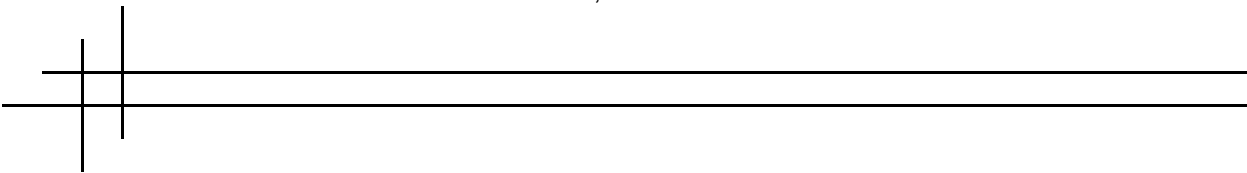


STATE OF NEW MEXICO
VILLAGE OF LOGAN

ANNUAL FINANCIAL REPORT
June 30, 2009

De'Aun Willoughby CPA, PC
Certified Public Accountant
Melrose, New Mexico



STATE OF NEW MEXICO
VILLAGE OF LOGAN
 Table of Contents
 For the Year Ended June 30, 2009

	<u>Page</u>
Official Roster.....	4
Independent Auditor's Report.....	5-6
FINANCIAL SECTION	
Basic Financial Statements	
Government Wide Financial Statements	
Statement of Net Assets.....	8
Statement of Activities.....	9
Fund Financial Statements	
Government Funds - Balance Sheet.....	10-12
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets.....	13
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	14-16
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities.....	17
MAJOR FUNDS	
General	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	18-20
Fire	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	21
EMS	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Non-GAAP-Budgetary Basis)	22
Health Clinic	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	23
Lodgers Tax	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	24
Proprietary Funds	
Statement of Net Assets.....	25
Statement of Revenues, Expenses and Changes in Fund Net Assets.....	26
Statement of Cash Flows.....	27
Statement of Fiduciary Assets and Liabilities - Agency Funds	28
Notes to Financial Statements.....	29-45
SUPPLEMENTAL INFORMATION	
Non-major Special Revenue Funds	
Combining Balance Sheet.....	48-50
Combining Statement of Revenues, Expenditures and Changes in Fund Balance.....	51-53

STATE OF NEW MEXICO
VILLAGE OF LOGAN
 Table of Contents
 For the Year Ended June 30, 2009

	<u>Page</u>
Recreation	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	54
Senior Citizens	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	55
Cemetery	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	56
Law Enforcement	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Non-GAAP-Budgetary Basis)	57
Correction	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	58
Lodgers Tax Promotional	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	59
Street Gas Tax	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	60
Infrastructure	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	61
ENTERPRISE FUNDS	
Water and Sewer Funds	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	63-64
Landfill Fund	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	65
OTHER SUPPLEMENTAL INFORMATION	
AGENCY FUND	
Schedule of Changes in Assets and Liabilities-Agency Funds	67
FEDERAL COMPLIANCE	
Schedule of Expenditures of Federal Awards.....	68
Notes to the Schedule of Expenditures of Federal Awards.....	69
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	70-71
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.....	72-73
Schedule of Findings and Questioned Costs.....	74

STATE OF NEW MEXICO
VILLAGE OF LOGAN
Official Roster
June 30, 2009

BOARD OF TRUSTEES

David Babb	Mayor
Apolonio Ramirez	Trustee
Russell Feerer	Trustee
Rose Marie Lower	Trustee
Darrel Boulware	Trustee

ADMINISTRATIVE OFFICIAL

Larry Wallin	Village Administrator
Angelina Cordova	Clerk/Treasurer

Independent Auditor's Report

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the VILLAGE OF LOGAN

Mr. Balderas and Members of the Board

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the VILLAGE OF LOGAN, (Village), as of and for the year ended June 30, 2009, which collectively comprise the Village's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Village's nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the Village's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village as of June 30, 2009, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparisons for the general fund and the major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the Village as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for all the nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2009, on our consideration of the Village'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 *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

The Village has not presented management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, and the combining and individual fund financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by US Office of Management and Budget circular A-133, *Audits of States, Local Governments, and Non Profit Organizations*, and is not a required part of the financial statements. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Village. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

De'Aun Willoughby CPA PC

November 30, 2009

FINANCIAL SECTION

STATE OF NEW MEXICO
VILLAGE OF LOGAN
 Government-Wide Statement of Net Assets
 June 30, 2009

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 726,941	\$ 754,052	\$ 1,480,993
Investments	220,500	0	220,500
Receivables			
Accounts	42,417	49,750	92,167
Interest	1,748	440	2,188
Taxes	41,908	769	42,677
Inventory	1,966	5,111	7,077
Total Current Assets	<u>1,035,480</u>	<u>810,122</u>	<u>1,845,602</u>
Noncurrent Assets			
Restricted Cash	24,818	22,450	47,268
Capital Assets	7,494,814	3,590,829	11,085,643
Less: Accumulated Depreciation	<u>(3,932,794)</u>	<u>(795,671)</u>	<u>(4,728,465)</u>
Total Noncurrent Assets	<u>3,586,838</u>	<u>2,817,608</u>	<u>6,404,446</u>
Total Assets	<u>4,622,318</u>	<u>3,627,730</u>	<u>8,250,048</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	3,445	5,078	8,523
Accrued Interest	1,905	0	1,905
Current Portion of Long-Term Debt	65,952	0	65,952
Total Current Liabilities	<u>71,302</u>	<u>5,078</u>	<u>76,380</u>
Noncurrent Liabilities			
Compensated Absences	63,278	6,467	69,745
Customer Deposits	0	22,450	22,450
Non Current Portion of Long Term Debt	447,774	0	447,774
Total Noncurrent Liabilities	<u>511,052</u>	<u>28,917</u>	<u>539,969</u>
Total Liabilities	<u>582,354</u>	<u>33,995</u>	<u>616,349</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	3,073,112	2,817,608	5,890,720
Unrestricted	966,852	776,127	1,742,979
Total Net Assets	<u>\$ 4,039,964</u>	<u>\$ 3,593,735</u>	<u>\$ 7,633,699</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
 Government-Wide Statement of Activities
 For the Year Ended June 30, 2009

Functions/Programs	Program Revenues				Net(Expenses) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	\$ 343,546	\$ 3,880	\$ 167,467	\$ 0	\$ (172,199)	\$ 0	\$ (172,199)
Public Safety	406,558	96,628	173,640	0	(136,290)	0	(136,290)
Public Works	299,408	375	0	0	(299,033)	0	(299,033)
Health & Welfare	189,367	0	158,700	0	(30,667)	0	(30,667)
Culture & Recreation	65,755	0	35,000	0	(30,755)	0	(30,755)
Interest on Long-Term Obligations	11,011	0	0	0	(11,011)	0	(11,011)
Total Governmental Activities	\$ 1,315,645	\$ 100,883	\$ 534,807	\$ 0	(679,955)	0	(679,955)
Business-type Activities							
Water & Sewer	\$ 306,936	\$ 428,542	\$ 0	\$ 1,079,770	0	1,201,376	1,201,376
Landfill	111,486	181,661	0	0	0	70,175	70,175
Total Business-type Activities	\$ 418,422	\$ 610,203	\$ 0	\$ 1,079,770	0	1,271,551	1,271,551
General Revenues							
Taxes							
Property					109,003	0	109,003
Gross Receipts					441,184	8,697	449,881
Franchise					6,689	0	6,689
Gasoline					28,098	0	28,098
Other Taxes					25,002	0	25,002
Gain on Sale of Assets					6,308	0	6,308
Miscellaneous					59,302	0	59,302
Interest Income					21,652	14,490	36,142
Total General Revenues and Transfers					697,238	23,187	720,425
Change in Net Assets					17,283	1,294,738	1,312,021
Net Assets - beginning					4,022,681	2,298,997	6,321,678
Net Assets - ending					\$ 4,039,964	\$ 3,593,735	\$ 7,633,699

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2009

	<u>General Fund</u>	<u>Fire Fund</u>	<u>EMS</u>
ASSETS			
Cash and Cash Equivalents	\$ 398,896	\$ 8,195	\$ 39,587
Investments	220,500	0	0
Receivables			
Accounts	0	0	42,417
Interest	1,417	0	0
Taxes	35,812	0	0
Inventory	0	0	1,966
Restricted Cash	0	23,697	1,121
Total Assets	<u>\$ 656,625</u>	<u>\$ 31,892</u>	<u>\$ 85,091</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Current Liabilities			
Accounts Payables	\$ 2,237	\$ 0	\$ 663
Deferred Revenue	<u>0</u>	<u>0</u>	<u>27,920</u>
Total Liabilities	<u>2,237</u>	<u>0</u>	<u>28,583</u>
Fund Balances			
Unreserved Reported In:			
General Fund	654,388	0	0
Special Revenue Fund	<u>0</u>	<u>31,892</u>	<u>56,508</u>
Total Fund Balances	<u>654,388</u>	<u>31,892</u>	<u>56,508</u>
Total Liabilities and Fund Balances	<u>\$ 656,625</u>	<u>\$ 31,892</u>	<u>\$ 85,091</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2009

	Health Clinic	Lodgers Tax	Non-Major Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 12,199	\$ 16,903	\$ 251,161
Investments	0	0	0
Receivables			
Accounts	0	0	0
Interest	0	0	331
Taxes	0	1,422	4,674
Inventory	0	0	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 12,199</u>	<u>\$ 18,325</u>	<u>\$ 256,166</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Current Liabilities			
Accounts Payables	\$ 0	\$ 37	\$ 508
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>37</u>	<u>508</u>
Fund Balances			
Unreserved Reported In:			
General Fund	0	0	0
Special Revenue Fund	12,199	18,288	255,658
Total Fund Balances	<u>12,199</u>	<u>18,288</u>	<u>255,658</u>
Total Liabilities and Fund Balances	<u>\$ 12,199</u>	<u>\$ 18,325</u>	<u>\$ 256,166</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2009

	Total Governmental Funds
	<u> </u>
ASSETS	
Cash and Cash Equivalents	\$ 726,941
Investments	220,500
Receivables	
Accounts	42,417
Interest	1,748
Taxes	41,908
Inventory	1,966
Restricted Cash	24,818
Total Assets	<u>\$ 1,060,298</u>
 LIABILITIES AND FUND BALANCE	
Liabilities	
Current Liabilities	
Accounts Payables	\$ 3,445
Deferred Revenue	<u>27,920</u>
Total Liabilities	<u>31,365</u>
Fund Balances	
Unreserved Reported In:	
General Fund	654,388
Special Revenue Fund	<u>374,545</u>
Total Fund Balances	<u>1,028,933</u>
 Total Liabilities and Fund Balances	 <u>\$ 1,060,298</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Assets
 June 30, 2009

Amounts reported for governmental activities in the statement of net assets are different because:

Total Fund Balance - Governmental Funds	\$	1,028,933
---	----	-----------

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

The cost of capital assets	\$	7,494,814	
Accumulated depreciation is		<u>(3,932,794)</u>	3,562,020

Because some charges for services for the Ambulance Fund will not be collected for several months after the Village's fiscal year ends, they are not considered "available" revenues in the governmental funds, and are instead reported as deferred revenues. They are however, recorded as revenues in the Statement of Activities.

27,920

Long-term and certain other liabilities, including notes payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and other liabilities at year end consist of :

Notes Payable	(513,726)	
Accrued interest on Notes Payable	(1,905)	
Compensated Absences	<u>(63,278)</u>	<u>(578,909)</u>

Total net assets - governmental activities	\$	<u><u>4,039,964</u></u>
--	----	-------------------------

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2009

	General Fund	Fire Fund	EMS
Revenues			
Taxes			
Property	\$ 109,003	\$ 0	\$ 0
Gross Receipts	386,990	0	0
Franchise	6,689	0	0
Motor Vehicle	8,729	0	0
Cigarette	3,079	0	0
Lodgers	0	0	0
Gasoline	0	0	0
Infrastructure	0	0	0
Interest Income	8,299	8,641	611
Fees, Fines & Forfeitures	225	0	0
License & Permits	3,880	0	0
State Grants	167,467	140,295	10,945
Charges for Services	53,360	0	37,882
Miscellaneous	16,070	27,248	582
Total Revenues	<u>763,791</u>	<u>176,184</u>	<u>50,020</u>
Expenditures			
Current			
General Government	296,505	0	0
Public Safety	254,538	57,117	37,258
Public Works	104,021	0	0
Health & Welfare	0	0	0
Culture & Recreation	15,806	0	0
Capital Outlay	24,953	495,162	0
Debt Service			
Principal	0	34,233	8,750
Interest	0	7,244	0
Total Expenditures	<u>695,823</u>	<u>593,756</u>	<u>46,008</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>67,968</u>	<u>(417,572)</u>	<u>4,012</u>
Other Financing Sources (Uses)			
Transfers	(25,605)	0	0
Loan Proceeds	0	361,500	0
Sale of Land	12,605	0	0
Total Other Sources (Uses)	<u>(13,000)</u>	<u>361,500</u>	<u>0</u>
Net Change in Fund Balance	54,968	(56,072)	4,012
Fund Balance at Beginning of year	<u>599,420</u>	<u>87,964</u>	<u>52,496</u>
Fund Balance End of Year	<u>\$ 654,388</u>	<u>\$ 31,892</u>	<u>\$ 56,508</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2009

	Health Clinic	Lodgers Tax	Non-Major Governmental Funds
Revenues			
Taxes			
Property	\$ 0	\$ 0	\$ 0
Gross Receipts	0	0	17,771
Franchise	0	0	0
Motor Vehicle	0	0	0
Cigarette	0	0	1,545
Lodgers	0	11,649	0
Gasoline	0	0	28,098
Infrastructure	0	0	36,423
Interest Income	127	222	3,752
Fees, Fines & Forfeitures	0	0	150
License & Permits	0	0	0
State Grants	158,700	0	57,400
Charges for Services	0	0	4,883
Miscellaneous	5,500	0	9,902
Total Revenues	<u>164,327</u>	<u>11,871</u>	<u>159,924</u>
Expenditures			
Current			
General Government	0	0	0
Public Safety	0	0	10,518
Public Works	0	0	14,535
Health & Welfare	177,380	0	0
Culture & Recreation	0	35	30,287
Capital Outlay	3,502	0	65,484
Debt Service			
Principal	0	0	13,808
Interest	0	0	2,331
Total Expenditures	<u>180,882</u>	<u>35</u>	<u>136,963</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(16,555)</u>	<u>11,836</u>	<u>22,961</u>
Other Financing Sources (Uses)			
Transfers	0	(15,000)	40,605
Loan Proceeds	0	0	0
Sale of Land	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>(15,000)</u>	<u>40,605</u>
Net Change in Fund Balance	(16,555)	(3,164)	63,566
Fund Balance at Beginning of year	<u>28,754</u>	<u>21,452</u>	<u>192,092</u>
Fund Balance End of Year	<u>\$ 12,199</u>	<u>\$ 18,288</u>	<u>\$ 255,658</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2009

	Total Governmental Funds
Revenues	
Taxes	
Property	\$ 109,003
Gross Receipts	404,761
Franchise	6,689
Motor Vehicle	8,729
Cigarette	4,624
Lodgers	11,649
Gasoline	28,098
Infrastructure	36,423
Interest Income	21,652
Fees, Fines & Forfeitures	375
License & Permits	3,880
State Grants	534,807
Charges for Services	96,125
Miscellaneous	<u>59,302</u>
Total Revenues	<u>1,326,117</u>
Expenditures	
Current	
General Government	296,505
Public Safety	359,431
Public Works	118,556
Health & Welfare	177,380
Culture & Recreation	46,128
Capital Outlay	589,101
Debt Service	
Principal	56,791
Interest	<u>9,575</u>
Total Expenditures	<u>1,653,467</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(327,350)</u>
Other Financing Sources (Uses)	
Transfers	0
Loan Proceeds	361,500
Sale of Land	<u>12,605</u>
Total Other Sources (Uses)	<u>374,105</u>
Net Change in Fund Balance	46,755
Fund Balance at Beginning of year	<u>982,178</u>
Fund Balance End of Year	<u>\$ 1,028,933</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
 Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balance
 To the Statement of Activities
 June 30, 2009

Net Change in Fund Balance \$ 46,755

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Because some property taxes and receivables will not be collected for several months after the Village's fiscal year ends, they are not considered "available" revenues in the governmental funds, and are instead reported as deferred revenues. They are however, recorded as revenues in the Statement of Activities.

Charge for Services for the Ambulance Fund 504

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Assets and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which depreciation exceeds capital outlays in the period.

Depreciation expense	\$ (299,377)	
Basis of Disposed Capital Assets	(6,297)	
Capital Outlays	589,101	283,427

The issuance of long-term debt provides current financial resources to governmental funds but has no effect on net assets. (361,500)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 56,791

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (1,436)

Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (7,258)

Changes in Net Assets of Governmental Activities \$ 17,283

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
GENERAL

Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Taxes				
Property	\$ 91,994	\$ 91,994	\$ 109,342	\$ 17,348
Franchise	9,400	9,400	6,689	(2,711)
Gross Receipts	315,500	315,500	390,752	75,252
Motor Vehicle	8,500	8,500	7,985	(515)
Cigarette	3,000	3,000	3,132	132
Interest Income	13,000	13,000	11,658	(1,342)
Fines & Forfeitures	200	200	225	25
State Grants	61,000	61,000	167,467	106,467
License & Permits	4,000	4,000	3,880	(120)
Charges for Services	81,850	81,850	53,360	(28,490)
Miscellaneous	28,650	28,650	16,070	(12,580)
Total Revenues	<u>617,094</u>	<u>617,094</u>	<u>770,560</u>	<u>153,466</u>
Expenditures				
Executive				
Personnel Services	155,733	155,733	50,044	105,689
Operating Expenses	4,267	4,267	2,084	2,183
Total Executive	<u>160,000</u>	<u>160,000</u>	<u>52,128</u>	<u>107,872</u>
Financial Department				
Personnel Services	194,254	194,254	169,980	24,274
Operating Expenses	27,300	27,300	24,063	3,237
Fees	877	877	0	877
Bulk Gas & Oil	2,000	2,000	780	1,220
Accounts Payable	1,500	1,500	714	786
Capital Outlay	30,669	30,669	24,953	5,716
Total Financial Department	<u>256,600</u>	<u>256,600</u>	<u>220,490</u>	<u>36,110</u>
Police Department				
Personnel Services	233,794	233,794	230,770	3,024
Operating Expenses	15,000	15,000	11,091	3,909
MADD Program	6,000	6,000	0	6,000
DWI-Overtime	1,000	1,000	4,249	(3,249)
Animal Control	2,000	2,000	500	1,500
Bulk Gas & Oil	8,000	8,000	7,699	301
Accounts Payable	1,500	1,500	1,647	(147)
Total Police Department	<u>\$ 267,294</u>	<u>\$ 267,294</u>	<u>\$ 255,956</u>	<u>\$ 11,338</u>

STATE OF NEW MEXICO
VILLAGE OF LOGAN
GENERAL

Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Highway & Streets				
Personnel Services	\$ 27,831	\$ 27,831	\$ 27,050	\$ 781
Operating Expenses	14,700	14,700	23,433	(8,733)
Bulk Gas & Oil	8,000	8,000	7,478	522
Accounts Payable	1,000	1,000	493	507
Capital Outlay	10,969	10,969	5,250	5,719
Total Highway & Streets	<u>62,500</u>	<u>62,500</u>	<u>63,704</u>	<u>(1,204)</u>
Motor Vehicle Department				
Personnel Services	32,616	32,616	35,053	(2,437)
Operating Expenses	2,900	2,900	2,861	39
Accounts Payable	200	200	83	117
Capital Outlay	0	0	1,754	(1,754)
Total Motor Vehicle Department	<u>35,716</u>	<u>35,716</u>	<u>39,751</u>	<u>(4,035)</u>
Civic Center				
Personnel Services	11,308	11,308	11,452	(144)
Operating Expenses	6,492	6,492	4,198	2,294
Accounts Payable	200	200	229	(29)
Total Civic Center	<u>18,000</u>	<u>18,000</u>	<u>15,879</u>	<u>2,121</u>
Insurance				
Employee Bonds	800	800	550	250
General fund	10,000	10,000	11,159	(1,159)
Risk Management	9,000	9,000	9,000	0
Workers Compensation	6,000	6,000	6,000	0
Total Insurance	<u>25,800</u>	<u>25,800</u>	<u>26,709</u>	<u>(909)</u>
Miscellaneous				
Election Expense	3,000	3,000	0	3,000
Asst to Chamber of Commerce	750	750	750	0
Fees	5,000	5,000	1,966	3,034
Tornado Disaster	600	600	600	0
EPCOG	443	443	886	(443)
NM State Library	300	300	300	0
Capital Outlay	62,000	62,000	16,867	45,133
Total Miscellaneous	<u>72,093</u>	<u>72,093</u>	<u>21,369</u>	<u>50,724</u>
Economic Development				
Operating Expenses	<u>30,000</u>	<u>30,000</u>	<u>764</u>	<u>29,236</u>
Total Economic Development	<u>30,000</u>	<u>30,000</u>	<u>764</u>	<u>29,236</u>
Total Expenditures	\$ <u>928,003</u>	\$ <u>928,003</u>	\$ <u>696,750</u>	\$ <u>231,253</u>

STATE OF NEW MEXICO
VILLAGE OF LOGAN
GENERAL

Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Excess (Deficiency) of Revenues Over Expenditures	\$ (310,909)	\$ (310,909)	\$ 73,810	\$ 384,719
Other Financing Sources (Uses)				
Transfers In/(Out)	(13,000)	(13,000)	(25,605)	(12,605)
Transfer in from Agency Fund	0	0	100	100
Sale of Land	0	0	12,605	12,605
Total Other Sources (Uses)	<u>(13,000)</u>	<u>(13,000)</u>	<u>(12,900)</u>	<u>100</u>
Net Change in Cash Balance	(323,909)	(323,909)	60,910	384,819
Cash Balance Beginning of Year	<u>558,486</u>	<u>558,486</u>	<u>558,486</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 234,577</u>	<u>\$ 234,577</u>	<u>\$ 619,396</u>	<u>\$ 384,819</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 60,910	
Net Change in Taxes Receivables			(3,410)	
Net Change in Interest Receivables			(3,360)	
Net Change in Accounts Payable			928	
Transfer from Agency Fund			<u>(100)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 54,968</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
SPECIAL REVENUE FUND-FIRE
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 500	\$ 500	\$ 8,641	\$ 8,141
State Grant	110,000	110,000	121,158	11,158
Miscellaneous	22,500	22,500	27,248	4,748
Total Revenues	<u>133,000</u>	<u>133,000</u>	<u>157,047</u>	<u>15,906</u>
Expenditures				
Public Safety				
Operating Expenses	13,700	13,700	20,343	(6,643)
Utilities	12,500	12,500	11,741	759
Bulk Gas & Oil	4,000	4,000	2,812	1,188
Training	10,000	10,000	833	9,167
Insurance	20,000	20,000	20,489	(489)
Accounts Payable	2,000	2,000	899	1,101
Lease Purchase				
Interest	0	0	2,424	(2,424)
Principal	22,652	22,652	19,916	2,736
Capital Outlay	494,031	494,031	495,162	(1,131)
Total Expenditures	<u>578,883</u>	<u>578,883</u>	<u>574,619</u>	<u>4,264</u>
Excess (Deficiency) of Revenues Over Expenditures	(445,883)	(445,883)	(417,572)	28,311
Other Financing Sources (Uses)				
Transfer In/(Out)	360,000	360,000	361,500	1,500
Total Other Sources (Uses)	<u>360,000</u>	<u>360,000</u>	<u>361,500</u>	<u>1,500</u>
Net Change in Cash Balance	(85,883)	(85,883)	(56,072)	29,811
Cash Balance Beginning of Year	<u>87,963</u>	<u>87,963</u>	<u>87,963</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 2,080</u>	<u>\$ 2,080</u>	<u>\$ 31,891</u>	<u>\$ 29,811</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (56,072)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ (56,072)	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO

VILLAGE OF LOGAN

SPECIAL REVENUE FUND-EMS

Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 1,300	\$ 1,300	\$ 611	\$ (689)
State Grant	15,000	15,000	9,205	(5,795)
Ambulance Services	32,000	32,000	37,882	5,882
Donations	500	500	100	(400)
Miscellaneous	500	500	482	(18)
Total Revenues	<u>49,300</u>	<u>49,300</u>	<u>48,280</u>	<u>(1,020)</u>
Expenditures				
Public Safety				
Personnel Services	1,451	1,451	1,297	154
Operating Expenses	30,899	30,899	22,180	8,719
Bulk Gas & Oil	5,000	5,000	2,245	2,755
Training	5,000	5,000	3,004	1,996
Insurance	8,000	8,000	8,000	0
Lease Purchase				
Principal	8,850	8,850	8,849	1
Interest	0	0	0	0
Accounts Payable	800	800	356	444
Total Expenditures	<u>60,000</u>	<u>60,000</u>	<u>45,931</u>	<u>14,069</u>
Excess (Deficiency) of Revenues Over Expenditures	(10,700)	(10,700)	2,349	13,049
Cash Balance Beginning of Year	<u>37,238</u>	<u>37,238</u>	<u>37,238</u>	<u>0</u>
Cash Balance End of Year	\$ <u>26,538</u>	\$ <u>26,538</u>	\$ <u>39,587</u>	\$ <u>13,049</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 2,349	
Net Change in Restricted Cash			99	
Net Change in Receivables			2,243	
Net Change in Inventory			131	
Net Change in Accounts Payable			(307)	
Net Change in Deferred Revenue			(503)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>4,012</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
SPECIAL REVENUE FUND-HEALTH CLINIC
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Revenue	\$ 15,197	\$ 15,197	\$ 5,500	\$ (9,697)
Interest Income	0	0	144	144
State Grant	158,700	158,700	158,700	0
Total Revenues	<u>173,897</u>	<u>173,897</u>	<u>164,344</u>	<u>(9,553)</u>
Expenditures				
Public Works				
Operating Expenses	166,697	176,697	177,379	(682)
Capital Outlay	11,755	11,755	3,503	8,252
Total Expenditures	<u>178,452</u>	<u>188,452</u>	<u>180,882</u>	<u>7,570</u>
Excess (Deficiency) of Revenues Over Expenditures	(4,555)	(14,555)	(16,538)	(1,983)
Cash Balance Beginning of Year	<u>28,737</u>	<u>28,737</u>	<u>28,737</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 24,182</u>	<u>\$ 14,182</u>	<u>\$ 12,199</u>	<u>\$ (1,983)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (16,538)	
Net Change in Interest Income			<u>(16)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (16,554)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
SPECIAL REVENUE FUND-LODGERS TAX
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Lodgers Tax	\$ 8,000	\$ 8,000	\$ 11,637	\$ 3,637
Interest Income	300	300	222	(78)
Total Revenues	<u>8,300</u>	<u>8,300</u>	<u>11,859</u>	<u>3,559</u>
Expenditures				
Culture & Recreation				
Operating	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	8,300	8,300	11,859	3,559
Other Financing Sources (Uses)				
Transfer to Promotional	(15,000)	(15,000)	(15,000)	0
Total Other Sources (Uses)	<u>(15,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>0</u>
Net Change in Cash Balance	(6,700)	(6,700)	(3,141)	3,559
Cash Balance Beginning of Year	<u>20,044</u>	<u>20,044</u>	<u>20,044</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 13,344</u>	<u>\$ 13,344</u>	<u>\$ 16,903</u>	<u>\$ 3,559</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (3,141)	
Net Change in Taxes Receivables			12	
Net Change in Accounts Payable			(37)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (3,166)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
 PROPRIETARY FUND
 Statement of Net Assets
 June 30, 2009

ASSETS	Water and Sewer Fund	Landfill Fund	Total
Current Assets			
Cash and Cash Equivalents	\$ 382,868	\$ 371,184	\$ 754,052
Receivables			
Accounts	34,913	14,837	49,750
Interest	0	440	440
Taxes	0	769	769
Inventory	5,111	0	5,111
Total Current Assets	<u>422,892</u>	<u>387,230</u>	<u>810,122</u>
Noncurrent Assets			
Restricted Cash	22,450	0	22,450
Capital Assets	3,409,402	181,427	3,590,829
Less Accumulated Depreciation	<u>(733,469)</u>	<u>(62,202)</u>	<u>(795,671)</u>
Total Noncurrent Assets	<u>2,698,383</u>	<u>119,225</u>	<u>2,817,608</u>
Total Assets	<u>3,121,275</u>	<u>506,455</u>	<u>3,627,730</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	3,077	2,001	5,078
Total Current Liabilities	<u>3,077</u>	<u>2,001</u>	<u>5,078</u>
Noncurrent Liabilities			
Compensated Absences	4,718	1,749	6,467
Customer Deposits	22,450	0	22,450
Total Noncurrent Liabilities	<u>27,168</u>	<u>1,749</u>	<u>28,917</u>
Total Liabilities	<u>30,245</u>	<u>3,750</u>	<u>33,995</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	2,698,383	119,225	2,817,608
Unrestricted	392,647	383,480	776,127
Total Net Assets	<u>\$ 3,091,030</u>	<u>\$ 502,705</u>	<u>\$ 3,593,735</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
 PROPRIETARY FUND
 Statement of Revenue, Expenses and Changes in Fund Net Assets
 For the Year Ended June 30, 2009

	Water and Sewer Fund	Landfill Fund	Total
Revenues			
Sales & Service	\$ 428,542	\$ 181,661	\$ 610,203
Total Revenues	<u>428,542</u>	<u>181,661</u>	<u>610,203</u>
Expenses			
Personnel Services	121,241	37,958	159,199
Operating Expenses	132,288	63,454	195,742
Depreciation	49,473	10,074	59,547
Total Expenses	<u>303,002</u>	<u>111,486</u>	<u>414,488</u>
Operating Income (Loss)	<u>125,540</u>	<u>70,175</u>	<u>195,715</u>
Nonoperating Revenue (Expenses)			
Taxes	0	8,697	8,697
Federal Grant	1,079,770	0	1,079,770
Interest Income	8,567	5,923	14,490
Interest Expense	(3,934)	0	(3,934)
Total Nonoperating Revenue (Expense)	<u>1,084,403</u>	<u>14,620</u>	<u>1,099,023</u>
Change in Net Assets	1,209,943	84,795	1,294,738
Total Net Assets - Beginning	<u>1,881,087</u>	<u>417,910</u>	<u>2,298,997</u>
Total Net Assets - Ending	<u>\$ 3,091,030</u>	<u>\$ 502,705</u>	<u>\$ 3,593,735</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
 PROPRIETARY FUND
 Combined Statement of Cash Flows
 For the Year Ended June 30, 2009

	Water and Sewer Fund	Landfill Fund	Total
Cash Flows from Operating Activities			
Cash Received From Customers	\$ 391,397	\$ 156,405	\$ 547,802
Cash Paid to Suppliers and Employees	216,832	79,013	295,845
Net Cash Provided by Operating Activities	<u>174,565</u>	<u>77,392</u>	<u>251,957</u>
Cash Flows from Noncapital Financing Activities			
Taxes	0	8,697	8,697
Net Cash Provided by Noncapital Financing Activities	<u>0</u>	<u>8,697</u>	<u>8,697</u>
Cash Flows from Capital & Related Financing Activities			
Grants for Construction Projects	1,079,770	0	1,079,770
Acquisition and Construction of Capital Assets	(1,125,492)	(20,079)	(1,145,571)
Principal Paid	(135,935)	0	(135,935)
Interest Paid	(3,932)	0	(3,932)
Net Cash Provided by Capital & Related Financing Activities	<u>(185,589)</u>	<u>(20,079)</u>	<u>(205,668)</u>
Cash Flows from Investing Activities			
Interest Received	8,569	5,923	14,492
Net Cash Provided by Investing Activities	<u>8,569</u>	<u>5,923</u>	<u>14,492</u>
Net Increase (Decrease) in Cash	(2,455)	71,933	69,478
Cash, Beginning of Year	407,771	299,251	707,022
Cash, End of Year	<u>\$ 405,316</u>	<u>\$ 371,184</u>	<u>\$ 776,500</u>
Cash and Cash Equivalents	\$ 382,868	\$ 371,184	\$ 754,052
Restricted Cash	22,450	0	22,450
Total Cash	<u>\$ 405,318</u>	<u>\$ 371,184</u>	<u>\$ 776,502</u>
Reconciliation of Net Income to Net Cash Provided by Operating Activities			
Operating Income (Loss)	\$ 125,540	\$ 70,175	\$ 195,715
Depreciation	49,474	10,074	59,548
Change in Assets and Liabilities			
(Increase) Decrease in Accounts Receivable	(241)	(3,312)	(3,553)
(Increase) Decrease in Interest Receivable	1,173	(98)	1,075
(Increase) Decrease in Taxes Receivable	0	483	483
(Increase) Decrease in Inventories	(547)	0	(547)
Increase (Decrease) in Accounts Payable	2,284	(273)	2,011
Increase (Decrease) in Accrued Interest	(2,701)	0	(2,701)
Increase (Decrease) in Compensated Absences	(379)	343	(36)
Increase (Decrease) in Customer Deposits	(38)	0	(38)
Net Cash Provided by Operating Activities	<u>\$ 174,565</u>	<u>\$ 77,392</u>	<u>\$ 251,957</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
Statement of Fiduciary Assets and Liabilities - Agency Funds
For the Year Ended June 30, 2009

	<u>Agency Funds</u>
Assets	
Cash	\$ 0
Total Assets	<u>\$ 0</u>
Liabilities	
Due to Others	\$ 0
Total Liabilities	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the VILLAGE OF LOGAN (Village) have been prepared in accordance with general accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) prior to November 30, 1989 that do not conflict with or contradict GASB pronouncements. The more significant of the Village's accounting policies are described below.

Financial Reporting Entity

The VILLAGE OF LOGAN was incorporated under the laws of the State of New Mexico. The Village operates under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, culture-recreation, public improvements, planning and zoning, and general administrative services.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Village is considered a 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 Village 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 Village has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected Village members are financially accountable. There are no other primary governments with which the Village Board Members are financially accountable. There are no other primary governments with which the Village has a significant relationship.

The accounts of the Village 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 Village are classified into two categories: governmental and proprietary. In turn, each category is divided into separate fund types. The fund classification and a description of each existing fund type follows below:

Basis of Presentation

Government-Wide Financial Statements (GWFS)

The government-wide financial statements (the statement of net assets and the statement of changes in net assets) report information on all of the activities of the Village. Fiduciary funds are not included in the GWFS. Fiduciary Funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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 2) operating grants and contributions that are restricted to meeting the operational requirements of a particular program which includes public safety grants for the fire protection and law enforcement and 3) capital grants or contributions restricted to meeting capital requirements of a particular program including the USDA grant to construct a sewer system. Taxes and other items not properly included amount program revenues are reported instead as general revenues.

The Village segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The Village has presented the following major governmental funds:

General - The General Fund is the general operating fund of the Village and accounts for all revenues and expenditures of the Village not encompassed within other funds.

Fire - To account for operation and maintenance of the Department. Financing is provided by the motor vehicle registration fee of one dollar. Funding is provided under State Statute 24-10A-1 NMSA, 1978 Compilation. Required to be accounted for as a separate fund by New Mexico Department of Health regulation.

EMS - To account for the operation and maintenance of the Village EMS Department. Financing is primarily from an annual EMS allotment and fees collected for emergency transportation. The fund was created by the authority of state grant provisions. (NMSA 59A-53-1)

Health Clinic - To account for the receipts and expenditures related to the Village Health Clinic. Funding is provided by the State Department of Health, Public Health Division, to provide primary health care services. The fund was created by State Grant Provision. NMSA 24-1A-3.1.

Lodgers Tax - To account for a Lodger's Tax which is to be used for cultural and recreational purposes. The fund was created by the authority of state statute. (NMSA 3-38-13 to 24)

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Assets. The Village has presented the following major proprietary funds:

Water & Waste Water - The funds are used to account for the provision of water and sewer to the residents of the Village. Activities of the funds include administration, operations and maintenance of the water and sewer system and billing and collection activities. The funds also account for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds.

Landfill - The Funds are used to account for the provision of garbage services to the residents of the Village. All costs are financed through charges to customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds.

Additionally, the Village reports the following non-major funds types:

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

Capital Projects Fund - The Capital Projects Fund is used to account for all resources for the acquisition of capital facilities by the Village.

Fiduciary Fund - The Fiduciary funds account for assets held by the Village in a trustee or agent capacity.

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Derived tax revenue, such as franchise and sales tax revenue, is recognized when the underlying exchange transaction occurs.

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the Village's taxpayer or citizenry, as a whole; program revenues reduced the cost of the function to be financed from the Village's general revenues. Program revenues include charges for services or applicants who purchase, use or directly benefit from the goods or services provided by the given function.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e. when they become both measurable and available. "Measurable means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Village considers property taxes as available if they are collected within 30 days after year end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

Budgetary Control

1. Prior to June 1, the Village's Clerk-Treasurer submits the budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

2. Prior to July 1, the budget is legally enacted through passage of an ordinance and then must be approved by Local Government Division of the State Department of Finance and Administration.
3. The Village treasurer is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Village Trustees and the State Department of Finance and Administration.
4. Formal budgetary integration is employed as a management control device during the year for all
5. The level of budget authority is at the fund level.

The Proprietary Funds group accounts for funds received in the course of the operation of self-supporting functions which receive their revenues from providing goods or services to internal or external customers. The two types of funds that make up this category are:

1. Enterprise Funds. Enterprise Funds account for operations carried out and financed like a business operation, usually designated to be self-supporting through fees for services and generating revenues from outside sources. The Village of Logan has two of these funds, including the Water and Sewer Fund as well as the Landfill Fund. Enterprise Funds are budgeted as separate cost centers but as integral parts of the work programs.

2. Internal Service Fund (ISF). An ISF accounts for financing goods or services provided by an organizational unit of the Village to other units of the Village, on a self-liquidating, fee-for-service basis. The Village of Logan does not have an ISF Fund.

Cash and Cash Equivalents

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

The Village is authorized under the provisions of Chapter 6, Article 10, paragraph 10, NMSA 1978, to deposit its money in banks, savings and loan associations and/or credit unions whose accounts are insured by an agency of the United States.

Investments

All money not immediately necessary for the public uses of the Village may be invested in :

- (a) bonds or negotiable securities of the United States, the state or any county, municipality or Village which has a taxable valuation of real property for the last preceding year of at least one million dollars (1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding; or
- (b) 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.
- (c) in contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with investment.

Prepaid Items

Prepaid balances are for payments made by the Village in the current year to provide services occurring in the subsequent fiscal year, and the reserve for prepaid items has been recorded to signify that a portion of fund balance is not available for other subsequent expenditures.

Receivables and Payables

Receivables include property taxes, interfund loans that are expected to be paid back and amount due from state government agencies related to various grant agreements. Payables represent routine monthly bills for services rendered and products purchased and accrued salaries and benefits.

Elimination and Reclassifications of Certain Receivables and Payables

In the process of aggregating data for the Statement of Net Assets and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Inventory

Purchased inventory is valued at the lower of cost (first-in, first-out) or market. Inventory consists of pipe and other maintenance items used to maintain the system. Costs are recorded as expenditures at the time individual inventory items are used (consumption method).

Capital Assets

Capital assets, which includes property, plant, equipment (including software), and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Capital assets are recorded at historical costs and depreciated over their estimated useful lives (with no salvage value). Capital assets are defined by the Village as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Donated capital assets are recorded at their estimated fair market value on the date received. 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 construction period interest is not capitalized in the proprietary funds.

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:

Buildings, Improvements and Infrastructure	20-50 Years
Equipment and Vehicles	3-15 Years

Use of Restricted Funds

When both restricted and unrestricted resources are available for use, it is the Villages' policy to use restricted resources first, then unrestricted resources as they are needed.

Revenue

The policy for defining the proprietary fund's operating revenues and expenses is how individual transactions would be categorized for purposes of preparing a statement of cash flows. Transactions for which cash flows are reported as capital and related financing activities, noncapital financing activities, or investing activities normally are not reported as components of operating income.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water, Waste Water and the Solid Waste Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Compensated Absences

All full-time employees are entitled to five to twenty days (depending on employment) a maximum of 20 days can be accrued. Non-salaried employees are eligible for compensation time.

Each permanent employee of the Village accrues sick leave as working days with full pay on the basis of one (1) day per each month of employment. Sick leave may be granted only from duty because of personal illness, legal quarantine, or medical, dental, or optical appointments. In case of an extended sickness in excess of the accumulated sick leave, annual leave may be applied to sick leave. The employee may be eligible to sell sick leave in excess of 10 days at the rate of 75% of regular pay, only upon approval of the board.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net assets are reported as restricted when there are limitations imposed by creditors, grantors or laws or regulations of other governments. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available it will first be applied to restricted resources.

NOTE B: RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS STATEMENTS

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - all Governmental Fund Types is presented on the budgetary basis to provide a comparison of actual results with the budget. The major differences between the budget basis and GAAP (Generally Accepted Accounting Principles) basis are that:

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- B. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

The adjustments necessary to convert the results of operations for the year from GAAP basis to the budget basis for the governmental funds are presented on each individual Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).

NOTE C: CASH AND INVESTMENTS

The Village is required by New Mexico State Statute (Section 6-10-17) to be 50% collateralized. Following is a schedule calculating the requirement and disclosing the pledged securities.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
Notes to the Financial Statements
June 30, 2009

First National Bank

<u>Name of Account</u>	Balance Per Bank 06-30-09	Reconciled Balance	Type
General Fund	\$ 855,281	\$ 852,692	Checking
Primary Care Unit	752	752	Checking
Village of Logan	100,000	100,000	Savings
Village of Logan	200,000	200,000	Savings
Village of Logan	150,000	150,000	Savings
Village of Logan	100,000	100,000	Savings
Village of Logan	100,000	100,000	Savings
TOTAL Deposited	<u>1,506,033</u>	<u>\$ 1,503,444</u>	
Less: FDIC Coverage	<u>(1,106,033)</u>		
Uninsured Amount	400,000		
50% collateral requirement	200,000		
Pledged securities	<u>863,202</u>		
Over (Under) requirement	<u>\$ 663,202</u>		

The difference between the bank balance and reconciled balance is outstanding deposits, outstanding checks, and pending bank adjustments.

The following securities are pledged at **First National Bank**:

<u>Description</u>	<u>CUSIP #</u>	Par/Market Value	<u>Maturity Date</u>
Vaughn NM Municipal School	922382BX3	\$ 85,000	8/1/2014
Eastern NM University	276785UA8	50,000	4/1/2014
Eastern NM University	27678NAK9	25,000	8/15/2011
Eastern NM University	27678NAK9	50,000	5/15/2011
Bernalillo NM Municipal School	085279MY4	25,000	8/1/2017
Espanola NM Public School	296628BK5	25,000	7/1/2012
Roosevelt County GRT	776451AL9	175,000	6/1/2017
FNMA	31402HAS0	21,355	11/1/1933
Luna County NM School	550340CF8	100,000	8/1/2009
FHLB Fixed Rate Note	3313XPFR0	45,454	2/22/2018
FHLB Fixed Rate Note	3133XDVS7	<u>261,393</u>	12/11/2020
		<u>\$ 863,202</u>	

Bank of Albuquerque

<u>Name of Account</u>	Balance Per Bank 06-30-09	Reconciled Balance	Type
NMFA Logan Ute Lake	\$ 24,817	\$ 24,817	Savings
TOTAL Deposited	<u>24,817</u>	<u>\$ 24,817</u>	
Less: FDIC Coverage	<u>(24,817)</u>		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	<u>0</u>		
Over (Under) requirement	<u>\$ 0</u>		

Custodial Credit Risk-Deposits

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 1,530,850
Collateralized:	
Collateral held by the pledging bank in Village's name	0
Uninsured and uncollateralized	0
Total Deposits	<u>\$ 1,530,850</u>

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2009 none of the Village's bank balance of \$1,530,850 was exposed to custodial credit risk.

State Treasurer

<u>Name of Account</u>	<u>Balance Per Bank 06-30-09</u>	<u>Reconciled Balance</u>	<u>Type</u>
Village of Logan	\$ 215,235	\$ 215,235	Savings
Village of Logan Reserve	5,265	5,265	Savings
TOTAL Deposited	<u>\$ 220,500</u>	<u>\$ 220,500</u>	

GASB Statement No. 40, Deposit and Investment Risk Disclosures, relates to how deposits and investments are reported in the annual financial statements of governmental entities. GASB Statement No. 40 disclosures inform financial statement users about deposit and investment risks that could affect a government's ability to provide services and meet its obligations as they become due. GASB Statement No. 40 requires governments to disclose deposit and investment risks related to credit risk (including custodial credit risk), concentration of credit risk, interest rate risk, and foreign currency risk. The State Treasurer's Office provides the following information regarding the LGIP:

1. With respect to credit risk, the LGIP, a government investment pool, 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.
2. GASB Statement No. 40 defines concentration of credit risk as investments of more than 5% in any one issuer. External investment pools, such as the LGIP, are excluded from the requirement of disclosing concentration of credit risk. Therefore, the LGIP is exempt from this disclosure.
3. GASB Statement No. 40 defines interest rate risk as the risk that interest rate variations may adversely affect the fair value of an investment. According to GASB Statement No. 40, an acceptable method for reporting interest rate risk is weighted average maturity ("WAM"). The State Treasurer's Office uses this method for reporting purposes for the LGIP. The WAM of the LGIP is identified on the monthly LGIP investment report found on the State Treasurer's Office website at www.stonm.org. As of June 30, 2009, the LGIP WAM is 43 days.
4. Finally, with respect to foreign currency risk, all investments in the LGIP are in U.S. dollar denominated assets. Therefore, the LGIP has no foreign currency risk. The investments with the State Treasurer are valued at fair value based on quoted market prices as of valuation date.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
Notes to the Financial Statements
June 30, 2009

NOTE D: RESTRICTED CASH

There was \$23,697 restricted cash in the Fire Fund and \$1,022 restricted cash in the EMS Ambulance Fund. This money is restricted for the purpose of retiring debt for the fire truck and ambulance financed by New Mexico Finance Authority. The restricted cash in the Water and Sewer Fund of \$22,440 is reserved for customer deposits.

NOTE E: CAPITAL ASSETS

Capital Assets Balances and Activity for the Year Ended June 30, 2009, is as follows:

	Balance 6/30/08	Increases	Decreases	Balance 6/30/09
Governmental Activities				
Capital Assets, not being Depreciated				
Land	\$ 58,500	\$ 0	\$ 2,000	\$ 56,500
Infrastructure	3,857,416	0	0	3,857,416
Total Capital Assets, not being Depreciated	<u>3,915,916</u>	<u>0</u>	<u>2,000</u>	<u>3,913,916</u>
Capital Assets, being Depreciated				
Buildings & Improvements	1,715,921	220,782	0	1,936,703
Equipment	975,582	178,160	0	1,153,742
Vehicles	285,788	224,659	19,994	490,453
Total Capital Assets, being Depreciated	<u>2,977,291</u>	<u>623,601</u>	<u>19,994</u>	<u>3,580,898</u>
Total Capital Assets	<u>6,893,207</u>	<u>623,601</u>	<u>21,994</u>	<u>7,494,814</u>
Less Accumulated Depreciation				
Infrastructure	2,461,931	171,410	0	2,633,341
Buildings & Improvements	602,996	50,711	0	653,707
Equipment	381,826	50,582	0	432,408
Vehicles	192,359	36,974	15,995	213,338
Total Accumulated Depreciation	<u>3,639,112</u>	<u>309,677</u>	<u>15,995</u>	<u>3,932,794</u>
Capital Assets, net	<u>\$ 3,254,095</u>	<u>\$ 313,924</u>	<u>\$ 5,999</u>	<u>\$ 3,562,020</u>

Depreciation expense was charged to governmental activities as follows:

General	\$ 45,648
Public Safety	41,676
Public Works	180,439
Health & Welfare	12,739
Culture & Recreation	18,875
Total depreciation expenses	<u>\$ 299,377</u>

	Balance 6/30/08	Increases	Decreases	Balance 6/30/09
Water & Sewer				
Capital Assets not being Depreciated				
Land	\$ 193,412	\$ 0	\$ 0	\$ 193,412
Construction in Progress	0	1,111,327	0	1,111,327
Total Capital Assets not being Depreciated	<u>193,412</u>	<u>1,111,327</u>	<u>0</u>	<u>1,304,739</u>

STATE OF NEW MEXICO
VILLAGE OF LOGAN
Notes to the Financial Statements
June 30, 2009

Other Capital Assets				
Buildings & Improvements	2,003,310	0	0	2,003,310
Equipment	67,917	12,877	0	80,794
Vehicles	55,059	0	34,500	20,559
Total Capital Assets, being Depreciated	<u>2,319,698</u>	<u>1,124,204</u>	<u>34,500</u>	<u>2,104,663</u>
Total Capital Assets	<u>2,513,110</u>	<u>2,235,531</u>	<u>34,500</u>	<u>3,409,402</u>
Less Accumulated Depreciation				
Buildings & Improvements	673,349	41,268	0	714,617
Equipment	25,492	3,931	0	29,423
Vehicles	19,654	4,275	10,000	13,929
Total Accumulated Depreciation	<u>718,495</u>	<u>49,474</u>	<u>10,000</u>	<u>757,969</u>
Capital Assets, net	<u>\$ 1,601,203</u>	<u>\$ 1,074,730</u>	<u>\$ 24,500</u>	<u>\$ 1,346,694</u>
	Balance			Balance
	6/30/08	Increases	Decreases	6/30/09
Landfill				
Capital Assets not being Depreciated				
Land	\$ 25,000	\$ 0	\$ 0	\$ 25,000
Total Capital Assets not being Depreciated	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>25,000</u>
Other Capital Assets				
Equipment	124,808	21,369	0	146,177
Vehicles	10,250	0	0	10,250
Total Capital Assets, being Depreciated	<u>135,058</u>	<u>21,369</u>	<u>0</u>	<u>156,427</u>
Capital Assets, net	<u>160,058</u>	<u>21,369</u>	<u>0</u>	<u>181,427</u>
Less Accumulated Depreciation				
Equipment	51,445	9,391	0	60,836
Vehicles	683	683	0	1,366
Total Accumulated Depreciation	<u>52,128</u>	<u>10,074</u>	<u>0</u>	<u>62,202</u>
Capital Assets, net	<u>\$ 107,930</u>	<u>\$ 11,295</u>	<u>\$ 0</u>	<u>\$ 119,225</u>

NOTE E: LONG TERM DEBT

Notes Payable

Loans were made with the New Mexico Finance Authority for the purpose of refunding water and sewer bonds and the construction of an equipment storage building. These loans are to be paid with revenues from the Water and Sewer Fund. The loan for 80 acres is with a private individual. The fire truck, ambulance, police vehicle and CNH Capital are general long-term debts of the Village. The capital lease is in Water and Sewer Fund.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
Notes to the Financial Statements
June 30, 2009

A summary of activity in the Long-Term Debt is as follows:

	Balance 6/30/08	Additions	Reductions	Balance 6/30/09	Amounts Due Within One Year
Governmental Activities					
Notes Payable	\$ 209,078	\$ 361,500	\$ 56,792	\$ 513,786	\$ 65,952
Total Notes Payable	<u>209,078</u>	<u>361,500</u>	<u>56,792</u>	<u>513,786</u>	<u>65,952</u>
Other Liabilities					
Compensated Absences					
Absences	56,020	43,732	36,474	63,278	0
Total Other Liabilities	<u>56,020</u>	<u>43,732</u>	<u>36,474</u>	<u>63,278</u>	<u>0</u>
Long-Term Liabilities	<u>\$ 265,098</u>	<u>\$ 405,232</u>	<u>\$ 93,266</u>	<u>\$ 577,064</u>	<u>\$ 65,952</u>

The compensated absences ultimately will be liquidated by the General Fund as they have been in the past.

Description	Maturity Date	Original Amount	Interest Rate	Balance
Fire Truck	05-12-2014	\$ 125,593	2.02%	\$ 105,677
Fire 81-8927-15-4	08-15-2024	101,500	0.00%	101,500
Fire 81-8763-23-7	08-15-2023	260,000	3.4%-3.84%	245,683
Kansas State Bank	04-01-2011	34,500	5.00%	16,831
EMS	06-01-2013	43,969	3.00%	35,219
CNH Capital	11-03-2010	\$ 29,123	6.37%	8,816
				<u>\$ 513,726</u>

The fire allotment grant has been pledged to cover the payments for the three fire truck loans. The LEPF grant has been pledged to cover the payments for the Kansas State Bank loan. The EMS grant has been pledged to cover the loan payment for the ambulance. CNH Capital has a lien on the equipment they finance.

The Tahoe financed by Kansas State Bank was in the Water and Sewer Fund. The vehicle was transferred to the Law Enforcement Protection Fund. The cost of the vehicle was \$34,000, accumulated depreciation was \$10,000 and the loan balance was \$24,500,

The annual requirements to amortize the loans as of June 30, 2009, including interest payments are as follows:

	Principal	Interest	Total
2010	\$ 65,952	\$ 6,273	\$ 72,225
2011	63,792	4,924	68,716
2012	53,461	4,099	57,560
2013	54,130	3,206	57,336
2014	45,983	2,572	48,555
2015-2019	122,129	7,663	129,792

STATE OF NEW MEXICO
VILLAGE OF LOGAN
Notes to the Financial Statements
June 30, 2009

2020-2024	108,279	2,371	110,650
	\$ <u>513,726</u>	\$ <u>31,108</u>	\$ <u>544,834</u>

Proprietary Funds

A summary of activity in the Long-Term Debt is as follows:

	Balance 6/30/08	Additions	Reductions	Balance 6/30/09	Amounts Due Within One Year
Business-Type Activities					
Loans Payable	\$ 135,937	\$ 0	\$ 135,937	\$ 0	\$ 0
Total Notes Payable	<u>135,937</u>	<u>0</u>	<u>135,937</u>	<u>0</u>	<u>0</u>
Other Liabilities					
Compensated Absences	<u>6,505</u>	<u>7,273</u>	<u>7,311</u>	<u>6,467</u>	<u>0</u>
Total Other Liabilities	<u>6,505</u>	<u>7,273</u>	<u>7,311</u>	<u>6,467</u>	<u>0</u>
Long-Term Liabilities	\$ <u>142,442</u>	\$ <u>7,273</u>	\$ <u>143,248</u>	\$ <u>6,467</u>	\$ <u>0</u>

The compensated absences ultimately will be liquidated by the Water & Sewer Fund as they have been in the past.

NOTE F: PROPERTY TAXES

The County collects the Village's share of property taxes assessed. Property taxes attach an enforceable lien on property as of January 1st. Tax notices are sent by the County treasurer to property owners by November 1st of each year to be paid in whole or in two installments by November 10th and April 10th of each year. The County collects such taxes and distributes them to the Village on a monthly basis. The Village accounts for its share of property taxes in the General, Debt Service and Capital Projects Funds. Only those collections received are recorded as revenues for the budget presentation.

NOTE G: PENSION PLAN

Plan Description. Substantially all of the Town'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 www.pera.state.nm.us.

Plan members are required to contribute 7% of their gross salary. The Village is required to contribute 10% of the gross covered salary, and 9.5% for all police employees. The Village's contributions to PERA for the year's ending June 30, 2009, 2008, and 2007, were \$78,785, \$76,901, and \$76,148, respectively, equal to the amount of the required contributions for each year.

NOTE H: POST-EMPLOYMENT BENEFITS

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.

Monies flow to the Retiree Health Care Fund on a pay-as-you-go basis from eligible employers and eligible retirees. Eligible employers consist of institutions of higher education, Villages, or other entities participating in the Public School Insurance Authority, state agencies, state courts, magistrate courts, municipalities or counties, which are affiliated under or covered by the Education Retirement Act, Public Employees Retirement Act, Volunteer Firefighters Retirement Act, Judicial Retirement Act or the Magistrate Retirement Act.

Eligible retirees are: (1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the Retiree Health Care Act on the person's behalf, unless that person retires before the employer's NMRHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employers effective date and the date of retirement and the date of retirement;

(2) Retirees defined by the Act who retired prior to July 1, 1990; and former legislators who served at least two years.

Each participating employer makes contributions to the fund in the amount of 1.3 percent of each participating employee's annual salary. Each employee contributes to the fund an employee contribution in an amount equal to .65 percent of the employee's salary. Each participating retiree pays a monthly premium for the medical plus basic life plan and an additional participation fee of five dollars (\$5.00) if the eligible participant retired prior to the employers NMRHCA effective date or is a former legislator. Participants may also enroll in optional plans of coverage.

The Retiree Health Care Authority issues a separate, publicly available audited financial report that includes post employment benefit expenditures of premiums and claims paid, participant contributions (employer, employee, and retiree), and net expenditures for the fiscal year. The report also includes the approximate number of retirees participating in the plan. That report may be obtained by writing to the RHCA, 4308 Carlisle Blvd. NE, Suite 104, Albuquerque, New Mexico 87107.

For the fiscal year ended June 30, 2009, 2008, and 2007 the Village remitted \$8,432, \$7,845, and \$8,406 in employer and employee contributions to the Retiree Health Care Authority.

GASB 43 and GASB 45 will have a material effect on the financial statements of the Village as they become fully effective in 2007, 2008, 2009 and 2010.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
Notes to the Financial Statements
June 30, 2009

NOTE I: RECEIVABLES

Receivables as of June 30, 2009, were as follows:

<u>Receivables</u>	<u>General</u>	<u>EMS</u>	<u>Lodgers Tax</u>	<u>Non-Major</u>
Accounts Receivable	\$ 0	\$ 42,417	\$ 0	\$ 0
Interest	1,417	0	0	331
Gross Receipts Taxes	35,812	0	0	0
Other Taxes	0	0	1,422	4,674
	<u>\$ 37,229</u>	<u>\$ 42,417</u>	<u>\$ 1,422</u>	<u>\$ 5,005</u>

NOTE J: INTERFUND TRANSFERS

Interfund transfers during the year ended June 30, 2009, were as follows:

<u>Transfers Out</u>	<u>Transfer In</u>		
	<u>Senior Citizens</u>	<u>Lodgers Promotion</u>	<u>Total</u>
General Fund	\$ 25,605	\$ 0	\$ 25,605
Lodgers Tax	15,000	15,000	15,000
	<u>\$ 25,605</u>	<u>\$ 15,000</u>	<u>\$ 40,605</u>

The transfers out from the General Fund to the Senior Citizens Fund for financial support.

NOTE K: RISK MANAGEMENT

The Village participates in the New Mexico Self-Insurers Fund for medical insurance coverage for their employees. Commercial Insurance covers all other losses. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years. There are no claim liabilities at year end.

NOTE L: SURETY BOND

The officials and certain employees of the Village are covered by a surety bond as required by Section 12-6-7, NMSA, 1978 Compilation.

NOTE M: JOINT POWERS AGREEMENTS

Quay County Gaming Authority

The Village of San Jon and the communities of Logan, San Jon and Tucumcari have entered into an Agreement with the Quay County Gaming Authority on April 1, 2007. Whereas, all parties are interested in creating economic development in Quay County after years of economic stagnation; and whereas the State of New Mexico have entered into gambling compacts with the New Mexico Indian Tribes, which allows the State of New Mexico to issue an additional license to conduct Para-mutual horse racing in the State of New Mexico, and whereas a study completed by the Greater Tucumcari Economic Development Corporation has determined that Quay County would be an ideal place for a Para-mutual horse racing track and casino; whereas the Parties believe that it would be in the best interest of the State of New Mexico as well as each Party to this Agreement that the license, track facility and casino be owned and operated by the entities which are Parties to this Agreement; and whereas the Parties desire to pursue the acquisition of a license and ownership of a race track and casino by a Joint Powers Agreement; and whereas it is the desire that Q functions as set forth herein.

The Purposes: The purposes of this Agreement are to pursue through all appropriate means an application for a license to conduct a horse racing meet pursuant to the New Mexico Horse Racing Act and regulations of the State Racing Commission. Also to provide a mechanism, upon being granted a license to conduct a horse racing track and casino for the benefit of the State of New Mexico and Parties to this Agreement.

Contributions: The initial contribution for each entity is as follows: 1.City of Tucumcari: \$24,000 2.County of Quay: \$18,000 3.Village of Logan \$9,000 4.Village of San Jon \$6,000. This shall be the full amount of the project for all communities.

Income Distribution: The Parties anticipate there will be income to distribute to each Party on an annual basis after the payment of all operating expenses, debt service and management fees. The amount subject to distribution, or "net profit", shall be distributed to each Party on an annual basis as follows: 1.City of Tucumcari 40% 2.County of Quay 30% 3.Village of Logan 15% 4.Village of San Jon 10% 5.Quay County Gaming Authority 5%.

Books and Records: Detailed records of all transactions made pursuant to this Joint Powers Agreement shall be kept and maintained by the Authority Board. Books and records shall be available for inspection subject to applicable statues and shall be available to any of the member's Party to this Agreement upon reasonable request for access to the records. The financial records of the Authority shall be audited annually in accordance with the Single Audit Act and reviewed and approved by the State Auditor's Office. The results of the audit shall be reported to the Authority Board. Quay County shall be responsible for all operations, audit responsibility, and shall act as the fiscal agent. All Revenues and Expenditures shall be reported to the Department of Finance- Local Government Division.

Termination and Distribution of Assets

In the event of dissolution of the Authority, for any reason, or termination of this Agreement, the assets of the Authority shall be distributed to the Parties, with each receiving as its share of the distribution the same percentage of that Party's share of the distributable income as set forth in Article VI. An independent appraisal of all of the properties, improvements, equipment and other assets of the Authority shall be conducted and shall form the basis of the distribution of the assets according to this termination section. In the event of dissolution, termination or withdrawal, the Parties shall not be entitled to a refund of the amounts paid. In the event that all the Parties to the Agreement should elect

to terminate this Agreement, the Authority Board shall undertake to immediately establish the conditions under which distribution of assets shall be undertaken in accordance with the provisions of this section. During and after termination is shall be the responsibility of the Authority Board to coordinate the distribution of the assets and conduct a final audit on the operations of the Authority and to deliver such audit to the appropriate state authorities and local jurisdictions that were party to the Agreement during the year in which the termination occurred. Until this occurs this agreement shall be ongoing.

Severability

It is hereby declared to be the intention of the Parties that the articles, sections, subsections, paragraphs, sentences, clauses, and phrases of this Agreement are severable, and if any phrase, clause, sentence, paragraph, section, or article of this Agreement shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, sections, and articles of this Agreement, since the same would have been entered into by the Parties without such invalid portion.

San Jon Cooperative Ambulance and The Village of Logan

The village entered into a joint powers agreement with the San Jon Cooperative Ambulance on December 10th, 1996. The Village of Logan which represents the Logan Fire Department and Logan Ambulance Service, and the County of Quay which represents the Bard-Endee Fire Department and the Nara Visa Fire Department. The purpose of the agreement states that the departments involved provide fire, rescue, and ambulance services for approximately 1165 square miles. Currently, all services are dispatched by the Quay County Sheriff's Department. Several areas within the service area of these departments are unable have radio communication with the Quay County Sheriff's Department due to the distance and locations involved. The village of San Jon acting as the lead agency applied for and received funding from the Emergency Medical Services Fund Act in the amount of \$17,000.00 These funds are to erect a Tower and install a Repeater Unit. The purpose of this agreement is to equally divide between the San Jon Fire Department, San Jon Cooperative Ambulance Service, Bard-Endee Fire Department, Logan Ambulance Service, Logan Fire Department, and the Nara Visa Fire Department all operation and maintenance costs for the duration of the agreement. The Village of San Jon is the fiscal agent, responsible for operations, as well has having Audit Responsibilities. The Local Government Division is the government agency where revenues and expenditures are reported. The Village of Logan contributed \$281 dollars to the San Jon Cooperative Ambulance Service. The Joint Powers agreement shall remain in effect until January 1, 2092 or until this tower and repeater is no longer needed.

NOTE N: COMMITMENTS

The Village is building a sewer system. Phase I will cost an estimated \$9,487,929. The funding will be provided by a grant from USDA of \$4,084,229, a loan from USDA of \$4,340,000, connection fees of \$573,700, a State Legislature grant of \$400,000 and a loan from NMFA of \$90,000.

The funding source began with the USDA grant. Funds expended to date ending June 30, 2009 were \$1,079,770.

**SUPPLEMENTAL INFORMATION RELATED TO
NON MAJOR FUNDS**

NONMAJOR SPECIAL REVENUE FUNDS

Recreation

To account for the operation and maintenance of the Village's youth recreation program. Financing is provided by the state shared cigarette tax. The fund was created by the authority of state statute. (NMSA 7-12-15)

Senior Citizens

To account for the receipts and expenditures of the Senior Citizens. Financing is provided by the Area on Aging. The fund was created by the authority of state statute. (NMSA 7-12-15)

Cemetery

To account for the operations and maintenance of the cemetery. Financing is primarily from the sale of burial lots. The fund was authorized by NMSA 1978 3-40-1 through 9.

Law Enforcement

To account for funds received from the State of New Mexico for law enforcement purposes. The fund was created by the authority of state grant provisions. (NMSA 29-13-3)

Correction

To account for the collection of fines which are used to supplement the cost of prisoner housing. The fund was created by the authority of state statute. (Section 29-1301 NASA 1978)

Lodgers Tax Promotional

To account for revenues and expenditures provided by a Lodger's Tax Fund for the advertising and promotion of the Village. The fund was created by the authority of state statute. (NMSA 3-38-15)

Streets Gas Tax

To account for the receipts and expenditures of special gasoline tax which is restricted for use in repairing and maintaining roads and streets within the municipality. The fund was created by the authority of state statute. (NMSA 7-1-16.9 and 7-13-1 to 18)

Infrastructure

To account for a reserve account used to improvements to roads, sewer system, and the water system. The fund was created by the authority of state statute.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2009

	<u>Recreation</u>	<u>Senior Citizens</u>	<u>Cemetery</u>
ASSETS			
Cash and Cash Equivalents	\$ 10,991	\$ 2,000	\$ 5,986
Receivables			
Taxes	71	0	0
Interest	0	0	0
Total Assets	<u>\$ 11,062</u>	<u>\$ 2,000</u>	<u>\$ 5,986</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 28	\$ 443	\$ 37
Total Liabilities	<u>28</u>	<u>443</u>	<u>37</u>
Fund Balance			
Unreserved Reported In:			
Special Revenue	<u>11,034</u>	<u>1,557</u>	<u>5,949</u>
Total Fund Balance	<u>11,034</u>	<u>1,557</u>	<u>5,949</u>
 Total Liabilities and Fund Balance	 <u>\$ 11,062</u>	 <u>\$ 2,000</u>	 <u>\$ 5,986</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2009

	<u>Law Enforcement</u>	<u>Correction</u>	<u>Lodgers Tax Promotional</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,196	\$ 427	\$ 4,658
Receivables			
Taxes	0	0	0
Interest	0	0	0
Total Assets	<u>\$ 2,196</u>	<u>\$ 427</u>	<u>\$ 4,658</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Unreserved Reported In:			
Special Revenue	<u>2,196</u>	<u>427</u>	<u>4,658</u>
Total Fund Balance	<u>2,196</u>	<u>427</u>	<u>4,658</u>
 Total Liabilities and Fund Balance	 <u>\$ 2,196</u>	 <u>\$ 427</u>	 <u>\$ 4,658</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2009

	<u>Street Gas Tax</u>	<u>Infrastructure</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 39,552	\$ 185,351	\$ 251,161
Receivables			
Taxes	0	4,603	4,674
Interest	0	331	331
Total Assets	<u>\$ 39,552</u>	<u>\$ 190,285</u>	<u>\$ 256,166</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 508
Total Liabilities	<u>0</u>	<u>0</u>	<u>508</u>
Fund Balance			
Unreserved Reported In:			
Special Revenue	<u>39,552</u>	<u>190,285</u>	<u>255,658</u>
Total Fund Balance	<u>39,552</u>	<u>190,285</u>	<u>255,658</u>
 Total Liabilities and Fund Balance	 <u>\$ 39,552</u>	 <u>\$ 190,285</u>	 <u>\$ 256,166</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2008

	<u>Recreation</u>	<u>Senior Citizens</u>	<u>Cemetery</u>
Revenues			
Taxes			
Gross Receipts	\$ 0	\$ 0	\$ 0
Cigarette	1,545	0	0
Gasoline	0	0	0
Infrastructure	0	0	0
Interest Income	154	0	53
Fees, Fines & Forfeitures	0	0	150
State Grants	0	35,000	0
Charges for Services	0	0	4,883
Miscellaneous	0	0	6
Total Revenues	<u>1,699</u>	<u>35,000</u>	<u>5,092</u>
Expenditures			
Current			
Public Safety	0	0	0
Public Works	0	0	1,404
Culture & Recreation	1,984	13,786	0
Health & Welfare	0	0	0
Capital Outlay	0	46,605	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>1,984</u>	<u>60,391</u>	<u>1,404</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(285)</u>	<u>(25,391)</u>	<u>3,688</u>
Other Financing Sources (Uses)			
Transfers In/Out	0	25,605	0
Total Other Sources (Uses)	<u>0</u>	<u>25,605</u>	<u>0</u>
Net Change in Fund Balance	(285)	214	3,688
Fund Balances at Beginning of Year	<u>11,319</u>	<u>1,343</u>	<u>2,261</u>
Fund Balance End of Year	<u>\$ 11,034</u>	<u>\$ 1,557</u>	<u>\$ 5,949</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2008

	<u>Law Enforcement</u>	<u>Correction</u>	<u>Lodgers Tax Promotional</u>
Revenues			
Taxes			
Gross Receipts	\$ 0	\$ 0	\$ 0
Cigarette	0	0	0
Gasoline	0	0	0
Infrastructure	0	0	0
Interest Income	142	0	122
Fees, Fines & Forfeitures	0	0	0
State Grants	22,400	0	0
Charges for Services	0	0	0
Miscellaneous	9,896	0	0
Total Revenues	<u>32,438</u>	<u>0</u>	<u>122</u>
Expenditures			
Current			
Public Safety	10,518	0	0
Public Works	0	0	0
Culture & Recreation	0	0	14,517
Health & Welfare	0	0	0
Capital Outlay	18,879	0	0
Debt Service			
Principal	7,669	0	0
Interest	1,556	0	0
Total Expenditures	<u>38,622</u>	<u>0</u>	<u>14,517</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(6,184)</u>	<u>0</u>	<u>(14,395)</u>
Other Financing Sources (Uses)			
Transfers In/Out	<u>0</u>	<u>0</u>	<u>15,000</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>15,000</u>
Net Change in Fund Balance	(6,184)	0	605
Fund Balances at Beginning of Year	<u>8,380</u>	<u>427</u>	<u>4,053</u>
Fund Balance End of Year	<u>\$ 2,196</u>	<u>\$ 427</u>	<u>\$ 4,658</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2008

	Street Gas Tax	Infrastructure	Total
Revenues			
Taxes			
Gross Receipts	\$ 0	\$ 17,771	\$ 17,771
Cigarette	0	0	1,545
Gasoline	28,098	0	28,098
Infrastructure	0	36,423	36,423
Interest Income	363	2,918	3,752
Fees, Fines & Forfeitures	0	0	150
State Grants	0	0	57,400
Charges for Services	0	0	4,883
Miscellaneous	0	0	9,902
Total Revenues	<u>28,461</u>	<u>57,112</u>	<u>159,924</u>
Expenditures			
Current			
Public Safety	0	0	10,518
Public Works	2,203	10,928	14,535
Culture & Recreation	0	0	30,287
Health & Welfare	0	0	0
Capital Outlay	0	0	65,484
Debt Service			
Principal	6,139	0	13,808
Interest	775	0	2,331
Total Expenditures	<u>9,117</u>	<u>10,928</u>	<u>136,963</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>19,344</u>	<u>46,184</u>	<u>22,961</u>
Other Financing Sources (Uses)			
Transfers In/Out	0	0	40,605
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>40,605</u>
Net Change in Fund Balance	19,344	46,184	63,566
Fund Balances at Beginning of Year	<u>20,208</u>	<u>144,101</u>	<u>192,092</u>
Fund Balance End of Year	<u>\$ 39,552</u>	<u>\$ 190,285</u>	<u>\$ 255,658</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
SPECIAL REVENUE FUND-RECREATION
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Cigarette Taxes	\$ 1,500	\$ 1,500	\$ 1,572	\$ 72
Interest Income	400	400	154	(246)
Total Revenues	<u>1,900</u>	<u>1,900</u>	<u>1,726</u>	<u>(174)</u>
Expenditures				
Culture & Recreation				
Personnel Services	4,608	4,608	0	4,608
Operating Expenses	924	924	1,957	(1,033)
Accounts Payable	100	100	30	70
Capital Outlay	<u>2,368</u>	<u>2,368</u>	<u>0</u>	<u>2,368</u>
Total Expenditures	<u>8,000</u>	<u>8,000</u>	<u>1,987</u>	<u>6,013</u>
Excess (Deficiency) of Revenues Over Expenditures	(6,100)	(6,100)	(261)	5,839
Cash Balance Beginning of Year	<u>11,252</u>	<u>11,252</u>	<u>11,252</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 5,152</u>	<u>\$ 5,152</u>	<u>\$ 10,991</u>	<u>\$ 5,839</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (261)	
Net Change in Taxes Receivables			(26)	
Net Change in Account Payable			2	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (285)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
SPECIAL REVENUE FUND-SENIOR CITIZENS
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 35,000	\$ 35,000	\$ 35,000	\$ 0
Total Revenues	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>0</u>
Expenditures				
Culture & Recreation				
Operating Expenses	15,100	10,751	9,192	1,559
Bulk Gas & Oil	1,000	1,000	1,151	(151)
Insurance	3,000	3,000	3,000	0
Accounts Payable	900	900	309	591
Capital Outlay	<u>35,000</u>	<u>46,000</u>	<u>46,604</u>	<u>(604)</u>
Total Expenditures	<u>55,000</u>	<u>61,651</u>	<u>60,256</u>	<u>1,395</u>
Excess (Deficiency) of Revenues Over Expenditures	(20,000)	(26,651)	(25,256)	1,395
Other Financing Sources (Uses)				
Transfer In/(Out)	<u>20,000</u>	<u>25,000</u>	<u>25,605</u>	<u>605</u>
Total Other Sources (Uses)	<u>20,000</u>	<u>25,000</u>	<u>25,605</u>	<u>605</u>
Net Change in Cash Balance	0	(1,651)	349	2,000
Cash Balance Beginning of Year	<u>1,651</u>	<u>1,651</u>	<u>1,651</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,651</u>	<u>\$ 0</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 349	
Net Change in Accounts Payable			<u>(134)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 215</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
SPECIAL REVENUE FUND-CEMETERY
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 200	\$ 200	\$ 53	\$ (147)
Fees	100	100	150	50
Charges for Services	2,500	2,500	4,883	2,383
Miscellaneous	0	0	6	6
Total Revenues	<u>2,800</u>	<u>2,800</u>	<u>5,092</u>	<u>2,383</u>
Expenditures				
Public Works				
Personnel Services	3,344	3,344	1,060	2,284
Operating Expenses	<u>656</u>	<u>656</u>	<u>981</u>	<u>(325)</u>
Total Expenditures	<u>4,000</u>	<u>4,000</u>	<u>2,041</u>	<u>1,959</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,200)	(1,200)	3,051	4,251
Cash Balance Beginning of Year	<u>2,935</u>	<u>2,935</u>	<u>2,935</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,735</u>	<u>\$ 1,735</u>	<u>\$ 5,986</u>	<u>\$ 4,251</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 3,051	
Net Change in Account Payable			<u>637</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 3,688</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
SPECIAL REVENUE FUND-LAW ENFORCEMENT
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 500	\$ 500	\$ 142	\$ (358)
State Grant	22,100	22,100	22,400	300
Miscellaneous	9,896	9,896	9,896	0
Total Revenues	<u>32,496</u>	<u>32,496</u>	<u>32,438</u>	<u>(58)</u>
Expenditures				
Public Safety				
Operating Expenses	13,375	13,375	10,518	2,857
Capital Outlay	9,896	9,896	18,879	(8,983)
Lease Purchase				
Interest	0	0	1,556	(1,556)
Principal	17,225	17,225	7,669	9,556
Total Expenditures	<u>40,496</u>	<u>40,496</u>	<u>38,622</u>	<u>1,874</u>
Excess (Deficiency) of Revenues Over Expenditures	(8,000)	(8,000)	(6,184)	1,816
Cash Balance Beginning of Year	<u>8,380</u>	<u>8,380</u>	<u>8,380</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 380</u>	<u>\$ 380</u>	<u>\$ 2,196</u>	<u>\$ 1,816</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ (6,184)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (6,184)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
SPECIAL REVENUE FUND-CORRECTION
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Public Safety				
Housing of Prisoners	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>427</u>	<u>427</u>	<u>427</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 427</u>	<u>\$ 427</u>	<u>\$ 427</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
SPECIAL REVENUE FUND-LODGERS TAX PROMOTIONAL
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 100	\$ 100	\$ 122	\$ 22
Total Revenues	<u>100</u>	<u>100</u>	<u>122</u>	<u>22</u>
Expenditures				
Culture & Recreation				
Operating Expenses	<u>15,000</u>	<u>15,000</u>	<u>14,517</u>	<u>483</u>
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>14,517</u>	<u>483</u>
Excess (Deficiency) of Revenues Over Expenditures	(14,900)	(14,900)	(14,395)	505
Other Financing Sources (Uses)				
Transfer In/(Out)	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>
Total Other Sources (Uses)	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>
Net Change in Cash Balance	100	100	605	505
Cash Balance Beginning of Year	<u>4,053</u>	<u>4,053</u>	<u>4,053</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 4,153</u>	<u>\$ 4,153</u>	<u>\$ 4,658</u>	<u>\$ 505</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>605</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>605</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
SPECIAL REVENUE FUND-STREET GAS TAX FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gas Tax	\$ 30,000	\$ 30,000	\$ 30,658	\$ 658
Interest Income	600	600	363	(237)
State Grant	175,000	175,000	0	(175,000)
Total Revenues	<u>205,600</u>	<u>205,600</u>	<u>31,021</u>	<u>(174,579)</u>
Expenditures				
Public Works				
Operating Expenses	22,000	22,000	2,202	19,798
Capital Outlay	175,000	175,000	0	175,000
Debt Service				
Principal	8,000	8,000	6,914	1,086
Interest	0	0	0	0
Total Expenditures	<u>205,000</u>	<u>205,000</u>	<u>9,116</u>	<u>195,884</u>
Excess (Deficiency) of Revenues Over Expenditures	600	600	21,905	21,305
Cash Balance Beginning of Year	<u>17,647</u>	<u>17,647</u>	<u>17,647</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 18,247</u>	<u>\$ 18,247</u>	<u>\$ 39,552</u>	<u>\$ 21,305</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 21,905	
Net Change in Taxes Receivables			(2,561)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 19,344</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
SPECIAL REVENUE FUND-INFRASTRUCTURE
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gross Receipts Tax	\$ 20,000	\$ 20,000	\$ 18,285	\$ (1,715)
Capital Outlay Tax	29,500	29,500	36,423	6,923
Interest Income	500	500	3,237	2,737
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>57,945</u>	<u>7,945</u>
Expenditures				
Public Works				
Operating Expense	<u>100,000</u>	<u>100,000</u>	<u>10,930</u>	<u>89,070</u>
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>10,930</u>	<u>89,070</u>
Excess (Deficiency) of Revenues Over Expenditures	(50,000)	(50,000)	47,015	97,015
Cash Balance Beginning of Year	<u>138,336</u>	<u>138,336</u>	<u>138,336</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 88,336</u>	<u>\$ 88,336</u>	<u>\$ 185,351</u>	<u>\$ 97,015</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 47,015	
Net Change in Taxes Receivables			(513)	
Net Change in Interest Receivables			<u>(318)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 46,184</u>	

The notes to the financial statements are an integral part of this statement.

ENTERPRISE FUNDS

Water and Sewer and Landfill

To account for the provision of water, waste water and solid waste service to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to administration, operations, maintenance, financing and related debt service, and billing and collections.

STATE OF NEW MEXICO

VILLAGE OF LOGAN

PROPRIETARY FUND-WATER AND SEWER FUNDS

Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Charges for Services	\$ 339,229	\$ 339,229	\$ 341,560	\$ 2,331
Fees	19,600	19,600	20,773	1,173
Gross Receipts Tax	24,000	24,000	27,282	3,282
Conservation Tax	7,500	7,500	9,823	2,323
Interest Income	10,000	10,000	9,738	(262)
State Grant	3,500,000	3,500,000	1,079,770	(2,420,230)
Miscellaneous	2,671	2,671	29,064	26,393
Total Revenues	<u>3,903,000</u>	<u>3,903,000</u>	<u>1,518,010</u>	<u>(2,384,990)</u>
Expenditures				
Public Works				
Personnel Services	153,337	153,337	121,621	31,716
Operating Expenses	36,100	36,100	55,635	(19,535)
Bulk Gas & Oil	4,000	4,000	1,656	2,344
Insurance	10,000	10,000	14,865	(4,865)
Fuel & Power	30,000	30,000	36,069	(6,069)
Gross Receipt Tax	15,000	15,000	17,477	(2,477)
Water Allotment	100,000	100,000	0	100,000
Water Conservation Fee	4,000	4,000	4,571	(571)
Administration Cost	40,000	40,000	0	40,000
Accounts Payable	2,000	2,000	793	1,207
Capital Outlay	174,555	3,674,555	1,125,494	2,549,061
Debt Service				
Principal	26,008	135,937	135,937	0
Interest	0	6,346	6,346	0
Total Expenditures	<u>595,000</u>	<u>4,211,275</u>	<u>1,520,464</u>	<u>2,690,811</u>
Excess (Deficiency) of Revenues Over Expenditures	3,308,000	(308,275)	(2,454)	305,821
Cash Balance Beginning of Year	<u>407,771</u>	<u>407,771</u>	<u>407,771</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 3,715,771</u>	<u>\$ 99,496</u>	<u>\$ 405,317</u>	<u>\$ 305,821</u>

STATE OF NEW MEXICO

VILLAGE OF LOGAN

PROPRIETARY FUND-WATER AND SEWER FUNDS

Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)

For the Year Ended June 30, 2009

Reconciliation of Budgetary Basis to GAAP Basis

Excess (Deficiency) of Revenues Over Expenditures-Cash Basis	\$	(2,454)
Net Change in Accounts Receivables		241
Net Change in Interest Receivables		(1,173)
Net Change in Inventory		547
Net Change in Meter Deposits		38
Net Change in Accounts Payable		(2,284)
Net Change in Accrued Interest		2,701
Net Change in Compensated Absences		379
Capital Outlay		1,125,494
Depreciation		(49,483)
Principal		135,937
Change in Net Assets-GAAP Basis	\$	<u>1,209,943</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO

VILLAGE OF LOGAN

PROPRIETARY FUND-LANDFILL FUND

Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gross Receipts Tax	\$ 12,000	\$ 12,000	\$ 9,179	\$ (2,821)
Interest Income	5,000	5,000	5,825	825
Fees	0	0	0	0
State Grant	100,000	100,000	0	(100,000)
Charges for Services	164,000	164,000	161,013	(2,987)
Miscellaneous	0	0	17,337	17,337
Total Revenues	<u>281,000</u>	<u>281,000</u>	<u>193,354</u>	<u>14,350</u>
Expenditures				
Public Works				
Personnel Services	40,358	40,358	37,615	2,743
Operating Expenses	54,642	54,642	47,364	7,278
Bulk Gas & Oil	2,000	2,000	360	1,640
Insurance	8,000	8,000	8,000	0
Governmental Gross Receipt Tax	7,000	7,000	8,003	(1,003)
Administrative Fee	20,000	20,000	0	20,000
Capital Outlay	100,000	100,000	20,079	79,921
Total Expenditures	<u>232,000</u>	<u>232,000</u>	<u>121,421</u>	<u>110,579</u>
Excess (Deficiency) of Revenues Over Expenditures	49,000	49,000	71,933	22,933
Cash Balance Beginning of Year	<u>299,251</u>	<u>299,251</u>	<u>299,251</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 348,251</u>	<u>\$ 348,251</u>	<u>\$ 371,184</u>	<u>\$ 22,933</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 71,933	
Net Change in Taxes Receivables			(483)	
Net Change in Accounts Receivable			3,312	
Net Change in Interest Receivable			98	
Net Changes in Accounts Payables			273	
Net Changes in Compensated Absences			(343)	
Capital Outlay			20,079	
Depreciation			(10,074)	
Change in Net Assets-GAAP Basis			<u>\$ 84,795</u>	

The notes to the financial statements are an integral part of this statement.

AGENCY FUNDS

Motor Vehicle Department

To account for the collection and disbursement of Motor Vehicle Department fees to the State Motor Vehicle Department.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
 AGENCY FUND
 Schedule of Changes in Assets and Liabilities-Agency Funds
 For the Year Ended June 30, 2009

	<u>Balance</u> <u>06/30/08</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/09</u>
ASSETS				
Motor Vehicle Department	\$ 100	\$ 87,389	\$ 87,489	\$ 0
Total Assets	<u>\$ 100</u>	<u>\$ 87,389</u>	<u>\$ 87,489</u>	<u>\$ 0</u>
LIABILITIES				
Funds Held for				
Motor Vehicle Department	\$ 100	\$ 87,389	\$ 87,489	\$ 0
Total Liabilities	<u>\$ 100</u>	<u>\$ 87,389</u>	<u>\$ 87,489</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF LOGAN
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2009

Federal Agency/Pass Through Grantor/Program Title	Federal CFDA Number	State ID Number	Total Federal Awards Expended
<u>U. S. Department of Agriculture</u>			
Pass-Through Program from:			
New Mexico Environment Department			
USDA Rural Development	10.760	SAP 07-4522-GF	\$ <u>1,079,770</u>
Total Federal Assistance			\$ <u><u>1,079,770</u></u>

See accompanying notes to the Schedule of Expenditures of Federal Awards

STATE OF NEW MEXICO

VILLAGE OF LOGAN

Notes to the Schedule of Expenditures of Federal Awards

June 30, 2009

Note 1: Significant Accounting Policies used in preparing the Schedule of Expenditure of Federal Awards

The modified accrual basis was used to prepare the Schedule of Expenditures of Federal Awards

Note 2: Insurance Requirements

Insurance requirements have been met.

Note 3: Loans or Loan Guarantees

There were no loans or loan guarantees outstanding at year end.

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(575) 253-4313

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. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the VILLAGE OF LOGAN

Mr. Balderas and Members of the Board

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds, and the combining and individual funds presented as supplemental information of the VILLAGE OF LOGAN (Village), as of and for the year ended June 30, 2009, and have issued our report thereon dated November 30, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing the audit procedures for the purpose of expressing opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Village's financial statements that is more than inconsequential will not be prevented or detected by the Village's internal control.


A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Village's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village'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 the audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the New Mexico State Legislature and its committees, the Office of the State Auditor, the New Mexico Department of Finance and Administration - Local Government and federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.

 De'Ann Willoughby CPA PC

November 30, 2009

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(575) 253-4313

Report on Compliance with Requirements
Applicable to Each Major Program and Internal Control
Over Compliance in Accordance With OMB Circular A-133

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the VILLAGE OF LOGAN

Mr. Balderas and Members of the Board

Compliance

We have audited the compliance of VILLAGE OF LOGAN (Village), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. The Village's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the Village's management. Our responsibility is for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over compliance.

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

In our opinion, VILLAGE OF LOGAN, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the Village, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Village's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion of the effectiveness of the Village's internal control over compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

A control deficiency in an entity's internal control over compliance exists when the design or operation of control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A insignificant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weakness.

This report is intended solely for the information and use of management, the New Mexico State Legislature and its committees, the Office of the State Auditor, the New Mexico Department of Finance and Administration - Local Government and federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "De'Ann Willoughby, CPA PC". The signature is written in a cursive style.

November 30, 2009

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting

- * Material Weakness(es) identified? yes no
- * Significant Deficiencie(s) identified that are not considered to be material weaknesses? yes none reported
- Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- * Material Weakness(es) identified? yes no
- * Significant Deficiencie(s) identified that are not considered to be material weaknesses? yes none reported

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133 yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program of Cluster</u>
10.760	USDA Rural Development

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

Auditee qualified as low risk auditee yes no

STATE OF NEW MEXICO
VILLAGE OF LOGAN
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009

Prior Year Audit Findings

There were no prior year audit findings.

Current Year Audit Findings

There are no current year audit findings.

Financial Statement Preparation

The financial statements were prepared by De'Aun Willoughby CPA. However, they are the responsibility of management.

Exit Conference

An exit conference was held on November 30, 2009. In attendance was Rose Marie Lower, Member, Larry Wallin, Village Administrator and Angelina Cordova, Clerk and De'Aun Willoughby, CPA.