



HINKLE + LANDERS

Certified Public Accountants + Business Consultants

TORRANCE COUNTY

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

For the Year Ended June 30, 2017

**STATE OF NEW MEXICO
TORRANCE COUNTY
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FOR THE YEAR ENDED JUNE 30, 2017**

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**STATE OF NEW MEXICO
TORRANCE COUNTY
OFFICIAL ROSTER
AS OF JUNE 30, 2017**

County Officials

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

Elected Officials

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

Administrative Officials

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



INDEPENDENT AUDITOR’S REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Torrance County(the County), as of and for the year ended June 30, 2017, and the related notes to the financial statements which collectively comprise the County’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Torrance County as of June 30, 2017, and the respective changes in financial position, the respective budgetary comparison for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 17 to the financial statements, the 2017 financial statements have been restated due to misstatements. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2018 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Hinkle + Landers, P.C.
Albuquerque, NM
April 18, 2018

**STATE OF NEW MEXICO
TORRANCE COUNTY
STATEMENT OF NET POSITION
AS OF JUNE 30, 2017**

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and investments	\$ 6,557,656
NMFA cash- restricted	1,285,566
Accounts receivable	21,997
Grant accounts receivable	185,724
GRT receivable	904,796
Property tax receivable, net	780,157
Prepaid expenses	148,846
Total current assets	<u>9,884,742</u>
Non-current assets:	
Nondepreciable capital assets	839,334
Depreciable capital assets, net of accumulated depreciation	10,765,574
Total non-current assets	<u>11,604,908</u>
Total assets	<u>21,489,650</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension deferral	2,416,168
Total deferred outflows of resources	<u>2,416,168</u>
Total assets and deferred outflows of resources	<u><u>23,905,818</u></u>
LIABILITIES	
Current liabilities:	
Due to other governmental units	187,241
Accounts payable	284,496
Accrued payroll liabilities	93,123
Accrued interest payable	31,556
Bonds and notes payable - short-term portion	560,882
Unearned revenue	-
Total current liabilities	<u>1,157,298</u>
Long-term liabilities:	
Compensated absences	195,968
Bonds and notes payable - long-term portion	3,630,287
Net pension liability	6,395,266
Total long-term liabilities	<u>10,221,521</u>
Total liabilities	<u>11,378,819</u>
Deferred inflows of resources	
Non-exchange transactions	-
Pension deferral	74,229
Total deferred inflows of resources	<u>74,229</u>
NET POSITION	
Net investment in capital assets	7,413,739
Restricted for:	
Other purposes	7,278,178
Unrestricted	<u>(2,239,147)</u>
Total net position	<u>12,452,770</u>
Total liabilities, deferred inflows of resources, and net position	<u><u>\$ 23,905,818</u></u>

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

Functions/Program	Expenses	Program Revenues			Net (Expenses), Revenues, and Changes in Net Position <u>Primary Governmental Activities</u>
		Charges for services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental Activities:					
General government	\$ 4,925,231	369,210	340,471	44,260	(4,171,290)
Public safety	10,170,656	5,462,460	785,125	-	(3,923,071)
Highways and streets	1,770,259	3,092	9,280	554,275	(1,203,612)
Health and welfare	974,867	2,403	305,770	-	(666,694)
Debt service interest	88,668	-	-	-	(88,668)
Total governmental activities	<u>\$ 17,929,681</u>	<u>5,837,165</u>	<u>1,440,646</u>	<u>598,535</u>	<u>(10,053,335)</u>
General Revenues:					
				\$	4,982,227
					982,740
					4,337,820
					27,772
					124,086
					-
					<u>10,454,645</u>
					401,310
					10,847,328
					<u>1,204,132</u>
					<u>12,051,460</u>
				\$	<u>12,452,770</u>

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2017**

	401	Special Revenue Fund			562, 636 Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
		402	825 ICE	Inmate Care Fund			
	General Fund	Road Fund					
ASSETS							
Cash and investments	\$ 6,557,656	-	-	-	1,285,566	-	7,843,222
Due from other funds- pooled cash	-	247,717	3,466	-	481,393	3,680,249	4,412,825
Accounts receivable	-	-	-	-	-	21,999	21,999
Grant accounts receivable	-	-	-	-	-	185,724	185,724
GRT receivable	322,588	66,164	-	-	-	516,045	904,797
Property tax receivable, net	717,139	-	-	-	63,017	-	780,156
Prepaid expenses	148,846	-	-	-	-	-	148,846
Total assets	\$ 7,746,229	313,881	3,466	-	1,829,976	4,404,017	14,297,569
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Due to other funds- pooled cash	\$ 4,218,045	-	-	-	-	194,780	4,412,825
Due to other governmental units	187,241	-	-	-	-	-	187,241
Accounts payable	125,771	1,098	2,628	-	-	154,997	284,494
Accrued payroll liabilities	55,578	13,537	-	-	-	24,009	93,124
Accrued interest payable	-	-	-	-	31,556	-	31,556
Unavailable revenue	-	-	-	-	-	-	-
Total liabilities	4,586,635	14,635	2,628	-	31,556	373,786	5,009,240
Deferred inflows of resources							
Property taxes	982,364	-	-	-	87,468	-	1,069,832
GRT equalization	216,725	-	-	-	-	-	216,725
Total deferred inflows of resources	1,199,089	-	-	-	87,468	-	1,286,557
FUND BALANCES							
Nonspendable- prepaid expenses	148,846	-	-	-	-	-	148,846
Restricted	1,208,504	299,246	838	-	1,710,952	2,859,179	6,078,719
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	1,199,459	1,199,459
Unassigned	603,155	-	-	-	-	(28,407)	574,748
Total fund balance	1,960,505	299,246	838	-	1,710,952	4,030,231	8,001,772
Total liabilities, deferred inflows of resources, and fund balances	\$ 7,746,229	313,881	3,466	-	1,829,976	4,404,017	14,297,569

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
TO STATEMENT OF NET POSITION
AS OF JUNE 30, 2017**

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

Total fund balance - total governmental funds	\$	8,001,772
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.		11,604,908
Long-term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet:		
Bonds and notes payable		(4,191,169)
Compensated absences		(195,968)
Net pension related deferrals and liability		(4,053,327)
In order to convert to the full accrual basis of accounting, it is necessary to recognize deferred inflows of property tax revenue, and other intergovernmental revenues earned, as revenue.		1,286,557
Differences due to rounding		(3)
Net position of governmental activities	\$	12,452,770

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	401	Special Revenue Fund			562, 636 Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
		402	825 ICE Inmate Care Fund				
	General Fund	Road Fund					
REVENUES							
Intergovernmental sources - federal	\$ -	9,280	-	-	122,648	131,928	
Intergovernmental sources - state	250,153	554,275	-	-	1,158,365	1,962,793	
Local and state shared taxes	837,698	575,120	-	285,796	2,742,938	4,441,552	
Property taxes	4,137,658	-	-	339,296	93,370	4,570,324	
Payment in lieu of taxes	322,490	-	-	-	660,250	982,740	
Charges for services	144,793	3,092	5,186,427	-	502,854	5,837,166	
Interest	14,697	1,106	-	6,724	5,246	27,773	
Other revenue	26,973	-	-	-	97,113	124,086	
Total revenues	<u>5,734,462</u>	<u>1,142,873</u>	<u>5,186,427</u>	<u>631,816</u>	<u>5,382,784</u>	<u>18,078,362</u>	
EXPENDITURES							
Current							
General government	3,447,501	-	-	54,487	962,226	4,464,214	
Public safety	1,457,031	-	5,188,406	-	2,851,802	9,497,239	
Highways and streets	-	1,432,288	-	-	-	1,432,288	
Health and welfare	-	-	-	-	953,237	953,237	
Culture and recreation	-	-	-	-	-	-	
Debt Service							
Principal payments	-	-	-	532,192	-	532,192	
Interest payments	-	-	-	88,668	-	88,668	
Capital Outlay							
Capital outlay	-	-	-	1,851,656	334,064	2,185,720	
Total expenditures	<u>4,904,532</u>	<u>1,432,288</u>	<u>5,188,406</u>	<u>2,527,003</u>	<u>5,101,329</u>	<u>19,153,558</u>	
Excess (deficiency) of revenues over expenditures	<u>829,930</u>	<u>(289,415)</u>	<u>(1,979)</u>	<u>(1,895,187)</u>	<u>281,455</u>	<u>(1,075,196)</u>	
OTHER FINANCING SOURCES (USES)							
Proceeds from loan issuance	-	-	-	2,400,000	-	2,400,000	
Transfers in	230,500	-	-	97,803	1,351,023	1,679,326	
Transfers out	<u>(1,146,881)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(532,445)</u>	<u>(1,679,326)</u>	
Total other financing sources (uses)	<u>(916,381)</u>	<u>-</u>	<u>-</u>	<u>2,497,803</u>	<u>818,578</u>	<u>2,400,000</u>	
Net change in fund balance	(86,451)	(289,415)	(1,979)	602,616	1,100,033	1,324,804	
Fund balances-beginning of year	2,065,465	588,661	2,817	353,807	2,871,962	5,882,712	
Restatements	<u>(18,509)</u>	<u>-</u>	<u>-</u>	<u>754,529</u>	<u>58,236</u>	<u>794,256</u>	
Fund balances-beginning of year, as restated	<u>2,046,956</u>	<u>588,661</u>	<u>2,817</u>	<u>1,108,336</u>	<u>2,930,198</u>	<u>6,676,968</u>	
Fund balances-end of the year	<u>\$ 1,960,505</u>	<u>299,246</u>	<u>838</u>	<u>1,710,952</u>	<u>4,030,231</u>	<u>8,001,772</u>	

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

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

Net change in fund balance - total governmental funds	\$	1,324,804
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In addition, donations and disposals of capital assets do not affect current financial resources in governmental funds, but do affect capital assets in the statement of net position. In the current period these amounts are:

Depreciation expense		(919,319)
Capital asset additions		2,070,026

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

Change in noncurrent and current accrued compensated absences		9,737
Proceeds from loan issuance		(2,400,000)
Principal payments on long-term debt payable		532,192

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

Pension expense		(469,352)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. This amount represents the change in deferred inflows of resources related to delinquent property taxes and other intergovernmental revenues.

253,224

Rounding		(2)
Change in net position of governmental activities	\$	401,310

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Original Approved Budget	Final Approved Budget	Actual	Variances Favorable (Unfavorable)
REVENUES				
Intergovernmental sources - federal	\$ -	-	-	-
Intergovernmental sources - state	270,000	270,000	250,153	(19,847)
Local and state shared taxes	732,000	732,000	775,682	43,682
Property taxes	450,000	450,000	4,515,795	4,065,795
Payment in lieu of taxes	320,000	320,000	322,490	2,490
Charges for services	146,050	146,050	145,521	(529)
Interest	1,000	1,000	13,745	12,745
Other revenue	14,107	13,932	26,973	13,041
Total revenues	1,933,157	1,932,982	6,050,359	4,117,377
EXPENDITURES				
Current:				
General government	3,797,183	3,802,088	3,372,875	429,213
Public safety	1,474,661	1,478,961	1,461,139	17,822
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Debt Service				
Principal payments	-	-	-	-
Interest payments	-	-	-	-
Capital Outlay				
Capital outlay	-	-	-	-
Total expenditures	5,271,844	5,281,049	4,834,014	447,035
Excess (deficiency) of revenues over (under) expenditures	(3,338,687)	(3,348,067)	1,216,345	4,564,412
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	230,500	230,500
Transfers out	-	-	(1,141,039)	(1,141,039)
Total other financing sources (uses)	-	-	(910,539)	(910,539)
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(3,338,687)	(3,348,067)	305,806	3,653,873
Budgeted cash carryover	3,338,687	3,348,067		
Total	\$ -	-		
RECONCILIATION FROM BUDGET/ACTUAL TO GAAP				
Change in fund balance (Budget Basis)			\$ 305,806	
To adjust applicable revenue accruals and deferrals			(315,899)	
To adjust applicable expenditure accruals			(76,358)	
Change in fund balance (GAAP basis)			\$ (86,451)	

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ROAD FUND (402)
FOR THE YEAR ENDED JUNE 30, 2017**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable)
REVENUES				
Intergovernmental sources - federal	\$ 75,000	75,000	9,280	(65,720)
Intergovernmental sources - state	471,152	471,152	617,336	146,184
Local and state shared taxes	658,000	658,000	533,777	(124,223)
Property taxes	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	2,000	2,000	3,092	1,092
Interest	500	500	932	432
Other revenue	2,000	2,000	-	(2,000)
Total revenues	1,208,652	1,208,652	1,164,417	(44,235)
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	1,552,640	1,555,288	1,453,361	101,927
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Debt Service				
Principal payments	-	-	-	-
Interest payments	-	-	-	-
Capital Outlay				
Capital outlay	-	-	-	-
Total expenditures	1,552,640	1,555,288	1,453,361	101,927
Excess (deficiency) of revenues over (under) expenditures	(343,988)	(346,636)	(288,944)	57,692
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of long-term capital-related debt	-	-	-	-
Sale of real and personal property	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(343,988)	(346,636)	(288,944)	57,692
Budgeted cash carryover	343,988	346,636		
Total	\$ -	-		
RECONCILIATION FROM BUDGET/ACTUAL TO GAAP				
Change in fund balance (Budget Basis)			\$ (288,944)	
To adjust applicable revenue accruals and deferrals			(21,543)	
To adjust applicable expenditure accruals			21,072	
Change in fund balance (GAAP basis)			\$ (289,415)	

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ICE INMATE CARE FUND (825)
FOR THE YEAR ENDED JUNE 30, 2017**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable)
REVENUES				
Intergovernmental sources - federal	\$ -	-	-	-
Intergovernmental sources - state	-	-	-	-
Local and state shared taxes	-	-	-	-
Property taxes	-	-	-	-
Payment in lieu of taxes	\$ -	-	-	-
Charges for services	200,000	9,200,000	5,284,749	(3,915,251)
Interest	-	-	-	-
Other revenue	-	-	-	-
Total revenues	<u>200,000</u>	<u>9,200,000</u>	<u>5,284,749</u>	<u>(3,915,251)</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	202,854	9,202,854	5,284,138	3,918,716
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Debt Service				
Principal payments	-	-	-	-
Interest payments	-	-	-	-
Capital Outlay				
Capital outlay	-	-	-	-
Total expenditures	<u>202,854</u>	<u>9,202,854</u>	<u>5,284,138</u>	<u>3,918,716</u>
Excess (deficiency) of revenues over (under) expenditures	(2,854)	(2,854)	611	3,465
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of long-term capital-related debt	-	-	-	-
Sale of real and personal property	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(2,854)	(2,854)	<u>611</u>	<u>3,465</u>
Budgeted cash carryover	<u>2,854</u>	<u>2,854</u>		
Total	<u>\$ -</u>	<u>-</u>		
RECONCILIATION FROM BUDGET/ACTUAL TO GAAP				
Change in net position (Budget Basis)			\$ 611	
To adjust applicable revenue accruals and deferrals			(98,322)	
To adjust applicable expenditure accruals			<u>95,732</u>	
Change in net position (GAAP basis)			<u>\$ (1,979)</u>	

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
STATEMENT OF FIDUCIARY ASSETS
AND LIABILITIES - AGENCY FUND
FIDUCIARY FUNDS
AS OF JUNE 30, 2017**

		Agency Funds
ASSETS		
Property taxes receivable	\$	808,161
Due from other governmental units		187,241
Total assets		995,402
 LIABILITIES		
Due to other governmental units		808,161
Deposits held in trust for others		187,241
Total liabilities	\$	995,402

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Description and Reporting Entity

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

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

Reporting Entity

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

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

The basic financial statements include both government-wide (based on the County as a whole) and fund financial statements. The reporting model focuses on either the County as a whole or major individual funds (within the basic financial statements). Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type activities. In the government-wide Statement of Net Position, both governmental and business-type activities columns are presented on a consolidated basis by column, and are reflected on a full accrual, economic resources basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. The County did not have any business-type activities during the year ended June 30, 2017.

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

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

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

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

This presentation is deemed appropriate to:

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

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

Internal activity between the various funds is eliminated in the government-wide financial statements. Interfund receivables and payables at June 30, 2017, have been eliminated. These consist of amounts titled "Interfund receivable (payable)" and "Due from (to) other funds."

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

Basis of Presentation

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

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

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

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

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

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

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

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

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

Road Fund—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.

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

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.

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the County. The County only reports agency funds during the year ended June 30, 2017.

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

Basis of Accounting

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

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

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

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

In applying the “susceptible to accrual” concept to intergovernmental revenues pursuant to GASB Statement No. 33, the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenues when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met, under most circumstances, should be reported as advances by the provider and unearned revenue by the recipient.

**STATE OF NEW MEXICO
TORRANCE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

Property Taxes

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

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

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

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

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

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

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

The County charged mil rates for the 2016 property tax year as follows:

<u>Tax District</u>	<u>Residential</u>	<u>Non-Residential</u>	<u>Debt Service</u>
Estancia-In	22.851	22.198	0.967
Estancia-Out	21.352	21.772	0.967
Willard-In	26.022	26.264	0.967
Moriarty-In	26.314	26.120	0.967
Moriarty-Out	24.126	24.763	0.967
Mountainair-In	25.270	26.834	0.967
Mountainair-Out	19.951	20.531	0.967
Encino-In	21.731	22.562	0.967
Encino-Out	20.191	20.669	0.967

STATE OF NEW MEXICO
TORRANCE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

All property tax receivables are shown net of allowance for uncollectibles. The property tax receivable allowance is equal to 97% of property taxes billed for each year and for 100% of the outstanding receivable that are no longer collectible under state statute. The total allowance for all property taxes is \$768,661, with \$392,538 reported in the County's governmental funds and \$376,123 reported in the agency funds.

Budgetary Information

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

1. Prior to June 1, the County submits a proposed budget to the Local Government Division of the DFA.
2. The Local Government Division shall:
 - a. Examine each proposed budget, and on or before July 1 of each year, approve and certify for the County an operating budget for use pending approval of a final budget;
 - b. Hold public hearings on proposed budgets;
 - c. Make such corrections, revisions, and amendments to proposed budgets as may be necessary to meet the requirements of law;
 - d. Certify a final budget for the County prior to the first Monday of September of each year. Such budgets, when approved, shall be binding upon all officials of the State;
 - e. Upon the approval of the director of the DFA, authorize the transfer of funds from one budget item to another when such transfer is requested and an emergency condition exists meriting such transfer and such transfer is not prohibited by law. In case of emergency necessitating the expenditure for item or items not provided for in the budget, upon approval of the director of the DFA, the budget may be revised to authorize such expenditures;
 - f. With written approval of the director of the DFA, increase the total budget of the County in the event the County undertakes an activity, service, project or construction program which was not contemplated at the time of the final budget was adopted and approved and which activity, service, project or construction program will produce sufficient revenue to cover such increase in the budget or the County has surplus funds on hand not necessary to meet the expenditures provided for in the budget with which to cover such increase in the budget;
 - g. Supervise the disbursement of funds to the end that expenditures will not be made in excess of budgeted items or for items not budgeted and that there will not be illegal expenditures;
 - h. Prescribe the form for all budgets, books, records and accounts for the County; and
 - i. With the approval of the director of the DFA, make rules and regulations relating to budgets, records, reports, handling and disbursement of public funds, or in any matter relating to the financial affairs of the County.
3. The County Manager is authorized to transfer budgeted amounts between departments within any fund.
4. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Fund.
5. Budgets for the General, Special Revenue, Debt Service, and Capital Projects Fund are adopted on a basis inconsistent with GAAP. Budgetary and actual comparisons presented for these funds in this report are on the non-GAAP (cash) budgetary basis.
6. Budgeted amounts are as originally adopted, or as amended by the County Commissioners and approved by the DFA.

**STATE OF NEW MEXICO
TORRANCE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

7. The level of classification detail in which expenditures may not legally exceed appropriations for budget is at the fund level.

Assets, Liabilities, and Net Position/Fund Balance

Deposits and Investments

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

Receivables

Receivables 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, 2017, there was an allowance for uncollectable property taxes. However, there is no allowance for all other receivables because there is no history of write-offs. In the governmental funds statements, those property taxes receivable which are not available within sixty days are deferred. Nonexchange transactions, including grants and contributions, which are not measurable (reasonably estimated) are not recognized.

Capital Assets

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

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

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

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

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

Unearned Revenues and Deferred Outflows/ Inflows of Resources

The County reports unearned revenues on its statement of net position and funds balance sheet. Unearned revenues arise when resources are received by the County before it has legal claim to them. Delinquent property taxes receivable 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.

Compensated Absences

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

Long-term Liabilities

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

Pension

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

Net Position

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

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

Fund Balance

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

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

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

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

Interfund Transactions

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

Estimates

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

Recently Issued Accounting Pronouncements

GASB has issued several statements which have not been implemented by the County at June 30, 2017. The County will implement the new GASB pronouncements in the fiscal year no later than the required effective date. Management is still evaluating the financial impact that these pronouncements will have.

Income Taxes

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

Evaluation of Subsequent Events

Subsequent events are events or transactions that occur after the statement of financial position date but before the financial statements are issued. The County recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. The County's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after the statement of financial position date and before financial statements are available to be issued. The organization has evaluated subsequent events through April 18, 2018, which is the date the financial statements were available to be issued.

NOTE 2 – CASH AND INVESTMENTS

Cash

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

Cash and investments at June 30, 2017, consist of the following:

Fund Type	Amount
Cash and investments	
Deposits	\$ 3,434,350
Local government investment pool	3,123,306
NMFA cash - restricted	1,285,566
Total cash and investments	\$ 7,843,222

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

Total cash and investments	\$ 6,557,656
Due to other funds	(4,218,045)
Due to other governmental entities	(187,241)
Cash and investments, general fund	\$ 2,152,370

Pledged Collateral

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

Pledged collateral for the County's deposits is shown below at June 30, 2017:

Deposits	\$ <u>3,817,985</u>
Less FDIC coverage	(250,000)
Uninsured public funds	3,567,985
50% collateral requirement	1,783,993
Pledged securities, fair value	3,764,237
Pledged collateral over the requirement	\$ (1,980,244)

**STATE OF NEW MEXICO
TORRANCE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

Custodial Credit Risk

Custodial credit is the risk that in the event of a bank failure, the County’s deposits may not be returned to it. The County’s policy regarding custodial credit risk is to comply with Section 6-10-17, NMSA 1978. At June 30, 2017, there were no bank balances exposed to custodial credit risk.

Investments: State Treasurer Local Governmental Investment Pool

As of June 30, 2017, the County has the following invested in the State Treasurer Local Government Investment Pool:

<u>Investment Type</u>	<u>Cost Basis</u>	<u>Market Value</u>	<u>Credit Risk- Rating Range</u>	<u>Weighted Average Maturity Range (Years)</u>
State of NM Local Government Investment Pool (LGIP)	\$ 3,123,306	3,123,306	AAAm	[58] day WAM (R); [106] day WAM (F)
	<u>\$ 3,123,306</u>	<u>3,123,306</u>		

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

The investments are valued at fair value based on quoted market prices as of the valuation date. The State Treasurer Local Government Investment Pool is not SEC registered. Section 67-10-10 I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States government, or by its departments or agencies and are either direct obligations of the United States, or are backed by the full faith and credit of the United States government, or are agencies sponsored by the United States government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the local government investment pool is voluntary.

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

State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The County has no investment policy that would further limit its investment choices. As of June 30, 2017, the County’s investment in the New MexiGROW Local Government Investment Pool (LGIP) was rated AAAm by Standard & Poor’s. The independent auditor’s report, together with the financial statements, the accompanying notes to the financial statements, and the independent auditor’s report on compliance and internal controls are available from New Mexico State Treasurer, 2019 Galisteo Street, Bldg K, Santa Fe, New Mexico 87504, upon written request.

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

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

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

NOTE 3—INTERFUND RECEIVABLES/PAYABLES

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

	Due From	Due To
Major Funds		
General Fund	\$ -	4,218,045
Road fund	247,717	-
ICE Inmate Care	3,466	-
Debt service funds	481,393	-
Nonmajor governmental funds	3,680,249	194,780
	\$ 4,412,825	4,412,825

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 and are reported as due to other governmental entities in the government wide balance sheet:

	Due From	Due To
General fund	\$ -	187,241
Agency funds	187,241	-
	\$ 187,241	187,241

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NOTE 4 – CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows. Land and construction in progress are not subject to depreciation.

GOVERNMENTAL ACTIVITIES	Balance June 30, 2016	Additions	Deletions	Transfers & Adjustments	Balance June 30, 2017
Non-depreciable capital assets:					
Land and right-of-way	\$ 482,098	-	-	(15,264)	466,834
Artwork and antiques	372,500	-	-	-	372,500
Construction in progress	-	-	-	-	-
Total non-depreciable capital assets	<u>854,598</u>	<u>-</u>	<u>-</u>	<u>(15,264)</u>	<u>839,334</u>
Capital assets being depreciated:					
Buildings and improvements	9,130,489	-	-	1,307	9,131,796
Vehicles, machinery, and equipment	7,450,034	2,070,026	-	145,179	9,665,239
Infrastructure (roads)	1,952,608	-	-	267,547	2,220,155
Total capital assets being depreciated	<u>18,533,131</u>	<u>2,070,026</u>	<u>-</u>	<u>414,033</u>	<u>21,017,190</u>
Less accumulated depreciation for:					
Buildings and improvements	(3,519,655)	(201,063)	-	5,000	(3,715,718)
Vehicles, machinery, and equipment	(4,503,171)	(552,102)	-	(5,000)	(5,060,273)
Infrastructure (roads)	(1,071,230)	(166,154)	-	(238,241)	(1,475,625)
Total accumulated depreciation	<u>(9,094,056)</u>	<u>(919,319)</u>	<u>-</u>	<u>(238,241)</u>	<u>(10,251,616)</u>
Total capital assets being depreciated	<u>9,439,075</u>	<u>1,150,707</u>	<u>-</u>	<u>175,792</u>	<u>10,765,574</u>
Total capital assets, net of depreciation	<u>\$ 10,293,673</u>	<u>1,150,707</u>	<u>-</u>	<u>160,528</u>	<u>11,604,908</u>

Depreciation expense for the year ended June 30, 2017 was charged to the following functions:

Governmental activities:	
General government	\$ 270,854
Public safety	370,623
Public works	266,121
Health and welfare	11,721
Total governmental activities	<u>\$ 919,319</u>

NOTE 5 – LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2017, was as follows:

	Balance June 30, 2016	Increases	Decreases	Balance June 30, 2017	Amount due within one year
Governmental funds debt					
General obligation bonds	\$ 325,000	2,400,000	(325,000)	2,400,000	345,000
Notes payable	1,998,361	-	(207,192)	1,791,169	215,882
Compensated absences	205,705	-	(9,737)	195,968	-
Net pension liability	3,893,531	2,828,833	(327,098)	6,395,266	-
Total	<u>\$ 6,422,597</u>	<u>5,228,833</u>	<u>(869,027)</u>	<u>10,782,403</u>	<u>560,882</u>

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General Obligation Bonds

The County has the following GO bonds to service:

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

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

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 345,000	38,901	383,901
2019	335,000	30,586	365,586
2020	335,000	26,376	361,376
2021	340,000	21,727	361,727
2022	95,000	18,556	113,556
2023-2027	475,000	62,717	537,717
2028-2032	475,000	19,904	494,904
Total	\$ <u>2,400,000</u>	<u>218,767</u>	<u>2,618,767</u>

Notes Payable

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

<u>Description</u>	<u>Issue Date</u>	<u>Maturity Due</u>	<u>Original Issue</u>	<u>Outstanding</u>	<u>Rates</u>
NMFA #3 PP - 1992	6/30/2007	5/1/2027	\$ 581,320	331,051	2.86%
NMFA #4 PP - 2089	12/16/2007	5/1/2028	50,000	27,810	0.25%
NMFA #5 PP-2116	12/21/2007	5/1/2023	166,667	74,888	3.00%
NMFA #8 PP-2187	9/5/2008	5/1/2023	30,450	14,083	3.00%
NMFA #9 PP-2251	3/6/2009	5/1/2029	493,201	335,002	3.77%
NMFA #10 PP-2252	7/10/2009	5/1/2020	382,729	124,691	2.73%
NMFA #11 PP-2286	7/31/2009	5/1/2019	382,729	85,747	2.62%
NMFA #12 PP-2451	6/4/2010	5/1/2030	65,975	48,391	4.93%
NMFA #13 PP - 2505	7/31/2005	5/1/2029	86,275	58,433	2.77%
NMFA #14 PP-2748	8/31/2012	5/1/2028	203,000	155,475	2.40%
NMFA #15 PP-3406	1/22/2016	5/1/2036	503,716	486,308	3.02%
NMFA PP-2168 Willard Fire	11/1/2009	7/1/2018	96,215	49,290	2.40%
			\$ <u>3,042,277</u>	<u>1,791,169</u>	

Long-Term Notes

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

- NMFA #3 - During the year ended June 30, 2007, the County received approval for a loan from the New Mexico Finance Authority in the amount of \$581,320, 2.875% interest, for the construction of a fire station

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in the Northeast Torrance Fire District. Revenues from the District's State Fire Allotment and Fire Protection Excise Tax will be pledged in repayment of this loan and are by the Finance Authority. The balance matures on May 1, 2027.

- NMFA #4 - During the year ended June 30, 2008, the County received approval for a loan from the New Mexico Finance Authority in the amount of \$50,000, .25% interest, for the construction, renovation and completion of the interior of the Homestead Estates Fire Station. Revenues from the State Fire Protection Fund and State Fire Excise Tax will be pledged in repayment of this loan and are by the Finance Authority. The loan matures on May 1, 2028.
- NMFA #5 - During the year ended June 30, 2008, the County received approval for a loan from the New Mexico Finance Authority in the amount of \$166,667, 3% interest, for the construction of a new fire station for the Fire Protection Districts within the County. Revenues from the County Fire Excise Tax will be pledged in repayment of this loan. The loan matures on May 1, 2023.
- NMFA #8 - During the year ended June 30, 2009, the County received approval for a loan from the New Mexico Finance Authority in the amount of \$30,450, 3.0% interest for the renovation and completion of the McIntosh Fire Station. Revenues from First Protection Excise Tax will be pledged in repayment for this loan and are by the Finance Authority. The loan matures on May 1, 2023.
- NMFA #9 - During the year ended June 30, 2010, the County received approval for a loan from the New Mexico Finance Authority in the amount of \$493,201, 3.776% interest, for the designing, constructing, equipping, and furnishing a new County Dispatch Center. The County Gross Receipts Tax will be imposed on all gross receipts of all persons engaging in business within the governmental unit, which provides for the pledged revenues for the loan and are by the New Mexico Finance Authority. The loan matures on May 1, 2029.
- NMFA #10 - During the year ended June 30, 2010, the County received approval for a loan from the New Mexico Finance Authority in the amount of \$382,729, 2.726% interest, for the cost of purchasing and equipping a fire pumper for the use by Fire District #2. State Fire Protection Funds will provide pledged revenues that are by the New Mexico Finance Authority beginning in fiscal year 2011. The loan matures on May 1, 2020.
- NMFA #11 - During the year ended June 30, 2010, the County received approval for a loan from the New Mexico Finance Authority in the amount of \$382,729, 2.618% interest, for the cost of purchasing and equipping a fire pumper for the use by Fire District #2. One fourth of one percent (.25%) of the County Fire Protection Excise Tax on the gross receipts of all persons engaging in business within the governmental unit will provide the pledged revenues, are intercepted by the New Mexico Finance Authority. The loan matures on May 1, 2019.
- NMFA #12 - During the year ended June 30, 2010, the County received approval for a loan from the New Mexico Finance Authority in the amount of \$65,975, 4.925% interest, for the cost of purchasing, designing and building a communications tower dispatch center. Pledged Revenues of the County's Gross Receipts are by the New Mexico Finance Authority beginning in fiscal year 2011. The loan matures on May 1, 2030.
- NMFA #13 - During the year ended June 30, 2010, the County received approval for a loan from the New Mexico Finance Authority in the amount of \$86,275, 2.767% interest, for the cost of purchasing, designing and building a communications tower dispatch center. Pledged Revenues of the County's Gross Receipts are by the New Mexico Finance Authority beginning in fiscal year 2011. The loan matures on May 1, 2029.
- NMFA #14 - During the year ended June 30, 2013, the County received approval for a loan from the New Mexico Finance Authority in the amount of \$203,000, 2.403% blended interest rate, for the cost of purchasing a fire tanker truck. Pledged Revenues of the County's Fire Protection Funds are intercepted by the New Mexico Finance Authority in fiscal year 2014. The loan and matures on May 1, 2028.
- NMFA #15 - During the year ended June 30, 2016, the County received approval for a loan from NMFA in the amount of \$503,716, 3.0165% blended interest rate, for the cost of purchasing a fire tanker. Pledged revenues of the County's Fire Protection Funds are intercepted by NMFA beginning in fiscal year 2017. The loan matures on May 1, 2036.

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- NMFA Willard Fire - During the year ended June 30, 2015, the County received approval to transfer a loan from the Village of Willard to the County in the amount of \$96,215. Pledged Revenues of the County's Fire Protection Funds are intercepted by the New Mexico Finance Authority beginning in fiscal year 2016. The loan matures on July 1, 2018.

Debt service requirements for all notes is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 215,882	53,667	269,549
2019	221,487	48,141	269,628
2020	157,020	42,046	199,066
2021	117,102	37,679	154,781
2022	120,280	34,582	154,862
2023-2027	588,359	121,563	709,922
2028-2032	246,126	42,365	288,491
2033-2037	124,913	11,269	136,182
Total	<u>\$ 1,791,169</u>	<u>391,312</u>	<u>2,182,481</u>

In fiscal year 2018, the County received approval for a loan from the New Mexico Finance Authority in the amount of \$280,618, 0.58% blended interest, for the cost of acquiring a 3,000-gallon water tender for the Indian Hills Fire District #2. Pledged Revenues are the distribution of State Fire Protection Funds to the Governmental Unit for the Indian Hills Fire District #2 made periodically by the State Treasurer pursuant to Section 59A-53-7, NMSA 1978. The loan matures on May 1, 2033.

Accrued Compensated Absences

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

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

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

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

NOTE 6 – INDUSTRIAL REVENUE BONDS

On September 15, 2008, the County issued \$195 million in industrial revenue bonds related to the High Lonesome Wind Project for the purposes of constructing a wind farm. As of June 30, 2017, the outstanding balance was \$149.5 million plus accrued interest. The County has no obligation to pay this debt. It is the responsibility of High Lonesome Mesa, LLC. The County's sole responsibility is to lease the project site property to High Lonesome Mesa, LLC through at least November 2038.

On December 17, 2015, the County issued \$575 million in industrial revenue bonds related to the El Cabo Wind Project for the purposes of constructing a wind farm. As of June 30, 2017, the outstanding balance was \$575 million plus accrued interest. The County has no obligation to pay this debt. It is the responsibility of El Cabo Wind, LLC. The County's sole responsibility is to lease the project site property to El Cabo Wind, LLC through at least December 2045.

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NOTE 7 – TRANSFERS

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

The composition of interfund transfers during the year ended June 30, 2017 was as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds		
General Fund	\$ 230,500	1,146,881
Road fund	-	-
ICE Inmate Care	-	-
Debt service funds	97,803	-
Nonmajor governmental funds	<u>1,351,023</u>	<u>532,445</u>
	<u>\$ 1,679,326</u>	<u>1,679,326</u>

NOTE 8 – PERA PENSION PLAN

Plan Description – Substantially all of the County’s full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, NM 87504-2123. The report is also available on PERA’s website at <http://www.pera.state.nm.us>.

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

NOTE 9 – PENSION PLAN AND POST EMPLOYMENT BENEFITS

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

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elected official of every affiliated public employer is required to be a member in the Public Employees Retirement Fund, unless specifically excluded.

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

TIER II – The retirement age and service credit requirements for normal retirement for PERA state and municipal general members hired increased effective July 1, 2013 with the passage of Senate Bill 27 in the 2013 Legislative Session. Under the new requirements (Tier II), general members are eligible to retire at any age if the member has at least eight years of service credit and the sum of the member's age and service credit equals at least 85 or at age 67 with 8 or more years of service credit. General members hired on or before June 30, 2013 (Tier I) remain eligible to retire at any age with 25 or more years of service credit. Under Tier II, police and firefighters in Plans 3, 4 and 5 are eligible to retire at any age with 25 or more years of service credit. State police and adult correctional officers, peace officers and municipal juvenile detention officers will remain in 25-year retirement plans, however, service credit will no longer be enhanced by 20%. All public safety members in Tier II may retire at age 60 with 6 or more years of service credit. Generally, under Tier II pension factors were reduced by .5%, employee Contribution increased 1.5 percent and effective July 1, 2014 employer contributions were raised .05 percent. The computation of final average salary increased as the average of salary for 60 consecutive months.

Contributions – See PERA's publicly available financial report and comprehensive annual financial report obtained at <http://saonm.org/> using the Audit Report Search function for agency 366, for the employer and employee contribution rates in effect for fiscal year, 2017.

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

Municipal General Division, at June 30, 2017, the County reported a liability of \$5,069,386 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2016, the County's proportion was 0.3173%, which was an increase of 0.0148% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized PERA Fund Division; Municipal General Division pension expense of \$615,613. At June 30, 2017, the County reported PERA Fund Division; Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

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<u>Municipal General Division</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 253,288	49,474
Changes of assumptions	297,260	843
Net difference between projected and actual earnings on pension plan investments	932,757	-
Change in proportion and differences between the County contributions and proportionate share of contributions	120,370	-
The County contributions subsequent to the measurement date	271,865	-
Total	<u>\$ 1,875,540</u>	<u>50,317</u>

\$271,865 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018.

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

Year Ended		Amount
<u>June 30:</u>		
2018	\$	351,845
2019		351,845
2020		610,250
2021		239,418
2022		-
Thereafter		-
	\$	<u>1,553,358</u>

Municipal Police Division, at June 30, 2017, the County reported a liability of \$1,325,880 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2016, the County's proportion was 0.1797%, which was an increase of 0.0114% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized PERA Fund Division; Municipal Police Division pension expense of \$193,570. At June 30, 2017, the County reported PERA Fund Division; Municipal Police Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

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Municipal Police Division	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 97,338	-
Changes of assumptions	87,819	23,912
Net difference between projected and actual earnings on pension plan investments	209,696	-
Change in proportion and differences between the County contributions and proportionate share of contributions	77,809	-
The County contributions subsequent to the measurement date	67,966	-
Total	<u>\$ 540,628</u>	<u>23,912</u>

\$67,966 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018.

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

Year Ended June 30:	Amount
2018	\$ 118,398
2019	118,398
2020	157,130
2021	54,824
2022	-
Thereafter	-
	<u>\$ 448,750</u>

Actuarial assumptions – The total pension liability in the June 30, 2016 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Pay, Open
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair Value
Actuarial assumptions	
Investment rate of return	7.48% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll growth	2.75% for first 10 years, then 3.25 annual rate
Projected salary increases	2.75% to 14.00% annual rate
Includes inflation at	Includes inflation at 2.25% for the first 10 years and 2.75% thereafter
Mortality assumption	RP-2000 Mortality Tables (Combined table for healthy post-retirement, Employee table for active members, and Disabled table for disabled retirees before retirement age) with projection to 2018 using Scale AA.
Experience study dates	July 1, 2008 to June 30, 2013 (demographic) and July 1, 2010 through June 30, 2015 (economic)

**STATE OF NEW MEXICO
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FOR THE YEAR ENDED JUNE 30, 2017**

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2015. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2016. These assumptions were adopted by the Board use in the June 30, 2015 actuarial valuation.

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

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

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

Discount rate – A single discount rate of 7.48% was used to measure the total pension liability as of June 30, 2016. This rate was an increase from the fiscal year 2016 rate of 7.45%. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.48%, compounded annually, net of expense. Based on the stated assumptions and the projection of cash flows, the plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

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

Sensitivity of the County’s proportionate share of the net pension liability to changes in the discount rate – The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.48 percent, as well as what the employer name’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.48 percent) or 1-percentage-point higher (8.48 percent) than the current rate:

<u>PERA Fund Division -</u>	<u>1% Decrease (6.48%)</u>	<u>Current Discount Rate (7.48%)</u>	<u>1% Increase (8.48%)</u>
Municipal General Division	\$ 7,558,004	5,069,386	3,005,201
Municipal Police Division	\$ 1,950,699	1,325,880	814,851

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

NOTE 10 – POST EMPLOYMENT BENEFITS – STATE RETIREE HEALTHCARE PLAN

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

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NOTES TO THE FINANCIAL STATEMENTS
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authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

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

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

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2017, 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, 2017, 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, 2017, 2016, and 2015, were \$67,478, \$67,481 and \$62,038, 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

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TORRANCE COUNTY
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coverage has a limit of \$200,000. The County pays a deductible of \$500 for each property or crime loss, and a deductible of \$3,000 for each civil rights claim. The Authority pays losses up to \$150,000 for property and \$250,000 for liability per occurrence.

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

Coverage provided to the County through membership in the New Mexico Association of Counties Law Enforcement Liability Program (Association) includes tort liability limits for police professional liability coverage on a "claims made" basis. The County pays an operational deductible of \$15,000 per occurrence. The Association pays covered losses above the deductible up to \$250,000 per occurrence from the Association's funds collected for law enforcement only. Excess coverage is provided in an amount up to \$12,750,000 for the annual pool aggregate for covered claims which exceed the self-insured retention.

NOTE 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.

NOTE 13 – OPERATING LEASES

The County is obligated to several operating leases for the use of copiers and motor graders. Expenses related to these leases were \$183,519 for 2017. The minimum future lease payments are as follows:

Fiscal Year		Amount
Ending June 30,		
2018	\$	55,074
2019		10,688
2020		3,631
2021		2,426
2022		404
Total	\$	<u>72,223</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 Authority, entered into a loan agreement with the New Mexico Finance Authority in 1999. The loan amount was \$556,119 and the proceeds were used to (a) refund Torrance County Series 1992 Environmental Revenue Bonds and (b) construct solid waste facilities for the Solid Waste Authority.

As part of the above agreement, the County pledged the revenues received from its 1/8 of 1% county environmental services gross receipts tax as security for payment of the loan agreement. The City of Moriarty, Town of Estancia, Town of Mountainair, and the Village of Willard, as members of the Solid Waste Authority, also pledged revenues received from the 1/16 of 1% municipal environmental services gross receipts tax imposed by them. These revenues are all intercepted by the New Mexico Finance Authority.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

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

NOTE 15 – DEFICIT FUND BALANCE

The following funds incurred a deficit fund balance at June 30, 2017:

<u>Fund</u>	<u>Number</u>	<u>Fund Type</u>	<u>Amount</u>
Recycling and Illegal dumping	628	Special Revenue	\$ (4,969)
Home Visiting Grant	629	Special Revenue	(2,547)
Estancia Basin Water Study	650	Special Revenue	(6,704)
Planning and Zoning Court Fees	685	Special Revenue	(119)
US Marshall JLEO	802	Special Revenue	(2,193)
Traffic Safety	805	Special Revenue	(664)
Forest Service Patrol	808	Special Revenue	(326)
Legislative Appropriations	803	Capital Project	(10,885)
			<u>\$ (28,407)</u>

The fund deficit in funds 685 will be recovered through future transfers from the County's general fund.

The fund deficits in funds 628, 629, 650, 802, 805, 808 and 803 will be recovered through grant reimbursements received by these funds after June 30, 2017.

NOTE 16 – DEFERRED INFLOWS AND OUTFLOWS

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

The County has the following deferred outflows of resources during fiscal year 2017 on the fund financials:

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

The County has the following deferred outflows of resources during fiscal year 2017 on the government wide financials:

<u>Deferred Outflows of Resources - GW</u>	
Pension deferrals	\$ 2,416,168
Total deferred outflows of resources	<u>\$ 2,416,168</u>

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

The County has the following deferred inflows of resources during fiscal year 2017 on the fund financials:

<u>Deferred Inflows of Resources - Fund Financials</u>	
Property tax revenue	\$ 1,069,832
GRT equalization	<u>216,725</u>
Total deferred inflows of resources	<u>\$ 1,286,557</u>

The County has the following deferred inflows of resources during fiscal year 2017 on the government wide financials:

<u>Deferred Inflows of Resources - GW</u>	
Pension deferrals	\$ 74,229
Total deferred inflows of resources	<u>\$ 74,229</u>

NOTE 17 – RESTATEMENT

The following summarizes the restatements:

<u>Fund Description</u>	<u>Fund</u>	<u>Purpose/Reason</u>	<u>Amount</u>
<u>Fund Financials Only</u>			
Dog Head Fire	834	Recognize prior year revenue	\$ <u>58,236</u>
 <u>Government-Wide and Fund Financial Statements</u>			
General Fund	401	Prior period adjustment to true up cash	(18,509)
Debt Service	636	Identified NMFA cash from prior year	<u>754,529</u>
		Total fund financial restatements	<u>794,256</u>
 <u>Government-Wide Only</u>			
	n/a	Equalization GRT revenue not recorded in prior year at GW level	320,458
	n/a	Reduced deferred outflows from prior year based on PERA Report	(12,873)
	n/a	To adjust beginning capital assets	<u>160,527</u>
		Total additional GW restatements	<u>468,112</u>
		Total government-wide restatements	<u>\$ 1,204,132</u>

NOTE 18 – TAX ABATEMENT DISCLOSURES

The County negotiates property tax abatements and has tax abatement agreements with El Cabo Wind, LLC and High Lonesome Mesa, LLC as of June 30, 2017. The County's entire disclosure as an abating agency is presented in this report, in the Schedule of Tax Abatements – Abating Agency , as stated in the table of contents.

REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

Notes to Required Supplementary Information:

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

Changes of Assumptions: The Public Employ Retirement Association of New Mexico Annual Actuarial Valuations as of June 2016 report is available at <http://www.nmpera.org/>

See independent auditor's report.

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

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

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

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

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

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

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

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

Notes to Required Supplementary Information:

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

Changes of Assumptions: The Public Employ Retirement Association of New Mexico Annual Actuarial Valuations as of June 2016 report is available at <http://www.nmpera.org/>

SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

NON-MAJOR SPECIAL REVENUE FUNDS

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

Non-major special revenue funds consist of the following:

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

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

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

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

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

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

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

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

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

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

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.

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.

**STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

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

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

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

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

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

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

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

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

Clerk’s Equipment Fund –To account for an additional \$7.00 recording fee collected by the Clerk’s Office to pay for equipment/supplies for the Clerk’s Office. Authority is the Absentee- Early Voting Act (Section 14-89-12.2, NMSA 1978).

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

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

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

Adolescent Pregnancy Prevention—To account for a grant from the State of New Mexico Department of Health, to provide adult mentoring and education. Authority is the State of New Mexico Department of Health.

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

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

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

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

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

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

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

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

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

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

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

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

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

Title III Forest Reserve Fund—To account for resources received from the Secure Rural Schools and Community Self Determination Act of 2000 to be used only for search, rescue and emergency services, community service work camps or easement purchases. Authority is P.L. 106-393.

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

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

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

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

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

NM Primary Care Association Fund—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.

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

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

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

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

EMW 2015 EP Grant Fund—To account for the EMPG 2015 Equipment grant funding. Authority is State of New Mexico Department of Homeland Security.

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

Emergency 911 Fund—To account for local option gross receipts tax proceeds and a training grant from the State of New Mexico Department of Finance and Administration. The training grant funds that are to be used to pay for 911 training. Financing is provided by a grant from New Mexico Department of Finance and Administration pursuant to Section 63-9D-1, NMSA 1978, “Enhanced 911 Act.” Authority is the County Commission.

**STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

NON-MAJOR CAPITAL PROJECTS FUNDS

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

Non-major capital projects funds consist of the following:

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

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

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
AS OF JUNE 30, 2017**

	Special Revenue Funds	Capital Projects Funds	Total Non-major Funds
ASSETS			
Cash and investments	\$ -	-	-
Due from other funds- pooled cash	2,923,606	756,643	3,680,249
Accounts receivable	8,276	13,723	21,999
Grant accounts receivable	185,724	-	185,724
GRT receivable	340,787	175,258	516,045
Property tax receivable, net	-	-	-
Prepaid expenses	-	-	-
Total assets	<u>\$ 3,458,393</u>	<u>945,624</u>	<u>4,404,017</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to other funds- pooled cash	\$ 170,172	24,608	194,780
Due to other governmental units	-	-	-
Accounts payable	154,997	-	154,997
Accrued payroll liabilities	24,009	-	24,009
Accrued interest payable	-	-	-
Unavailable revenue	-	-	-
Total Liabilities	<u>349,178</u>	<u>24,608</u>	<u>373,786</u>
Deferred inflows of resources			
Property taxes	<u>-</u>	<u>-</u>	<u>-</u>
Non-exchange transactions	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable- prepaid expenses	-	-	-
Restricted	2,859,179	-	2,859,179
Committed	-	-	-
Assigned	267,558	931,901	1,199,459
Unassigned	(17,522)	(10,885)	(28,407)
Total fund balances	<u>3,109,215</u>	<u>921,016</u>	<u>4,030,231</u>
Total liabilities deferred inflows of resources, and fund balances	<u>\$ 3,458,393</u>	<u>945,624</u>	<u>4,404,017</u>

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds	Capital Projects Funds	Total Non-major Funds
REVENUES			
Intergovernmental sources - federal	\$ 122,648	-	122,648
Intergovernmental sources - state	1,144,642	13,723	1,158,365
Local and state shared taxes	1,912,196	830,742	2,742,938
Property taxes	93,370	-	93,370
Payment in lieu of taxes	660,250	-	660,250
Charges for services	502,854	-	502,854
Interest	5,246	-	5,246
Other revenue	97,113	-	97,113
Total revenues	<u>4,538,319</u>	<u>844,465</u>	<u>5,382,784</u>
EXPENDITURES			
Current			
General government	962,226	-	962,226
Public safety	2,851,802	-	2,851,802
Public works	-	-	-
Health and welfare	953,237	-	953,237
Culture and recreation	-	-	-
Debt Service			
Principal payments	-	-	-
Interest payments	-	-	-
Capital Outlay			
Capital Outlay	-	334,064	334,064
Total Expenditures	<u>4,767,265</u>	<u>334,064</u>	<u>5,101,329</u>
Excess (deficiency) of revenues over expenditures	(228,946)	510,401	281,455
OTHER FINANCING SOURCES (USES)			
Proceeds from loan issuance	-	-	-
Transfers in	1,351,023	-	1,351,023
Transfers out	(514,969)	(17,476)	(532,445)
Total other financing sources (uses)	<u>836,054</u>	<u>(17,476)</u>	<u>818,578</u>
Net change in fund balance	607,108	492,925	1,100,033
Fund balances-beginning of year	2,443,871	428,091	2,871,962
Restatements	58,236	-	58,236
Fund balances-beginning of year, as restated	<u>2,502,107</u>	<u>428,091</u>	<u>2,930,198</u>
Fund balances-end of the year	<u>\$ 3,109,215</u>	<u>921,016</u>	<u>4,030,231</u>

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

STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2017

	403 Farm and Range Fund	404 CR Ao85 Developer Fee Fund	405 District 5 Volunteer Fire District	406 District 2 Volunteer Fire District	407 District 1 Volunteer Fire District
ASSETS					
Cash and investments	\$ -	-	-	-	-
Due from other funds- pooled cash	256	572	22,491	33,551	51,792
Accounts receivable	-	-	-	-	-
Grant accounts receivable	-	-	-	-	-
GRT receivable	-	-	-	-	-
Property tax receivable, net	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total assets	<u>\$ 256</u>	<u>572</u>	<u>22,491</u>	<u>33,551</u>	<u>51,792</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds- pooled cash	\$ -	-	-	-	-
Due to other governmental units	-	-	-	-	-
Accounts payable	-	-	5,246	3,061	141
Accrued payroll liabilities	-	-	-	-	-
Accrued interest payable	-	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>5,246</u>	<u>3,061</u>	<u>141</u>
Deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable- prepaid expenses	-	-	-	-	-
Restricted	256	572	17,245	30,490	51,651
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>256</u>	<u>572</u>	<u>17,245</u>	<u>30,490</u>	<u>51,651</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 256</u>	<u>572</u>	<u>22,491</u>	<u>33,551</u>	<u>51,792</u>

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

STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2017

	408 District 3 Volunteer Fire District	409 District 4 Volunteer Fire District	410 Law Enforcement Protection	411 Fire Pool 1/4% Tax	412 County Fair Board
ASSETS					
Cash and investments	\$ -	-	-	-	-
Due from other funds- pooled cash	64,434	29,022	3,781	215,374	44,181
Accounts receivable	-	-	-	-	-
Grant accounts receivable	-	-	-	-	-
GRT receivable	-	-	-	72,872	-
Property tax receivable, net	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total assets	<u>\$ 64,434</u>	<u>29,022</u>	<u>3,781</u>	<u>288,246</u>	<u>44,181</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds- pooled cash	\$ -	-	-	-	-
Due to other governmental units	-	-	-	-	-
Accounts payable	1,125	553	-	6,000	7,775
Accrued payroll liabilities	-	-	-	-	-
Accrued interest payable	-	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total liabilities	<u>1,125</u>	<u>553</u>	<u>-</u>	<u>6,000</u>	<u>7,775</u>
Deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable- prepaid expenses	-	-	-	-	-
Restricted	63,309	28,469	3,781	282,246	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	36,406
Unassigned	-	-	-	-	-
Total fund balances	<u>63,309</u>	<u>28,469</u>	<u>3,781</u>	<u>282,246</u>	<u>36,406</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 64,434</u>	<u>29,022</u>	<u>3,781</u>	<u>288,246</u>	<u>44,181</u>

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

STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2017

	413 Fire Department Administration	414 Indigent Fund	415 Emergency Medical Services	418 District 6 Volunteer Fire District	419 EVSWA County Contract
ASSETS					
Cash and investments	\$ -	-	-	-	-
Due from other funds- pooled cash	41,638	311,795	100,590	15,292	60,056
Accounts receivable	-	-	-	-	-
Grant accounts receivable	-	-	-	-	-
GRT receivable	-	59,548	6,946	-	-
Property tax receivable, net	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total assets	<u>\$ 41,638</u>	<u>371,343</u>	<u>107,536</u>	<u>15,292</u>	<u>60,056</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds- pooled cash	\$ -	-	-	-	-
Due to other governmental units	-	-	-	-	-
Accounts payable	1,177	2,000	-	246	3,382
Accrued payroll liabilities	-	-	-	-	-
Accrued interest payable	-	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total liabilities	<u>1,177</u>	<u>2,000</u>	<u>-</u>	<u>246</u>	<u>3,382</u>
Deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable- prepaid expenses	-	-	-	-	-
Restricted	40,461	369,343	107,536	15,046	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	56,674
Unassigned	-	-	-	-	-
Total fund balances	<u>40,461</u>	<u>369,343</u>	<u>107,536</u>	<u>15,046</u>	<u>56,674</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 41,638</u>	<u>371,343</u>	<u>107,536</u>	<u>15,292</u>	<u>60,056</u>

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

STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2017

	420	423	427	428	430
	Corrections Fund	Environmental Gross Receipts Tax	WIPP Funding	Volunteer Recruitment/ Retention	Animal Shelter
ASSETS					
Cash and investments	\$ -	-	-	-	-
Due from other funds- pooled cash	450,762	-	7,000	38,349	2,462
Accounts receivable	8,276	-	-	-	-
Grant accounts receivable	-	-	-	-	-
GRT receivable	69,454	-	-	-	-
Property tax receivable, net	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total assets	<u>\$ 528,492</u>	<u>-</u>	<u>7,000</u>	<u>38,349</u>	<u>2,462</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds- pooled cash	\$ -	-	-	-	-
Due to other governmental units	-	-	-	-	-
Accounts payable	81,647	-	5,575	-	-
Accrued payroll liabilities	3,551	-	-	-	-
Accrued interest payable	-	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total liabilities	<u>85,198</u>	<u>-</u>	<u>5,575</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable- prepaid expenses	-	-	-	-	-
Restricted	443,294	-	1,425	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	38,349	2,462
Unassigned	-	-	-	-	-
Total fund balances	<u>443,294</u>	<u>-</u>	<u>1,425</u>	<u>38,349</u>	<u>2,462</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 528,492</u>	<u>-</u>	<u>7,000</u>	<u>38,349</u>	<u>2,462</u>

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

STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2017

	600	604	605	606	609
	Safety Program	Civil Defense	DWI Program	DWI School	Treasurer's Fee
ASSETS					
Cash and investments	\$ -	-	-	-	-
Due from other funds- pooled cash	11,654	19,780	31,901	1,474	29,808
Accounts receivable	-	-	-	-	-
Grant accounts receivable	-	-	8,559	-	-
GRT receivable	-	9,724	-	-	-
Property tax receivable, net	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total assets	<u>\$ 11,654</u>	<u>29,504</u>	<u>40,460</u>	<u>1,474</u>	<u>29,808</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds- pooled cash	\$ -	-	-	-	-
Due to other governmental units	-	-	-	-	-
Accounts payable	-	365	131	-	-
Accrued payroll liabilities	194	757	1,027	-	-
Accrued interest payable	-	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total liabilities	<u>194</u>	<u>1,122</u>	<u>1,158</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable- prepaid expenses	-	-	-	-	-
Restricted	-	-	39,302	1,474	-
Committed	-	-	-	-	-
Assigned	11,460	28,382	-	-	29,808
Unassigned	-	-	-	-	-
Total fund balances	<u>11,460</u>	<u>28,382</u>	<u>39,302</u>	<u>1,474</u>	<u>29,808</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,654</u>	<u>29,504</u>	<u>40,460</u>	<u>1,474</u>	<u>29,808</u>

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

STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2017

	610 Reappraisal Fund	612 Clerk's Equipment Fund	616 RPHCA Grant Fund	623 Community Development Block Grant	624 2015-2016 WRRGP
ASSETS					
Cash and investments	\$ -	-	-	-	-
Due from other funds- pooled cash	231,810	9,269	8,780	-	-
Accounts receivable	-	-	-	-	-
Grant accounts receivable	-	-	7,700	-	-
GRT receivable	-	-	-	-	-
Property tax receivable, net	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total assets	<u>\$ 231,810</u>	<u>9,269</u>	<u>16,480</u>	<u>-</u>	<u>-</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds- pooled cash	\$ 12,882	-	-	-	-
Due to other governmental units	-	-	-	-	-
Accounts payable	17	47	16,480	-	-
Accrued payroll liabilities	1,270	-	-	-	-
Accrued interest payable	-	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total liabilities	<u>14,169</u>	<u>47</u>	<u>16,480</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable- prepaid expenses	-	-	-	-	-
Restricted	217,641	9,222	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>217,641</u>	<u>9,222</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 231,810</u>	<u>9,269</u>	<u>16,480</u>	<u>-</u>	<u>-</u>

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

STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2017

	626	628	629	630	631
	Adolescent Pregnancy Prevention	Recycling and Illegal Dumping	Home Visiting Grant	Esperanza Clinic Fund	Senior Citizens Program
ASSETS					
Cash and investments	\$ -	-	-	-	-
Due from other funds- pooled cash	-	-	-	11,268	781
Accounts receivable	-	-	-	-	-
Grant accounts receivable	-	8,243	15,652	-	-
GRT receivable	-	-	-	-	-
Property tax receivable, net	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>8,243</u>	<u>15,652</u>	<u>11,268</u>	<u>781</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds- pooled cash	\$ -	13,212	15,274	-	-
Due to other governmental units	-	-	-	-	-
Accounts payable	-	-	319	-	-
Accrued payroll liabilities	-	-	2,606	-	-
Accrued interest payable	-	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>13,212</u>	<u>18,199</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable- prepaid expenses	-	-	-	-	-
Restricted	-	-	-	11,268	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	781
Unassigned	-	(4,969)	(2,547)	-	-
Total fund balances	<u>-</u>	<u>(4,969)</u>	<u>(2,547)</u>	<u>11,268</u>	<u>781</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>8,243</u>	<u>15,652</u>	<u>11,268</u>	<u>781</u>

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

STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2017

	634 Court Forfeiture Fund	635 Juvenile Justice Grant	641 Wind PILT Fund	650 Estancia Basin Water Study	675 Rural Addressing
ASSETS					
Cash and investments	\$ -	-	-	-	-
Due from other funds- pooled cash	10,215	-	539,686	-	28,828
Accounts receivable	-	-	-	-	-
Grant accounts receivable	-	13,483	-	-	-
GRT receivable	-	-	-	-	6,946
Property tax receivable, net	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total assets	<u>\$ 10,215</u>	<u>13,483</u>	<u>539,686</u>	<u>-</u>	<u>35,774</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds- pooled cash	\$ -	3,302	-	6,704	-
Due to other governmental units	-	-	-	-	-
Accounts payable	-	-	-	-	67
Accrued payroll liabilities	-	-	-	-	1,057
Accrued interest payable	-	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>3,302</u>	<u>-</u>	<u>6,704</u>	<u>1,124</u>
Deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable- prepaid expenses	-	-	-	-	-
Restricted	10,215	10,181	539,686	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	34,650
Unassigned	-	-	-	(6,704)	-
Total fund balances	<u>10,215</u>	<u>10,181</u>	<u>539,686</u>	<u>(6,704)</u>	<u>34,650</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 10,215</u>	<u>13,483</u>	<u>539,686</u>	<u>-</u>	<u>35,774</u>

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

STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2017

	680 NM Forest Re-Leaf	685 Planning & Zoning Court Fees	690 Domestic Violence	691 DV Victim Restitution	693 Title III Forest Reserve
ASSETS					
Cash and investments	\$ -	-	-	-	-
Due from other funds- pooled cash	83	6	-	28,586	148,463
Accounts receivable	-	-	-	-	-
Grant accounts receivable	-	-	16,657	-	-
GRT receivable	-	-	-	-	-
Property tax receivable, net	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total assets	<u>\$ 83</u>	<u>6</u>	<u>16,657</u>	<u>28,586</u>	<u>148,463</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds- pooled cash	\$ -	-	11,185	-	-
Due to other governmental units	-	-	-	-	-
Accounts payable	-	125	269	-	-
Accrued payroll liabilities	-	-	1,149	-	-
Accrued interest payable	-	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>125</u>	<u>12,603</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable- prepaid expenses	-	-	-	-	-
Restricted	83	-	4,054	-	148,463
Committed	-	-	-	-	-
Assigned	-	-	-	28,586	-
Unassigned	-	(119)	-	-	-
Total fund balances	<u>83</u>	<u>(119)</u>	<u>4,054</u>	<u>28,586</u>	<u>148,463</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 83</u>	<u>6</u>	<u>16,657</u>	<u>28,586</u>	<u>148,463</u>

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STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2017

	802 U.S. Marshall JLEO	804 Drug Education Program	805 Traffic Safety	807 Teen Court Donation	808 Forest Service Patrol
ASSETS					
Cash and investments	\$ -	-	-	-	-
Due from other funds- pooled cash	-	18,898	-	611	-
Accounts receivable	-	-	-	-	-
Grant accounts receivable	-	-	-	-	-
GRT receivable	-	-	-	-	-
Property tax receivable, net	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>18,898</u>	<u>-</u>	<u>611</u>	<u>-</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds- pooled cash	\$ 2,193	-	664	-	326
Due to other governmental units	-	-	-	-	-
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	-	-	-	-
Accrued interest payable	-	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total liabilities	<u>2,193</u>	<u>-</u>	<u>664</u>	<u>-</u>	<u>326</u>
Deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable- prepaid expenses	-	-	-	-	-
Restricted	-	18,898	-	611	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	<u>(2,193)</u>	<u>-</u>	<u>(664)</u>	<u>-</u>	<u>(326)</u>
Total fund balances	<u>(2,193)</u>	<u>18,898</u>	<u>(664)</u>	<u>611</u>	<u>(326)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>18,898</u>	<u>-</u>	<u>611</u>	<u>-</u>

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

STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2017

	819 NM Primary Care Association	826 NMDHLS EMPG	828 NMDHLS Mitigation Grant	829 NMDOH Cities Readiness Initiative	830 Disaster Public Assistance
ASSETS					
Cash and investments	\$ -	-	-	-	-
Due from other funds- pooled cash	-	-	2,914	3,638	65,196
Accounts receivable	-	-	-	-	-
Grant accounts receivable	-	-	-	11,000	-
GRT receivable	-	-	-	-	-
Property tax receivable, net	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>-</u>	<u>2,914</u>	<u>14,638</u>	<u>65,196</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds- pooled cash	\$ -	-	-	-	-
Due to other governmental units	-	-	-	-	-
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	-	-	-	-
Accrued interest payable	-	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable- prepaid expenses	-	-	-	-	-
Restricted	-	-	2,914	14,638	65,196
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>2,914</u>	<u>14,638</u>	<u>65,196</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>-</u>	<u>2,914</u>	<u>14,638</u>	<u>65,196</u>

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

STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2017

	833 EMW 2015 EP Grant	834 Dog Head Fire	911 Emergency 911	Total Special Revenue Funds
ASSETS				
Cash and investments	\$ -	-	-	-
Due from other funds- pooled cash	-	-	226,559	2,923,606
Accounts receivable	-	-	-	8,276
Grant accounts receivable	-	104,430	-	185,724
GRT receivable	-	-	115,297	340,787
Property tax receivable, net	-	-	-	-
Prepaid expenses	-	-	-	-
Total assets	<u>\$ -</u>	<u>104,430</u>	<u>341,856</u>	<u>3,458,393</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Due to other funds- pooled cash	\$ -	104,430	-	170,172
Due to other governmental units	-	-	-	-
Accounts payable	-	-	19,249	154,997
Accrued payroll liabilities	-	-	12,398	24,009
Accrued interest payable	-	-	-	-
Unavailable revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>104,430</u>	<u>31,647</u>	<u>349,178</u>
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable- prepaid expenses	-	-	-	-
Restricted	-	-	310,209	2,859,179
Committed	-	-	-	-
Assigned	-	-	-	267,558
Unassigned	-	-	-	(17,522)
Total fund balances	<u>-</u>	<u>-</u>	<u>310,209</u>	<u>3,109,215</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>104,430</u>	<u>341,856</u>	<u>3,458,393</u>

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

STATE OF NEW MEXICO
TORRANCE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	403 Farm and Range Fund	404 CR A085 Developer Fee Fund	405 District 5 Volunteer Fire District	406 District 2 Volunteer Fire District	407 District 1 Volunteer Fire District
REVENUES					
Intergovernmental sources - federal	\$ 2,070	-	-	-	-
Intergovernmental sources - state	-	-	130,636	106,969	50,448
Local and state shared taxes	-	-	-	-	-
Property taxes	-	-	-	-	-
Payment in lieu of taxes	-	-	-	-	-
Charges for services	-	52	-	-	-
Interest	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	<u>2,070</u>	<u>52</u>	<u>130,636</u>	<u>106,969</u>	<u>50,448</u>
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	-	-	125,615	103,266	35,222
Highways and streets	-	-	-	-	-
Health and welfare	30,500	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt Service					
Principal payments	-	-	-	-	-
Interest payments	-	-	-	-	-
Capital Outlay					
Capital outlay	-	-	-	-	-
Total expenditures	<u>30,500</u>	<u>-</u>	<u>125,615</u>	<u>103,266</u>	<u>35,222</u>
Excess (deficiency) of revenues over expenditures	(28,430)	52	5,021	3,703	15,226
OTHER FINANCING SOURCES (USES)					
Proceeds from loan issuance	-	-	-	-	-
Transfers in	28,218	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>28,218</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(212)	52	5,021	3,703	15,226
Fund balances-beginning of year	468	520	12,224	26,787	36,425
Restatements	-	-	-	-	-
Fund balances-beginning of year, as restated	<u>468</u>	<u>520</u>	<u>12,224</u>	<u>26,787</u>	<u>36,425</u>
Fund balances-end of the year	<u>\$ 256</u>	<u>572</u>	<u>17,245</u>	<u>30,490</u>	<u>51,651</u>

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	408 District 3 Volunteer Fire District	409 District 4 Volunteer Fire District	410 Law Enforcement Protection	411 Fire Pool 1/4% Tax	412 County Fair Board
REVENUES					
Intergovernmental sources - federal	\$ -	-	-	-	-
Intergovernmental sources - state	109,324	33,952	27,200	-	-
Local and state shared taxes	-	-	-	321,486	-
Property taxes	-	-	-	-	-
Payment in lieu of taxes	-	-	-	-	-
Charges for services	-	-	-	-	164,972
Interest	-	-	-	2,155	-
Other revenue	-	-	-	45,686	10,900
Total revenues	<u>109,324</u>	<u>33,952</u>	<u>27,200</u>	<u>369,327</u>	<u>175,872</u>
EXPENDITURES					
Current					
General government	-	-	-	7,019	196,216
Public safety	92,570	21,589	27,924	102,705	-
Highways and streets	-	-	-	-	-
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt Service					
Principal payments	-	-	-	-	-
Interest payments	-	-	-	-	-
Capital Outlay					
Capital outlay	-	-	-	-	-
Total expenditures	<u>92,570</u>	<u>21,589</u>	<u>27,924</u>	<u>109,724</u>	<u>196,216</u>
Excess (deficiency) of revenues over expenditures	16,754	12,363	(724)	259,603	(20,344)
OTHER FINANCING SOURCES (USES)					
Proceeds from loan issuance	-	-	-	-	-
Transfers in	-	-	-	-	21,000
Transfers out	-	-	-	(50,192)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,192)</u>	<u>21,000</u>
Net change in fund balance	16,754	12,363	(724)	209,411	656
Fund balances-beginning of year	46,555	16,106	4,505	72,835	35,750
Restatements	-	-	-	-	-
Fund balances-beginning of year, as restated	<u>46,555</u>	<u>16,106</u>	<u>4,505</u>	<u>72,835</u>	<u>35,750</u>
Fund balances-end of the year	<u>\$ 63,309</u>	<u>28,469</u>	<u>3,781</u>	<u>282,246</u>	<u>36,406</u>

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**STATE OF NEW MEXICO
TORRANCE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	413 Fire Department Administration	414 Indigent Fund	415 Emergency Medical Services	418 District 6 Volunteer Fire District	419 EVSWA County Contract
REVENUES					
Intergovernmental sources - federal	\$ -	-	-	-	-
Intergovernmental sources - state	72,185	-	17,414	24,784	-
Local and state shared taxes	-	433,898	33,047	-	-
Property taxes	-	-	-	-	-
Payment in lieu of taxes	-	-	-	-	-
Charges for services	-	-	-	-	24,145
Interest	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	<u>72,185</u>	<u>433,898</u>	<u>50,461</u>	<u>24,784</u>	<u>24,145</u>
EXPENDITURES					
Current					
General government	-	-	-	-	117,471
Public safety	54,331	-	17,512	27,354	-
Highways and streets	-	-	-	-	-
Health and welfare	-	323,968	-	-	-
Culture and recreation	-	-	-	-	-
Debt Service					
Principal payments	-	-	-	-	-
Interest payments	-	-	-	-	-
Capital Outlay					
Capital outlay	-	-	-	-	-
Total expenditures	<u>54,331</u>	<u>323,968</u>	<u>17,512</u>	<u>27,354</u>	<u>117,471</u>
Excess (deficiency) of revenues over expenditures	17,854	109,930	32,949	(2,570)	(93,326)
OTHER FINANCING SOURCES (USES)					
Proceeds from loan issuance	-	-	-	-	-
Transfers in	-	-	-	-	150,000
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,000</u>
Net change in fund balance	17,854	109,930	32,949	(2,570)	56,674
Fund balances-beginning of year	22,607	259,413	74,587	17,616	-
Restatements	-	-	-	-	-
Fund balances-beginning of year, as restated	<u>22,607</u>	<u>259,413</u>	<u>74,587</u>	<u>17,616</u>	<u>-</u>
Fund balances-end of the year	<u>\$ 40,461</u>	<u>369,343</u>	<u>107,536</u>	<u>15,046</u>	<u>56,674</u>

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**STATE OF NEW MEXICO
TORRANCE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	420	423	427	428	430
	Corrections	Environmental	WIPP	Volunteer	Animal
	Fund	Gross Receipts	Funding	Recruitment/ Retention	Shelter
	Fund	Tax			
REVENUES					
Intergovernmental sources - federal	\$ -	-	-	-	-
Intergovernmental sources - state	13,472	-	7,000	-	-
Local and state shared taxes	330,424	151,911	-	-	-
Property taxes	-	-	-	-	-
Payment in lieu of taxes	-	-	-	-	-
Charges for services	117,823	-	-	-	-
Interest	-	-	-	-	-
Other revenue	30,695	-	-	-	1,617
Total revenues	<u>492,414</u>	<u>151,911</u>	<u>7,000</u>	<u>-</u>	<u>1,617</u>
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	1,104,198	-	5,575	61,651	2,773
Highways and streets	-	-	-	-	-
Health and welfare	-	151,911	-	-	-
Culture and recreation	-	-	-	-	-
Debt Service					
Principal payments	-	-	-	-	-
Interest payments	-	-	-	-	-
Capital Outlay					
Capital outlay	-	-	-	-	-
Total expenditures	<u>1,104,198</u>	<u>151,911</u>	<u>5,575</u>	<u>61,651</u>	<u>2,773</u>
Excess (deficiency) of revenues over expenditures	(611,784)	-	1,425	(61,651)	(1,156)
OTHER FINANCING SOURCES (USES)					
Proceeds from loan issuance	-	-	-	-	-
Transfers in	520,000	-	-	75,000	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>520,000</u>	<u>-</u>	<u>-</u>	<u>75,000</u>	<u>-</u>
Net change in fund balance	(91,784)	-	1,425	13,349	(1,156)
Fund balances-beginning of year	535,078	-	-	25,000	3,618
Restatements	-	-	-	-	-
Fund balances-beginning of year, as restated	<u>535,078</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>3,618</u>
Fund balances-end of the year	<u>\$ 443,294</u>	<u>-</u>	<u>1,425</u>	<u>38,349</u>	<u>2,462</u>

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	600	604	605	606	609
	Safety Program	Civil Defense	DWI Program	DWI School	Treasurer's Fee
REVENUES					
Intergovernmental sources - federal	\$ -	-	-	-	-
Intergovernmental sources - state	-	-	135,503	-	-
Local and state shared taxes	-	46,265	-	-	-
Property taxes	-	-	-	-	-
Payment in lieu of taxes	-	-	-	-	-
Charges for services	7,935	-	1,119	1,034	10,606
Interest	-	-	-	-	-
Other revenue	7,000	34	-	-	-
Total revenues	<u>14,935</u>	<u>46,299</u>	<u>136,622</u>	<u>1,034</u>	<u>10,606</u>
EXPENDITURES					
Current					
General government	-	-	-	-	27,719
Public safety	30,434	-	144,822	1,028	-
Highways and streets	-	-	-	-	-
Health and welfare	-	86,126	-	-	-
Culture and recreation	-	-	-	-	-
Debt Service					
Principal payments	-	-	-	-	-
Interest payments	-	-	-	-	-
Capital Outlay					
Capital outlay	-	-	-	-	-
Total expenditures	<u>30,434</u>	<u>86,126</u>	<u>144,822</u>	<u>1,028</u>	<u>27,719</u>
Excess (deficiency) of revenues over expenditures	(15,499)	(39,827)	(8,200)	6	(17,113)
OTHER FINANCING SOURCES (USES)					
Proceeds from loan issuance	-	-	-	-	-
Transfers in	24,000	12,509	35,000	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>24,000</u>	<u>12,509</u>	<u>35,000</u>	<u>-</u>	<u>-</u>
Net change in fund balance	8,501	(27,318)	26,800	6	(17,113)
Fund balances-beginning of year	2,959	55,700	12,502	1,468	46,921
Restatements	-	-	-	-	-
Fund balances-beginning of year, as restated	<u>2,959</u>	<u>55,700</u>	<u>12,502</u>	<u>1,468</u>	<u>46,921</u>
Fund balances-end of the year	<u>\$ 11,460</u>	<u>28,382</u>	<u>39,302</u>	<u>1,474</u>	<u>29,808</u>

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	610	612	616	623	624
	Reappraisal	Clerk's	RPHCA	Community	2015-2016
	Fund	Equipment	Grant	Development	WRRGP
	Fund	Fund	Fund	Block Grant	WRRGP
REVENUES					
Intergovernmental sources - federal	\$ -	-	-	-	-
Intergovernmental sources - state	-	-	107,000	-	-
Local and state shared taxes	-	-	-	-	13,500
Property taxes	93,370	-	-	-	-
Payment in lieu of taxes	-	-	-	-	-
Charges for services	11,388	21,994	-	-	-
Interest	-	-	-	-	-
Other revenue	326	140	-	-	-
Total revenues	<u>105,084</u>	<u>22,134</u>	<u>107,000</u>	<u>-</u>	<u>13,500</u>
EXPENDITURES					
Current					
General government	160,575	16,726	-	-	13,500
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Health and welfare	-	-	107,000	-	-
Culture and recreation	-	-	-	-	-
Debt Service					
Principal payments	-	-	-	-	-
Interest payments	-	-	-	-	-
Capital Outlay					
Capital outlay	-	-	-	-	-
Total expenditures	<u>160,575</u>	<u>16,726</u>	<u>107,000</u>	<u>-</u>	<u>13,500</u>
Excess (deficiency) of revenues over expenditures	(55,491)	5,408	-	-	-
OTHER FINANCING SOURCES (USES)					
Proceeds from loan issuance	-	-	-	-	-
Transfers in	42,656	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>42,656</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(12,835)	5,408	-	-	-
Fund balances-beginning of year	230,476	3,814	-	-	-
Restatements	-	-	-	-	-
Fund balances-beginning of year, as restated	<u>230,476</u>	<u>3,814</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances-end of the year	<u>\$ 217,641</u>	<u>9,222</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	626 Adolescent Pregnancy Prevention	628 Recycling and Illegal Dumping	629 Home Visiting Grant	630 Esperanza Clinic Fund	631 Senior Citizens Program
REVENUES					
Intergovernmental sources - federal	\$ -	-	-	-	-
Intergovernmental sources - state	-	30,537	154,426	-	-
Local and state shared taxes	-	-	-	-	-
Property taxes	-	-	-	-	-
Payment in lieu of taxes	-	-	-	-	-
Charges for services	-	-	-	400	-
Interest	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	<u>-</u>	<u>30,537</u>	<u>154,426</u>	<u>400</u>	<u>-</u>
EXPENDITURES					
Current					
General government	-	35,506	-	-	-
Public safety	-	-	-	-	560
Highways and streets	-	-	-	-	-
Health and welfare	-	-	155,236	-	-
Culture and recreation	-	-	-	-	-
Debt Service					
Principal payments	-	-	-	-	-
Interest payments	-	-	-	-	-
Capital Outlay					
Capital outlay	-	-	-	-	-
Total expenditures	<u>-</u>	<u>35,506</u>	<u>155,236</u>	<u>-</u>	<u>560</u>
Excess (deficiency) of revenues over expenditures	-	(4,969)	(810)	400	(560)
OTHER FINANCING SOURCES (USES)					
Proceeds from loan issuance	-	-	-	-	-
Transfers in	274	-	15,000	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>274</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>-</u>
Net change in fund balance	274	(4,969)	14,190	400	(560)
Fund balances-beginning of year	(274)	-	(16,737)	10,868	1,341
Restatements	-	-	-	-	-
Fund balances-beginning of year, as restated	<u>(274)</u>	<u>-</u>	<u>(16,737)</u>	<u>10,868</u>	<u>1,341</u>
Fund balances-end of the year	<u>\$ -</u>	<u>(4,969)</u>	<u>(2,547)</u>	<u>11,268</u>	<u>781</u>

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	634 Court Forfeiture Fund	635 Juvenile Justice Grant	641 Wind PILT Fund	650 Estancia Basin Water Study	675 Rural Addressing
REVENUES					
Intergovernmental sources - federal	\$ -	-	-	-	-
Intergovernmental sources - state	-	87,318	-	3,000	-
Local and state shared taxes	-	-	-	-	33,092
Property taxes	-	-	-	-	-
Payment in lieu of taxes	-	-	660,250	-	-
Charges for services	-	-	-	-	4,235
Interest	-	-	1,922	-	-
Other revenue	-	-	-	-	-
Total revenues	<u>-</u>	<u>87,318</u>	<u>662,172</u>	<u>3,000</u>	<u>37,327</u>
EXPENDITURES					
Current					
General government	-	96,806	192,672	10,447	73,640
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt Service					
Principal payments	-	-	-	-	-
Interest payments	-	-	-	-	-
Capital Outlay					
Capital outlay	-	-	-	-	-
Total expenditures	<u>-</u>	<u>96,806</u>	<u>192,672</u>	<u>10,447</u>	<u>73,640</u>
Excess (deficiency) of revenues over expenditures	-	(9,488)	469,500	(7,447)	(36,313)
OTHER FINANCING SOURCES (USES)					
Proceeds from loan issuance	-	-	-	-	-
Transfers in	-	-	-	-	50,000
Transfers out	-	-	(410,500)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(410,500)</u>	<u>-</u>	<u>50,000</u>
Net change in fund balance	-	(9,488)	59,000	(7,447)	13,687
Fund balances-beginning of year	10,215	19,669	480,686	743	20,963
Restatements	-	-	-	-	-
Fund balances-beginning of year, as restated	<u>10,215</u>	<u>19,669</u>	<u>480,686</u>	<u>743</u>	<u>20,963</u>
Fund balances-end of the year	<u>\$ 10,215</u>	<u>10,181</u>	<u>539,686</u>	<u>(6,704)</u>	<u>34,650</u>

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	680	685	690	691	693
	NM Forest Re-Leaf	Planning & Zoning Court Fees	Domestic Violence	DV Victim Restitution	Title III Forest Reserve
REVENUES					
Intergovernmental sources - federal	\$ -	-	47,310	-	-
Intergovernmental sources - state	-	-	-	700	-
Local and state shared taxes	-	-	-	-	-
Property taxes	-	-	-	-	-
Payment in lieu of taxes	-	-	-	-	-
Charges for services	-	5,273	-	2,003	-
Interest	-	-	-	-	-
Other revenue	-	-	-	558	-
Total revenues	<u>-</u>	<u>5,273</u>	<u>47,310</u>	<u>3,261</u>	<u>-</u>
EXPENDITURES					
Current					
General government	3,915	9,241	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Health and welfare	-	-	74,379	23	-
Culture and recreation	-	-	-	-	-
Debt Service					
Principal payments	-	-	-	-	-
Interest payments	-	-	-	-	-
Capital Outlay					
Capital outlay	-	-	-	-	-
Total expenditures	<u>3,915</u>	<u>9,241</u>	<u>74,379</u>	<u>23</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(3,915)	(3,968)	(27,069)	3,238	-
OTHER FINANCING SOURCES (USES)					
Proceeds from loan issuance	-	-	-	-	-
Transfers in	-	1,375	30,000	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>1,375</u>	<u>30,000</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(3,915)	(2,593)	2,931	3,238	-
Fund balances-beginning of year	3,998	2,474	1,123	25,348	148,463
Restatements	-	-	-	-	-
Fund balances-beginning of year, as restated	<u>3,998</u>	<u>2,474</u>	<u>1,123</u>	<u>25,348</u>	<u>148,463</u>
Fund balances-end of the year	<u>\$ 83</u>	<u>(119)</u>	<u>4,054</u>	<u>28,586</u>	<u>148,463</u>

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	802 U.S. Marshall JLEO	804 Drug Education Program	805 Traffic Safety	807 Teen Court Donation	808 Forest Service Patrol
REVENUES					
Intergovernmental sources - federal	\$ 4,837	-	4,106	-	6,537
Intergovernmental sources - state	-	-	-	-	-
Local and state shared taxes	-	-	-	-	-
Property taxes	-	-	-	-	-
Payment in lieu of taxes	-	-	-	-	-
Charges for services	-	-	-	220	-
Interest	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	<u>4,837</u>	<u>-</u>	<u>4,106</u>	<u>220</u>	<u>6,537</u>
EXPENDITURES					
Current					
General government	-	773	-	-	-
Public safety	14,694	-	5,966	-	4,662
Highways and streets	-	-	-	-	-
Health and welfare	-	5,163	-	-	-
Culture and recreation	-	-	-	-	-
Debt Service					
Principal payments	-	-	-	-	-
Interest payments	-	-	-	-	-
Capital Outlay					
Capital outlay	-	-	-	-	-
Total expenditures	<u>14,694</u>	<u>5,936</u>	<u>5,966</u>	<u>-</u>	<u>4,662</u>
Excess (deficiency) of revenues over expenditures	(9,857)	(5,936)	(1,860)	220	1,875
OTHER FINANCING SOURCES (USES)					
Proceeds from loan issuance	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(9,857)	(5,936)	(1,860)	220	1,875
Fund balances-beginning of year	7,664	24,834	1,196	391	(2,201)
Restatements	-	-	-	-	-
Fund balances-beginning of year, as restated	<u>7,664</u>	<u>24,834</u>	<u>1,196</u>	<u>391</u>	<u>(2,201)</u>
Fund balances-end of the year	<u>\$ (2,193)</u>	<u>18,898</u>	<u>(664)</u>	<u>611</u>	<u>(326)</u>

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	819 NM Primary Care Association	826 NMDHLS EMPG	828 NMDHLS Mitigation Grant	829 NMDOH Cities Readiness Initiative	830 Disaster Public Assistance
REVENUES					
Intergovernmental sources - federal	\$ -	594	-	11,000	-
Intergovernmental sources - state	-	-	21,447	-	3,415
Local and state shared taxes	-	-	-	-	-
Property taxes	-	-	-	-	-
Payment in lieu of taxes	-	-	-	-	-
Charges for services	-	-	-	-	-
Interest	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	<u>-</u>	<u>594</u>	<u>21,447</u>	<u>11,000</u>	<u>3,415</u>
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	23,510
Highways and streets	-	-	-	-	-
Health and welfare	3,169	-	-	15,762	-
Culture and recreation	-	-	-	-	-
Debt Service					
Principal payments	-	-	-	-	-
Interest payments	-	-	-	-	-
Capital Outlay					
Capital outlay	-	-	-	-	-
Total expenditures	<u>3,169</u>	<u>-</u>	<u>-</u>	<u>15,762</u>	<u>23,510</u>
Excess (deficiency) of revenues over expenditures	(3,169)	594	21,447	(4,762)	(20,095)
OTHER FINANCING SOURCES (USES)					
Proceeds from loan issuance	-	-	-	-	-
Transfers in	15,844	22,672	10,062	-	-
Transfers out	-	(12,509)	-	-	-
Total other financing sources (uses)	<u>15,844</u>	<u>10,163</u>	<u>10,062</u>	<u>-</u>	<u>-</u>
Net change in fund balance	12,675	10,757	31,509	(4,762)	(20,095)
Fund balances-beginning of year	(12,675)	(10,757)	(28,595)	19,400	85,291
Restatements	-	-	-	-	-
Fund balances-beginning of year, as restated	<u>(12,675)</u>	<u>(10,757)</u>	<u>(28,595)</u>	<u>19,400</u>	<u>85,291</u>
Fund balances-end of the year	<u>\$ -</u>	<u>-</u>	<u>2,914</u>	<u>14,638</u>	<u>65,196</u>

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	833 EMW 2015 EP Grant	834 Dog Head Fire	911 Emergency 911	Total Special Revenue Funds
REVENUES				
Intergovernmental sources - federal	\$ -	46,194	-	122,648
Intergovernmental sources - state	-	-	7,912	1,144,642
Local and state shared taxes	-	-	548,573	1,912,196
Property taxes	-	-	-	93,370
Payment in lieu of taxes	-	-	-	660,250
Charges for services	-	-	129,655	502,854
Interest	-	-	1,169	5,246
Other revenue	-	-	157	97,113
Total revenues	<u>-</u>	<u>46,194</u>	<u>687,466</u>	<u>4,538,319</u>
EXPENDITURES				
Current				
General government	-	-	-	962,226
Public safety	-	46,194	797,647	2,851,802
Highways and streets	-	-	-	-
Health and welfare	-	-	-	953,237
Culture and recreation	-	-	-	-
Debt Service				
Principal payments	-	-	-	-
Interest payments	-	-	-	-
Capital Outlay				
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>46,194</u>	<u>797,647</u>	<u>4,767,265</u>
Excess (deficiency) of revenues over expenditures	-	-	(110,181)	(228,946)
OTHER FINANCING SOURCES (USES)				
Proceeds from loan issuance	-	-	-	-
Transfers in	7,413	-	290,000	1,351,023
Transfers out	-	-	(41,768)	(514,969)
Total other financing sources (uses)	<u>7,413</u>	<u>-</u>	<u>248,232</u>	<u>836,054</u>
Net change in fund balance	7,413	-	138,051	607,108
Fund balances-beginning of year	(7,413)	(58,236)	172,158	2,443,871
Restatements	-	58,236	-	58,236
Fund balances-beginning of year, as restated	<u>(7,413)</u>	<u>-</u>	<u>172,158</u>	<u>2,502,107</u>
Fund balances-end of the year	<u>\$ -</u>	<u>-</u>	<u>310,209</u>	<u>3,109,215</u>

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2017**

	620 County Infrastructure GRT	621 Capital Outlay GRT	803 Legislative Appropriations	Total Capital Project Funds
ASSETS				
Cash and investments	\$ -	-	-	-
Due from other funds- pooled cash	143,869	612,774	-	756,643
Accounts receivable	-	-	13,723	13,723
Grant accounts receivable	-	-	-	-
GRT receivable	41,410	133,848	-	175,258
Property tax receivable, net	-	-	-	-
Prepaid expenses	-	-	-	-
Total assets	<u>\$ 185,279</u>	<u>746,622</u>	<u>13,723</u>	<u>945,624</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Due to other funds- pooled cash	\$ -	-	24,608	24,608
Due to other governmental units	-	-	-	-
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Accrued interest payable	-	-	-	-
Unavailable revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>24,608</u>	<u>24,608</u>
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable- prepaid expenses	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	185,279	746,622	-	931,901
Unassigned	-	-	(10,885)	(10,885)
Total fund balances	<u>185,279</u>	<u>746,622</u>	<u>(10,885)</u>	<u>921,016</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 185,279</u>	<u>746,622</u>	<u>13,723</u>	<u>945,624</u>

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	620 County Infrastructure GRT	621 Capital Outlay GRT	803 Legislative Appropriations	Total Capital Project Funds
REVENUES				
Intergovernmental sources - federal	-	-	-	-
Intergovernmental sources - state	-	-	13,723	13,723
Local and state shared taxes	181,203	649,539	-	830,742
Property taxes	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Other revenue	-	-	-	-
Total revenues	<u>181,203</u>	<u>649,539</u>	<u>13,723</u>	<u>844,465</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Debt Service				
Principal payments	-	-	-	-
Interest payments	-	-	-	-
Capital Outlay				
Capital outlay	95,731	206,847	31,486	334,064
Total expenditures	<u>95,731</u>	<u>206,847</u>	<u>31,486</u>	<u>334,064</u>
Excess (deficiency) of revenues over expenditures	85,472	442,692	(17,763)	510,401
OTHER FINANCING SOURCES (USES)				
Proceeds from loan issuance	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(17,476)	-	-	(17,476)
Total other financing sources (uses)	<u>(17,476)</u>	<u>-</u>	<u>-</u>	<u>(17,476)</u>
Net change in fund balance	67,996	442,692	(17,763)	492,925
Fund balances-beginning of year	117,283	303,930	6,878	428,091
Restatements	-	-	-	-
Fund balances-beginning of year, as restated	<u>117,283</u>	<u>303,930</u>	<u>6,878</u>	<u>428,091</u>
Fund balances-end of the year	<u>\$ 185,279</u>	<u>746,622</u>	<u>(10,885)</u>	<u>921,016</u>

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
FIDUCIARY FUNDS – AGENCY FUNDS DESCRIPTION
FOR THE YEAR ENDED JUNE 30, 2017**

AGENCY FUNDS

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

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

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

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

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

Penalty and Interest—To account for costs collected for the State of New Mexico and for penalty and interest on delinquent taxes collected for the State.

**STATE OF NEW MEXICO
TORRANCE COUNTY
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
Children's Trust Fund				
Assets				
Due from other governmental units	\$ 170	1,418	(1,245)	343
Liabilities				
Deposits held in trust for others	170	1,418	(1,245)	343
Undistributed Taxes				
Assets				
Property tax receivable	834,213	4,553,840	(4,579,892)	808,161
Due from other governmental units	131,421	4,503,156	(4,491,359)	143,218
	<u>965,634</u>	<u>9,056,996</u>	<u>(9,071,251)</u>	<u>951,379</u>
Liabilities				
Due to other governmental units	834,213	4,553,840	(4,579,892)	808,161
Deposits held in trust for others	131,421	4,503,156	(4,491,359)	143,218
	<u>965,634</u>	<u>9,056,996</u>	<u>(9,071,251)</u>	<u>951,379</u>
Overpayment Taxes				
Assets				
Due from other governmental units	6,028	29,354	(18,692)	16,690
Liabilities				
Deposits held in trust for others	6,028	29,354	(18,692)	16,690
Taxes Paid in Advance				
Assets				
Due from other governmental units	12,478	1,405	-	13,883
Liabilities				
Deposits held in trust for others	12,478	1,405	-	13,883
Penalty and Interest				
Assets				
Due from other governmental units	19,887	123,135	(129,915)	13,107
Liabilities				
Deposits held in trust for others	\$ 19,887	123,135	(129,915)	13,107
Total - All Agency Funds				
Assets				
Property tax receivable	\$ 834,213	4,553,840	(4,579,892)	808,161
Due from other governmental units	169,984	4,658,468	(4,641,211)	187,241
Total assets	<u>\$ 1,004,197</u>	<u>9,212,308</u>	<u>(9,221,103)</u>	<u>995,402</u>
Liabilities				
Due to other governmental units	\$ 834,213	4,553,840	(4,579,892)	808,161
Deposits held in trust for others	169,984	4,658,468	(4,641,211)	187,241
Total liabilities	<u>\$ 1,004,197</u>	<u>9,212,308</u>	<u>(9,221,103)</u>	<u>995,402</u>

See independent auditor's report.

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF JOINT POWER AGREEMENT
AS OF JUNE 30, 2017**

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

See independent auditor's report.

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF CASH AND INVESTMENTS
AS OF JUNE 30, 2017**

<u>Financial Institution</u>	<u>Account Type</u>	<u>Reconciled Balance</u>	<u>Balance Per Bank</u>	<u>Treasury Obligations or FDIC/NCUA Coverage</u>	<u>Total Uninsured</u>	<u>Required Collateral Coverage</u>	<u>Collateral Requirement</u>	<u>Collateral Pledged</u>	<u>Over/ (Under) Collateralized</u>
Cash and cash equivalents									
Petty cash	Petty cash	\$ -	-	-	-	-	-	-	-
Wells Fargo									
Operating account	Checking	3,434,350	3,817,985						
Total Wells Fargo Secured by Collateral		3,434,350	3,817,985	250,000	3,567,985	50%	1,783,993	3,764,237	1,980,244
NMFA									
NMFA #3	Debt service reserve	58,226	58,226						
NMFA #4	Debt service reserve	736	736						
NMFA #5	Debt service reserve	20,494	20,494						
NMFA #8	Debt service reserve	15,585	15,585						
NMFA #9	Debt service reserve	58,640	58,640						
NMFA #10	Debt service reserve	40,135	40,135						
NMFA #11	Debt service reserve	54,220	54,220						
NMFA #12	Debt service reserve	4,810	4,810						
NMFA #13	Debt service reserve	4,908	4,908						
NMFA #14	Debt service reserve	3,844	3,844						
NMFA #15	Debt service reserve	1,377	1,377						
NMFA #16	Debt service reserve	998,901	998,901						
Willard3	Debt service reserve	23,690	23,690						
Total NMFA		1,285,566	1,285,566	1,285,566	-	105%	-	-	-
Total cash and cash equivalents		\$ 4,719,916	5,103,551	1,535,566	3,567,985		1,783,993	3,764,237	1,980,244
Cash and cash equivalents		\$ 3,434,350	3,817,985						
Debt service reserves - held by Trustee		1,285,566	1,285,566						
Total cash and cash equivalents		\$ 4,719,916	5,103,551						
Investments									
NM Local Investment Pool (LGIP)	Investment Pool	\$ 3,123,306	3,123,306	3,123,306	-	0%	-	-	-
Total cash and investments		\$ 7,843,222	8,226,857						

See independent auditor's report.

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF COLLATERAL
AS OF JUNE 30, 2017**

	<u>Wells Fargo Bank</u>
Deposits	\$ 3,817,985
Less FDIC coverage	<u>(250,000)</u>
Uninsured public funds	3,567,985
 Pledged collateral held by the pledging bank's trust department or agent but not in the County's name	
	<u>3,764,237</u>
Uninsured and uncollateralized	-
 Total pledged collateral	3,764,237
50% pledged collateral requirement per statute	<u>1,783,993</u>
Pledged collateral over the requirement	\$ <u><u>1,980,244</u></u>

Security Description	CUSIP Number	Maturity Date	Fair Market Value
FNMA FNMS 3%	3138W1Q75	2/1/2043	3,764,237

See independent auditor's report.

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF FUND BALANCES
AS OF JUNE 30, 2017**

	Special Revenue Fund					Nonmajor Governmental Funds	Total Governmental Funds
	401 General Fund	402 Road Fund	825 ICE Inmate Care Fund	562, 636 Debt Service Fund			
Fund Balances:							
Nonspendable:							
Prepaid expense	\$ 148,846	-	-	-	-	-	148,846
Inventory	-	-	-	-	-	-	-
Subtotal nonspendable	<u>148,846</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>148,846</u>
Restricted for:							
Debt service	-	-	-	1,710,952	-	-	1,710,952
Roads & highways	-	299,246	-	-	-	-	299,246
Forests & open spaces	-	-	-	-	148,463	-	148,463
Public safety	-	-	838	-	817,231	-	818,069
Special projects	-	-	-	-	797,263	-	797,263
Fire protection	-	-	-	-	528,917	-	528,917
EMS	-	-	-	-	107,536	-	107,536
Law enforcement	-	-	-	-	3,781	-	3,781
Disaster public assistance	-	-	-	-	65,196	-	65,196
Citizen health	-	-	-	-	11,268	-	11,268
Juvenile outreach	-	-	-	-	10,181	-	10,181
Indigent fund	-	-	-	-	369,343	-	369,343
Reserve requirement	1,208,504	-	-	-	-	-	1,208,504
Subtotal restricted	<u>1,208,504</u>	<u>299,246</u>	<u>838</u>	<u>1,710,952</u>	<u>2,859,179</u>	<u>-</u>	<u>6,078,719</u>
Committed to:							
PILT	-	-	-	-	-	-	-
Subtotal committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Assigned to:							
Other purposes	-	-	-	-	1,199,459	-	1,199,459
Subtotal assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,199,459</u>	<u>-</u>	<u>1,199,459</u>
Unassigned:	603,155	-	-	-	(28,407)	-	574,748
Total fund balances	<u>\$ 1,960,505</u>	<u>299,246</u>	<u>838</u>	<u>1,710,952</u>	<u>4,030,231</u>	<u>-</u>	<u>8,001,772</u>

See independent auditor's report.

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF RECONCILIATION OF
PROPERTY TAX RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2017**

Reconciliation of Property Taxes Receivable

Taxes receivable, beginning of year	\$	1,614,903
Changes to Tax roll:		
Net taxes charged to treasurer for fiscal year		9,352,707
Adjustments:		
Increases/(Decreases) in taxes receivables		(155,128)
Charge off of taxes receivables		71,499
Total receivables prior to collections		<u>10,883,981</u>
Collections for fiscal year ended June, 30, 2016		<u>(8,527,003)</u>
Allowance for uncollectible		<u>(768,660)</u>
Taxes receivable, end of year net	\$	<u><u>1,588,317</u></u>
Net Property Taxes Receivable by Years:		
2016	\$	711,401
2015		340,718
2014		185,966
2013		129,056
2012		85,398
2011		56,107
2010		38,363
2009		25,621
2008		12,340
2007		<u>3,348</u>
Taxes receivable, end of year net	\$	<u><u>1,588,317</u></u>

See independent auditor's report.

**STATE OF NEW MEXICO
TORRANCE COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2017**

AGENCY	Taxes Levied w/ Add & Del	Reporting Period Paid	To-Date Paid	Reporting Period Distribution	To-Date Distribution	Undistributed at Year-End	Outstanding Receivable at Year-End	Allowance Uncollectible	Net Receivable
COUNTY OPERATION									
2016 \$	4,416,745	(4,035,169)	(4,035,169)	(4,035,169)	(4,035,169)	-	377,061	43,173	333,888
2015	4,263,114	(226,794)	(3,876,657)	(226,794)	(3,876,657)	-	199,814	41,671	158,143
2014	4,070,701	(76,318)	(3,871,394)	(76,318)	(3,871,394)	-	122,334	39,790	82,544
2013	3,928,361	(30,156)	(3,801,260)	(30,156)	(3,801,260)	-	95,210	38,399	56,812
2012	3,739,507	(12,779)	(3,651,191)	(12,779)	(3,651,191)	-	74,397	36,553	37,844
2011	3,499,887	(7,777)	(3,434,769)	(7,777)	(3,434,769)	-	56,454	34,211	22,243
2010	3,222,627	(6,277)	(3,169,942)	(6,277)	(3,169,942)	-	45,563	31,500	14,062
2009	3,408,024	(5,583)	(3,359,468)	(5,583)	(3,359,468)	-	42,098	33,313	8,785
2008	3,398,257	(3,780)	(3,357,589)	(3,780)	(3,357,589)	-	36,035	33,217	2,818
2007	3,193,270	(4,752)	(3,162,293)	(4,752)	(3,162,293)	-	28,024	28,024	-
	37,140,492	(4,409,386)	(35,719,732)	(4,409,386)	(35,719,732)	-	1,076,989	359,850	717,139
Total County Operation									
COUNTY DEBT SERVICE									
2016	378,069	(345,118)	(345,118)	(345,118)	(345,118)	-	32,571	3,695	28,875
2015	349,102	(18,693)	(317,060)	(18,693)	(317,060)	-	16,549	3,412	13,137
2014	357,769	(6,790)	(340,058)	(6,790)	(340,058)	-	10,864	3,497	7,367
2013	339,194	(2,625)	(328,135)	(2,625)	(328,135)	-	8,283	3,315	4,968
2012	344,247	(1,183)	(336,078)	(1,183)	(336,078)	-	6,880	3,365	3,515
2011	422,814	(941)	(414,923)	(941)	(414,923)	-	6,841	4,133	2,709
2010	345,939	(664)	(340,326)	(664)	(340,326)	-	4,861	3,381	1,480
2009	304,410	(495)	(300,090)	(495)	(300,090)	-	3,749	2,975	774
2008	232,776	(259)	(229,990)	(259)	(229,990)	-	2,468	2,275	193
2007	299,849	(444)	(296,928)	(444)	(296,928)	-	2,639	2,639	-
	3,374,169	(377,211)	(3,248,705)	(377,211)	(3,248,705)	-	95,705	32,688	63,017
Total County Debt Service									
	40,514,661	(4,786,597)	(38,968,437)	(4,786,597)	(38,968,437)	-	1,172,695	392,538	780,157
Total Torrance County									
NM DEBT SERVICE/ LEVY									
2016 \$	531,749	(485,403)	(485,403)	(485,403)	(485,403)	(13,473)	45,811	5,197	40,614
2015	512,751	(27,455)	(465,688)	(37,403)	(455,740)	(9,948)	24,307	5,011	19,296
2014	491,017	(9,319)	(466,710)	(11,372)	(464,657)	(2,053)	14,910	4,799	10,111
2013	482,061	(3,731)	(466,344)	(5,538)	(464,537)	(1,807)	11,772	4,711	7,060
2012	467,730	(1,608)	(456,630)	(2,200)	(456,037)	(592)	9,348	4,571	4,777
2011	446,438	(994)	(438,105)	(1,267)	(437,831)	(274)	7,224	4,363	2,860
2010	486,500	(933)	(478,607)	(1,011)	(478,529)	(78)	6,836	4,755	2,081
2009	349,745	(569)	(344,781)	(588)	(344,762)	(19)	4,307	3,418	889
2008	358,802	(399)	(354,508)	(404)	(354,503)	(4)	3,805	3,507	298
2007	338,079	(500)	(334,785)	(508)	(334,777)	(8)	2,976	2,976	-
	4,464,871	(530,910)	(4,291,561)	(545,695)	(4,276,776)	(28,258)	131,295	43,309	87,986
Total NM Debt Service/ Levy									
VILLAGE OF WILLARD									
2016	7,588	(6,788)	(6,788)	(6,275)	(6,275)	(513)	786	80	706
2015	7,220	(507)	(6,455)	(615)	(6,172)	(458)	258	77	182
2014	6,849	(286)	(6,380)	(265)	(6,277)	(227)	183	73	110
2013	6,734	(72)	(6,556)	(175)	(6,453)	(104)	106	71	34
2012	5,989	(37)	(5,865)	(74)	(5,826)	(39)	87	64	24
2011	5,795	(8)	(5,720)	(7)	(5,720)	(1)	68	61	6
2010	5,467	(2)	(5,419)	(1)	(5,419)	(1)	46	46	-
2009	6,139	(2)	(6,088)	(1)	(6,088)	(1)	50	50	-
2008	6,517	(2)	(6,459)	(1)	(6,459)	(1)	57	57	-
2007	5,824	(1)	(5,780)	(1)	(5,780)	-	43	43	-
	64,123	(7,704)	(61,509)	(7,415)	(60,469)	(1,344)	1,684	622	1,062
Total Village of Willard									
TOWN OF ESTANCIA									
2016	17,637	(16,154)	(16,154)	(16,040)	(16,040)	(115)	1,478	593	886
2015	17,464	(830)	(15,923)	(953)	(15,775)	(172)	706	587	119
2014	17,193	(479)	(16,465)	(541)	(16,387)	(93)	244	244	-
2013	16,909	(202)	(16,629)	(296)	(16,520)	(123)	73	73	-
2012	16,461	(96)	(16,292)	(121)	(16,265)	(29)	68	68	-
2011	15,801	(16)	(15,721)	(18)	(15,719)	(2)	58	58	-
2010	13,151	(12)	(13,107)	(13)	(13,105)	(1)	27	27	-
2009	19,527	(14)	(19,477)	(14)	(19,476)	(1)	31	31	-
2008	21,208	(19)	(21,171)	(18)	(21,171)	(1)	12	12	-
2007	20,099	-	(20,084)	-	(20,084)	-	8	8	-
	175,451	(17,821)	(171,022)	(18,013)	(170,543)	(536)	2,706	1,702	1,004
Total Town of Estancia									

See independent auditor's report.

**STATE OF NEW MEXICO
TORRANCE COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2017**

AGENCY	Taxes Levied w/ Add & Del	Reporting Period Paid	To-Date Paid	Reporting Period Distribution	To-Date Distribution	Undistributed at Year-End	Outstanding Receivable at Year-End	Allowance Uncollectible	Net Receivable
CITY OF MORIARTY									
2016	79,335	(73,943)	(73,943)	(69,099)	(69,099)	(4,844)	5,391	2,023	3,368
2015	78,843	(3,242)	(73,319)	(4,587)	(71,834)	(1,624)	2,244	2,010	234
2014	72,050	(1,290)	(69,767)	(1,512)	(69,515)	(281)	1,032	1,032	-
2013	68,923	(566)	(67,843)	(750)	(67,659)	(184)	522	522	-
2012	65,211	(189)	(64,651)	(321)	(64,520)	(131)	360	360	-
2011	59,932	(138)	(59,504)	(207)	(59,431)	(77)	282	282	-
2010	57,356	(257)	(56,948)	(255)	(56,948)	(2)	145	145	-
2009	65,609	(266)	(65,192)	(263)	(65,192)	(2)	144	144	-
2008	70,349	(254)	(69,956)	(254)	(69,956)	-	139	139	-
2007	72,460	(209)	(72,234)	(209)	(72,234)	-	36	36	-
	690,068	(80,353)	(673,356)	(77,457)	(666,387)	(7,145)	10,295	6,694	3,601
Total City of Moriarty									
TOWN OF MOUNTAINAIR									
2016	58,045	(51,433)	(51,433)	(50,189)	(50,189)	(1,243)	6,459	1,604	4,855
2015	56,811	(4,734)	(50,313)	(6,914)	(48,059)	(2,329)	1,545	1,545	-
2014	55,644	(1,748)	(52,978)	(2,622)	(52,069)	(946)	753	753	-
2013	53,235	(695)	(51,937)	(986)	(51,637)	(308)	446	446	-
2012	50,157	(88)	(49,563)	(236)	(49,412)	(154)	359	359	-
2011	46,420	(147)	(46,138)	(122)	(46,138)	(25)	90	90	-
2010	40,830	-	(40,746)	-	(40,746)	-	39	39	-
2009	49,272	(16)	(49,154)	(16)	(49,154)	-	50	50	-
2008	49,353	(37)	(49,232)	(37)	(49,232)	-	24	24	-
2007	48,811	(15)	(48,774)	(35)	(48,754)	(20)	23	23	-
	508,579	(58,913)	(490,269)	(61,157)	(485,391)	(5,025)	9,788	4,933	4,855
Total Town of Mountainair									
VILLAGE OF ENCINO									
2016	2,444	(2,384)	(2,384)	(2,409)	(2,409)	25	25	25	-
2015	2,110	(76)	(2,025)	(116)	(1,985)	(40)	9	9	-
2014	1,889	(27)	(1,855)	(44)	(1,838)	(17)	7	7	-
2013	1,795	(23)	(1,765)	(39)	(1,749)	(15)	7	7	-
2012	1,585	(23)	(1,555)	(39)	(1,540)	(15)	6	6	-
2011	1,433	(25)	(1,402)	(39)	(1,388)	(15)	6	6	-
2010	1,367	(23)	(1,338)	(38)	(1,323)	(15)	6	6	-
2009	1,503	(21)	(1,474)	(40)	(1,454)	(20)	8	8	-
2008	1,546	(20)	(1,515)	(20)	(1,515)	-	11	11	-
2007	1,396	(20)	(1,366)	(20)	(1,366)	-	9	9	-
	17,068	(2,642)	(16,679)	(2,805)	(16,568)	(111)	95	95	-
Total Village of Encino									
ESTANCIA SCH LEVY									
2016	45,921	(42,327)	(42,327)	(41,626)	(41,626)	(700)	3,590	622	2,968
2015	44,793	(1,878)	(41,005)	(2,847)	(39,954)	(1,134)	1,899	434	1,464
2014	43,297	(723)	(41,472)	(799)	(41,348)	(173)	1,106	420	686
2013	42,316	(300)	(41,126)	(361)	(41,030)	(131)	888	410	478
2012	40,721	(155)	(39,903)	(187)	(39,860)	(55)	660	395	265
2011	38,283	(63)	(37,707)	(65)	(37,705)	(3)	509	371	138
2010	33,848	(40)	(33,408)	(42)	(33,405)	(4)	397	328	69
2009	37,002	(37)	(36,578)	(37)	(36,577)	(0)	384	359	25
2008	40,264	(34)	(39,884)	(33)	(39,884)	(0)	345	345	-
2007	37,424	(27)	(37,093)	(27)	(37,093)	-	302	302	-
	403,870	(45,584)	(390,503)	(46,025)	(388,482)	(2,202)	10,080	3,988	6,093
Total Estancia Sch Levy									
ESTANCIA SCH DEBT SERV									
2016	624,001	(576,972)	(576,972)	(567,899)	(567,899)	(9,073)	46,960	6,431	40,529
2015	571,478	(23,254)	(524,668)	(35,308)	(511,589)	(14,105)	23,406	5,543	17,862
2014	579,874	(9,327)	(556,255)	(10,328)	(554,635)	(2,237)	14,354	5,625	8,730
2013	542,472	(3,718)	(527,670)	(4,475)	(526,494)	(1,595)	11,054	5,262	5,792
2012	266,108	(985)	(260,894)	(1,187)	(260,619)	(347)	4,217	2,581	1,635
2011	140,500	(232)	(138,409)	(236)	(138,401)	(10)	1,848	1,363	485
2010	85,834	(102)	(84,766)	(109)	(84,758)	(10)	959	833	126
2009	178,828	(180)	(176,814)	(181)	(176,813)	(2)	1,819	1,735	84
2008	166,533	(139)	(164,965)	(137)	(164,965)	(1)	1,422	1,422	-
2007	115,346	(84)	(114,324)	(84)	(114,324)	-	934	934	-
	3,270,973	(614,991)	(3,125,737)	(619,945)	(3,100,498)	(27,380)	106,971	31,728	75,243
Total Estancia Sch Debt Serv									

See independent auditor's report.

**STATE OF NEW MEXICO
TORRANCE COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2017**

AGENCY	Taxes Levied w/ Add & Del	Reporting Period Paid	To-Date Paid	Reporting Period Distribution	To-Date Distribution	Undistributed at Year-End	Outstanding Receivable at Year-End	Allowance Uncollectible	Net Receivable
ESTANCIA SCH CAPT IMPRV									
2016	224,825	(207,881)	(207,881)	(204,612)	(204,612)	(3,269)	16,919	2,604	14,316
2015	213,091	(8,722)	(195,526)	(13,239)	(190,624)	(5,286)	8,787	2,067	6,720
2014	205,888	(3,328)	(197,464)	(3,684)	(196,887)	(798)	5,117	1,997	3,120
2013	201,349	(1,389)	(195,821)	(1,672)	(195,380)	(598)	4,128	1,953	2,174
2012	193,936	(721)	(190,123)	(869)	(189,921)	(254)	3,084	1,881	1,202
2011	182,265	(300)	(179,558)	(307)	(179,548)	(14)	2,393	1,768	625
2010	180,135	(214)	(177,895)	(228)	(177,878)	(21)	2,012	1,747	265
2009	147,979	(148)	(146,283)	(149)	(146,282)	(2)	1,534	1,435	99
2008	161,114	(134)	(159,590)	(133)	(159,590)	(1)	1,382	1,382	-
2007	149,677	(109)	(148,352)	(109)	(148,352)	-	1,210	1,210	-
	1,860,257	(222,946)	(1,798,491)	(225,001)	(1,789,073)	(10,243)	46,565	18,044	28,521
Total Estancia Sch Capt Imprv									
ESTANCIA SCH TECH DEBT									
2016	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-
2011	41,819	(69)	(41,197)	(70)	(41,194)	(3)	550	516	34
2010	376,215	(448)	(371,536)	(476)	(371,500)	(43)	4,202	4,202	-
2009	249,385	(251)	(246,577)	(253)	(246,574)	(3)	2,536	2,536	-
2008	281,915	(235)	(279,261)	(233)	(279,261)	(3)	2,407	2,407	-
2007	282,589	(205)	(280,083)	(205)	(280,083)	-	2,288	2,288	-
	1,231,922	(1,208)	(1,218,653)	(1,236)	(1,218,612)	(52)	11,984	11,950	34
Total Estancia Sch Tech Debt									
MORIARTY SCH LEVY									
2016	78,135	(69,526)	(69,526)	(67,058)	(67,058)	(2,469)	8,572	758	7,814
2015	78,152	(4,019)	(69,368)	(5,307)	(67,927)	(1,594)	4,751	758	3,993
2014	73,491	(1,716)	(68,598)	(1,881)	(68,307)	(417)	3,162	713	2,449
2013	69,905	(703)	(66,665)	(906)	(66,416)	(294)	2,490	678	1,812
2012	67,095	(273)	(64,803)	(322)	(64,711)	(135)	1,997	651	1,346
2011	64,304	(218)	(62,461)	(248)	(62,394)	(104)	1,606	624	982
2010	61,840	(180)	(60,298)	(164)	(60,286)	(40)	1,344	600	745
2009	61,100	(151)	(59,766)	(125)	(59,764)	(30)	1,165	593	573
2008	58,124	(86)	(57,076)	(67)	(57,074)	(23)	946	564	382
2007	54,529	(146)	(53,750)	(141)	(53,749)	(9)	716	529	187
	666,676	(77,018)	(632,311)	(76,217)	(627,686)	(5,113)	26,749	6,467	20,282
Total Moriarty Sch Levy									
MORIARTY SCH DEBT SERV									
2016	1,513,207	(1,340,346)	(1,340,346)	(1,295,815)	(1,295,815)	(44,531)	172,242	16,624	155,618
2015	1,575,884	(84,864)	(1,392,077)	(1,118,100)	(1,362,046)	(33,114)	98,719	17,073	81,646
2014	1,550,445	(37,272)	(1,445,175)	(41,093)	(1,438,551)	(9,429)	67,724	16,711	51,013
2013	1,455,469	(14,983)	(1,387,332)	(19,701)	(1,381,669)	(6,607)	52,157	15,653	36,503
2012	1,312,173	(5,500)	(1,266,993)	(6,670)	(1,264,973)	(2,871)	39,183	14,089	25,094
2011	1,369,972	(4,540)	(1,330,912)	(5,377)	(1,329,286)	(2,416)	34,025	14,689	19,336
2010	1,344,283	(4,222)	(1,310,651)	(3,976)	(1,310,383)	(783)	28,948	14,400	14,547
2009	1,306,731	(3,454)	(1,278,292)	(2,963)	(1,278,257)	(561)	24,552	13,988	10,564
2008	1,143,170	(1,787)	(1,122,709)	(1,469)	(1,122,682)	(372)	18,288	12,227	6,061
2007	962,423	(2,368)	(948,984)	(2,289)	(948,960)	(126)	12,172	10,284	1,887
	13,533,756	(1,499,337)	(12,823,470)	(1,491,163)	(12,732,621)	(100,809)	548,009	145,739	402,270
Total Moriarty Sch Debt Serv									
MORIARTY & ESTANCIA VALLEY CLASS SCH CAPT IMPRV									
2016	355,255	(314,779)	(314,779)	(304,267)	(304,267)	(10,512)	40,329	3,446	36,883
2015	356,212	(19,183)	(314,664)	(25,274)	(307,876)	(7,485)	22,314	3,455	18,859
2014	337,712	(8,119)	(314,783)	(8,951)	(313,340)	(2,054)	14,751	3,276	11,476
2013	328,919	(3,386)	(313,521)	(4,452)	(312,241)	(1,493)	11,787	3,191	8,596
2012	320,471	(1,343)	(309,437)	(1,629)	(308,943)	(701)	9,570	3,109	6,461
2011	307,900	(1,021)	(299,120)	(1,208)	(298,756)	(541)	7,648	2,987	4,662
2010	295,605	(927)	(288,210)	(872)	(288,151)	(173)	6,367	2,867	3,500
2009	291,550	(771)	(285,205)	(661)	(285,197)	(125)	5,478	2,828	2,650
2008	278,243	(435)	(273,263)	(358)	(273,257)	(91)	4,451	2,699	1,752
2007	266,085	(657)	(262,366)	(635)	(262,359)	(35)	3,371	2,581	790
	3,137,952	(350,620)	(2,975,346)	(348,306)	(2,954,387)	(23,209)	126,067	30,438	95,629
Total Moriarty & EVC Sch Capt Imprv									

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AGENCY	Taxes Levied w/ Add & Del	Reporting Period Paid	To-Date Paid	Reporting Period Distribution	To-Date Distribution	Undistributed at Year-End	Outstanding Receivable at Year-End	Allowance Uncollectible	Net Receivable
MORIARTY SCH TECH DEBT									
2016	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-	-
Total Moriarty Sch Tech Debt									
MOUNTAINAIR SCH LEVY									
2016	27,551	(25,597)	(25,597)	(25,219)	(25,219)	(379)	1,830	728	1,102
2015	25,697	(1,860)	(23,743)	(2,319)	(23,249)	(529)	938	452	486
2014	25,376	(407)	(24,530)	(564)	(24,347)	(209)	421	298	124
2013	25,155	(108)	(24,756)	(317)	(24,547)	(210)	274	253	21
2012	25,280	(31)	(25,002)	(61)	(24,972)	(30)	229	229	-
2011	23,964	(20)	(23,834)	(18)	(23,834)	(2)	102	102	-
2010	21,910	(6)	(21,817)	(6)	(21,817)	(0)	78	78	-
2009	22,194	(6)	(22,114)	(6)	(22,114)	(0)	65	65	-
2008	20,696	(7)	(20,628)	(8)	(20,628)	(0)	51	51	-
2007	19,672	(6)	(19,619)	(7)	(19,618)	(1)	47	47	-
Total Mountainair Sch Levy									
MOUNTAINAIR SCH DEBT SERV									
2016	257,529	(238,950)	(238,950)	(235,271)	(235,271)	(3,679)	17,494	7,884	9,611
2015	269,313	(19,066)	(248,421)	(24,135)	(242,963)	(5,848)	9,805	5,195	4,610
2014	279,958	(4,563)	(270,417)	(6,377)	(268,289)	(2,442)	4,782	3,458	1,324
2013	290,532	(1,228)	(285,853)	(3,539)	(283,533)	(2,327)	3,247	2,972	275
2012	259,755	(331)	(256,892)	(640)	(256,580)	(314)	2,343	2,343	-
2011	290,209	(270)	(288,562)	(245)	(288,561)	(27)	1,261	1,261	-
2010	273,180	(69)	(272,023)	(71)	(272,022)	(2)	969	969	-
2009	271,832	(71)	(270,842)	(73)	(270,840)	(2)	797	797	-
2008	258,451	(93)	(257,596)	(95)	(257,594)	(2)	631	631	-
2007	237,293	(68)	(236,662)	(87)	(236,642)	(20)	564	564	-
Total Mountainair Sch Debt Serv									
MOUNTAINAIR SCH CAPT IMPRV									
2016	122,486	(113,650)	(113,650)	(111,900)	(111,900)	(1,750)	8,321	3,137	5,184
2015	113,608	(8,042)	(104,793)	(10,181)	(102,490)	(2,468)	4,136	1,931	2,205
2014	112,072	(1,827)	(108,253)	(2,553)	(107,401)	(978)	1,914	1,313	601
2013	111,019	(469)	(109,231)	(1,354)	(108,344)	(891)	1,240	1,121	118
2012	110,566	(140)	(109,347)	(272)	(109,215)	(133)	998	998	-
2011	104,423	(94)	(103,837)	(86)	(103,836)	(9)	452	452	-
2010	98,461	(25)	(98,044)	(26)	(98,043)	(1)	349	349	-
2009	90,060	(24)	(89,732)	(24)	(89,731)	(1)	264	264	-
2008	83,939	(30)	(83,661)	(31)	(83,660)	(1)	205	205	-
2007	80,423	(23)	(80,208)	(30)	(80,202)	(6)	191	191	-
Total Mountainair Sch Capt Imprv									
MOUNTAINAIR SCH TECH DEBT									
2016	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-	-
Total Mountainair Sch Tech Debt									

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VAUGHN SCH LEVY									
2016	14,140	(14,034)	(14,034)	(13,044)	(13,044)	(990)	94	94	-
2015	12,073	(1,000)	(11,944)	(645)	(11,911)	(422)	32	32	-
2014	11,795	(27)	(11,752)	(33)	(11,746)	(6)	16	16	-
2013	11,424	(51)	(11,364)	(61)	(11,355)	(10)	8	8	-
2012	10,830	(36)	(10,790)	(46)	(10,780)	(10)	4	4	-
2011	10,418	(7)	(10,407)	(12)	(10,401)	(6)	4	4	-
2010	10,222	(6)	(10,212)	(12)	(10,206)	(6)	4	4	-
2009	10,487	(6)	(10,477)	(12)	(10,472)	(6)	4	4	-
2008	9,366	(9)	(9,353)	(9)	(9,353)	-	4	4	-
2007	9,131	(5)	(9,122)	(5)	(9,122)	-	4	4	-
	109,886	(15,181)	(109,456)	(13,878)	(108,390)	(1,454)	175	175	-
	Total Vaughn Sch Levy								
VAUGHN SCH DEBT SERV									
2016	70,524	(70,000)	(70,000)	(65,060)	(65,060)	(4,941)	468	468	-
2015	77,846	(6,452)	(77,019)	(4,156)	(76,806)	(2,721)	205	205	-
2014	78,127	(178)	(77,842)	(218)	(77,801)	(40)	108	108	-
2013	83,462	(372)	(83,031)	(441)	(82,962)	(69)	59	59	-
2012	92,975	(312)	(92,626)	(395)	(92,542)	(84)	38	38	-
2011	107,249	(67)	(107,138)	(127)	(107,078)	(60)	44	44	-
2010	99,281	(60)	(99,179)	(117)	(99,123)	(57)	41	41	-
2009	102,446	(58)	(102,347)	(115)	(102,290)	(57)	41	41	-
2008	97,785	(91)	(97,651)	(91)	(97,651)	-	43	43	-
2007	63,007	(36)	(62,943)	(36)	(62,943)	-	28	28	-
	872,702	(77,625)	(869,775)	(70,756)	(864,255)	(8,028)	1,075	1,075	-
	Total Vaughn Sch Debt Serv								
VAUGHN SCH CAPT IMPRV									
2016	56,989	(56,566)	(56,566)	(52,574)	(52,574)	(3,992)	378	378	-
2015	48,745	(4,040)	(48,227)	(2,602)	(48,094)	(1,704)	129	129	-
2014	47,160	(107)	(46,987)	(132)	(46,962)	(25)	66	66	-
2013	45,673	(204)	(45,437)	(242)	(45,399)	(38)	32	32	-
2012	43,335	(145)	(43,172)	(184)	(43,133)	(39)	18	18	-
2011	41,684	(26)	(41,642)	(49)	(41,619)	(23)	17	17	-
2010	40,898	(25)	(40,856)	(48)	(40,833)	(23)	17	17	-
2009	42,038	(24)	(41,997)	(47)	(41,974)	(23)	17	17	-
2008	37,509	(35)	(37,457)	(35)	(37,457)	-	16	16	-
2007	36,685	(21)	(36,648)	(21)	(36,648)	-	16	16	-
	440,716	(61,193)	(438,989)	(55,934)	(434,692)	(5,867)	706	706	-
	Total Vaughn Capt Imprv								
VAUGHN SCH TECH DEBT									
2016	53,029	(52,635)	(52,635)	(48,920)	(48,920)	(3,715)	352	352	-
2015	26,420	(2,190)	(26,139)	(1,411)	(26,067)	(924)	70	70	-
2014	24,788	(56)	(24,697)	(69)	(24,685)	(13)	34	34	-
2013	14,961	(67)	(14,884)	(79)	(14,872)	(12)	11	11	-
2012	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-	-
	119,198	(54,947)	(118,355)	(50,479)	(114,543)	(4,664)	466	466	-
	Total Vaughn Sch Tech Debt								
CORONA SCH LEVY									
2016	4,431	(4,213)	(4,213)	(4,158)	(4,158)	(54)	206	206	-
2015	4,102	(52)	(3,999)	(144)	(3,902)	(101)	51	51	-
2014	3,797	(69)	(3,724)	(98)	(3,696)	(28)	4	4	-
2013	3,664	(0)	(3,660)	(0)	(3,660)	-	3	3	-
2012	3,457	(0)	(3,453)	(0)	(3,453)	-	3	3	-
2011	3,234	(1)	(3,231)	(1)	(3,231)	-	2	2	-
2010	3,046	(0)	(3,044)	(0)	(3,044)	-	2	2	-
2009	2,883	(0)	(2,881)	(0)	(2,881)	-	2	2	-
2008	2,267	(0)	(2,265)	(0)	(2,265)	-	2	2	-
2007	2,101	(0)	(2,100)	(0)	(2,100)	-	0	0	-
	32,982	(4,336)	(32,570)	(4,402)	(32,391)	(184)	276	276	-
	Total Corona Sch Levy								

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CORONA SCH DEBT SERV									
2016	17,031	(16,185)	(16,185)	(15,971)	(15,971)	(213)	796	796	-
2015	17,620	(223)	(17,170)	(624)	(16,750)	(441)	226	226	-
2014	18,579	(343)	(18,217)	(482)	(18,077)	(139)	19	19	-
2013	19,699	(1)	(19,681)	(1)	(19,681)	-	18	18	-
2012	17,883	(1)	(17,865)	(1)	(17,865)	-	17	17	-
2011	19,558	(5)	(19,538)	(5)	(19,538)	-	14	14	-
2010	15,852	(1)	(15,840)	(1)	(15,840)	-	11	11	-
2009	16,822	(1)	(16,808)	(1)	(16,808)	-	12	12	-
2008	13,849	(1)	(13,836)	(1)	(13,836)	-	12	12	-
2007	14,261	(1)	(14,260)	(1)	(14,260)	-	1	1	-
	171,153	(16,762)	(169,399)	(17,089)	(168,626)	(794)	1,127	1,127	-
Total Corona Sch Debt Serv									
CORONA SCH CAPT IMPRV									
2016	18,317	(17,407)	(17,407)	(17,177)	(17,177)	(230)	857	857	-
2015	16,975	(215)	(16,542)	(601)	(16,136)	(425)	218	218	-
2014	15,331	(285)	(15,030)	(400)	(14,915)	(116)	16	16	-
2013	14,800	(1)	(14,786)	(1)	(14,786)	-	13	13	-
2012	13,969	(1)	(13,955)	(1)	(13,955)	-	13	13	-
2011	13,077	(4)	(13,064)	(4)	(13,064)	-	10	10	-
2010	12,314	(1)	(12,304)	(1)	(12,304)	-	9	9	-
2009	11,621	(1)	(11,612)	(1)	(11,612)	-	9	9	-
2008	9,096	(1)	(9,088)	(1)	(9,088)	-	8	8	-
2007	8,448	(0)	(8,448)	(0)	(8,448)	-	0	0	-
	133,949	(17,914)	(132,235)	(18,186)	(131,485)	(770)	1,152	1,152	-
Total Corona Sch Capt Imprv									
CORONA SCH TECH DEBT									
2016	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total Corona Sch Tech Debt									
CATTLE LEVY									
2016	54,290	(52,291)	(52,291)	(52,291)	(52,291)	(354)	1,785	637	1,148
2015	49,739	(1,769)	(46,820)	(4,548)	(44,041)	(2,779)	1,150	584	566
2014	38,530	(492)	(37,004)	(532)	(36,965)	(40)	1,033	452	581
2013	41,620	(601)	(40,232)	(601)	(40,232)	-	786	488	298
2012	37,034	(601)	(35,542)	(601)	(35,542)	-	891	435	456
2011	33,448	-	(32,936)	-	(32,936)	-	512	393	120
2010	30,493	(3)	(30,004)	(3)	(30,004)	-	486	358	128
2009	34,825	(3)	(34,347)	(3)	(34,347)	-	475	409	67
2008	34,575	(70)	(34,491)	(70)	(34,491)	-	14	14	-
2007	34,925	-	(34,916)	-	(34,916)	-	9	9	-
	389,478	(55,831)	(378,583)	(58,649)	(375,764)	(3,172)	7,142	3,778	3,364
Total Cattle Levy									
SHEEP/GOAT LEVY									
2016	402	(375)	(375)	(375)	(375)	(7)	28	15	12
2015	305	(19)	(280)	(23)	(276)	(4)	6	3	3
2014	331	-	(326)	-	(326)	-	4	3	1
2013	485	(1)	(481)	(1)	(481)	-	3	3	-
2012	570	-	(567)	-	(567)	-	3	3	-
2011	275	-	(271)	-	(271)	-	4	3	1
2010	255	-	(252)	-	(252)	-	3	2	1
2009	267	-	(264)	-	(264)	-	3	3	1
2008	437	-	(435)	-	(435)	-	2	2	-
2007	480	-	(480)	-	(480)	-	-	-	-
	3,807	(395)	(3,731)	(399)	(3,727)	(11)	55	37	18
Total Sheep/Goat Levy									

See independent auditor's report.

**STATE OF NEW MEXICO
TORRANCE COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2017**

AGENCY	Taxes Levied w/ Add & Del	Reporting Period Paid	To-Date Paid	Reporting Period Distribution	To-Date Distribution	Undistributed at Year-End	Outstanding Receivable at Year-End	Allowance Uncollectible	Net Receivable
EQUINE LEVY									
2016	1,434	(1,198)	(1,198)	(1,198)	(1,198)	(30)	236	42	195
2015	1,288	(49)	(1,097)	(238)	(907)	(189)	143	12	130
2014	1,158	(19)	(1,088)	(33)	(1,074)	(14)	51	11	40
2013	1,232	(5)	(1,179)	(5)	(1,179)	-	48	12	36
2012	1,181	-	(1,152)	-	(1,152)	-	29	11	18
2011	1,292	(4)	(1,278)	(4)	(1,278)	-	10	10	-
2010	1,139	(3)	(1,125)	(3)	(1,125)	-	11	11	-
2009	1,201	(3)	(1,194)	(3)	(1,194)	-	4	4	-
2008	-	-	-	-	-	-	-	-	-
2007	1,764	-	(1,764)	-	(1,764)	-	-	-	-
	11,689	(1,280)	(11,075)	(1,484)	(10,872)	(233)	531	113	418
	Total Equine Levy								
DAIRY LEVY									
2016	7,669	(7,669)	(7,669)	(7,669)	(7,669)	-	0	0	-
2015	8,112	-	(8,112)	-	(8,112)	-	-	-	-
2014	8,953	-	(8,952)	-	(8,952)	-	2	2	-
2013	8,960	-	(8,960)	-	(8,960)	-	-	-	-
2012	8,369	-	(8,369)	-	(8,369)	-	-	-	-
2011	1,429	-	(1,429)	-	(1,429)	-	-	-	-
2010	1,433	-	(1,433)	-	(1,433)	-	-	-	-
2009	706	-	(706)	-	(706)	-	-	-	-
2008	2,354	-	(2,354)	-	(2,354)	-	-	-	-
2007	57	-	(57)	-	(57)	-	-	-	-
	48,042	(7,669)	(48,041)	(7,669)	(48,041)	-	2	2	-
	Total Dairy Levy								
SWINE/BISON/RATITES LEVY									
2016	508	(483)	(483)	(483)	(483)	(4)	25	23	1
2015	530	(5)	(517)	(5)	(517)	-	8	8	-
2014	330	-	(329)	-	(329)	-	1	1	-
2013	369	-	(362)	-	(362)	-	7	7	-
2012	467	-	(467)	-	(467)	-	-	-	-
2011	392	-	(392)	-	(392)	-	-	-	-
2010	309	-	(309)	-	(309)	-	-	-	-
2009	402	-	(402)	-	(402)	-	-	-	-
2008	231	-	(231)	-	(231)	-	-	-	-
2007	722	-	(722)	-	(722)	-	-	-	-
	4,260	(488)	(4,215)	(488)	(4,215)	(4)	41	40	1
	Total Swine/Bison/Ratites Levy								
NON-RENDITION									
2016	-	(245)	(245)	(245)	(245)	-	-	-	-
2015	-	(1,917)	-	(1,917)	-	-	-	-	-
2014	141	-	(141)	-	(141)	-	-	-	-
2013	2	-	(2)	-	(2)	-	-	-	-
2012	5	-	(5)	-	(5)	-	-	-	-
2011	5	-	(5)	-	(5)	-	-	-	-
2010	5	-	(5)	-	(5)	-	-	-	-
2009	5	-	(5)	-	(5)	-	-	-	-
2008	50	(1)	(50)	(1)	(50)	-	-	-	-
2007	35	(229)	(35)	(229)	(35)	-	-	-	-
	249	(2,393)	(494)	(2,393)	(494)	-	-	-	-
	Total Non-Rendition								
ADMINISTRATIVE									
2016	4,481	(3,990)	(3,990)	(3,990)	(3,990)	(99)	519	44	475
2015	4,764	(239)	(4,203)	(383)	(4,060)	(143)	321	47	275
2014	4,935	(108)	(4,589)	(130)	(4,567)	(22)	238	48	190
2013	5,867	(75)	(5,643)	(79)	(5,638)	(4)	149	57	91
2012	5,004	(38)	(4,837)	(43)	(4,832)	(4)	130	49	81
2011	5,262	(25)	(5,113)	(25)	(5,113)	-	125	52	73
2010	5,159	(13)	(5,054)	(13)	(5,054)	-	92	50	42
2009	4,702	(12)	(4,606)	(12)	(4,606)	-	84	46	38
2008	4,649	(13)	(4,567)	(13)	(4,567)	-	71	45	26
2007	4,832	(10)	(4,780)	(10)	(4,780)	-	43	43	-
	49,655	(4,522)	(47,380)	(4,696)	(47,206)	(273)	1,772	482	1,290
	Total Administrative								

See independent auditor's report.

**STATE OF NEW MEXICO
TORRANCE COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2017**

AGENCY	Taxes Levied w/ Add & Del	Reporting Period Paid	To-Date Paid	Reporting Period Distribution	To-Date Distribution	Undistributed at Year-End	Outstanding Receivable at Year-End	Allowance Uncollectible	Net Receivable
EDGEWOOD SWCD									
2016	102,629	(90,042)	(90,042)	(90,042)	(90,042)	(1,547)	12,556	996	11,561
2015	99,400	(5,351)	(87,238)	(7,333)	(85,255)	(1,982)	6,854	964	5,890
2014	97,006	(2,413)	(89,855)	(2,901)	(89,367)	(487)	4,730	941	3,789
2013	94,518	(965)	(89,650)	(1,455)	(89,160)	(490)	3,843	917	2,926
2012	92,021	(375)	(88,536)	(559)	(88,353)	(184)	3,109	893	2,216
2011	91,712	(297)	(88,942)	(443)	(88,796)	(146)	2,473	890	1,583
2010	88,598	(238)	(86,268)	(267)	(86,239)	(29)	2,093	859	1,233
2009	66,500	(186)	(64,596)	(190)	(64,592)	(4)	1,718	645	1,073
2008	62,272	(49)	(60,803)	(53)	(60,800)	(3)	1,415	604	811
2007	71,765	(24)	(70,561)	(27)	(70,558)	(3)	1,180	696	484
	866,422	(99,940)	(816,492)	(103,269)	(813,163)	(4,876)	39,970	8,404	31,565
Total Edgewood SWCD									
CLAUNCH PINTO SWCD									
2016	68,000	(64,735)	(64,735)	(64,735)	(64,735)	(875)	3,316	660	2,656
2015	62,902	(3,206)	(59,565)	(4,201)	(58,569)	(996)	1,838	610	1,228
2014	60,680	(731)	(59,268)	(1,070)	(58,929)	(339)	682	589	93
2013	59,753	(130)	(59,192)	(538)	(58,783)	(409)	434	434	-
2012	59,513	(53)	(59,070)	(98)	(59,025)	(46)	390	390	-
2011	56,413	(26)	(56,179)	(27)	(56,178)	(0)	208	208	-
2010	53,097	(23)	(52,884)	(23)	(52,884)	(0)	190	190	-
2009	46,136	(22)	(45,972)	(22)	(45,971)	(0)	142	142	-
2008	38,698	(22)	(38,572)	(22)	(38,572)	(0)	104	104	-
2007	38,451	(21)	(38,335)	(21)	(38,335)	(0)	95	95	-
	543,644	(68,967)	(533,772)	(70,758)	(531,981)	(2,665)	7,398	3,421	3,977
Total Claunch Pinto SWCD									
EAST TORRANCE SWCD									
2016	138,298	(128,507)	(128,507)	(128,507)	(128,507)	(3,466)	9,524	1,385	8,139
2015	131,437	(4,974)	(121,454)	(7,084)	(119,345)	(2,110)	4,987	1,316	3,671
2014	126,894	(2,097)	(121,924)	(2,400)	(121,621)	(303)	2,889	1,271	1,619
2013	124,106	(829)	(120,971)	(1,104)	(120,696)	(275)	2,305	1,243	1,062
2012	119,436	(356)	(117,421)	(454)	(117,323)	(97)	1,659	1,196	463
2011	115,039	(183)	(113,453)	(183)	(113,453)	-	1,403	1,152	250
2010	112,381	(131)	(111,040)	(131)	(111,040)	-	1,210	1,125	84
2009	93,769	(68)	(92,830)	(68)	(92,830)	-	871	871	-
2008	89,190	(65)	(88,433)	(65)	(88,433)	-	692	692	-
2007	64,905	(45)	(64,293)	(45)	(64,293)	-	568	568	-
	1,115,456	(137,257)	(1,080,326)	(140,042)	(1,077,541)	(6,250)	26,108	10,820	15,288
Total East Torrance SWCD									
CARRIZOZO SWCD									
2016	11	(11)	(11)	(11)	(11)	-	-	-	-
2015	11	-	(11)	-	(11)	-	-	-	-
2014	8	-	(8)	-	(8)	-	-	-	-
2013	8	-	(8)	-	(8)	-	-	-	-
2012	8	-	(8)	-	(8)	-	-	-	-
2011	8	-	(8)	-	(8)	-	-	-	-
2010	8	-	(8)	-	(8)	-	-	-	-
2009	8	-	(8)	-	(8)	-	-	-	-
2008	10	-	(10)	-	(10)	-	-	-	-
2007	8	-	(8)	-	(8)	-	-	-	-
	87	(11)	(87)	(11)	(87)	-	-	-	-
Total Carrizozo SWCD									
TOTALS BY YEAR									
2016	9,352,707	(8,527,003)	(8,527,003)	(8,429,817)	(8,429,817)	(117,039)	816,976	105,576	711,401
2015	9,097,910	(484,919)	(8,252,040)	(562,409)	(8,162,758)	(101,074)	436,427	95,709	340,718
2014	8,819,766	(170,463)	(8,374,286)	(184,191)	(8,355,460)	(23,925)	273,551	87,585	185,966
2013	8,494,953	(67,655)	(8,211,967)	(81,951)	(8,195,821)	(17,996)	211,400	82,344	129,056
2012	7,793,047	(27,400)	(7,603,051)	(31,171)	(7,598,033)	(6,265)	160,090	74,693	85,398
2011	7,562,651	(17,516)	(7,416,903)	(19,117)	(7,414,224)	(3,757)	126,241	70,134	56,107
2010	7,419,038	(14,905)	(7,294,898)	(14,847)	(7,294,283)	(1,287)	107,319	68,956	38,363
2009	7,295,710	(12,441)	(7,188,975)	(11,947)	(7,188,793)	(858)	92,415	66,794	25,621
2008	7,033,597	(8,110)	(6,948,653)	(7,698)	(6,948,607)	(504)	75,060	62,720	12,340
2007	6,536,827	(10,024)	(6,473,157)	(9,977)	(6,473,066)	(229)	57,498	54,150	3,348
	\$ 79,406,206	(9,340,437)	(76,290,934)	(9,353,126)	(76,060,863)	(272,934)	2,356,978	768,660	1,588,317
GRAND TOTALS									

See independent auditor's report.

STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF TAX ABATEMENTS - ABATING AGENCY
FOR THE YEAR ENDED JUNE 30, 2017

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

See independent auditor's report.

STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF TAX ABATEMENTS - ABATING AGENCY
FOR THE YEAR ENDED JUNE 30, 2017

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

See independent auditor's report.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds of Torrance County (County) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 18, 2018.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses: 2016-001, 2017-001, 2017-002, and 2017-004.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and responses costs to be significant deficiencies: 2016-002, 2016-003, 2016-005 and 2017-005.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2016-008, 2017-003, and 2017-005.

April 18, 2018

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

The County's Response to the Findings

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

Purpose of This Report

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

Hinkle & Landers, P.C.

Hinkle + Landers, P.C.
Albuquerque, NM
April 18, 2018

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2017**

<u>Reference #</u>	<u>Finding</u>	<u>Status of Prior Year Findings</u>	<u>Type of Finding</u>
<u>Prior Year Findings</u>			
2016-001 [2008-006]	FINANCIAL CLOSE AND MATERIAL ADJUSTMENTS	Modified/Repeated	A
2016-002 [2015-004]	COMPENSATED ABSENCES	Repeated	B
2016-003	INFORMATION TECHNOLOGY	Repeated	B
2016-004	PAYROLL CHANGES	Resolved	B
2016-005	PERSONNEL POLICIES	Repeated	B
2016-006	CAPITAL ASSETS AND DEPRECIATION POLICIES	Resolved	B
2016-007 [2012-003]	TRACKING FUEL COST	Resolved	G
2016-008	LATE AUDIT REPORT	Repeated	G
<u>Current Year Findings</u>			
2017-001	BANK RECONCILIATIONS AND GENERAL LEDGER CONTROLS OVER CASH	Current	A
2017-002	TRACKING OF CAPITAL ASSETS	Current	A
2017-003	CERTIFICATION OF CAPITAL ASSETS ANNUAL INVENTORY	Current	G
2017-004	TRACKING NMFA ACTIVITY	Current	A
2017-005	RECONCILING/MONITORING PERA PAYMENTS	Current	B, G

* Legend for Type of Findings

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

**STATE OF NEW MEXICO
TORRANCE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2017**

PRIOR YEAR AUDIT FINDINGS

2016-001 – FINANCIAL CLOSE AND MATERIAL ADJUSTMENTS

Type of Finding: A

Statement of Condition

While conducting the audit, 15 adjustments were identified by the auditor that were required to be made in order to present the financial statements materially correct. Based on the adjustments made, it was determined that the County should improve the effectiveness of its financial close, monitoring, and reporting process. The financial close should include, but not be limited to:

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

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

FINANCIAL STATEMENT CATEGORY	NET ADJUSTMENT PROPOSED (ABSOLUTE VALUE)
Accrued payroll	\$29,422
Interest expense	\$70,980
Debt Service	\$70,980
Accrued Interest	\$31,555
Restate: NMFA Cash	\$754,528
Proceeds from issuance of debt	\$2,400,000
Capital expenditures related to issuance of debt	\$1,906,142
Prepaid expense	\$13,849

Managements Progress Toward Prior Year Corrective Action Plan: The County hired a consulting firm to perform fund balance roll forward and accrual work, however during the audit, there were additional adjustments required to present the financial statements materially correct and there was not a determinable improvement.

Criteria

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

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

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

Cause

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

Effect

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

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

Recommendation

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

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

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

Management Response

The County will run a close out payroll at June 30th to ensure there are no accrued payroll expenses. The NMFA activity will be included in the general ledger by journal entries each month at reconcile to the NMFA activity statements. These entries will resolve the issues with interest expense, debt service, accrued interest, NMFA cash, proceeds from issuance of debt, and capital expense related to issuance of debt. Prepaid expenses will be captured and recorded on a spreadsheet that reconciles the County's books from cash to accrual.

Finding resolved timeline:

June 30, 2018

Designation of employee position responsible for meeting this deadline:

Finance Director and Treasurer

2016-002-COMPENSATED ABSENCES

Type of Finding: B

Statement of Condition

At June 30, 2017, there were several employees who had accrued annual leave hours in excess of 100 hours. Based upon the County's accrual schedule, there should not be any employees with this number of hours accrued if the County had eliminated excess hours at calendar year-end 2016. In addition, the County's accounting software does not keep track of compensated absences properly.

Managements Progress Toward Prior Year Corrective Action Plan:

The County has hired a full time Human Resources Manager that will ensure this policy is followed. The County has already made the adjustments in annual leave for 2017.

Criteria

According to section 10.4 of the County's Personnel Policy, employees are only allowed to carry over 100 hours of annual leave to the next calendar year. Upon termination of employment from the County, an employee shall be paid for any unused accrued annual leave.

Cause

The County did not eliminate excess annual leave at calendar year-end 2016 in accordance with their approved Personnel Policy.

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Effect

The County may be paying out more annual leave hours to employees than approved upon termination of employment.

Recommendation

The County should enforce its policy to eliminate excess annual leave hours at each calendar year-end. Alternatively, the County could approve a revision to its existing policy to mirror the County's current practice.

Management Response

All leave balances will be reviewed on the first pay date of each calendar year. All required adjustments will be completed and reflected on before the fiscal year closes. These adjustments have already been done for 2017.

Corrective Action Plan Timeline:

June 30, 2018

Designation Of Employee Position Responsible For Meeting Deadline:

Finance Director and Human Resources Manager

2016-003 – INFORMATION TECHNOLOGY

Type of Finding: B

Statement of Condition

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

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

Managements Progress Toward Prior Year Corrective Action Plan:

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

Criteria

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

Cause

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

Effect

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

Recommendation

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

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Management Response

The County Manager met with its IT external contractor (Ambitions Consulting Group) on May 17, 2017. All of the conditions listed in the finding were addressed on that day. The following corrections were discussed: ω The overall governance over IT functions will be reviewed and evaluated for necessary changes to ensure the integrity of the County's IT systems. ω All IT general policies and procedures will be reviewed and evaluated for necessary changes to ensure the integrity of the County's IT systems. ω All Departments within the Torrance County Government will be brought up to required specifications on IT Disaster Recovery. Policies and procedures will be documented. ω User set up and termination policies and procedures will be reviewed and evaluated for necessary changes to ensure the integrity of the County's IT systems. The County Manager will ensure these corrections.

Finding resolved timeline:

June 30, 2018

Designation of employee position responsible for meeting this deadline:

County Manager and Human Resources Manager

2016-005 – PERSONNEL POLICIES

Type of Finding: B

Statement of Condition

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

Managements Progress Toward Prior Year Corrective Action Plan:

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

Criteria

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

Cause

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

Effect

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

Recommendation

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

Management Response

The process of updating all Personnel Policies has started. The updated policy is currently in review and will be scheduled for approval before June 30, 2018.

Finding resolved timeline:

June 30, 2018

Designation of employee position responsible for meeting this deadline:

County Manager and Human Resources Manager

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2016-008-LATE AUDIT REPORT

Type of Finding: G

Statement of Condition

The audit report for the County's fiscal year ended June 30, 2017 was not submitted by the December 1, 2017 due date. The audit report was submitted April 30, 2018.

Managements Progress Toward Prior Year Corrective Action Plan:

Staff training in the audit process has occurred and procedures for compiling the necessary audit documents have been put into place to ensure that the audit proceeds in a timely manner.

Criteria

OSA Rule 2.2.2.9.A establishes a due date of December 1, 2017 for submission of this audit report to the Office of the State Auditor.

Cause

Key deliverables were not submitted to the auditor by the County in time to complete the audit by the due date. Additionally, the County has not implemented an annual financial reporting closing process.

Effect

The report was not submitted as required. Without the audit report being delivered on time, fund and regulatory agencies as well as legislative committees do not have the financial data available to make funding decisions.

Recommendation

We recommend the County submit the required deliverables in time for the auditors to complete their procedures to ensure a timely completion of the annual audit. Additionally, the County should implement a formal annual financial reporting and closing process to ensure the Audit Rule deadline is met. The County might consider contracting with an outside contractor to assist in implementing this process and completing year-end reconciliations.

Management Response

All County office will work with the County's accounting firm to ensure all audit requirements are met within the allotted timeframes.

Finding resolved timeline:

December 1, 2018

Designated of employee position responsible for meeting this deadline:

Finance Director

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CURRENT YEAR AUDIT FINDINGS

2017-001 – BANK RECONCILIATIONS AND GENERAL LEDGER CONTROLS OVER CASH

Type of Finding: A

Statement of Condition

During our test work on cash, we noted the bank and investment statements were reconciled monthly by the Treasurer's office; however, the County has not ensured these reconciliations agree globally to the grand total of cash accounts in the general ledger, maintained by the Finance Department. It should be noted that the difference had been identified for some time but the County's accounting software was unable to provide adequate history, data, or reports to resolve the discrepancy.

Additionally, we identified \$1,285,565 of cash, held at New Mexico Finance Authority, related to future debt service and capital projects.

As a result, material adjustments were needed to present cash properly in the financial statements

Criteria

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

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

Cause

The County does not have a documented policy to reconcile bank statements to treasurer reports, the general ledger, and other supporting documentation.

Effect

The County may report and make financial decisions based on incorrect cash and investment balances in the general ledger. In addition, reports from the Treasurer's office and the Finance Department may be presented to the Commission and external parties at different amounts. This could potentially affect financing, funding and other decisions processed by the County.

Recommendation

We recommend that, in addition to reconciling the individual bank and investment accounts, the County also reconciles all of the general ledger cash and investment accounts to the bank reconciliations. Once the global reconciliation is completed, responsible officials from the Finance department and the Treasurer's office should sign off on the reconciliation.

Management Response

County staff will review all NMFA statements and make the appropriate adjustments to include all NMFA activity in the general ledger. The County Treasurer will set up the necessary line items in the computer system and treat the NMFA like a bank and reconcile the activity each month. Staff will also make an adjusting entry to reconcile the general ledger to the cash accounts.

Finding resolved timeline:

June 30, 2018

Designation of employee position responsible for meeting this deadline:

Finance Director and County Treasurer

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2017-002 – TRACKING OF CAPITAL ASSETS

Type of Finding: A

Statement of Condition

During our testing of capital assets, we identified the following:

1. The schedule of additions of capital assets was understated by \$1,906,142.
2. Capital outlay was understated by \$1,906,142.

Criteria

Capital assets are a significant part of the County's financial statements and should be tracked in a system to ensure accuracy. The capital asset listing should be reviewed for accuracy before given to the auditor.

Cause

The County did not account for capital outlay that was paid on the County's behalf by NMFA.

Effect

Without proper tracking of capital assets there is an increased risk that capital assets, and the financial statements, will be materially inaccurate.

Recommendation

We recommend the County ensure procedures are put in place, implemented and followed to ensure that all capital assets are accurately accounted for and properly depreciated. This includes not depreciating assets that are part of construction in progress. Lastly, ensure the capital asset detail agree to the general ledger accounts by their proper capital asset categories.

Management Response

County staff will review all general ledger activity and NMFA statements to ensure all capital assets are entered into the computer system.

Finding resolved timeline:

June 30, 2018

Designation of employee position responsible for meeting this deadline:

Finance Director and Purchasing Director

2017-003 – CERTIFICATION OF CAPITAL ASSETS ANNUAL INVENTORY

Type of Finding: G

Statement of Condition

The County did not conduct an annual physical inventory of its capital assets consisting of those with a historical cost of five thousand dollars or more as of June 30, 2017, as required by State Statute, in a timely manner.

Criteria

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

Cause

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

Effect

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

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Recommendation

We recommend the following:

The County take a physical inventory of capital assets and remove items that do not appear to be with the County anymore.

The County identify items that are still with the County but are considered obsolete or impaired.

Certify the that the inventory is correct and that it be signed by the top governing official of the County, i.e. the County Manager.

Management Response

County staff will make sure that the asset listings are reviewed and physical inventory is conducted by the County Department Heads prior to June 30th.

Corrective Action Plan Timeline:

June 30, 2018

Designation Of Employee Position Responsible For Meeting Deadline:

Finance Director and Purchasing Director

2017-004 –TRACKING NMFA ACTIVITY

Type of Finding: A

Statement of Condition

We noted the following NMFA related activity was missing from the County's general ledger:

1. Cash held by NMFA of \$754,528 (restatement required)
2. Proceeds from debt issuance of \$2,400,000.
3. Capital outlay of \$1,906,142.

Criteria

New Mexico Finance Authority (NMFA) acts as a fiduciary for Torrance County and all activity should be recorded in the County's general ledger. Capital assets, debt, and cash are a significant part of the County's financial statements and should be tracked in a system to ensure accuracy.

Effect

Without proper tracking of NMFA related activity, there is an increased risk that the financial statements will not be materially accurate.

Cause

The County was not aware of the requirement to include NMFA activity in the County's financial statements.

Recommendation

We recommend the County ensure procedures are established, implemented, and followed to ensure that all activity is reflected in the County's financial software.

Management Response

This issue was never brought up by prior auditors so staff was unaware that NMFA activity, other than the debt payments, needed to be recorded in the County's general ledger since the County doesn't have direct control over the cash held by NMFA. County staff will review all NMFA statements and make the appropriate adjustments to include all NMFA activity in the general ledger. Staff will also make an adjusting entry to reconcile the general ledger to the cash accounts.

Corrective Action Plan Timeline:

June 30, 2018

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Designation Of Employee Position Responsible For Meeting Deadline:
Finance Director and County Treasurer

2017-005 – RECONCILING/MONITORING PERA PAYMENTS

Type of Finding: B, G

Statement of Condition

The County did not reconcile payroll expense to remittances to Public Employees Retirement Act (PERA) in a timely manner.

Criteria

For Public Employees Retirement Act (Sections 10-11-1 to 10-11-141 NMSA 1978) members are required to report 100 percent of its payroll according to state audit compliance requirement Subsection G (7) of NMAC 2.2.10.

Effect

Not ensuring the proper amount is remitted to PERA could lead to potential overpayments/underpayments. Overpayments/underpayments could lead to late penalty fees and improper allocations to participants.

Cause

The County has not implemented this control procedure.

Recommendation

The County should ensure PERA payments are reconciled each pay period to ensure payments remitted are correct and the payroll reported to PERA is accurate.

Management's Response

Extensive issues with the PERA RIOS system hindered staff's ability to get PERA remittances and payroll expenses reconciled in a timely manner. Key staff attended a PERA training and worked extensively with PERA staff to remedy the issues. The Finance Department has developed a procedure to reconcile PERA payroll expenses to remittances each payroll.

Corrective Action Plan Timeline:

June 30, 2018

Designated Employee Responsible for Corrective Action:

Finance Director

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OTHER DISCLOSURES
FOR THE YEAR ENDED JUNE 30, 2017**

A. PREPARATION OF FINANCIAL STATEMENTS

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

B. EXIT CONFERENCE

The contents of the report for Torrance County were discussed on April 18, 2018. The following individuals were in attendance.

Torrance County Officials

Belinda Garland

Amanda Tenorio

Kristin Oliver

Noah Sedillo

Julia DuCharme

Kathryn Hernandez

Tracy Sedillo

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

Auditors

Farley Vener, CPA, CFE, CGMA

Maclen Enriquez, CPA

President & Managing Shareholder
Audit Manager