Fund Balance*

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement is intended to enhance the usefulness of fund balance information by providing clearer fund balance classifications and clarifying the existing fund balance definitions. GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below:

- A. *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.
- B. *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.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Fund Equity (Continued)

8. *Fund Financial Statements Fund Balance (Continued)*

C. *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.

D. *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.

E. *Unassigned* - fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

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

According to New Mexico State Statute and the New Mexico Department of Finance and Administration (DFA), the County is required to reserve 3/12^{ths} 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 to subsequent years expenditures in the General Fund and Road Fund. Reserves can be spent during the course of the fiscal year as long as they are replenished by fiscal year-end.

9. *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. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Fund Equity (Continued)

10. *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.

H. Implementation of New Accounting Standards

During the year ended June 30, 2014, the County adopted the following:

Government Accounting Standards Board Statement (GASB) No. 65, *Items Previously Reported as Assets and Liabilities* effective for financial statements for periods beginning after December 15, 2012. The Statement establishes: (1) accounting and financial reporting standards regarding deferred outflows of resources (previously assets) and deferred inflows of resources (previously liabilities); (2) changes in the determination of the major fund calculations; and (3) limits on the use of the term “deferred” in financial statements. The statement did not have a material impact on the County’s financial statements.

GASB No. 66, *Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62* effective for financial statements for periods beginning after December 15, 2012. The purpose of this Statement is to resolve conflicting guidance regarding: the reporting of risk financing activities; reporting of certain operating lease transactions; reporting the acquisition of a loan or a group of loans; and recognition of servicing fees related to mortgage loans that are sold. The statement did not have a material impact on the County’s financial statements.

STATE OF NEW MEXICO
 COUNTY OF TORRANCE
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2014

NOTE 2. CASH AND INVESTMENTS

A. Cash

The County operates a pooled cash fund. That is, all cash is held in a single bank account and in investments (see 2.C. below) and accounted for 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.

A reconciliation of cash investments follows:

Total cash on deposit, Wells Fargo Bank	\$ 1,445,289
Deposit in transit	97
Less outstanding checks and other	(271,876)
Total investments, Local Government Investment Pool (see Note 2D)	2,717,035
Petty cash	<u>300</u>
Total cash and investments	<u>\$ 3,890,845</u>

Per financial statements:	
Cash and investments	<u>\$ 3,890,845</u>

Total cash and investments which belong to the General Fund only is calculated as follows, (shown in the Balance Sheet - Governmental Funds):

Total cash and investments	\$ 3,890,845
Due from other funds	162,075
Due to other funds	(2,470,104)
Due to other governmental units	<u>(193,941)</u>
Cash and investments, General Fund	<u>\$ 1,388,875</u>

B. 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. A schedule of the collateral pledged against the deposit of the County is shown elsewhere in this report.

STATE OF NEW MEXICO
COUNTY OF TORRANCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

C. 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 Comp). At June 30, 2014, the funds of the County on deposit are classified as follows:

Insured	\$ 250,000
Uninsured but collateralized, held by the pledging bank's trust department in the County's name	<u>1,195,289</u>
Total deposits	<u>\$ 1,445,289</u>

D. Investments

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

Total cash invested with New Mexico State Treasurer at June 30, 2014	\$ 2,717,035
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The Authority has invested funds in the New Mexico State Treasurer's Local Government Investment Pool (Pool). The investments are valued at fair value based on quoted market prices as of the valuation date.

The State Treasurer Local Government Investment Pool is not SEC registered. Section 6-10-10 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 amount deposited in the fund and the length of time the amounts in the Pool were invested. Participation in the Local Government Investment Pool is voluntary. The Pool is rated AAAM as to credit risk and the WAM(R) was 59 days and the WAM(F) was 90 days interest risk using a weighted average maturity (WAM).

STATE OF NEW MEXICO
COUNTY OF TORRANCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 3. RECEIVABLES

Receivables at June 30, 2014 are comprised of the following:

	General	Road	Corrections	Other Governmental Funds
State shared taxes	\$ 32,532	53,007	62,988	167,093
Grants receivable and other	5,496	6,059	3,152	295,670
Negative net receipts receivable	101,913	-	-	-
Property taxes	1,093,579	-	-	91,721
Allowance on property taxes	<u>(165,742)</u>	-	-	<u>(13,901)</u>
Total	\$ 1,067,778	59,066	66,140	540,583

All state shared taxes and grant receivable amounts shown are considered collectible.

NOTE 4. 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:		
General	\$ 162,075	2,470,104
Road	273,156	-
Corrections	15,903	-
Non-major:		
Other governmental funds	<u>2,181,047</u>	<u>162,077</u>
Total	\$ 2,632,181	2,632,181

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

The following are the interfund receivables/payables that have not been eliminated:

	Due From	Due To
General	\$ -	193,941
Agency funds	193,941	-

**STATE OF NEW MEXICO
COUNTY OF TORRANCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 5. CAPITAL ASSETS

The following is a summary of changes in capital assets during the year:

	Balance, June 30, 2013	Additions	Deletions	Transfers	Balance, June 30, 2014
Assets not depreciated:					
Land and right-of-way	\$ 442,400	-	-	-	442,400
Artwork and antiques	372,500	-	-	-	372,500
Construction in progress	145,157	-	-	(145,157)	-
Total not depreciated	<u>960,057</u>	-	-	(145,157)	<u>814,900</u>
Assets being depreciated:					
Building and improvements	11,091,420	247,055	-	145,157	11,483,632
Furniture, fixtures and equipment	1,652,935	90,258	-	-	1,743,193
Vehicles	5,242,433	118,273	-	-	5,360,706
Infrastructure (roads)	3,874,134	405,664	-	-	4,279,798
Total depreciated	<u>21,860,922</u>	<u>861,250</u>	-	<u>145,157</u>	<u>22,867,329</u>
Less accumulated depreciation:					
Buildings and improvements	(3,612,298)	(292,827)	-	-	(3,905,125)
Furniture, fixtures and equipment	(1,109,686)	(132,773)	-	-	(1,242,459)
Vehicles	(2,669,981)	(407,636)	-	-	(3,077,617)
Infrastructure (roads)	(1,695,212)	(397,280)	-	-	(2,092,492)
Total depreciation	<u>(9,087,177)</u>	<u>(1,230,516)</u>	-	-	<u>(10,317,693)</u>
Net depreciated assets	<u>12,773,745</u>	<u>(369,266)</u>	-	<u>145,157</u>	<u>12,549,636</u>
Net capital assets	<u>\$ 13,733,802</u>	<u>(369,266)</u>	-	-	<u>13,364,536</u>

All capital assets except for land and right-of-way, artwork and antiques, and construction in progress are being depreciated.

Depreciation expense was charged as a direct expense to the functions of the government as follows:

General government	\$ 389,708
Public safety	564,473
Highways and streets	116,164
Health and welfare	156,791
Culture and recreation	<u>3,380</u>
Total depreciation expense	<u>\$ 1,230,516</u>

**STATE OF NEW MEXICO
COUNTY OF TORRANCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 6. LONG-TERM DEBT

During the fiscal year ended June 30, 2014, the following changes occurred in long-term debt:

	Balance, June 30, 2013	Additions	Deletions	Balance, June 30, 2014	Due Within One Year
General obligation bond payable	\$ 1,250,000	-	(300,000)	950,000	300,000
Notes payable	1,984,658	-	(225,498)	1,759,160	166,459
Compensated absences payable	159,765	155,131	(154,407)	160,489	150,828
	<u>\$ 3,394,423</u>	<u>155,131</u>	<u>(679,905)</u>	<u>2,869,649</u>	<u>617,287</u>
			Amount considered long-term		<u>2,252,362</u>
			Total		<u>\$ 2,869,649</u>

A. General Obligation Bonds

During the fiscal year ended June 30, 2002, the County issued \$3,050,000 of general obligation bonds to acquire and improve a necessary site for and acquiring constructing, furnishing, equipping and improving a new County courthouse. The bonds are secured by the full faith and credit of the County and are payable from taxes levied on all property located within the County. The annual requirements to amortize to maturity the general obligation bonds are as follows:

Year Ended June 30,	Principal	Interest	Total
2015	\$ 300,000	38,163	338,163
2016	325,000	23,318	348,318
2017	325,000	7,800	332,800
Totals	<u>\$ 950,000</u>	<u>69,281</u>	<u>1,019,281</u>

**STATE OF NEW MEXICO
COUNTY OF TORRANCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 6. LONG-TERM DEBT (CONTINUED)

B. Long-Term Notes

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

1. An obligation was incurred in 1995 with the New Mexico Finance Authority in the amount of \$107,000. The note was obtained for the purpose of defraying the cost of acquiring equipment for fire protection in various areas of the County. The interest rate for the note is 6.152%. The principal and interest payments are provided by the Fire Protection Fund revenues. The New Mexico Finance Authority is intercepting these revenues. The note is secured by future State Fire Allotment revenues. The balance as of June 30, 2014 is \$17,000 and matures on August 1, 2015.
2. 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 will be intercepted by the Finance Authority. The balance as of June 30, 2014 is \$413,854 and matures on May 1, 2027.
3. 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 and will be intercepted by the Finance Authority. The balance as of June 30, 2014 is \$107,625 and matures on May 1, 2023.
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 will be intercepted by the Finance Authority. The balance as of June 30, 2014 is \$35,262 and matures on May 1, 2028.
5. 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 will be intercepted by the Finance Authority. The balance as of June 30, 2014 is \$20,241 and matures on May 1, 2023.

**STATE OF NEW MEXICO
COUNTY OF TORRANCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 6. LONG-TERM DEBT (CONTINUED)

B. Long-Term Notes (Continued)

6. 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 will be intercepted by the New Mexico Finance Authority. The balance as of June 30, 2014 is \$399,773 and matures on May 1, 2029.
7. 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, which will be intercepted by the New Mexico Finance Authority. The balance as of June 30, 2014 is \$205,853 and matures on May 1, 2019.
8. 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 will be intercepted by the New Mexico Finance Authority beginning in fiscal year 2011. The balance as of June 30, 2014 is \$239,573 and matures on May 1, 2020.
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 \$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 will be intercepted by the New Mexico Finance Authority beginning in fiscal year 2011. The balance as of June 30, 2014 is \$56,252 and matures on May 1, 2030.
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 \$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 will be intercepted by the New Mexico Finance Authority beginning in fiscal year 2011. The balance as of June 30, 2014 is \$70,498 and matures on May 1, 2029.

**STATE OF NEW MEXICO
COUNTY OF TORRANCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 6. LONG-TERM DEBT (CONTINUED)

B. Long-Term Notes (Continued)

11. 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 was intercepted by the New Mexico Finance Authority in fiscal year 2014. The balance as of June 30, 2014 is \$193,229 and matures on May 1, 2028.
12. During the year ended June 30, 2010, the County received approval for a loan from the New Mexico Board of Finance in the amount of \$260,000, with no interest, for emergency roof repairs. The loan is secured by High Lonesome PILT revenues. This loan was paid off during the fiscal year ending June 30, 2014.

Debt service requirements for all notes is as follows:

Year Ended June 30,	Principal	Interest	Total
	\$		
2015	166,459	51,105	217,564
2016	171,083	47,388	218,471
2017	166,047	43,018	209,065
2018	170,417	38,811	209,228
2019	175,176	34,225	209,401
2020-2024	517,425	113,326	630,751
2025-2029	387,612	39,597	427,209
2030	4,941	280	5,221
Totals	<u>\$ 1,759,160</u>	<u>367,750</u>	<u>2,126,910</u>

C. Capital Leases

During the year ended June 30, 2014, the County has no capital leases.

The assets acquired through previous years are as follows:

Asset:

Furniture, fixtures, and equipment	\$ 10,992
Less: Accumulated depreciation furniture, fixtures, and equipment	<u>(10,992)</u>

Total \$ -

**STATE OF NEW MEXICO
COUNTY OF TORRANCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

D. Accrued Compensated Absences

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

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

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

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

NOTE 7. TAX ROLL RECONCILIATION

Property taxes receivable, beginning of year	\$ 2,704,135
Changes to tax roll:	
Taxes charged to Treasurer for fiscal year	8,408,316
Adjustments:	
Net adjustments	(96,914)
Uncollected taxes for 2003 tax year	<u>(314,561)</u>
Total receivables prior to collections	10,700,976
Collections for fiscal year ended June 30, 2014	<u>(8,343,108)</u>
Property taxes receivable, end of year	2,357,868
Allowance for uncollectible	<u>(357,356)</u>
Property taxes receivable, net end of year	<u>\$ 2,000,512</u>
Property taxes receivable, net by years:	
2004 - 2012	\$ 1,192,333
2013	<u>808,179</u>
Total taxes receivable, net	<u>\$ 2,000,512</u>

**STATE OF NEW MEXICO
COUNTY OF TORRANCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 8. 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.

Transfer From:	Transfer To:	Amount
Major Fund:		
General Fund	Road	\$ 301,419
General Fund	Corrections	875,000
General Fund	Non-major governmental funds	388,448
Non-Major:		
Other governmental funds	General Fund	19,576
Other governmental funds	Other governmental funds	103,265

NOTE 9. PERA PENSION PLAN

Plan Description. Substantially all of the full-time employees of the County 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 public 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, New Mexico 87504-2123. The report is also available on PERA's website at www.pera.state.nm.us.

Funding Policy. Plan members are required to contribute 9.15%, for annual salaries \$20,000 or less, and 10.65%, for annual salaries greater than \$20,000, of their gross salary for regular County employees and 7.0%, for annual salaries \$20,000 or less, and 8.50%, for annual salaries greater than \$20,000, for law enforcement personnel. The County is required to contribute 9.15% of the gross covered salary for regular employees and 10.0% for law enforcement personnel. The contribution requirements of plan members and the County are established under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the Legislature. The County's contributions to PERA for the years ended June 30, 2014, 2013, and 2012 were \$278,883, \$272,537, and \$245,455, respectively, equal to the amount of the required contributions for each year.

**STATE OF NEW MEXICO
COUNTY OF TORRANCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 10. POST-EMPLOYMENT BENEFITS

Plan Description. The County contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment health care plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the health care 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 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 post-employment health care plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, New Mexico 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 health care 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.

**STATE OF NEW MEXICO
COUNTY OF TORRANCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 10. POST-EMPLOYMENT BENEFITS (CONTINUED)

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, 2014, 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, 2014, 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, 2014, 2013, and 2012 were \$59,901, \$59,299, and \$53,320, respectively, which equal the required contributions for each year.

NOTE 11. INSURANCE COVERAGE

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

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

**STATE OF NEW MEXICO
COUNTY OF TORRANCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 11. INSURANCE COVERAGE (CONTINUED)

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

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

NOTE 12. COMMITMENTS, CONTINGENT LIABILITIES AND LITIGATION

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

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

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

**STATE OF NEW MEXICO
COUNTY OF TORRANCE
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June 30, 2014**

NOTE 13. OPERATING LEASES

The County is obligated to Caterpillar Financial Services Corporation under a lease for seven motor graders accounted for as an operating lease. The lease is a five-year lease and the monthly payment is \$10,323. Expenses related to this lease were \$150,412 for 2014. The minimum lease payments are as follows:

Year Ended June 30	Total Payments
2015	\$ 123,876
2016	123,876
2017	123,876
2018	<u>41,292</u>
Totals	<u>\$ 412,920</u>

NOTE 14. 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, 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.

**STATE OF NEW MEXICO
COUNTY OF TORRANCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 15. INDUSTRIAL REVENUE BONDS

On September 15, 2009, the County issued \$195,000,000 in industrial revenue bonds related to the High Lonesome Wind Project for the purposes of constructing a wind farm. As of June 30, 2014, the outstanding balance was \$195,000,000 plus accrued interest estimated at \$7,442,500. The County has no obligation to pay this debt. It is the responsibility of the High Lonesome Mesa, LLC. The County's sole responsibility is to lease the project site property to High Lonesome Mesa, LLC through at least January 1, 2039.

NOTE 16. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position 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 or fund balance that applies to a future period and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The County does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position 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 or fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County does not have any items that qualify for reporting in this category.

NOTE 17. NEGATIVE NET RECEIPTS

In September 2013, the County entered into an agreement with the New Mexico Taxation and Revenue Department (Tax & Rev) to repay a negative net receipts revenue distributions made to the County for \$407,652. This amount will be paid in 12 installments of \$33,971 that will be intercepted from County GRT distributions beginning in October 2013 and ending in September 2014. The negative net receipts are related to gross receipts paid to the Tax and Rev by the Corrections Corporation of America (CCA) on federal inmates. It was determined that gross receipts should not have been paid on the federal inmates.

In June of 2013, the County entered into an agreement with CCA that stated if CCA were reimbursed by Tax & Rev and the County was liable to Tax & Rev for negative net receipts, CCA would make a one time payment to the County for the amount due to Tax & Rev within 45 days of the reimbursement date. The County also entered into an agreement with CCA for CCA to pay \$.50 per federal inmate housing day as a payment in lieu of taxes should Tax & Rev agree that no gross receipts taxes are due.

**STATE OF NEW MEXICO
COUNTY OF TORRANCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 17. NEGATIVE NET RECEIPTS (CONTINUED)

A corresponding negative net receipts receivable from CCA and liability to Tax & Rev has been recorded in the General Fund and included in the government-wide Statement of Net Position. At June 30, 2014, there were 3 installments remaining totaling \$101,913.

NOTE 18. SUBSEQUENT EVENTS

There was an ongoing criminal investigation involving the County Manager. This investigation and the charges filed by the NMAG's office alleged fraud and collusion between the County Manager and a contractor in which contracts were illegally awarded for work to be performed for the County. In late November 2014, state prosecutors dropped the fraud charges against the County Manager. In addition to the above NMAG investigation, the NM Office of the State Auditor has conducted a special audit of the County from January 1, 2007 through April 30, 2012 which was released on January 6, 2015.

On May 1, 2015 additional testing was performed and completed with regard to *OMB Circular A-133* compliance. It was subsequently determined that the County was not considered a low-risk auditee, and as such additional testing of major programs was required. This resulted in one additional finding 2014-002 which is described in the supplementary information. In addition, it was identified that the County had not certified their capital assets greater than \$5,000 at year end. As a result an additional finding related to this matter was added as Finding 2014.003.

NOTE 19. SUBSEQUENT ACCOUNTING STANDARD PRONOUNCEMENT

GASB No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB No. 27*, was approved in June 2012 and is effective for fiscal years starting after June 15, 2014. This Statement requires the liability of employers and nonemployer contributing entities to employees for defined benefit pensions (net pension liability) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position. As a result, the June 30, 2015 financial statements are expected to include a material net pension liability.

NON-MAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

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.

NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)

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

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

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.

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.

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.

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

NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Adolescent Pregnancy Prevention – To account for a grant from the State of New Mexico Department of Health, to provide teen pregnancy prevention education. Authority is the State of New Mexico Department of Health.

Safety Net – To account for donations to the Torrance County Project Office. Funds to be used for assisting clients in conjunction with the grants for community health and safety. Authority is the County Commission.

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

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

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

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

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

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.

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

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

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

NM Forest Re-Leaf Fund – To account for a grant from the State of New Mexico Energy, Minerals and Natural Resources Department, to install an irrigation system for plantings at the Mountainair Senior Center and to plant trees, shrubs and perennial plants at that center. Authority is the State of New Mexico Energy, Minerals and Natural Resources Department.

NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)

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.

Domestic Violence Court Fee Fund – To account for court fees levied by the Moriarty Magistrate Court which will be used as matching revenues for the Domestic Violence Grant. Authority is Section 6-11-6 NMSA 1978.

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.

Meth Initiative – To account for a grant under the Department of Justice for the purpose of establishing and enhancing problem solving strategies providing support to law enforcement agencies as they combat the use and distribution of methamphetamine. Authority is the U.S. Department of Justice.

U.S. Marshal 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.

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.

Underage Drinking Grant – To account for a grant passed through the City of Moriarty to help education and prevent underage drinking. Authority is the County Commission.

Drug Free Communities – To account for a grant from U.S. Department of Health and the White House Office of National Drug Control Policy and the Substance Abuse and Mental Health Services Administration to reduce substance abuse among youth in Torrance County. Authority is the U.S. Department of Health.

NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)

NM Primary Care Association – To account for a grant from NM Primary Care Association to provide a community based intervention program designed to increase outreach and enrollment for all medical assistance division programs. Authority is the NM Primary Care Association.

ICE Inmates – 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.

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.

NON-MAJOR DEBT SERVICE FUND

Debt Service Fund – 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.

NON-MAJOR CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the acquisition, construction and repair of major capital assets.

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
COUNTY OF TORRANCE
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2014

	Special Revenue				
	403	404	405	406	407
	Farm and Range	CR AO85 Developer Fee	N.E. Torrance Fire District	Fire District No. II	Duran Fire District
ASSETS					
Due from other funds - cash	\$ 11,582	210	96,993	33,540	209,703
Intergovernmental receivable	-	-	-	-	-
Property tax receivable	-	-	-	-	-
Total assets	\$ 11,582	210	96,993	33,540	209,703
LIABILITIES AND FUND BALANCES					
Liabilities					
Due to other funds - cash	\$ -	-	-	-	-
Accounts payable	10,414	-	5,878	3,082	219
Accrued payroll and taxes	-	-	-	-	-
Total liabilities	10,414	-	5,878	3,082	219
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - delinquent taxes	-	-	-	-	-
Fund Balances					
Restricted:					
Special projects	1,168	210	91,115	30,458	209,484
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Committed					
Special projects	-	-	-	-	-
Capital projects	-	-	-	-	-
Assigned					
Subsequent year's expenditures	-	-	-	-	-
Special projects	-	-	-	-	-
Capital projects	-	-	-	-	-
Total fund balances	1,168	210	91,115	30,458	209,484
Total liabilities and fund balances	\$ 11,582	210	96,993	33,540	209,703

The Notes to the Financial Statements are an integral part of this statement.

Special Revenue							
408	409	410	411	412	413	414	415
McIntosh Fire District	Torreón Fire District	Law Enforcement Protection	Fire Pool 1/4% Tax	County Fair Board	Fire Dept. Admin	Indigent	Emergency Medical Services
77,224	79,264	3,065	24,379	15,060	15,548	123,430	46,108
-	-	-	26,619	-	-	19,471	4,101
-	-	-	-	-	-	-	-
<u>77,224</u>	<u>79,264</u>	<u>3,065</u>	<u>50,998</u>	<u>15,060</u>	<u>15,548</u>	<u>142,901</u>	<u>50,209</u>
-	-	-	-	-	-	-	-
4,481	4,213	-	640	1,719	962	-	81
-	-	-	-	-	-	-	-
<u>4,481</u>	<u>4,213</u>	<u>-</u>	<u>640</u>	<u>1,719</u>	<u>962</u>	<u>-</u>	<u>81</u>
-	-	-	-	-	-	-	-
72,743	75,051	3,065	50,358	-	14,586	142,901	50,128
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	13,341	-	-	-
-	-	-	-	-	-	-	-
<u>72,743</u>	<u>75,051</u>	<u>3,065</u>	<u>50,358</u>	<u>13,341</u>	<u>14,586</u>	<u>142,901</u>	<u>50,128</u>
<u>77,224</u>	<u>79,264</u>	<u>3,065</u>	<u>50,998</u>	<u>15,060</u>	<u>15,548</u>	<u>142,901</u>	<u>50,209</u>

STATE OF NEW MEXICO
COUNTY OF TORRANCE
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)
June 30, 2014

	Special Revenue				
	423	427	430	600	604
	Environmental Gross Receipts Tax	WIPP Funding	Animal Shelter	Safety Program	Civil Defense
ASSETS					
Due from other funds	\$ -	5,383	4,288	2,616	-
Intergovernmental receivable	16,412	-	-	50	68,993
Property tax receivable	-	-	-	-	-
Total assets	\$ 16,412	5,383	4,288	2,666	68,993
LIABILITIES AND FUND BALANCES					
Liabilities					
Due to other funds	\$ -	-	-	-	11,616
Accounts payable	-	-	-	-	1,134
Accrued payroll and taxes	-	-	-	-	1,625
Total liabilities	-	-	-	-	14,375
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - delinquent taxes	-	-	-	-	-
Fund Balances					
Restricted:					
Special projects	16,412	5,383	4,288	-	54,618
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Committed					
Special projects	-	-	-	-	-
Capital projects	-	-	-	-	-
Assigned					
Subsequent year's expenditures	-	-	-	-	-
Special projects	-	-	-	2,666	-
Capital projects	-	-	-	-	-
Total fund balances	16,412	5,383	4,288	2,666	54,618
Total liabilities and fund balances	\$ 16,412	5,383	4,288	2,666	68,993

The Notes to the Financial Statements are an integral part of this statement.

Special Revenue

605	609	610	612	616	620	622
DWI Program	Treasurer's Fee	Reappraisal	Clerk's Equipment	RPHCA Grant	County Infrastructure GRT	Community Development Block Grant
-	41,866	249,893	1,316	-	138,687	-
27,713	-	-	-	8,500	16,378	-
-	-	-	-	-	-	-
27,713	41,866	249,893	1,316	8,500	155,065	-
5,320	-	-	-	-	-	-
388	9	141	534	8,500	-	-
4,480	-	-	-	-	-	-
10,188	9	141	534	8,500	-	-
-	-	-	-	-	-	-
17,525	41,857	249,752	782	-	155,065	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
17,525	41,857	249,752	782	-	155,065	-
27,713	41,866	249,893	1,316	8,500	155,065	-

STATE OF NEW MEXICO
COUNTY OF TORRANCE
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)
June 30, 2014

	Special Revenue				
	626	627	628	629	630
	Adolescent Pregnancy Prevention	Safety Net	Recycling & Illegal Dumping Grant	Home Visiting Grant	Esperanza Clinic
ASSETS					
Due from other funds	\$ -	-	-	-	8,368
Intergovernmental receivable	6,529	-	29,217	47,273	-
Property tax receivable	-	-	-	-	-
Total assets	\$ 6,529	-	29,217	47,273	8,368
LIABILITIES AND FUND BALANCES					
Liabilities					
Due to other funds	\$ 5,051	-	29,217	43,026	-
Accounts payable	-	-	-	-	-
Accrued payroll and taxes	447	-	-	4,247	-
Total liabilities	5,498	-	29,217	47,273	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - delinquent taxes	-	-	-	-	-
Fund Balances					
Restricted:					
Special projects	1,031	-	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Committed					
Special projects	-	-	-	-	8,368
Capital projects	-	-	-	-	-
Assigned					
Subsequent year's expenditures	-	-	-	-	-
Special projects	-	-	-	-	-
Capital projects	-	-	-	-	-
Total fund balances	1,031	-	-	-	8,368
Total liabilities and fund balances	\$ 6,529	-	29,217	47,273	8,368

The Notes to the Financial Statements are an integral part of this statement.

Special Revenue

631	634	635	641	650	675	680
Senior Citizens Program	Court Forfeiture	Juvenile Justice Grant	High Lonesome Wind Pilt	Estancia Basin Water Study	Rural Addressing	NM Forest Re-Leaf
1,341	10,215	-	130,052	-	31,795	-
-	-	42,568	-	5,891	4,101	-
-	-	-	-	-	-	-
1,341	10,215	42,568	130,052	5,891	35,896	-
-	-	5,365	-	5,170	-	-
-	-	8,124	-	-	151	-
-	-	-	-	-	-	-
-	-	13,489	-	5,170	151	-
-	-	-	-	-	-	-
-	10,215	29,079	130,052	-	35,745	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,341	-	-	-	721	-	-
-	-	-	-	-	-	-
1,341	10,215	29,079	130,052	721	35,745	-
1,341	10,215	42,568	130,052	5,891	35,896	-

STATE OF NEW MEXICO
COUNTY OF TORRANCE
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)
June 30, 2014

	Special Revenue				
	685	690	691	692	693
	Planning & Zoning Court Fees	Domestic Violence	DV Victim Restitution	Domestic Violence Court Fees	Title III Forest Reserve
ASSETS					
Due from other funds	\$ 14,011	-	29,582	-	128,411
Intergovernmental receivable	-	10,337	-	-	-
Property tax receivable	-	-	-	-	-
Total assets	\$ 14,011	10,337	29,582	-	128,411
LIABILITIES AND FUND BALANCES					
Liabilities					
Due to other funds	\$ -	9,025	-	-	-
Accounts payable	254	-	-	-	-
Accrued payroll and taxes	-	1,312	-	-	-
Total liabilities	254	10,337	-	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - delinquent taxes	-	-	-	-	-
Fund Balances					
Restricted:					
Special projects	13,757	-	29,582	-	128,411
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Committed					
Special projects	-	-	-	-	-
Capital projects	-	-	-	-	-
Assigned					
Subsequent year's expenditures	-	-	-	-	-
Special projects	-	-	-	-	-
Capital projects	-	-	-	-	-
Total fund balances	13,757	-	29,582	-	128,411
Total liabilities and fund balances	\$ 14,011	10,337	29,582	-	128,411

The Notes to the Financial Statements are an integral part of this statement.

Special Revenue

801	802	804	805	808	811
Meth Initiative	US Marshal	Drug Education Program	Traffic Safety	Forest Service Patrol	Underage Drinking Grant
-	-	31,955	-	3,219	531
30,366	2,054	-	12,611	2,870	-
-	-	-	-	-	-
30,366	2,054	31,955	12,611	6,089	531
30,366	1,784	-	10,548	-	-
-	-	44	-	-	-
-	-	-	-	-	-
30,366	1,784	44	10,548	-	-
-	-	-	-	-	-
-	270	31,911	2,063	6,089	531
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	270	31,911	2,063	6,089	531
30,366	2,054	31,955	12,611	6,089	531

STATE OF NEW MEXICO
COUNTY OF TORRANCE
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)
June 30, 2014

	Special Revenue			
	817	819	825	911
	Drug Free Communities	NM Primary Care Association	ICE Inmate Care	Emergency 911
ASSETS				
Due from other funds	\$ 24,670	-	2	234,171
Intergovernmental receivable	4,012	6,639	3,454	71,896
Property tax receivable	-	-	-	-
Total assets	\$ 28,682	6,639	3,456	306,067
LIABILITIES AND FUND BALANCES				
Liabilities				
Due to other funds	\$ -	5,589	-	-
Accounts payable	-	-	3,454	2,450
Accrued payroll and taxes	-	776	-	18,107
Total liabilities	-	6,365	3,454	20,557
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - delinquent taxes	-	-	-	-
Fund Balances				
Restricted:				
Special projects	28,682	274	2	285,510
Capital projects	-	-	-	-
Debt service	-	-	-	-
Committed				
Special projects	-	-	-	-
Capital projects	-	-	-	-
Assigned				
Subsequent year's expenditures	-	-	-	-
Special projects	-	-	-	-
Capital projects	-	-	-	-
Total fund balances	28,682	274	2	285,510
Total liabilities and fund balances	\$ 28,682	6,639	3,456	306,067

The Notes to the Financial Statements are an integral part of this statement.

	Debt Service	Capital Projects	
	562	803	Total
Special Revenue Total	Debt Service	Legislative Appropriations	Non-Major Governmental Funds
1,828,478	345,691	6,878	2,181,047
468,055	6,206	-	474,261
-	77,820	-	77,820
<u>2,296,533</u>	<u>429,717</u>	<u>6,878</u>	<u>2,733,128</u>
162,077	-	-	162,077
56,871	-	-	56,871
30,994	-	-	30,994
<u>249,942</u>	<u>-</u>	<u>-</u>	<u>249,942</u>
-	70,121	-	70,121
2,020,154	-	-	2,020,154
-	-	6,878	6,878
-	359,596	-	359,596
-	-	-	-
8,368	-	-	8,368
-	-	-	-
-	-	-	-
18,069	-	-	18,069
-	-	-	-
<u>2,046,591</u>	<u>359,596</u>	<u>6,878</u>	<u>2,413,065</u>
<u>2,296,533</u>	<u>429,717</u>	<u>6,878</u>	<u>2,733,128</u>

STATE OF NEW MEXICO
COUNTY OF TORRANCE
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2014

	Special Revenue					
	403	404	405	406	407	408
	Farm and Range	CR AO85 Developer Fee	N.E. Torrance Fire District	Fire District No. II	Duran Fire District	McIntosh Fire District
Revenues						
Intergovernmental sources - federal	\$ 1,168	-	-	-	-	-
Intergovernmental sources - state	-	-	113,560	97,352	47,259	124,846
Local and state shared taxes	-	-	15,393	29,684	12,332	19,043
Property taxes	-	-	-	-	-	-
PILT from Industrial Revenue Bonds	-	-	-	-	-	-
Charges for services	-	210	-	-	-	-
Interest	-	-	37	56	151	86
Other	-	-	-	-	-	-
Total revenues	1,168	210	128,990	127,092	59,742	143,975
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	107,302	91,548	50,013	98,577
Highways and streets	-	-	-	-	-	-
Health and welfare	28,500	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	29,391	9,320	23,437	20,954
Debt service - principal	-	-	-	-	-	8,000
Debt service - interest	-	-	-	-	-	1,323
Total expenditures	28,500	-	136,693	100,868	73,450	128,854
Excess (deficiency) of revenues over expenditures	(27,332)	210	(7,703)	26,224	(13,708)	15,121
Other Financing Sources (Uses)						
Loan proceeds	-	-	-	-	-	-
Transfers in	28,500	-	-	-	-	-
Transfers out	-	-	-	(44,357)	-	-
Total other financing sources (uses)	28,500	-	-	(44,357)	-	-
Net change in fund balances	1,168	210	(7,703)	(18,133)	(13,708)	15,121
Fund balances, beginning of year	-	-	98,818	48,591	223,192	57,622
Fund balances, end of year	\$ 1,168	210	91,115	30,458	209,484	72,743

The Notes to the Financial Statements are an integral part of this statement.

Special Revenue

409	410	411	412	413	414	415
Torreon- Fire District	Law Enforcement Protection	Fire Pool 1/4% Tax	County Fair Board	Fire Dept. Admin	Indigent	Emergency Medical Services
-	-	-	-	-	-	-
30,744	26,600	-	-	63,650	-	18,062
12,331	-	61,096	-	-	239,288	23,746
-	-	-	-	-	-	-
-	-	-	116,009	-	-	-
80	-	-	-	-	-	-
-	-	-	-	-	-	-
43,155	26,600	61,096	116,009	63,650	239,288	41,808
-	-	-	137,727	-	-	-
84,496	24,360	3,200	-	47,836	133,804	53,945
-	-	-	-	-	-	-
-	-	-	-	-	-	-
11,391	3,790	6,525	-	2,954	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
95,887	28,150	9,725	137,727	50,790	133,804	53,945
(52,732)	(1,550)	51,371	(21,718)	12,860	105,484	(12,137)
-	-	-	-	-	-	-
-	-	-	21,500	-	-	-
-	-	(8,000)	-	-	-	-
-	-	(8,000)	21,500	-	-	-
(52,732)	(1,550)	43,371	(218)	12,860	105,484	(12,137)
127,783	4,615	6,987	13,559	1,726	37,417	62,265
75,051	3,065	50,358	13,341	14,586	142,901	50,128

STATE OF NEW MEXICO
COUNTY OF TORRANCE
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)
Year Ended June 30, 2014

	Special Revenue				
	423	427	430	600	604
	Environmental Gross Receipts Tax	WIPP Funding	Animal Shelter	Safety Program	Civil Defense
Revenues					
Intergovernmental sources - federal	\$ -	-	-	-	112,340
Intergovernmental sources - state	-	7,000	-	-	23,725
Local and state shared taxes	82,716	-	-	-	38,487
Property taxes	-	-	-	-	-
PILT from Industrial Revenue Bonds	-	-	-	-	-
Charges for services	-	-	-	12,240	-
Interest	-	-	-	-	-
Other	-	-	1,931	-	-
Total revenues	82,716	7,000	1,931	12,240	174,552
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	6,730	-	14,565	-
Highways and streets	-	-	-	-	-
Health and welfare	79,040	-	-	-	181,408
Culture and recreation	-	-	-	-	-
Capital outlay	-	8,900	-	-	-
Debt service - principal	-	-	-	-	-
Debt service - interest	-	-	-	-	-
Total expenditures	79,040	15,630	-	14,565	181,408
Excess (deficiency) of revenues over expenditures	3,676	(8,630)	1,931	(2,325)	(6,856)
Other Financing Sources (Uses)					
Loan proceeds	-	-	-	-	-
Transfers in	-	-	1,230	-	20,510
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	1,230	-	20,510
Net change in fund balances	3,676	(8,630)	3,161	(2,325)	13,654
Fund balances, beginning of year	12,736	14,013	1,127	4,991	40,964
Fund balances, end of year	\$ 16,412	5,383	4,288	2,666	54,618

The Notes to the Financial Statements are an integral part of this statement.

Special Revenue

605	609	610	612	616	620	622
DWI Program	Treasurer's Fee	Reappraisal	Clerk's Equipment	RPHCA Grant	County Infrastructure GRT	Community Development Block Grant
-	-	-	-	-	-	-
164,631	-	-	-	109,600	-	212,545
-	-	-	-	-	104,453	-
-	-	-	-	-	-	-
1,517	8,328	93,047	24,410	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
166,148	8,328	93,047	24,410	109,600	104,453	212,545
-	7,870	62,842	33,190	-	4,451	-
166,393	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	118,100	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	212,545
-	-	-	-	-	-	-
166,393	7,870	62,842	33,190	118,100	4,451	212,545
(245)	458	30,205	(8,780)	(8,500)	100,002	-
-	-	-	-	-	-	-
-	-	37,208	-	-	-	-
-	-	-	-	-	-	-
-	-	37,208	-	-	-	-
(245)	458	67,413	(8,780)	(8,500)	100,002	-
17,770	41,399	182,339	9,562	8,500	55,063	-
17,525	41,857	249,752	782	-	155,065	-

STATE OF NEW MEXICO
COUNTY OF TORRANCE
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)
Year Ended June 30, 2014

	Special Revenue				
	626	627	628	629	630
	Adolescent Pregnancy Prevention	Safety Net	Recycling & Illegal Dumping Grant	Home Visiting Grant	Esperanza Clinic
Revenues					
Intergovernmental sources - federal	\$ 22,900	-	-	-	-
Intergovernmental sources - state	-	-	56,736	208,165	-
Local and state shared taxes	-	-	-	-	-
Property taxes	-	-	-	-	-
PILT from Industrial Revenue Bonds	-	-	-	-	-
Charges for services	-	-	-	-	1,200
Interest	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	22,900	-	56,736	208,165	1,200
Expenditures					
Current:					
General government	-	-	56,736	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Health and welfare	23,449	-	-	208,165	-
Culture and recreation	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service - principal	-	-	-	-	-
Debt service - interest	-	-	-	-	-
Total expenditures	23,449	-	56,736	208,165	-
Excess (deficiency) of revenues over expenditures	(549)	-	-	-	1,200
Other Financing Sources (Uses)					
Loan proceeds	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	(1,657)	-	-	-
Total other financing sources (uses)	-	(1,657)	-	-	-
Net change in fund balances	(549)	(1,657)	-	-	1,200
Fund balances, beginning of year	1,580	1,657	-	-	7,168
Fund balances, end of year	\$ 1,031	-	-	-	8,368

The Notes to the Financial Statements are an integral part of this statement.

Special Revenue

631	634	635	641	650	675	680
Senior Citizens Program	Court Forfeiture	Juvenile Justice Grant	High Lonesome Wind Pilot	Estancia Basin Water Study	Rural Addressing	NM Forest Re-Leaf
-	-	-	-	-	-	-
-	-	74,833	-	11,934	-	-
-	-	-	-	-	23,746	-
-	-	-	-	-	-	-
-	-	-	325,000	-	-	-
-	-	-	-	-	5,244	-
-	-	-	166	-	-	-
-	1,598	-	-	-	-	-
-	1,598	74,833	325,166	11,934	28,990	-
331	-	74,928	195,543	13,157	68,358	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	65,000	-	-	-
-	-	-	-	-	-	-
331	-	74,928	260,543	13,157	68,358	-
(331)	1,598	(95)	64,623	(1,223)	(39,368)	-
-	-	-	-	-	-	-
-	-	-	-	-	35,000	-
-	-	-	(22,076)	-	-	-
-	-	-	(22,076)	-	35,000	-
(331)	1,598	(95)	42,547	(1,223)	(4,368)	-
1,672	8,617	29,174	87,505	1,944	40,113	-
1,341	10,215	29,079	130,052	721	35,745	-

STATE OF NEW MEXICO
COUNTY OF TORRANCE
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
Year Ended June 30, 2014

	Special Revenue				
	685	690	691	692	693
	Planning & Zoning Court Fees	Domestic Violence	DV Victim Restitution	Domestic Violence Court Fees	Title III Forest Reserve
Revenues					
Intergovernmental sources - federal	\$ -	72,204	-	-	-
Intergovernmental sources - state	-	-	-	-	9,161
Local and state shared taxes	-	-	-	-	-
Property taxes	-	-	-	-	-
PILT from Industrial Revenue Bonds	-	-	-	-	-
Charges for services	6,527	20	7,130	-	-
Interest	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	6,527	72,224	7,130	-	9,161
Expenditures					
Current:					
General government	14,457	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Health and welfare	-	69,888	3,942	-	-
Culture and recreation	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service - principal	-	-	-	-	-
Debt service - interest	-	-	-	-	-
Total expenditures	14,457	69,888	3,942	-	-
Excess (deficiency) of revenues over expenditures	(7,930)	2,336	3,188	-	9,161
Other Financing Sources (Uses)					
Loan proceeds	-	-	-	-	-
Transfers in	7,000	-	17,419	-	-
Transfers out	-	(12,468)	-	(3,294)	-
Total other financing sources (uses)	7,000	(12,468)	17,419	(3,294)	-
Net change in fund balances	(930)	(10,132)	20,607	(3,294)	9,161
Fund balances, beginning of year	14,687	10,132	8,975	3,294	119,250
Fund balances, end of year	\$ 13,757	-	29,582	-	128,411

The Notes to the Financial Statements are an integral part of this statement.

Special Revenue

801	802	804	805	808	811
Meth Initiative	US Marshal	Drug Education Program	Traffic Safety	Forest Service Patrol	Underage Drinking Grant
56,026	2,154	-	8,405	9,026	-
-	4,606	4,051	9,967	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
56,026	6,760	4,051	18,372	9,026	-
-	-	-	-	-	-
56,026	6,490	-	12,380	8,017	-
-	-	-	-	-	-
-	-	6,750	-	-	-
-	-	-	-	-	-
-	-	-	3,999	-	-
-	-	-	-	-	-
-	-	-	-	-	-
56,026	6,490	6,750	16,379	8,017	-
-	270	(2,699)	1,993	1,009	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	270	(2,699)	1,993	1,009	-
-	-	34,610	70	5,080	531
-	270	31,911	2,063	6,089	531

STATE OF NEW MEXICO
COUNTY OF TORRANCE
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)
Year Ended June 30, 2014

	Special Revenue			
	817	819	825	911
	Drug Free Communities	NM Primary Care Association	ICE Inmate Care	Emergency E-911
Revenues				
Intergovernmental sources - federal	\$ 79,727	29,246	-	-
Intergovernmental sources - state	41,695	-	-	138,685
Local and state shared taxes	-	-	-	394,179
Property taxes	-	-	-	-
PILT from Industrial Revenue Bonds	-	-	-	-
Charges for services	-	-	58,195	-
Interest	-	-	-	-
Other	-	-	-	-
Total revenues	121,422	29,246	58,195	532,864
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	63,091	717,704
Highways and streets	-	-	-	-
Health and welfare	110,571	28,972	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service - principal	-	-	-	-
Debt service - interest	-	-	-	-
Total expenditures	110,571	28,972	63,091	717,704
Excess (deficiency) of revenues over expenditures	10,851	274	(4,896)	(184,840)
Other Financing Sources (Uses)				
Loan proceeds	-	-	-	-
Transfers in	-	-	-	240,000
Transfers out	-	-	-	(30,989)
Total other financing sources (uses)	-	-	-	209,011
Net change in fund balances	10,851	274	(4,896)	24,171
Fund balances, beginning of year	17,831	-	4,898	261,339
Fund balances, end of year	\$ 28,682	274	2	285,510

The Notes to the Financial Statements are an integral part of this statement.

Special Revenue Total	Debt Service	Capital Projects	Total Non-Major Governmental Funds
	562	803	
	Debt Service	Legislative Appropriations	
393,196	\$ -	-	393,196
1,599,407	90,971	-	1,690,378
1,056,494	37,236	-	1,093,730
-	332,401	-	332,401
325,000	-	-	325,000
334,077	-	-	334,077
576	-	-	576
3,529	-	-	3,529
<u>3,712,279</u>	<u>460,608</u>	<u>-</u>	<u>4,172,887</u>
669,589	-	-	669,589
1,746,478	-	-	1,746,478
-	-	-	-
858,784	-	-	858,784
-	-	-	-
333,206	-	-	333,206
73,000	452,498	-	525,498
1,323	119,718	-	121,041
<u>3,682,380</u>	<u>572,216</u>	<u>-</u>	<u>4,254,596</u>
29,899	(111,608)	-	(81,709)
-	-	-	-
408,367	83,346	-	491,713
(122,841)	-	-	(122,841)
<u>285,526</u>	<u>83,346</u>	<u>-</u>	<u>368,872</u>
315,425	(28,262)	-	287,163
1,731,166	387,858	6,878	2,125,902
<u>2,046,591</u>	<u>\$ 359,596</u>	<u>6,878</u>	<u>2,413,065</u>

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE FARM AND RANGE
Year Ended June 30, 2014

	403			Variance with Final Budget - Favorable (Unfavorable)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Intergovernmental revenue - federal	\$ 1,450	1,450	1,168	(282)
Total revenues	1,450	1,450	1,168	(282)
Expenditures				
Health and welfare	28,500	28,500	18,086	10,414
Total expenditures	28,500	28,500	18,086	10,414
Excess (deficiency) of revenues over expenditures	(27,050)	(27,050)	(16,918)	10,132
Other Financing Sources (Uses)				
Operating transfers in	28,500	28,500	28,500	-
Total other financing sources (uses)	28,500	28,500	28,500	-
Net change in fund balance	\$ 1,450	1,450	11,582	10,132
Budgetary Expenses			\$ 18,086	
Accounts payable			10,414	
GAAP expenses			\$ 28,500	

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE CR A085 DEVELOPER FEE
Year Ended June 30, 2014

	404			Variance with Final Budget - Favorable (Unfavorable)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Local and state shared taxes	\$		-	-
Charges for services		-	210	210
Total revenues		-	210	210
Expenditures				
Culture and recreation		-	-	-
Total expenditures		-	-	-
Excess (deficiency) of revenues over expenditures		-	210	210
Net change in fund balance	\$	-	210	210

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE NORTHEAST TORRANCE FIRE DISTRICT
Year Ended June 30, 2014

405

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Local and state shared taxes	\$ 7,192	7,192	17,020	9,828
Intergovernmental revenue	113,560	117,072	113,560	(3,512)
Charges for services	-	-	-	-
Interest	58	58	37	(21)
Total revenues	120,810	124,322	130,617	6,295
Expenditures				
Public safety	222,212	222,212	135,026	87,186
Total expenditures	222,212	222,212	135,026	87,186
Excess (deficiency) of revenues over expenditures	(101,402)	(97,890)	(4,409)	93,481
Net change in fund balance	\$ (101,402)	(97,890)	(4,409)	93,481
Prior year cash balance to balance the budget	\$ 22,332	22,332		
	\$ (79,070)	(75,558)		
Budgetary Revenues			\$ 130,617	
Intergovernmental receivable			(2,115)	
Deferred revenue			488	
GAAP revenues			\$ 128,990	
Budgetary Expenses			\$ 135,026	
Accounts payable			1,667	
GAAP expenses			\$ 136,693	

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE FIRE DISTRICT NO. II
Year Ended June 30, 2014

	406			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Local and state shared taxes	\$ 28,000	28,000	34,779	6,779
Intergovernmental revenue	97,352	97,352	97,352	-
Interest	93	93	56	(37)
Total revenues	<u>125,445</u>	<u>125,445</u>	<u>132,187</u>	<u>6,742</u>
Expenditures				
Public safety	127,229	127,229	100,441	26,788
Total expenditures	<u>127,229</u>	<u>127,229</u>	<u>100,441</u>	<u>26,788</u>
Excess (deficiency) of revenues over expenditures	<u>(1,784)</u>	<u>(1,784)</u>	<u>31,746</u>	<u>33,530</u>
Other Financing Sources (Uses)				
Operating transfers out	(44,357)	(44,357)	(44,357)	-
Total other financing sources (uses)	<u>(44,357)</u>	<u>(44,357)</u>	<u>(44,357)</u>	<u>-</u>
Net change in fund balance	<u>\$ (46,141)</u>	<u>(46,141)</u>	<u>(12,611)</u>	<u>33,530</u>
Prior year cash balance to balance the budget	\$ 46,141	46,141		
	<u>\$ -</u>	<u>-</u>		
Budgetary Revenues			\$ 132,187	
Intergovernmental receivable			(6,624)	
Intergovernmental receivable			<u>1,529</u>	
GAAP revenues			<u>\$ 127,092</u>	
Budgetary Expenses			\$ 100,441	
Accounts payable			<u>427</u>	
GAAP expenses			<u>\$ 100,868</u>	

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE DURAN FIRE DISTRICT
Year Ended June 30, 2014

407

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Local and state-shared taxes	\$ 9,900	9,900	14,115	4,215
Intergovernmental revenue	47,241	47,241	47,259	18
Interest	200	200	151	(49)
Total revenues	57,341	57,341	61,525	4,184
Expenditures				
Public safety	279,836	279,836	74,319	205,517
Total expenditures	279,836	279,836	74,319	205,517
Excess (deficiency) of revenues over expenditures	(222,495)	(222,495)	(12,794)	209,701
Net change in fund balance	\$ (222,495)	(222,495)	(12,794)	209,701
Prior year cash balance to balance the budget	\$ 222,495	222,495		
	\$ -	-		
Budgetary Revenues			\$ 61,525	
Intergovernmental receivable			(2,318)	
Deferred revenue			535	
GAAP revenues			\$ 59,742	
Budgetary Expenses			\$ 74,319	
Accounts payable			(869)	
GAAP expenses			\$ 73,450	

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE MCINTOSH FIRE DISTRICT
Year Ended June 30, 2014

	408			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Local and state shared taxes	\$ 11,572	16,200	21,400	5,200
Intergovernmental revenue	124,846	124,846	124,846	-
Charges for services	-	-	-	-
Interest	100	100	86	(14)
Total revenues	136,518	141,146	146,332	5,186
Expenditures				
Public safety	196,075	186,075	128,667	57,408
Total expenditures	196,075	186,075	128,667	57,408
Excess (deficiency) of revenues over expenditures	(59,557)	(44,929)	17,665	62,594
Net change in fund balance	\$ (59,557)	(44,929)	17,665	62,594
Prior year cash balance to balance the budget	\$ 59,557	44,929		
	\$ -	-		
Budgetary Revenues			\$ 146,332	
Intergovernmental receivable			(3,064)	
Deferred revenue			707	
GAAP revenues			\$ 143,975	
Budgetary Expenses			\$ 128,667	
Accounts payable			187	
GAAP expenses			\$ 128,854	

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE TORREON-TAJIQUE FIRE DISTRICT
Year Ended June 30, 2014

409

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Local and state shared taxes	\$ 9,900	9,900	14,114	4,214
Intergovernmental revenue	30,744	30,744	30,744	-
Charges for services	-	-	-	-
Interest	100	100	80	(20)
Total revenues	40,744	40,744	44,938	4,194
Expenditures				
Public safety	169,107	179,107	94,039	85,068
Total expenditures	169,107	179,107	94,039	85,068
Excess (deficiency) of revenues over expenditures	(128,363)	(138,363)	(49,101)	89,262
Net change in fund balance	\$ (128,363)	(138,363)	(49,101)	89,262
Prior year cash balance to balance the budget	\$ 128,363	138,363		
	\$ -	-		
Budgetary Revenues			\$ 44,938	
Intergovernmental receivable			(2,318)	
Deferred revenue			535	
GAAP revenues			\$ 43,155	
Budgetary Expenses			\$ 94,039	
Accounts payable			1,848	
GAAP expenses			\$ 95,887	

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE LAW ENFORCEMENT PROTECTION
Year Ended June 30, 2014

	410			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 26,600	26,600	26,600	-
Total revenues	26,600	26,600	26,600	-
Expenditures				
Public safety	31,215	31,215	28,150	3,065
Total expenditures	31,215	31,215	28,150	3,065
Excess (deficiency) of revenues over expenditures	(4,615)	(4,615)	(1,550)	3,065
Net change in fund balance	\$ (4,615)	(4,615)	(1,550)	3,065
Prior year cash balance to balance the budget	\$ 4,615	4,615		
	<u>\$ -</u>	<u>-</u>		

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE FIRE POOL 1/4% TAX
Year Ended June 30, 2014

411

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Local and state shared taxes	\$ 36,800	36,800	41,101	4,301
Total revenues	36,800	36,800	41,101	4,301
Expenditures				
Public safety	29,163	29,163	9,085	20,078
Total expenditures	29,163	29,163	9,085	20,078
Excess (deficiency) of revenues over expenditures	7,637	7,637	32,016	24,379
Other Financing Sources (Uses)				
Operating transfers out	(8,000)	(8,000)	(8,000)	-
Total other financing sources (uses)	(8,000)	(8,000)	(8,000)	-
Net change in fund balance	\$ (363)	(363)	24,016	24,379
Prior year cash balance to balance the budget	\$ 363	363		
	\$ -	-		
Budgetary Revenues			\$ 41,101	
Intergovernmental receivable			18,008	
Deferred revenue			1,987	
GAAP revenues			\$ 61,096	
Budgetary Expenses			\$ 9,085	
Accounts payable			640	
GAAP expenses			\$ 9,725	

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE COUNTY FAIR BOARD
Year Ended June 30, 2014

	412			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Charges for services	\$ 120,000	120,000	116,009	(3,991)
Total revenues	120,000	120,000	116,009	(3,991)
Expenditures				
General government	138,249	140,749	137,153	3,596
Total expenditures	138,249	140,749	137,153	3,596
Excess (deficiency) of revenues over expenditures	(18,249)	(20,749)	(21,144)	(395)
Other Financing Sources (Uses)				
Operating transfers in	19,000	21,500	21,500	-
Total other financing sources (uses)	19,000	21,500	21,500	-
Net change in fund balance	\$ 751	751	356	(395)
Budgetary Expenses			\$ 137,153	
Accounts payable			574	
GAAP expenses			\$ 137,727	

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE FIRE DEPARTMENT ADMINISTRATION
Year Ended June 30, 2014

	413			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 63,400	63,400	63,650	250
Charges for services			-	-
Total revenues	63,400	63,400	63,650	250
Expenditures				
Public safety	67,142	67,142	51,844	15,298
Total expenditures	67,142	67,142	51,844	15,298
Excess (deficiency) of revenues over expenditures	(3,742)	(3,742)	11,806	15,548
Net change in fund balance	\$ (3,742)	(3,742)	11,806	15,548
Prior year cash balance to balance the budget	\$ 3,742	3,742		
	<u>\$ -</u>	<u>-</u>		
Budgetary Expenses			\$ 51,844	
Accounts payable			<u>(1,054)</u>	
GAAP expenses			<u>\$ 50,790</u>	

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE INDIGENT
Year Ended June 30, 2014

	414			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Local and state shared taxes	\$ 287,547	287,547	253,554	(33,993)
Intergovernmental revenue	-	-	-	-
Charges for services	-	-	-	-
Total revenues	287,547	287,547	253,554	(33,993)
Expenditures				
Health and welfare	307,430	307,430	150,007	157,423
Total expenditures	307,430	307,430	150,007	157,423
Excess (deficiency) of revenues over expenditures	(19,883)	(19,883)	103,547	123,430
Net change in fund balance	\$ (19,883)	(19,883)	103,547	123,430
Prior year cash balance to balance the budget	\$ 19,883	19,883		
	<u>\$ -</u>	<u>-</u>		
Budgetary Revenues			\$ 253,554	
Intergovernmental receivable			(24,387)	
Deferred revenues			<u>10,121</u>	
GAAP revenues			<u>\$ 239,288</u>	
Budgetary Expenses			\$ 150,007	
Accounts payable			<u>(16,203)</u>	
GAAP expenses			<u>\$ 133,804</u>	

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE EMERGENCY MEDICAL SERVICES (EMS)
Year Ended June 30, 2014

	415			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Local and state shared taxes	\$ 20,000	38,062	23,390	(14,672)
Intergovernmental revenue	-	-	18,062	18,062
Total revenues	20,000	38,062	41,452	3,390
Expenditures				
Public safety	59,634	77,696	53,864	23,832
Total expenditures	59,634	77,696	53,864	23,832
Excess (deficiency) of revenues over expenditures	(39,634)	(39,634)	(12,412)	27,222
Net change in fund balance	\$ (39,634)	(39,634)	(12,412)	27,222
Prior year cash balance to balance the budget	\$ 39,634	39,634		
	\$ -	-		
Budgetary Revenues			\$ 41,452	
Intergovernmental receivable			(768)	
Deferred revenues			1,124	
GAAP revenues			\$ 41,808	
Budgetary Expenses			\$ 53,864	
Accounts payable			81	
GAAP expenses			\$ 53,945	

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE ENVIRONMENTAL GROSS RECEIPTS TAX
Year Ended June 30, 2014

	423			Variance with Final Budget - Favorable (Unfavorable)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Local and state shared taxes	\$ 78,000	79,050	79,040	(10)
Total revenues	78,000	79,050	79,040	(10)
Expenditures				
Health and welfare	78,000	79,050	79,040	10
Total expenditures	78,000	79,050	79,040	10
Net change in fund balance	\$ -	-	-	-
Budgetary Revenues			\$ 79,040	
Intergovernmental receivable			(145)	
Deferred revenues			3,821	
GAAP revenues			\$ 82,716	

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE WIPP FUNDING
Year Ended June 30, 2014

427

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental sources	\$ 7,000	7,000	7,000	-
Total revenues	7,000	7,000	7,000	-
Expenditures				
Public Safety	21,013	21,013	15,630	5,383
Total expenditures	21,013	21,013	15,630	5,383
Excess (deficiency) of revenues over expenditures	(14,013)	(14,013)	(8,630)	5,383
Net change in fund balance	\$ (14,013)	(14,013)	(8,630)	5,383
Prior year cash balance to balance the budget	\$ 14,013	14,013		
	\$ -	-		

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE ANIMAL SHELTER
Year Ended June 30, 2014

	430			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental sources	\$ -	-	-	
Other	-	-	1,931	1,931
Total revenues	-	-	1,931	1,931
Expenditures				
General government	1,127	1,127	-	1,127
Total expenditures	1,127	1,127	-	1,127
Excess (deficiency) of revenues over expenditures	(1,127)	(1,127)	1,931	3,058
Other Financing Sources (Uses)				
Operating transfers in	-	1,230	1,230	-
Total other financing sources (uses)	-	1,230	1,230	-
Net change in fund balance	\$ (1,127)	103	3,161	3,058
Prior year cash balance to balance the budget	\$ 1,127	-		
	\$ -	103		

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE SAFETY PROGRAM
Year Ended June 30, 2014

	600			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental sources	\$ -	-	-	-
Charges for services	13,080	13,080	12,190	(890)
Total revenues	13,080	13,080	12,190	(890)
Expenditures				
Public safety	17,818	17,818	14,614	3,204
Total expenditures	17,818	17,818	14,614	3,204
Excess (deficiency) of revenues over expenditures	(4,738)	(4,738)	(2,424)	2,314
Net change in fund balance	\$ (4,738)	(4,738)	(2,424)	2,314
Prior year cash balance to balance the budget	\$ 4,738	4,738		
	<u>\$ -</u>	<u>-</u>		
Budgetary Revenues			\$ 12,190	
Intergovernmental receivable			<u>50</u>	
GAAP expenses			<u>\$ 12,240</u>	
Budgetary Expenses			\$ 14,614	
Accounts payable			<u>(49)</u>	
GAAP expenses			<u>\$ 14,565</u>	

TORRANCE COUNTY, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE CIVIL DEFENSE
Year Ended June 30, 2014

604

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Favorable
				(Unfavorable)
Revenues				
Local and state shared taxes	\$ 28,000	28,000	32,746	4,746
Intergovernmental revenue - federal	209,377	313,739	129,491	(184,248)
Intergovernmental revenue - state	209,377	313,739	-	(313,739)
Total revenues	237,377	341,739	162,237	(179,502)
Expenditures				
Health and welfare	255,948	318,916	194,568	124,348
Total expenditures	255,948	318,916	194,568	124,348
Excess (deficiency) of revenues over expenditures	(18,571)	22,823	(32,331)	(55,154)
Other Financing Sources (Uses)				
Operating transfers in	20,510	20,510	20,510	-
Total other financing sources (uses)	20,510	20,510	20,510	-
Net change in fund balance	\$ 1,939	43,333	(11,821)	(55,154)
Budgetary Revenues			\$ 162,237	
Intergovernmental receivable			10,742	
Deferred revenue			1,573	
GAAP revenues			\$ 174,552	
Budgetary Expenses			\$ 194,568	
Accounts payable			(13,279)	
Accrued payroll			119	
GAAP expenses			\$ 181,408	

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE DWI PROGRAM
Year Ended June 30, 2014

605				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental sources - state	\$ 186,892	204,866	160,150	(44,716)
Charges for services	2,000	2,000	1,517	(483)
Total revenues	188,892	206,866	161,667	(45,199)
Expenditures				
Public safety	185,693	185,693	165,291	20,402
Total expenditures	185,693	185,693	165,291	20,402
Excess (deficiency) of revenues over expenditures	3,199	21,173	(3,624)	(24,797)
Net change in fund balance	\$ 3,199	21,173	(3,624)	(24,797)
Budgetary Revenues			\$ 161,667	
Accounts receivable			4,481	
GAAP revenues			\$ 166,148	
Budgetary Expenses			\$ 165,291	
Accounts payable			38	
Accrued payroll			1,064	
GAAP expenses			\$ 166,393	

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE TREASURER'S FEE
Year Ended June 30, 2014

	609			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Favorable (Unfavorable)
Revenues				
Charges for services	\$ 12,500	12,500	8,328	(4,172)
Total revenues	12,500	12,500	8,328	(4,172)
Expenditures				
General government	38,522	38,522	7,861	30,661
Total expenditures	38,522	38,522	7,861	30,661
Excess (deficiency) of revenues over expenditures	(26,022)	(26,022)	467	26,489
Net change in fund balance	\$ (26,022)	(26,022)	467	26,489
Prior year cash balance to balance the budget	\$ 26,022	26,022		
	\$ -	-		
Budgetary Expenses			\$ 7,861	
Accounts payable			9	
Accrued payroll			-	
GAAP expenses			\$ 7,870	

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE REAPPRAISAL
Year Ended June 30, 2014

	610			Variance with Final Budget - Favorable (Unfavorable)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Reappraisal taxes	\$ 77,000	77,000	83,340	6,340
Charges for services	9,150	9,150	9,707	557
Total revenues	86,150	86,150	93,047	6,897
Expenditures				
General government	216,668	216,668	63,177	153,491
Total expenditures	216,668	216,668	63,177	153,491
Excess (deficiency) of revenues over expenditures	(130,518)	(130,518)	29,870	160,388
Other Financing Sources (Uses)				
Operating transfers in	34,920	34,920	37,208	2,288
Total other financing sources (uses)	34,920	34,920	37,208	2,288
Net change in fund balance	\$ (95,598)	(95,598)	67,078	162,676
Prior year cash balance to balance the budget	\$ 95,598	95,598		
	\$ -	-		
Budgetary Expenses			\$ 63,177	
Accounts payable			(335)	
GAAP expenses			\$ 62,842	

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE CLERK'S EQUIPMENT
Year Ended June 30, 2014

	612			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Charges for services	\$ 25,000	25,000	24,410	(590)
Total revenues	25,000	25,000	24,410	(590)
Expenditures				
General government	33,300	33,300	33,164	136
Total expenditures	33,300	33,300	33,164	136
Excess (deficiency) of revenues over expenditures	(8,300)	(8,300)	(8,754)	(454)
Net change in fund balance	\$ (8,300)	(8,300)	(8,754)	(454)
Prior year cash balance to balance the budget	\$ 8,300	8,300		
	<u>\$ -</u>	<u>-</u>		
Budgetary Expenses			\$ 33,164	
Accounts payable			<u>26</u>	
GAAP expenses			<u>\$ 33,190</u>	

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE RPHCA GRANT
Year Ended June 30, 2014

616				
	Budgeted Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 126,600	126,600	118,100	(8,500)
Total revenues	<u>126,600</u>	<u>126,600</u>	<u>118,100</u>	<u>(8,500)</u>
Expenditures				
Health and welfare	118,100	118,100	109,600	8,500
Total expenditures	<u>118,100</u>	<u>118,100</u>	<u>109,600</u>	<u>8,500</u>
Net change in fund balance	<u>\$ 8,500</u>	<u>8,500</u>	<u>8,500</u>	<u>-</u>

Budgetary Revenues	\$ 118,100
Intergovernmental receivables	<u>(8,500)</u>
GAAP revenues	<u>\$ 109,600</u>
Budgetary Expenses	\$ 109,600
Accounts payable	<u>8,500</u>
GAAP expenses	<u>\$ 118,100</u>

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE COUNTY INFRASTRUCTURE GRT
Year Ended June 30, 2014

	620			Variance with Final Budget - Favorable (Unfavorable)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Local and state shared taxes	\$ 69,560	69,560	100,797	31,237
Charges for services	-	-	-	-
Total revenues	69,560	69,560	100,797	31,237
Expenditures				
General government	110,000	110,000	7,543	102,457
Total expenditures	110,000	110,000	7,543	102,457
Excess (deficiency) of revenues over expenditures	(40,440)	(40,440)	93,254	133,694
Net change in fund balance	\$ (40,440)	(40,440)	93,254	133,694
Prior year cash balance to balance the budget	\$ 40,440	40,440		
	\$ -	-		
Budgetary Revenues			\$ 100,797	
Intergovernmental receivable			(161)	
Deferred revenue			3,817	
GAAP revenues			\$ 104,453	
Budgetary Expenses			\$ 7,543	
Accounts payable			(3,092)	
GAAP expenses			\$ 4,451	

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE COMMUNITY DEVELOPMENT BLOCK GRANT
Year Ended June 30, 2014

622

	Budgeted Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 248,593	248,593	247,055	(1,538)
Total revenues	<u>248,593</u>	<u>248,593</u>	<u>247,055</u>	<u>(1,538)</u>
Expenditures				
Capital outlay	248,593	248,593	247,055	1,538
Total expenditures	<u>248,593</u>	<u>248,593</u>	<u>247,055</u>	<u>1,538</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Prior year cash balance to balance the budget	<u>\$ -</u>	<u>-</u>		
	<u>\$ -</u>	<u>-</u>		
Budgetary revenues			\$ 247,055	
Accounts receivable			<u>(34,510)</u>	
GAAP revenues			<u>\$ 212,545</u>	
Budgetary expenses			\$ 247,055	
Accounts payable			<u>(34,510)</u>	
GAAP expenses			<u>\$ 212,545</u>	

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE ADOLESCENT PREGNANCY PREVENTION
Year Ended June 30, 2014

626				
	Budgeted Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental revenue - Federal	\$ 28,713	28,713	20,084	(8,629)
Total revenues	<u>28,713</u>	<u>28,713</u>	<u>20,084</u>	<u>(8,629)</u>
Expenditures				
Health and welfare	25,000	25,000	23,002	1,998
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>23,002</u>	<u>1,998</u>
Net change in fund balance	<u>\$ 3,713</u>	<u>3,713</u>	<u>(2,918)</u>	<u>(6,631)</u>
Budgetary Revenues			\$ 20,084	
Intergovernmental receivables			<u>2,816</u>	
GAAP revenues			<u>\$ 22,900</u>	
Budgetary Expenses			\$ 23,002	
Accrued payroll			<u>447</u>	
GAAP expenses			<u>\$ 23,449</u>	

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE SAFETY NET
Year Ended June 30, 2014

	627			Variance with Final Budget - Favorable (Unfavorable)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Charges for services	\$ 1,500	1,500	-	(1,500)
Total revenues	1,500	1,500	-	(1,500)
Expenditures				
Health and welfare	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	1,500	1,500	-	(1,500)
Other Financing Sources (Uses)				
Operating transfers out	(1,657)	(1,657)	(1,657)	-
Total other financing sources (uses)	(1,657)	(1,657)	(1,657)	-
Net change in fund balance	\$ (157)	(157)	(1,657)	(1,500)

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE RECYCLING AND ILLEGAL DUMPING GRANT
Year Ended June 30, 2014

	628			Variance with Final Budget - Favorable (Unfavorable)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Intergovernmental revenue - state	\$ 7,279	64,015	34,798	(29,217)
Total revenues	7,279	64,015	34,798	(29,217)
Expenditures				
Health and welfare	-	56,736	56,736	-
Total expenditures	-	56,736	56,736	-
Net change in fund balance	\$ 7,279	7,279	(21,938)	(29,217)
Budgetary Revenues			\$ 34,798	
Intergovernmental receivable			21,938	
GAAP revenues			\$ 56,736	

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE HOME VISITING GRANT
Year Ended June 30, 2014

629

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Charges for services	\$ 292,891	292,891	235,515	(57,376)
Total revenues	292,891	292,891	235,515	(57,376)
Expenditures				
Health and welfare	223,500	223,500	209,237	14,263
Total expenditures	223,500	223,500	209,237	14,263
Net change in fund balance	\$ 69,391	69,391	26,278	(43,113)

Budgetary Revenues	\$ 239,675
Intergovernmental receivable	(31,510)
GAAP revenues	\$ 208,165
Budgetary Expenses	209,237
Accounts payable	(19)
Accrued payroll	(1,053)
GAAP expenses	\$ 208,165

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE ESPERANZA CLINIC
Year Ended June 30, 2014

	630			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Charges for services	\$ 1,200	1,200	1,200	-
Total revenues	1,200	1,200	1,200	-
Expenditures				
Health and welfare	8,368	8,368	-	8,368
Total expenditures	8,368	8,368	-	8,368
Net change in fund balance	\$ (7,168)	(7,168)	1,200	8,368
Prior year cash balance to balance the budget	\$ 7,168	7,168		
	<u>\$ -</u>	<u>-</u>		

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE SENIOR CITIZENS PROGRAM
Year Ended June 30, 2014

	631			
	Budgeted Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ -	-	-	-
Total revenues	-	-	-	-
Expenditures				
General government	1,672	1,672	331	1,341
Total expenditures	1,672	1,672	331	1,341
Net change in fund balance	\$ (1,672)	(1,672)	(331)	1,341
Prior year cash balance to balance the budget	\$ 1,672	1,672		
	\$ -	-		

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE COURT FORFEITURE
Year Ended June 30, 2014

634

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental sources	\$ -	-	1,598	1,598
Total revenues	-	-	1,598	1,598
Expenditures				
Public safety	8,617	8,617	-	8,617
Total expenditures	8,617	8,617	-	8,617
Net change in fund balance	\$ (8,617)	(8,617)	1,598	10,215
Prior year cash balance to balance the budget	\$ 8,617	8,617		
	\$ -	-		

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE JUVENILE JUSTICE GRANT
Year Ended June 30, 2014

	635			Variance with Final Budget - Favorable (Unfavorable)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Intergovernmental sources	\$ 102,642	102,642	44,757	(57,885)
Total revenues	102,642	102,642	44,757	(57,885)
Expenditures				
General government	119,325	119,325	66,804	52,521
Total expenditures	119,325	119,325	66,804	52,521
Net change in fund balance	\$ (16,683)	(16,683)	(22,047)	(5,364)
Prior year cash balance to balance the budget	\$ 16,683	16,683		
	<u>\$ -</u>	<u>-</u>		
Budgetary Revenues			\$ 44,757	
Intergovernmental receivable			30,076	
GAAP revenues			<u>\$ 74,833</u>	
Budgetary Expenses			\$ 66,804	
Accounts payable			8,124	
GAAP expenses			<u>\$ 74,928</u>	

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE HIGH LONESOME WIND PILOT
Year Ended June 30, 2014

	641			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental sources	\$ 325,000	325,000	325,166	166
Total revenues	325,000	325,000	325,166	166
Expenditures				
General governmental	412,500	390,424	260,543	129,881
Total expenditures	412,500	390,424	260,543	129,881
Excess (deficiency) of revenues over expenditures	(87,500)	(65,424)	64,623	130,047
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
Operating transfers out	(22,076)	(22,076)	(22,076)	-
Total other financing sources (uses)	(22,076)	(22,076)	(22,076)	-
Net change in fund balance	\$ (109,576)	(87,500)	42,547	130,047
Prior year cash balance to balance the budget	\$ 109,576	87,500		
	<u>\$ -</u>	<u>-</u>		

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE ESTANCIA BASIN WATER STUDY
Year Ended June 30, 2014

	650			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental sources	\$ -	11,956	6,043	(5,913)
Total revenues	-	11,956	6,043	(5,913)
Expenditures				
General governmental	4,222	16,178	15,436	742
Total expenditures	4,222	16,178	15,436	742
Net change in fund balance	\$ (4,222)	(4,222)	(9,393)	(5,171)
Prior year cash balance to balance the budget	\$ 4,222	4,222		
	<u>\$ -</u>	<u>-</u>		
Budgetary Revenues			\$ 6,043	
Intergovernmental receivable			5,891	
GAAP revenues			<u>\$ 11,934</u>	
Budgetary Expenses			\$ 15,436	
Accounts payable			(2,279)	
GAAP expenses			<u>\$ 13,157</u>	

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE RURAL ADDRESSING
Year Ended June 30, 2014

	675			Variance with Final Budget - Favorable (Unfavorable)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Local and state shared taxes	20,500	20,500	23,390	2,890
Charges for services	\$ 4,134	4,134	5,244	1,110
Total revenues	24,634	24,634	28,634	4,000
Expenditures				
General government	97,538	97,538	69,858	27,680
Total expenditures	97,538	97,538	69,858	27,680
Excess (deficiency) of revenues over expenditures	(72,904)	(72,904)	(41,224)	31,680
Other Financing Sources (Uses)				
Operating transfers in	35,000	35,000	35,000	-
Total other financing sources (uses)	35,000	35,000	35,000	-
Net change in fund balance	\$ (37,904)	(37,904)	(6,224)	31,680
Prior year cash balance to balance the budget	\$ 37,904	37,904		
	\$ -	-		
Budgetary Revenues			\$ 28,634	
Intergovernmental receivable			(768)	
Deferred revenues			1,124	
GAAP revenues			\$ 28,990	
Budgetary Expenses			\$ 69,858	
Accounts payable			(1,500)	
GAAP expenses			\$ 68,358	

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE PLANNING AND ZONING COURT FEES
Year Ended June 30, 2014

	685			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Charges for services	\$ 9,200	9,200	6,527	(2,673)
Total revenues	9,200	9,200	6,527	(2,673)
Expenditures				
General government	29,378	29,378	14,658	14,720
Total expenditures	29,378	29,378	14,658	14,720
Excess (deficiency) of revenues over expenditures	(20,178)	(20,178)	(8,131)	12,047
Other Financing Sources (Uses)				
Operating transfers in	-	-	7,000	7,000
Total other financing sources (uses)	-	-	7,000	7,000
Net change in fund balance	\$ (20,178)	(20,178)	(1,131)	19,047
Prior year cash balance to balance the budget	\$ 20,178	20,178		
	\$ -	-		
Budgetary Expenses			\$ 14,658	
Accounts payable			(201)	
GAAP expenses			\$ 14,457	

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE DOMESTIC VIOLENCE
Year Ended June 30, 2014

	690			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental sources - federal	\$ 98,234	100,216	74,982	(25,234)
Intergovernmental sources - state	-	-	20	20
Total revenues	98,234	100,216	75,002	(25,214)
Expenditures				
Health and welfare	85,120	87,102	70,913	16,189
Total expenditures	85,120	87,102	70,913	16,189
Excess (deficiency) of revenues over expenditures	13,114	13,114	4,089	(9,025)
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
Operating transfers out	(12,468)	(12,468)	(12,468)	-
Total other financing sources (uses)	(12,468)	(12,468)	(12,468)	-
Net change in fund balance	\$ 646	646	(8,379)	(9,025)
Budgetary Revenues			\$ 78,207	
Intergovernmental receivable			(5,983)	
GAAP revenues			\$ 72,224	
Budgetary Expenses			\$ 70,913	
Accounts payable			(116)	
Accrued payroll			(909)	
GAAP expenses			\$ 69,888	

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE DV VICTIM RESTITUTION
Year Ended June 30, 2014

691				
	Budgeted Amounts		Actual Amount	Variance with Final Budget - Favorable
	Original	Final		(Unfavorable)
Revenues				
Charges for services	\$ 12,275	12,275	7,130	(5,145)
Total revenues	<u>12,275</u>	<u>12,275</u>	<u>7,130</u>	<u>(5,145)</u>
Expenditures				
Health and welfare	36,027	36,027	3,942	32,085
Total expenditures	<u>36,027</u>	<u>36,027</u>	<u>3,942</u>	<u>32,085</u>
Excess of revenues over expenditures	<u>(23,752)</u>	<u>(23,752)</u>	<u>3,188</u>	<u>26,940</u>
Other Financing Sources (Uses)				
Operating transfers in	17,419	17,419	17,419	(0)
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>17,419</u>	<u>17,419</u>	<u>17,419</u>	<u>(0)</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	(6,333)	(6,333)	20,607	26,940
Net change in fund balance	<u>\$ (6,333)</u>	<u>(6,333)</u>	<u>20,607</u>	<u>26,940</u>
Prior year cash balance to balance the budget	<u>\$ 6,333</u>	<u>6,333</u>		
	<u>\$ -</u>	<u>-</u>		

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE DOMESTIC VIOLENCE COURT FEES
Year Ended June 30, 2014

	692			Variance with Final Budget - Favorable (Unfavorable)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Charges for services	\$ -	-	-	-
Total revenues	-	-	-	-
Expenditures				
General government	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other Financing Sources (Uses)				
Operating transfers out	(3,294)	(3,294)	(3,294)	(0)
Total other financing sources (uses)	(3,294)	(3,294)	(3,294)	(0)
Net change in fund balance	\$ (3,294)	(3,294)	(3,294)	(0)
Prior year cash balance to balance the budget	\$ 3,294	3,294		
	<u>\$ -</u>	<u>-</u>		

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE TITLE III FOREST RESERVE
Year Ended June 30, 2014

	693			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental sources	\$ 8,501	8,501	9,161	660
Total revenues	8,501	8,501	9,161	660
Expenditures				
General government	127,750	127,750	-	127,750
Total expenditures	127,750	127,750	-	127,750
Net change in fund balance	\$ (119,249)	(119,249)	9,161	128,410
Prior year cash balance to balance the budget	\$ 119,249	119,249		
	<u>\$ -</u>	<u>-</u>		

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE METH INITIATIVE
Year Ended June 30, 2014

	801			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental sources - federal	\$ 129,370	129,370	80,189	(49,181)
Total revenues	129,370	129,370	80,189	(49,181)
Expenditures				
Public safety	74,841	74,841	56,026	18,815
Total expenditures	74,841	74,841	56,026	18,815
Net change in fund balance	\$ 54,529	54,529	24,163	(30,366)
Budgetary Revenues			\$ 80,189	
Intergovernmental receivable			(24,163)	
GAAP revenues			\$ 56,026	

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE US MARSHAL
Year Ended June 30, 2014

	802			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental sources - federal	\$ 14,766	14,766	6,268	(8,498)
Intergovernmental sources - sources	-	-	3,204	3,204
Total revenues	14,766	14,766	9,472	(5,294)
Expenditures				
General government	10,000	10,000	6,490	3,510
Total expenditures	10,000	10,000	6,490	3,510
Net change in fund balance	\$ 4,766	4,766	2,982	(1,784)
Budgetary Revenues			\$ 9,472	
Intergovernmental receivable			<u>(2,712)</u>	
GAAP revenues			<u><u>\$ 6,760</u></u>	

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE DRUG EDUCATION PROGRAM
Year Ended June 30, 2014

	804			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental sources	\$ 3,000	3,000	4,051	1,051
Total revenues	3,000	3,000	4,051	1,051
Expenditures				
Health and welfare	34,610	34,610	6,706	27,904
Total expenditures	34,610	34,610	6,706	27,904
Excess (deficiency) of revenues over expenditures	(31,610)	(31,610)	(2,655)	28,955
Net change in fund balance	\$ (31,610)	(31,610)	(2,655)	28,955
Prior year cash balance to balance the budget	\$ 31,610	31,610		
	<u>\$ -</u>	<u>-</u>		
Budgetary Expenses			\$ 6,706	
Accounts payable			<u>44</u>	
GAAP expenses			<u><u>\$ 6,750</u></u>	

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE TRAFFIC SAFETY
Year Ended June 30, 2014

	805			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental sources - federal	\$ 20,878	30,942	5,761	(25,181)
Intergovernmental sources - state	-	-	-	-
Total revenues	20,878	30,942	5,761	(25,181)
Expenditures				
Public safety	19,891	29,955	16,379	13,576
Total expenditures	19,891	29,955	16,379	13,576
Excess (deficiency) of revenues over expenditures	987	987	(10,618)	(11,605)
Net change in fund balance	\$ 987	987	(10,618)	(11,605)
Budgetary Revenues			\$ 5,761	
Intergovernmental receivable			12,611	
GAAP revenues			\$ 18,372	

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE FOREST SERVICE PATROL
Year Ended June 30, 2014

	808			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Favorable (Unfavorable)
Revenues				
Intergovernmental sources - federal	\$ -	22,347	6,156	(16,191)
Total revenues	-	22,347	6,156	(16,191)
Expenditures				
Public safety	5,080	27,427	8,017	19,410
Total expenditures	5,080	27,427	8,017	19,410
Net change in fund balance	\$ (5,080)	(5,080)	(1,861)	3,219
Prior year cash balance to balance the budget	\$ 5,080	5,080		
	<u>\$ -</u>	<u>-</u>		
Budgetary Revenues			\$ 6,156	
Intergovernmental receivable			<u>2,870</u>	
GAAP revenues			<u>\$ 9,026</u>	

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE UNDERAGE DRINKING GRANT
Year Ended June 30, 2014

	811			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental sources	\$ -	-	-	-
Total revenues	-	-	-	-
Expenditures				
Health and welfare	530	530	-	530
Total expenditures	530	530	-	530
Excess (deficiency) of revenues over expenditures	(530)	(530)	-	530
Net change in fund balance	\$ (530)	(530)	-	530
Prior year cash balance to balance the budget	\$ 530	530		
	\$ -	-		

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE DRUG FREE COMMUNITIES
Year Ended June 30, 2014

817

	Budgeted Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental revenue - federal	\$ 43,948	143,231	75,715	(67,516)
Intergovernmental revenue - state	-	-	48,954	48,954
Total revenues	43,948	143,231	124,669	(18,562)
Expenditures				
Health and welfare	43,948	143,231	116,199	27,032
Total expenditures	43,948	143,231	116,199	27,032
Net change in fund balance	\$ -	-	8,470	8,470

Budgetary Revenues	\$ 124,669
Intergovernmental receivable	<u>(3,247)</u>
GAAP revenues	<u>\$ 121,422</u>
Budgetary Expenses	\$ 116,199
Accounts payable	<u>(5,628)</u>
GAAP expenses	<u>\$ 110,571</u>

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE NM PRIMARY CARE ASSOCIATION
Year Ended June 30, 2014

819

	Budgeted Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental revenue - federal	\$ 54,702	54,702	32,646	(22,056)
Intergovernmental revenue - state	-	-	-	
Total revenues	<u>54,702</u>	<u>54,702</u>	<u>32,646</u>	<u>(22,056)</u>
Expenditures				
Health and welfare	45,000	45,000	28,534	16,466
Total expenditures	<u>45,000</u>	<u>45,000</u>	<u>28,534</u>	<u>16,466</u>
Excess of revenues over expenditures	<u>9,702</u>	<u>9,702</u>	<u>4,112</u>	<u>(5,590)</u>
Net change in fund balance	<u>\$ 9,702</u>	<u>9,702</u>	<u>4,112</u>	<u>(5,590)</u>

Budgetary Revenues	\$ 33,325
Intergovernmental receivable	<u>(4,079)</u>
GAAP revenues	<u>\$ 29,246</u>
Budgetary Expenses	\$ 28,534
Accounts payable	(17)
Accrued payroll	<u>455</u>
GAAP expenses	<u>\$ 28,972</u>

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE ICE INMATE CARE
Year Ended June 30, 2014

825

	Budgeted Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Charges for services	\$ 60,000	60,000	54,741	(5,259)
Total revenues	<u>60,000</u>	<u>60,000</u>	<u>54,741</u>	<u>(5,259)</u>
Expenditures				
Public safety	64,898	64,898	59,637	5,261
Total expenditures	<u>64,898</u>	<u>64,898</u>	<u>59,637</u>	<u>5,261</u>
Excess of revenues over expenditures	<u>(4,898)</u>	<u>(4,898)</u>	<u>(4,896)</u>	<u>2</u>
Net change in fund balance	<u>\$ (4,898)</u>	<u>(4,898)</u>	<u>(4,896)</u>	<u>2</u>
Prior year cash balance to balance the budget	\$ 4,898	4,898		
	<u>\$ -</u>	<u>-</u>		
Budgetary Expenses			\$ 59,637	
Accounts payable			<u>3,454</u>	
GAAP expenses			<u>\$ 63,091</u>	

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE EMERGENCY 911
Year Ended June 30, 2014

	911			
	Budgeted Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Local and state shared taxes	\$ 338,600	338,600	388,276	49,676
Intergovernmental revenue	113,172	112,694	137,453	24,759
Charges for services	30,500	30,500	-	(30,500)
Total revenues	482,272	481,794	525,729	43,935
Expenditures				
Public safety	841,476	841,476	720,218	121,258
General Government	-	-	-	-
Total expenditures	841,476	841,476	720,218	121,258
Excess of revenues over expenditures	(359,204)	(359,682)	(194,489)	165,193
Other Financing Sources (Uses)				
Operating transfers in	240,000	240,000	(30,989)	(270,989)
Operating transfers out	(30,989)	(30,989)	240,000	270,989
Total other financing sources (uses)	209,011	209,011	209,011	-
Net change in fund balance	\$ (150,193)	(150,671)	14,522	165,193
Prior year cash balance to balance the budget	\$ 150,193	150,671		
	\$ -	-		
Budgetary Revenues			\$ 525,729	
Intergovernmental receivable			(11,513)	
Deferred revenues			18,648	
GAAP revenues			\$ 532,864	
Budgetary Expenses			\$ 720,218	
Accounts payable			(545)	
Accrued payroll			(1,969)	
GAAP expenses			\$ 717,704	

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
DEBT SERVICE FUND
Year Ended June 30, 2014

	562			Variance with Final Budget - Favorable (Unfavorable)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 74,474	74,474	90,971	16,497
Local and state shared taxes	53,733	53,733	37,236	(16,497)
Property taxes	347,179	347,179	334,175	(13,004)
Total revenues	475,386	475,386	462,382	(13,004)
Expenditures				
Debt service	571,816	572,322	572,216	106
Total expenditures	571,816	572,322	572,216	106
Excess of revenues over expenditures	(96,430)	(96,936)	(109,834)	(12,898)
Other Financing Sources (Uses)				
Operating transfers in	83,346	83,346	83,346	-
Net change in fund balance	\$ (96,430)	(96,936)	(26,488)	(12,898)
Prior year cash balance to balance the budget	\$ 96,430	96,936		
	<u>\$ -</u>	<u>-</u>		
Budgetary Revenues			\$ 462,382	
Intergovernmental receivable			(1,861)	
Property tax receivable			16,478	
			<u>(16,391)</u>	
GAAP revenues			<u>\$ 460,608</u>	

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.

Cost to State/Penalty and Interest - To account for costs collected for the State of New Mexico and for penalty and interest on delinquent taxes collected for the State.

**STATE OF NEW MEXICO
COUNTY OF TORRANCE
COMBINING SCHEDULE OF CHANGES IN ASSETS
AND LIABILITIES - ALL AGENCY FUNDS
Year Ended June 30, 2014**

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
CHILDREN'S TRUST FUND				
Assets				
Due from other governmental units	\$ 245	1,395	1,455	185
Liabilities				
Deposits held in trust for others	\$ 245	1,395	1,455	185
UNDISTRIBUTED TAXES				
Assets				
Property tax receivable	\$ 1,047,066	4,479,156	4,531,367	994,855
Due from other governmental units	38,754	4,089,911	4,105,004	23,661
	<u>\$ 1,085,820</u>	<u>8,569,067</u>	<u>8,636,371</u>	<u>1,018,516</u>
Liabilities				
Due to other governmental units	\$ 1,047,066	4,479,156	4,531,367	994,855
Deposits held in trust for others	38,754	4,089,911	4,105,004	23,661
	<u>\$ 1,085,820</u>	<u>8,569,067</u>	<u>8,636,371</u>	<u>1,018,516</u>
OVERPAYMENT OF TAXES				
Assets				
Due from other governmental units	\$ 162,230	18,648	17,735	163,143
Liabilities				
Deposits held in trust for others	\$ 162,230	18,648	17,735	163,143
TAXES PAID IN ADVANCE				
Assets				
Due from other governmental units	\$ 20,344	-	8,341	12,003
Liabilities				
Deposits held in trust for others	\$ 20,344	-	8,341	12,003

**STATE OF NEW MEXICO
COUNTY OF TORRANCE
COMBINING SCHEDULE OF CHANGES IN ASSETS
AND LIABILITIES - ALL AGENCY FUNDS (CONTINUED)
Year Ended June 30, 2014**

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
PENALTY AND INTEREST				
Assets				
Due from other governmental units	\$ (2,424)	101,676	104,303	(5,051)
Liabilities				
Deposits held for others	\$ (2,424)	101,676	104,303	(5,051)
<u>TOTAL - ALL AGENCY FUNDS</u>				
Assets				
Property tax receivable	\$ 1,047,066	4,479,156	4,531,367	994,855
Due from other governmental unit	219,149	4,211,630	4,236,838	193,941
Total assets	\$ 1,266,215	8,690,786	8,768,205	1,188,796
Liabilities				
Due to other governmental units	\$ 1,047,066	4,479,156	4,531,367	994,855
Deposits held for others	219,149	4,211,630	4,236,838	193,941
Total liabilities	\$ 1,266,215	8,690,786	8,768,205	1,188,796

COUNTY OF TORRANCE
SCHEDULE OF JOINT POWERS AGREEMENTS
Year Ended June 30, 2014

Joint Power Agreement	Participants	Responsible Party	Description	Beginning and Ending Dates	Total Estimated Project Amount and Amount Applicable to County	Amount Contributed by County During Fiscal Year	Audit Responsibility	Fiscal Agent and Responsible Reporting Entity
Estancia Valley Solid Waste Authority	County of Torrance, City of Moriarty, Town of Estancia and Mountianair, Village of Willard and Encino	Estancia Valley Solid Waste Authority	Coordinate solid waste resources in the area	When parties decide	Unknown	\$ 87,545	Estancia Valley Solid Waste Authority	N/A

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF DEPOSIT ACCOUNTS
June 30, 2014

<u>Depository</u>	<u>Account Name</u>	<u>Type</u>	Depository Balance	Reconciled Balance
Wells Fargo Bank	Checking	Checking	\$ 1,445,289	1,173,510
Petty cash				300
Total deposit accounts			<u>1,445,289</u>	<u>1,173,810</u>
New Mexico Treasury	Investment	Investment	<u>2,717,035</u>	<u>2,717,035</u>
Total investment accounts			<u>2,717,035</u>	<u>2,717,035</u>
Total deposit and investment accounts			<u>\$ 4,162,324</u>	<u>3,890,845</u>

**STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF PLEDGED COLLATERAL
June 30, 2014**

The following is a description of cash on deposit by financial institution and related pledged collateral at June 30, 2014.

	Wells Fargo Bank
Deposits at June 30, 2014	\$ 1,445,289
Less: FDIC coverage	<u>250,000</u>
Uninsured public funds	<u>1,195,289</u>
Pledged collateral held by the pledging bank's trust department or agent but not in the County's name	<u>1,248,438</u>
Uninsured and uncollateralized	<u><u>\$ -</u></u>
Total pledged collateral	\$ 1,248,438
50% pledged collateral requirement per statute	<u>597,645</u>
Pledged collateral over the requirement	<u><u>\$ 650,793</u></u>

Pledged collateral at June 30, 2014 consists of the following:

Security	CUSIP	Maturity	Market Value
FN AS0416	3138W9PA2	9/1/2043	\$ 1,133,804
FN AB7507	31417EKV2	1/1/2043	104,519
FN MA1688	31418A2W7	12/1/2033	<u>10,115</u>
			<u><u>\$ 1,248,438</u></u>

The custodian of the pledged securities is Bank of New York Mellon

STATE OF NEW MEXICO
COUNTY OF TORRANCE
PROPERTY TAX SCHEDULE - 10 YEAR
June 30, 2014

Agency	Taxes Levied w/Add & Del	Reporting Period Paid	To-Date Paid	Report Pd. Distribution	To-Date Distribution	Undistributed at Year End	Allowable Uncollectible	Outstdg. Tax Receivable	Net Receivable
County Operation									
2004-2012	29,236,260	320,962	28,414,412	320,962	28,414,412	Included in 2013	150,567	821,848	671,281
2013	3,930,101	3,547,375	3,547,375	3,469,675	3,469,675	77,700	19,651	382,726	363,075
Total County Operation	33,166,361	3,868,337	31,961,787	3,790,637	31,884,087	77,700	170,218	1,204,574	1,034,356
County Debt Service									
2004-2012	2,875,076	31,621	2,817,475	31,621	2,817,475	Included in 2013	14,375	57,601	43,226
2013	339,345	305,972	305,972	298,837	298,837	7,135	1,697	33,373	31,676
Total County Debt Service	3,214,421	337,593	3,123,447	330,458	3,116,312	7,135	16,072	90,974	74,902
County Grand Total	36,380,782	4,205,930	35,085,234	4,121,095	35,000,399	84,835	186,290	1,295,548	1,109,258
NM Debt Service/Levy:									
2004-2012	3,307,742	40,199	3,237,185	36,986	3,233,972	3,213	16,539	70,557	54,018
2013	482,276	434,845	434,845	425,051	425,051	9,794	2,411	47,431	45,020
Total NM Debt Service	3,790,018	475,044	3,672,030	462,037	3,659,023	13,007	18,950	117,988	99,038
Estancia Schools Operational									
2004-2012	332,934	2,539	326,997	2,539	326,997	0	1,665	5,937	4,272
2013	42,335	38,630	38,630	37,836	37,836	794	212	3,705	3,493
Total Estancia Schools Operational	375,269	41,169	365,627	40,375	364,833	794	1,876	9,642	7,766
Estancia Schools Debt Service									
2004-2012	2,256,968	13,440	2,224,620	13,440	2,224,620	0	11,285	32,348	21,063
2013	542,712	496,888	496,888	488,257	488,257	8,631	2,714	45,824	43,110
Total Estancia Schools Debt Service	2,799,680	510,328	2,721,508	501,697	2,712,877	8,631	13,998	78,172	64,174
Estancia Schools Capt Improv									
2004-2012	1,438,138	11,631	1,411,472	11,631	1,411,472	0	7,191	26,666	19,475
2013	201,438	184,303	184,303	180,651	180,651	3,652	1,007	17,135	16,128
Total Estancia Schools Capt Improv	1,639,576	195,934	1,595,775	192,282	1,592,123	3,652	8,198	43,801	35,603
Estancia Schools Tech Debt									
2006-2012	1,431,421	3,864	1,409,051	3,426	1,408,613	438	7,157	22,370	15,213
2013	0	0	0	0	0	0	0	0	0
Total Estancia Schools Tech Debt	1,431,421	3,864	1,409,051	3,426	1,408,613	438	7,157	22,370	15,213
Estancia Schools Grand Total	6,245,946	751,295	6,091,961	737,780	6,078,446	13,515	31,230	153,985	122,755
Moriarty Schools Operational									
2004-2012	512,553	7,270	498,081	7,270	498,081	0	2,563	14,472	11,909
2013	69,950	61,129	61,129	59,541	59,541	1,588	350	8,821	8,471
Total Moriarty Schools Operational	582,503	68,399	559,210	66,811	557,622	1,588	2,913	23,293	20,380
Moriarty Schools Debt Service									
2004-2012	10,265,905	145,975	9,971,754	145,975	9,971,754	0	51,330	294,151	242,821
2013	1,456,336	1,268,168	1,268,168	1,235,049	1,235,049	33,119	7,282	188,168	180,886
Total Moriarty Schools Debt Service	11,722,241	1,414,143	11,239,922	1,381,024	11,206,803	33,119	58,611	482,319	423,708
Moriarty Schools Capt Improv									
2004-2012	2,476,799	34,644	2,406,958	34,644	2,406,958	0	12,384	69,841	57,457
2013	329,115	286,591	286,591	279,057	279,057	7,534	1,646	42,524	40,878
Total Moriarty Schools Capt Improv	2,805,914	321,235	2,693,549	313,701	2,686,015	7,534	14,030	112,365	98,335
Moriarty Schools Grand Total	15,110,658	1,803,777	14,492,681	1,761,536	14,450,440	42,241	75,553	617,977	542,424
Mountainair Schools Operational									
2004-2012	178,547	2,150	176,788	2,150	176,788	0	893	1,759	866
2013	25,156	23,209	23,209	22,582	22,582	627	126	1,947	1,821
Total Mountainair Schools Operational	203,703	25,359	199,997	24,732	199,370	627	1,019	3,706	2,687
Mountainair Schools Debt Service									
2004-2012	2,098,416	22,993	2,078,171	22,993	2,078,171	0	10,492	20,245	9,753
2013	290,585	267,282	267,282	260,141	260,141	7,141	1,453	23,303	21,850
Total Mountainair Schools Debt Service	2,389,001	290,275	2,345,453	283,134	2,338,312	7,141	11,945	43,548	31,603
Mountainair Schools Capt Improv									
2004-2012	755,276	9,336	747,527	9,336	747,527	0	3,776	7,749	3,973
2013	111,038	102,144	102,144	99,394	99,394	2,750	555	8,894	8,339
Total Mountainair Schools Capt Improv	866,314	111,480	849,671	108,730	846,921	2,750	4,332	16,643	12,311
Mountainair Schools Grand Total	3,459,018	427,114	3,395,121	416,596	3,384,603	10,518	17,295	63,897	46,602
Vaughn Schools Operational									
2004-2012	84,914	257	84,771	257	84,771	0	425	143	-282
2013	11,425	11,273	11,273	11,254	11,254	19	57	152	95
Total Vaughn Schools Operational	96,339	11,530	96,044	11,511	96,025	19	482	295	-187
Vaughn Schools Debt Service									
2004-2012	863,753	2,430	862,395	2,430	862,395	0	4,319	1,358	-2,961
2013	83,474	82,367	82,367	82,227	82,227	140	417	1,107	690
Total Vaughn Schools Debt Service	947,227	84,797	944,762	84,657	944,622	140	4,736	2,465	-2,271
Vaughn Schools Capt Improv									
2004-2012	340,837	1,033	340,262	1,033	340,262	0	1,704	575	-1,129
2013	45,680	45,072	45,072	44,995	44,995	77	228	608	380
Total Vaughn Schools Capt Improv	386,517	46,105	385,334	46,028	385,257	77	1,933	1,183	-750
Vaughn Schools Tech Debt									
2006-2012	0	0	0	0	0	0	0	0	0
2013	14,964	14,765	14,765	14,740	14,740	25	75	199	124
Total Vaughn Schools Tech Debt	14,964	14,765	14,765	14,740	14,740	25	75	199	124
Vaughn Schools Grand Total	1,445,047	157,197	1,440,905	156,936	1,440,644	261	7,225	4,142	-3,083

STATE OF NEW MEXICO
COUNTY OF TORRANCE
PROPERTY TAX SCHEDULE - 10 YEAR
June 30, 2014

Agency	Taxes Levied w/Add & Del	Reporting Period Paid	To-Date Paid	Report Pd. Distribution	To-Date Distribution	Undistributed at Year End	Allowable Uncollectible	Outstdg. Tax Receivable	Net Receivable
Corona Schools Operational									
2004-2012	22,345	444	22,292	444	22,292	0	112	53	-59
2013	3,664	3,631	3,631	3,559	3,559	72	18	33	15
Total Corona Schools Operational	26,009	4,075	25,923	4,003	25,851	72	130	86	-44
Corona Schools Debt Service									
2004-2012	137,201	2,502	136,898	2,502	136,898	0	686	303	-383
2013	19,699	19,525	19,525	19,136	19,136	389	98	174	76
Total Corona Schools Debt Service	156,900	22,027	156,423	21,638	156,034	389	785	477	-308
Corona Schools Capt Improv									
2004-2012	90,231	1,838	90,014	1,838	90,014	0	451	217	-234
2013	14,800	14,670	14,670	14,375	14,375	295	74	130	56
Total Corona Schools Capt Improv	105,031	16,508	104,684	16,213	104,389	295	525	347	-178
Corona Schools Grand Total	287,940	42,610	287,030	41,854	286,274	756	1,440	910	-530
Total School Districts	26,548,609	3,181,993	25,707,698	3,114,702	25,640,407	67,291	132,743	840,911	708,168
Village of Willard									
2004-2012	53,351	741	51,842	687	51,788	54	267	1,509	1,242
2013	6,735	5,585	5,585	5,491	5,491	94	34	1,150	1,116
Total Village of Willard	60,086	6,326	57,427	6,178	57,279	148	300	2,659	2,359
Town of Estancia									
2004-2012	163,055	1,079	161,658	1,049	161,628	30	815	1,397	582
2013	16,910	15,139	15,139	14,833	14,833	306	85	1,771	1,686
Total Town of Estancia	179,965	16,218	176,797	15,882	176,461	336	900	3,168	2,268
City of Moriarty									
2004-2012	570,234	8,969	563,963	8,472	563,466	497	2,851	6,271	3,420
2013	69,027	63,164	63,164	61,881	61,881	1,283	345	5,863	5,518
Total City of Moriarty	639,261	72,133	627,127	70,353	625,347	1,780	3,196	12,134	8,938
Town of Mountainair									
2004-2012	418,973	7,070	411,674	5,978	410,582	1,092	2,095	7,299	5,204
2013	53,251	46,114	46,114	43,637	43,637	2,477	266	7,137	6,871
Total Town of Mountainair	472,224	53,184	457,788	49,615	454,219	3,569	2,361	14,436	12,075
Village of Encino									
2004-2012	13,315	24	13,001	24	13,001	0	67	314	247
2013	1,795	1,670	1,670	1,651	1,651	19	9	125	116
Total Village of Encino	15,110	1,694	14,671	1,675	14,652	19	76	439	363
Total Municipalities	1,366,646	149,555	1,333,810	143,703	1,327,958	5,852	6,833	32,836	26,003
Cattle Levy									
2004-2012	272,137	2,455	268,585	2,367	268,497	88	1,361	3,552	2,191
2013	41,667	39,243	39,243	38,775	38,775	468	208	2,424	2,216
Total Cattle Levy	313,804	41,698	307,828	41,142	307,272	556	1,569	5,976	4,407
Sheep/Goat Levy									
2004-2012	3,122	9	3,089	9	3,089	0	16	33	17
2013	486	465	465	458	458	7	2	21	19
Total Sheep/Goat Levy	3,608	474	3,554	467	3,547	7	18	54	36
Equine Levy									
2004-2012	9,673	132	9,382	126	9,376	6	48	291	243
2013	1,246	1,007	1,007	979	979	28	6	239	233
Total Equine Levy	10,919	1,139	10,389	1,105	10,355	34	55	530	475
Dairy Cattle Levy									
2004-2012	15,659	123	15,659	123	15,659	0	78	0	-78
2013	8,960	8,879	8,879	8,461	8,461	418	45	81	36
Total Dairy Cattle Levy	24,619	9,002	24,538	8,584	24,120	418	123	81	-42
Swine/Bison Levy									
2004-2012	2,507	21	2,524	20	2,523	1	13	-17	-30
2013	369	361	361	358	358	3	2	8	6
Total Bison Levy	2,876	382	2,885	378	2,881	4	14	-9	-23
Livestock Grand Total	355,826	52,695	349,194	51,676	348,175	1,019	1,779	6,632	4,853
Edgewood SWCD									
2004-2012	663,342	7,443	642,125	7,443	642,125	0	3,317	21,217	17,900
2013	94,529	82,156	82,156	80,289	80,289	1,867	473	12,373	11,900
Total Edgewood SWCD	757,871	89,599	724,281	87,732	722,414	1,867	3,789	33,590	29,801
Claunch Pinto									
2004-2012	381,974	4,150	379,337	4,150	379,337	0	1,910	2,637	727
2013	59,729	56,721	56,721	55,866	55,866	855	299	3,008	2,709
Total Claunch Pinto	441,703	60,871	436,058	60,016	435,203	855	2,209	5,645	3,436
East Torrance									
2004-2012	776,684	6,983	763,278	6,983	763,278	0	3,883	13,406	9,523
2013	124,106	114,431	114,431	112,585	112,585	1,846	621	9,675	9,054
Total East Torrance	900,790	121,414	877,709	119,568	875,863	1,846	4,504	23,081	18,577
Carrizozo SWCD									
2004-2012	71	0	71	0	71	0	0	0	0
2013	8	8	8	8	8	0	0	0	0
Total Carrizozo SWCD	79	8	79	8	79	0	0	0	0
Total SWCDs	2,100,443	271,892	2,038,127	267,324	2,033,559	4,568	10,502	62,316	51,814
Nonrendition:									
2004-2012	4,163	0	4,163	0	4,163	0	21	0	-21
2013	2	2	2	2	2	0	0	0	0
Total Nonrendition	4,165	2	4,165	2	4,165	0	21	0	-21
Administrative									
2004-2012	41,672	672	40,579	672	40,579	0	208	1,093	885
2013	5,869	5,325	5,325	5,325	5,325	0	29	544	515
Total Administrative	47,541	5,997	45,904	5,997	45,904	0	238	1,637	1,399
Grand Total	70,594,030	8,343,108	68,236,162	8,166,536	68,059,590	176,572	357,356	2,357,868	2,000,512

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass Thru/ Grant Number	Award Amount	Federal Expenditures
U.S Department of Justice				
Methamphetamine Initiative Grant	16.710	2010CKWX0457	\$ 400,000	56,026
Passed through NM Children, Youth and Families Juvenile Justice Grant	16.523	14-690-16386	90,150	73,732
Total U.S. Department of Justice			490,150	129,758
U.S. Department of Health and Human Services				
Drug-Free Communities	93.276	5H79SP011727-09	99,283	36,067
Drug-Free Communities	93.276	5H79SP011727-10	99,283	74,504
Passed through NM Department of Health & NM Primary Care Association: NMPCA - Integrated Medicaid Enrollment	93.778	MEP 13-14 1301	45,000	28,972
Passed through NM Children, Youth & Families Domestic Violence Grant Family Violence Prevention & Services Act	93.671	13-690-1429	19,000	19,000
Adolescent Pregnancy Prevention Grant	93.994	15956	25,000	23,449
Total U.S. Department of Health and Human Services			287,566	181,992
U.S. Department of Homeland Security				
Passed through New Mexico Department of Public Safety: Homeland Security FY10	97.067	2010-SS-T9-000030	131,800	5,700
Homeland Security FY11	97.067	2011-SS-T9-000030	66,140	66,140
Homeland Security FY12	97.067	2012-SS-T9-000030	82,012	2,647
Emergency Management Performance Grant	97.042	2012-EP-00039-S01	28,750	20,474
Total U.S. Department of Homeland Security			308,702	94,961
U.S Department of Housing and Urban Development				
Passed through NM Department of Finance and Administration: Community Development Block Grant	14.228	11-C-RS-I-03-G-27	375,000	212,545
Total U.S. Department of Housing and Urban Development			375,000	212,545

STATE OF NEW MEXICO
COUNTY OF TORRANCE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass Thru/ Grant Number	Award Amount	Federal Expenditures
U.S. Department of the Interior				
Passed through NM Department of Finance and Administration:				
Taylor Grazing Act	15.227	None	\$ 1,168	1,168
Total U.S. Department of Interior			1,168	1,168
U.S. Department of Transportation				
Passed through NM Department of Transportation:				
Consolidated Project Agreement	20.608	13-AL-64-103	10,598	2,612
Operation DWI	20.608	14-AL-64-103	8,858	3,387
Operation Buckledown	20.608	14-OP-RF-103	1,206	413
Total U.S. Department of Transportation			20,662	6,412
Total Expenditures of Federal Awards			\$ 1,483,248	626,836

NOTE 1. BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards is prepared on the same basis of accounting as the County's financial statements. The County used the accrual basis of accounting. Expenditures represent only the federally funded portions of the program. County records should be consulted to determine amounts expended or matched from non-federal sources.

NOTE 2. NON-CASH AWARDS

The County did not receive any non-cash awards.

Ricci & Company LLC

CERTIFIED PUBLIC ACCOUNTANTS
6200 UPTOWN BLVD. NE - SUITE 400
ALBUQUERQUE, NM 87110

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*

Independent Auditor's Report

Mr. Hector H. Balderas, State Auditor
and
To the Honorable Members of the Board of County Commissioners
County of Torrance
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 the *Government Auditing Standards* issued by the Comptroller General of the United States of America, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, of the County as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and the combining and individual funds and related budgetary comparisons of the County, presented as supplementary information, and have issued our report thereon dated November 12, 2014.

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.

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. 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.

Mr. Timothy Keller, State Auditor and
To the Honorable Members of the Board of County Commissioners
County of Torrance
Estancia, New Mexico

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying *Schedule of Findings and Questioned Costs*, that we consider to be a significant deficiency. See 2008-006.

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 questioned costs as items 2012-003, 2014-001 through 2014-003.

Subsequent to the original issuance of the June 30, 2014 audit and compliance reports, it was determined additional testing was required with regard on compliance on grants. In addition, a finding related to physical inventory of capital assets over \$5,000 was required. These findings are included on pages 147 and 149 as finding 2014-003 and 2014-002.

The County's Responses to Findings

The County's responses 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 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 result 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.

Ricci & Company, LLC

Albuquerque, New Mexico

November 12, 2014, except for additional testing and findings described in the paragraph above as to which is dated May 1, 2015

Ricci & Company LLC

CERTIFIED PUBLIC ACCOUNTANTS
6200 UPTOWN BLVD. NE - SUITE 400
ALBUQUERQUE, NM 87110

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required By OMB Circular A-133

Independent Auditor's Report

Mr. Hector H. Balderas, State Auditor
and
To the Honorable Members of the Board of County Commissioners
County of Torrance
Estancia, New Mexico

Report on Compliance for Each Major Federal Program

We have audited the State of New Mexico, County of Torrance's (County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2014. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Mr. Timothy Keller, State Auditor
and
To the Honorable Members of the Board of County Commissioners
County of Torrance
Estancia, New Mexico

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular No. A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2014-001 and 2014-002. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Mr. Timothy Keller, State Auditor
and
To the Honorable Members of the Board of County Commissioners
County of Torrance
Estancia, New Mexico

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Subsequent to the original issuance of the June 30, 2014 audit and compliance reports, it was determined that the auditee did not qualify as low-risk and additional testing was required. In addition, during oversight by the State of New Mexico, it was determined that an additional finding related to proper certification of capital assets over \$5,000 was required. These findings are included on pages 147 and 149 as finding 2014-003 and 2014-002.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Ricci & Company, LLC

Albuquerque, New Mexico
November 12, 2014, except for additional testing and finding described in the paragraph above
as to which is dated May 1, 2015

**STATE OF NEW MEXICO
TORRANCE COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2014**

2008-06	Internal Control Over Financial Reporting	Updated and Included as 2008-006
2012-03	Tracking Fuel Costs	Updated and Included as 2012-003

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(s) identified that are not considered to be material weakness(es)? Yes None Reported

Non-compliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(s) identified that are not considered to be material weakness(es) Yes None Reported

Type of auditor's report issued on compliance for Major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 501(a) of Circular A-133? Yes No

Identification of major programs tested

#14.228	Community Development Block Grant
#16.710	Methamphetamine Initiative Grant
#97.067	Homeland Security Grants

Dollar threshold used to distinguish between Type A and Type B programs \$ 300,000

Auditee qualified as low-risk auditee? Yes No

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

B. FINANCIAL STATEMENT FINDINGS

**2008-006 [2008-06] INTERNAL CONTROL OVER FINANCIAL REPORTING -
(SIGNIFICANT DEFICIENCY)**

CONDITION

The County maintains its fund trial balances on a cash basis. This is the method preferred by the County to monitor revenues and expenditures on a budgetary basis. However, accrual basis adjustments are not made to the County records. In addition, due to a minimal need for a full-accrual conversion, the County currently does not utilize software capable of producing a complete full accrual trial balance. However, as part of the June 30, 2014 audit, the County has taken responsibility for preparing parts of the 2014 report, such as budgetary and State Auditor required schedules.

CRITERIA

Generally accepted auditing standards require that organizations maintain effective internal controls over financial reporting, including GAAP (generally accepted accounting principles) basis reporting.

EFFECT

The County does not have financial information readily available that is on a GAAP basis.

CAUSE

The County has determined that, due to its size and complexity, it is most effective and beneficial to maintain ledgers on a basis consistent with its budgetary basis. Therefore, resources have not been allocated to maintain ledgers on a GAAP basis.

RECOMMENDATION

Since the County has adequate controls over financial reporting consistent with its budgetary basis, the County should maintain and when necessary, improve on those controls. It should also consider the need for a long-term plan that addresses the need for internal produced GAAP basis financial statements.

MANAGEMENT RESPONSE

The County will maintain and when necessary, improve on internal controls. The software currently running in Torrance County doesn't have the capability of producing a complete full accrual trial balance. We will pursue the possibility of having an independent consultant complete this task for Torrance County.

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

B. FINANCIAL STATEMENT FINDINGS

2012-003 [2012-03] TRACKING FUEL COSTS (FINDINGS THAT DO NOT RISE TO THE LEVEL OF A SIGNIFICANT DEFICIENCY)

CONDITION

As part of testing fuel costs, it was noted that there are some inconsistencies of how fuel costs are tracked. The County requires that individual logs be kept and this is not being consistently completed.

CRITERIA

In order to adequately track fuel costs and to assist in vehicle maintenance, a fuel log should be utilized for each vehicle. In addition, controls should be in place to deter and detect the theft of fuel.

EFFECT

The County does not have adequate controls in place to track fuel costs. Nor are there controls in place that would allow the County to detect the theft of fuel in a timely manner.

CAUSE

There is a County wide initiative for the consistent tracking of fuel costs, however fuel logs are not being completed on a consistent basis. Emphasis has not been placed on the importance of tracking fuel costs on a per vehicle basis.

RECOMMENDATION

The County should enforce a single method of tracking fuel. This method should be on an individual vehicle basis (a fuel log for each vehicle) and include the date fuel was purchased, how many gallons were purchased and the odometer reading of the vehicle.

MANAGEMENT RESPONSE

The County has made vast improvements with regards to fuel tracking. The commission adopted a policy mandating that fuel logs be kept in every fleet vehicle. To overcome the continued, but lessening inconsistencies, we will make sure that all fuel logs are turned in with invoices, monthly, so that the logs can be monitored by financial staff.

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

B. FINANCIAL STATEMENT FINDINGS

2014-003 INVENTORY OF CAPITAL ASSETS GREATER THAN \$5,000 (FINDINGS THAT DO NOT RISE TO THE LEVEL OF A SIGNIFICANT DEFICIENCY)

CONDITION

While performing audit procedures on the County's capital assets, it was observed the County had not certified the inventory in accordance with state statutes for the year ended June 30, 2014. Annual inventory of capital assets had not been conducted and certified by appropriate personnel.

CRITERIA

NMAC 2.20.1.1 to 2.20.1.18, *Accounting and Control of Fixed Assets of State Government*, establish standards for the accounting and recording of capital assets acquired and owned by state governments. Further, 12-6-10, NMCA 1978, requires entities to conduct a physical inventory of all movable chattel and equipment listed on the inventory list as of year end.

EFFECT

The County is not in compliance with state statute and the potential for material misstatements related to capital assets exists due to potentially inaccurate or incomplete inventory listings.

CAUSE

The County did not obtain a physical inventory from appropriate personnel for capital assets owned by the County at year end.

RECOMMENDATION

It is recommended that the County follow state statute and perform an annual physical inventory of its capital assets greater than \$5,000.

MANAGEMENT RESPONSE

The County will establish a procedure for inventory of capital assets.

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding number: 2014-001
Federal agency: U.S Department of Housing and Urban Development
Pass-through agency: NM Department of Finance and Administration
Program: Community Development Block Grant
CFDA number: 14.228
Award number: 11-C-RS-I-03-G-27
Award years: September 16, 2013 to November 30, 2013
Finding: Noncompliance with Davis-Bacon Act

CONDITION

As part of testing compliance with the Davis-Bacon Act, it was noted that certified payrolls were not submitted by the contractor or subcontractors for work performed from July 2013 through August 2013 in accordance with 29 CFR sections 5.5. As such, questioned costs are unknown.

CRITERIA

CDBG Program grant agreement and the Davis-Bacon Act.

EFFECT

Certified payrolls were not submitted; therefore, the County could not provide oversight to ensure the correct wage rates were paid.

CAUSE

The contractor failed to prepare and submit certified payroll reports to the County. Due to problems with the contractor, the County was unable to obtain certified payroll reports.

RECOMMENDATION

The County should ensure that contractors are providing required reporting in order to remain in compliance with the Davis Bacon act when required by grant agreements.

MANAGEMENT RESPONSE

This project was awarded to the low bidder, as recommended by the architect and approved by the Commission. The County had numerous, serious problems with this contractor, from the very beginning of the project's construction. Obtaining any certified payrolls was a cumbersome task, and by the beginning of 2014, we were following the processes to terminate the contract and move forward with the bonding company completing the work. By that time, it was impossible to get documents from the contractor. The County hopes that we don't encounter contractors who are this difficult in the future, but if we do, we'll make sure to exhaust all avenues to receive required documentation.

STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding number:	2014-002
Federal agency:	U.S Department of Homeland Security
Pass-through agency:	NM Department of Public Safety
Program:	Homeland Security Grant Program
CFDA number:	97.067
Award number:	EMW-2010-2012-SS-00097-S01
Award years:	January 1, 2011 to January 31, 2014
Finding:	Noncompliance with Reporting

CONDITION

As part of testing compliance with reporting requirements, it was noted that five quarterly financial progress reports were submitted late, and one was missing. A final narrative report was submitted late, and another was missing. Lastly, for two of the grants, an annual property inventory report had not been submitted.

CRITERIA

Homeland Security Grant Program grant agreements for FY2010 through FY2012 require various reports to be filed by specified deadlines.

EFFECT

The above reports were not filed or not timely filed in accordance with the grant agreements.

CAUSE

The County failed to prepare and submit timely reports due to not keeping track of the quarterly and final reporting requirements, and was unaware of the annual property inventory report filing requirement.

RECOMMENDATION

The County should monitor their grant reporting requirements in order to remain in compliance with the grant agreements.

MANAGEMENT RESPONSE

The County will monitor our grant reporting requirements in order to remain compliant with grant requirements.

**STATE OF NEW MEXICO
COUNTY OF TORRANCE
EXIT CONFERENCE
Year Ended June 30, 2014**

An exit conference was held on November 6, 2014 during a closed session of a Commissioner meeting and attended by the following:

County Personnel

Leanne Tapia, Commissioner
Leroy Candelaria, Commissioner
Joy Ansley, County Manager
Annette Ortiz, Deputy County Manager
Tracy Sedillo, Comptroller
Dorothy Sandoval, Treasurer

Ricci & Company LLC Personnel

Shawn Mortensen, Manager

Note: Management is responsible for the context of the report, even though the financial statements were prepared by the independent auditor.