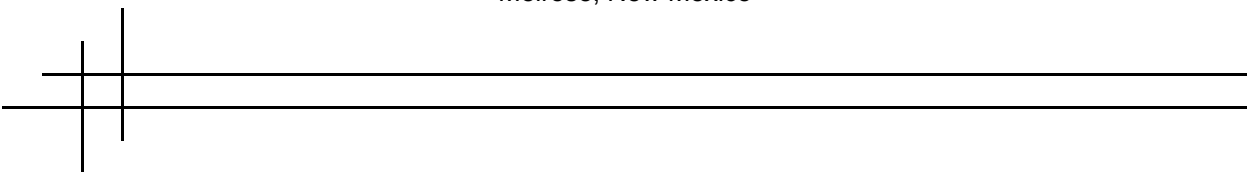


STATE OF NEW MEXICO
VILLAGE OF LOGAN

ANNUAL FINANCIAL REPORT
June 30, 2010

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



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VILLAGE OF LOGAN
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VILLAGE OF LOGAN
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STATE OF NEW MEXICO
VILLAGE OF LOGAN
Official Roster
June 30, 2010

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

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(575) 253-4313

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 and the budgetary comparisons for the general fund and major special revenue fund of VILLAGE OF LOGAN, (Village), as of and for the year ended June 30, 2010, 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 and the budgetary comparisons for all nonmajor funds and the proprietary fund presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010, 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund and major special revenue fund 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for all nonmajor funds and the proprietary 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 August 12, 2011, 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 *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Village has not presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements and the combining and individual financial statements and budgetary comparisons presented as supplemental information.

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 U.S. 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements taken as a whole.

 CPA PC

August 12, 2011

FINANCIAL SECTION

STATE OF NEW MEXICO
VILLAGE OF LOGAN
 Government-Wide Statement of Net Assets
 June 30, 2010

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 1,144,266	\$ 873,567	\$ 2,017,833
Investments	864	0	864
Receivables			
Accounts	34,515	50,664	85,179
Interest	1,662	0	1,662
Taxes	57,802	649	58,451
Inventory	2,171	5,422	7,593
Total Current Assets	<u>1,241,280</u>	<u>930,302</u>	<u>2,171,582</u>
Noncurrent Assets			
Restricted Cash	20,711	22,450	43,161
Capital Assets	7,692,692	12,362,506	20,055,198
Less: Accumulated Depreciation	<u>(4,239,274)</u>	<u>(874,977)</u>	<u>(5,114,251)</u>
Total Noncurrent Assets	<u>3,474,129</u>	<u>11,509,979</u>	<u>14,984,108</u>
Total Assets	<u>4,715,409</u>	<u>12,440,281</u>	<u>17,155,690</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	7,442	6,344	13,786
Accrued Salaries & Benefits	11,283	4,858	16,141
Accrued Interest	1,277	44,605	45,882
Current Portion of Long-Term Debt	63,792	59,100	122,892
Total Current Liabilities	<u>83,794</u>	<u>114,907</u>	<u>198,701</u>
Noncurrent Liabilities			
Compensated Absences	61,575	9,470	71,045
Customer Deposits	0	22,450	22,450
Non Current Portion of Long Term Debt	383,982	5,353,900	5,737,882
Total Noncurrent Liabilities	<u>445,557</u>	<u>5,385,820</u>	<u>5,831,377</u>
Total Liabilities	<u>529,351</u>	<u>5,500,727</u>	<u>6,030,078</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	3,026,355	6,096,979	9,123,334
Unrestricted	<u>1,159,703</u>	<u>842,575</u>	<u>2,002,278</u>
Total Net Assets	<u>\$ 4,186,058</u>	<u>\$ 6,939,554</u>	<u>\$ 11,125,612</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, 2010

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	\$ 303,615	\$ 2,275	\$ 140,337	\$ 0	\$ (161,003)	\$ 0	\$ (161,003)
Public Safety	513,314	21,610	257,272	66,500	(167,932)	0	(167,932)
Public Works	286,265	3,009	0	0	(283,256)	0	(283,256)
Health & Welfare	193,943	6,000	158,697	0	(29,246)	0	(29,246)
Culture & Recreation	89,484	0	17,625	0	(71,859)	0	(71,859)
Interest on Long-Term Obligations	5,646	0	0	0	(5,646)	0	(5,646)
Total Governmental Activities	<u>\$ 1,392,267</u>	<u>\$ 32,894</u>	<u>\$ 573,931</u>	<u>\$ 66,500</u>	<u>(718,942)</u>	<u>0</u>	<u>(718,942)</u>
Business-type Activities							
Water & Sewer	\$ 564,426	\$ 660,368	\$ 0	\$ 3,205,095	0	3,301,037	3,301,037
Landfill	144,182	170,620	0	0	0	26,438	26,438
Total Business-type Activities	<u>\$ 708,608</u>	<u>\$ 830,988</u>	<u>\$ 0</u>	<u>\$ 3,205,095</u>	<u>0</u>	<u>3,327,475</u>	<u>3,327,475</u>
General Revenues							
Taxes							
Property					122,848	0	122,848
Gross Receipts					492,925		492,925
Motor Vehicle					25,753		25,753
Gasoline					36,834	0	36,834
Infrastructure					96,721	0	96,721
Environmental					0	11,752	11,752
Other Taxes					20,729	0	20,729
Miscellaneous					60,415	0	60,415
Interest Income					8,812	6,593	15,405
Total General Revenues and Transfers					<u>865,037</u>	<u>18,345</u>	<u>883,382</u>
Change in Net Assets					146,095	3,345,820	3,491,915
Net Assets - beginning					<u>4,039,963</u>	<u>3,593,734</u>	<u>7,633,697</u>
Net Assets - ending					<u>\$ 4,186,058</u>	<u>\$ 6,939,554</u>	<u>\$ 11,125,612</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, 2010

	General Fund	EMS	Non-Major Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 780,114	\$ 26,253	\$ 337,899
Investments	864	0	0
Receivables			
Accounts	0	34,515	0
Interest	1,662	0	0
Taxes	47,049	0	10,753
Inventory	0	2,171	0
Restricted Cash	0	1,245	19,466
Total Assets	<u>\$ 829,689</u>	<u>\$ 64,184</u>	<u>\$ 368,118</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Current Liabilities			
Accounts Payables	\$ 4,941	\$ 799	\$ 1,702
Accrued Salaries & Benefits	11,208	75	0
Deferred Revenue	0	30,429	0
Total Liabilities	<u>16,149</u>	<u>31,303</u>	<u>1,702</u>
Fund Balances			
Reserved for:			
Inventory	0	2,171	0
Special Revenue Fund	0	30,710	366,416
Unreserved Reported In:			
General Fund	813,540	0	0
Total Fund Balances	<u>813,540</u>	<u>32,881</u>	<u>366,416</u>
Total Liabilities and Fund Balances	<u>\$ 829,689</u>	<u>\$ 64,184</u>	<u>\$ 368,118</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, 2010

	Total Governmental Funds
	<u> </u>
ASSETS	
Cash and Cash Equivalents	\$ 1,144,266
Investments	864
Receivables	
Accounts	34,515
Interest	1,662
Taxes	57,802
Inventory	2,171
Restricted Cash	<u>20,711</u>
Total Assets	<u>\$ 1,261,991</u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Current Liabilities	
Accounts Payables	\$ 7,442
Accrued Salaries & Benefits	11,283
Deferred Revenue	<u>30,429</u>
Total Liabilities	<u>49,154</u>
Fund Balances	
Reserved for:	
Inventory	
Special Revenue Fund	397,126
Unreserved Reported In:	
General Fund	<u>813,540</u>
Total Fund Balances	<u>1,212,837</u>
Total Liabilities and Fund Balances	<u>\$ 1,261,991</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, 2010

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

Total Fund Balance - Governmental Funds	\$	1,212,837
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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	\$	7,692,692	
Accumulated depreciation is		<u>(4,239,274)</u>	3,453,418

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.

30,429

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	(447,774)	
Accrued interest on Notes Payable	(1,277)	
Compensated Absences	<u>(61,575)</u>	<u>(510,626)</u>

Total net assets - governmental activities	\$	<u><u>4,186,058</u></u>
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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, 2010

	General Fund	EMS	Non-Major Governmental Funds
Revenues			
Taxes			
Property	\$ 122,848	\$ 0	\$ 0
Gross Receipts	492,925	0	0
Franchise	6,088	0	0
Motor Vehicle	25,753	0	0
Cigarette	3,292	0	1,652
Lodgers	0	0	9,697
Gasoline	0	0	36,834
Infrastructure	24,202	0	72,519
Interest Income	6,347	124	2,341
Fees, Fines & Forfeitures	155	0	0
License & Permits	3,845	0	0
State Grants	140,337	14,747	485,347
Charges for Services	2,275	19,101	9,009
Miscellaneous	53,733	1,175	1,507
Total Revenues	<u>881,800</u>	<u>35,147</u>	<u>618,906</u>
Expenditures			
Current			
General Government	281,157	0	0
Public Safety	285,231	44,077	126,584
Public Works	91,904	0	3,744
Health & Welfare	7,272	0	173,932
Culture & Recreation	23,084	0	44,861
Capital Outlay	17,000	5,925	174,953
Debt Service			
Principal	0	8,772	57,180
Interest	0	0	6,274
Total Expenditures	<u>705,648</u>	<u>58,774</u>	<u>587,528</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>176,152</u>	<u>(23,627)</u>	<u>31,378</u>
Other Financing Sources (Uses)			
Transfers	<u>(17,000)</u>	<u>0</u>	<u>17,000</u>
Total Other Sources (Uses)	<u>(17,000)</u>	<u>0</u>	<u>17,000</u>
Net Change in Fund Balance	159,152	(23,627)	48,378
Fund Balance at Beginning of year	<u>654,388</u>	<u>56,508</u>	<u>318,036</u>
Fund Balance End of Year	<u>\$ 813,540</u>	<u>\$ 32,881</u>	<u>\$ 366,414</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, 2010

	Total Governmental Funds
Revenues	
Taxes	
Property	\$ 122,848
Gross Receipts	492,925
Franchise	6,088
Motor Vehicle	25,753
Cigarette	4,944
Lodgers	9,697
Gasoline	36,834
Infrastructure	96,721
Interest Income	8,812
Fees, Fines & Forfeitures	155
License & Permits	3,845
State Grants	640,431
Charges for Services	30,385
Miscellaneous	56,415
Total Revenues	<u>1,535,853</u>
Expenditures	
Current	
General Government	281,157
Public Safety	455,892
Public Works	95,648
Health & Welfare	181,204
Culture & Recreation	67,945
Capital Outlay	197,878
Debt Service	
Principal	65,952
Interest	6,274
Total Expenditures	<u>1,351,950</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>183,903</u>
Other Financing Sources (Uses)	
Transfers	<u>0</u>
Total Other Sources (Uses)	<u>0</u>
Net Change in Fund Balance	183,903
Fund Balance at Beginning of year	<u>1,028,932</u>
Fund Balance End of Year	<u>\$ 1,212,835</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, 2010

Net Change in Fund Balance \$ 183,903

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

Some 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.

Deferred Revenue, June 30, 2009	(27,920)	
Deferred Revenue, June 30, 2010	<u>30,429</u>	2,509

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.

Depreciation expense	(306,480)	
Capital Outlay	<u>197,878</u>	(108,602)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 65,952

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

Accrued Interest, June 30, 2009	1,905	
Accrued Interest, June 30, 2010	<u>(1,277)</u>	628

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.

Compensated Absences, June 30, 2009	(61,573)	
Compensated Absences, June 30, 2010	<u>63,278</u>	<u>1,705</u>

Changes in Net Assets of Governmental Activities \$ 146,095

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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Taxes				
Property	\$ 101,927	\$ 101,927	\$ 121,349	\$ 19,422
Franchise	7,000	7,000	6,088	(912)
Gross Receipts	556,000	556,000	506,505	(49,495)
Motor Vehicle	23,000	23,000	26,496	3,496
Cigarette	3,000	3,000	3,433	433
Interest Income	13,000	13,000	6,102	(6,898)
Fines & Forfeitures	200	200	155	(45)
State Grants	101,000	101,000	140,337	39,337
License & Permits	4,000	4,000	3,845	(155)
Charges for Services	1,400	1,400	2,275	875
Miscellaneous	92,600	92,600	53,733	(38,867)
Total Revenues	<u>903,127</u>	<u>903,127</u>	<u>870,318</u>	<u>(32,809)</u>
Expenditures				
Executive				
Personnel Services	49,815	49,815	45,442	4,373
Operating Expenses	6,400	6,400	1,051	5,349
Total Executive	<u>56,215</u>	<u>56,215</u>	<u>46,493</u>	<u>9,722</u>
Financial Department				
Personnel Services	166,722	166,722	165,138	1,584
Operating Expenses	29,800	29,800	26,083	3,717
Fees	877	877	0	877
Bulk Gas & Oil	2,000	2,000	1,422	578
Accounts Payable	1,500	1,500	712	788
Capital Outlay	89,000	89,000	17,000	72,000
Total Financial Department	<u>289,899</u>	<u>289,899</u>	<u>210,355</u>	<u>79,544</u>
Police Department				
Personnel Services	300,678	300,678	246,805	53,873
Operating Expenses	26,750	26,750	25,801	949
DWI-Overtime	2,000	2,000	5,480	(3,480)
Animal Control	1,000	1,000	500	500
Bulk Gas & Oil	8,000	8,000	8,326	(326)
Accounts Payable	1,500	1,500	1,271	229
Capital Outlay	5,000	5,000	6,704	(1,704)
Total Police Department	<u>\$ 344,928</u>	<u>\$ 344,928</u>	<u>\$ 294,887</u>	<u>\$ 50,041</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Highway & Streets				
Personnel Services	\$ 29,928	\$ 29,928	\$ 26,528	\$ 3,400
Operating Expenses	20,700	20,700	16,107	4,593
Bulk Gas & Oil	8,000	8,000	6,745	1,255
Accounts Payable	1,000	1,000	1,065	(65)
Capital Outlay	30,000	30,000	0	30,000
Total Highway & Streets	<u>89,628</u>	<u>89,628</u>	<u>50,445</u>	<u>39,183</u>
Motor Vehicle Department				
Personnel Services	37,196	37,196	36,524	672
Operating Expenses	3,400	3,400	3,345	55
Accounts Payable	200	200	77	123
Capital Outlay	55,000	55,000	0	55,000
Total Motor Vehicle Department	<u>95,796</u>	<u>95,796</u>	<u>39,946</u>	<u>55,850</u>
Civic Center				
Personnel Services	13,030	13,030	11,827	1,203
Operating Expenses	6,200	6,200	5,641	559
Accounts Payable	200	200	155	
Capital Outlay	40,000	40,000	4,570	35,430
Total Civic Center	<u>59,430</u>	<u>59,430</u>	<u>22,193</u>	<u>37,192</u>
Insurance				
Employee Bonds	800	800	500	300
General fund	15,000	15,000	8,384	6,616
Risk Management	10,000	10,000	0	10,000
Workers Compensation	16,000	16,000	7,447	8,553
Total Insurance	<u>41,800</u>	<u>41,800</u>	<u>16,331</u>	<u>25,469</u>
Miscellaneous				
Election Expense	3,000	3,000	1,997	1,003
Asst to Chamber of Commerce	750	750	750	0
Fees	5,000	5,000	27	4,973
Ute Commission	600	600	600	0
Dilipated Building Expense	50,000	50,000	0	50,000
NM State Library	300	300	300	0
Capital Outlay	12,000	12,000	7,272	4,728
Total Miscellaneous	<u>71,650</u>	<u>71,650</u>	<u>10,946</u>	<u>60,704</u>
Economic Development				
Operating Expenses	3,000	3,000	140	2,860
Total Economic Development	<u>3,000</u>	<u>3,000</u>	<u>140</u>	<u>2,860</u>
Total Expenditures	\$ <u>1,052,346</u>	\$ <u>1,052,346</u>	\$ <u>691,736</u>	\$ <u>360,565</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Excess (Deficiency) of Revenues Over Expenditures	\$ (149,219)	\$ (149,219)	\$ 178,582	\$ 327,756
Other Financing Sources (Uses)				
Trransfers In/(Out)	<u>(17,000)</u>	<u>(17,000)</u>	<u>(17,000)</u>	<u>0</u>
Total Other Sources (Uses)	<u>(17,000)</u>	<u>(17,000)</u>	<u>(17,000)</u>	<u>0</u>
Net Change in Cash Balance	(166,219)	(166,219)	161,582	327,756
Cash Balance Beginning of Year	<u>619,396</u>	<u>619,396</u>	<u>619,396</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 453,177</u>	<u>\$ 453,177</u>	<u>\$ 780,978</u>	<u>\$ 327,756</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 161,582	
Net Change in Interest Receivables			245	
Net Change in Taxes Receivables			11,237	
Net Change in Accounts Payable			(2,704)	
Net Change in Accrued Salaries and Benefits			<u>(11,208)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 159,152</u>	

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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 1,300	\$ 1,300	\$ 124	\$ (1,176)
State Grant	15,195	15,195	14,747	(448)
Ambulance Services	34,543	34,543	29,512	(5,031)
Miscellaneous	1,000	1,000	1,175	175
Total Revenues	<u>52,038</u>	<u>52,038</u>	<u>45,558</u>	<u>(6,480)</u>
Expenditures				
Public Safety				
Personnel Services	1,441	1,441	1,449	(8)
Operating Expenses	24,800	24,800	25,229	(429)
Bulk Gas & Oil	4,000	4,000	2,669	1,331
Training	5,000	5,000	4,061	939
Insurance	10,000	10,000	10,000	0
Debt Service				
Principal	0	0	8,772	(8,772)
Interest	0	0	0	0
Accounts Payable	800	800	663	137
Capital Outlay	38,850	38,850	5,925	32,925
Total Expenditures	<u>84,891</u>	<u>84,891</u>	<u>58,768</u>	<u>26,123</u>
Excess (Deficiency) of Revenues Over Expenditures	(32,853)	(32,853)	(13,210)	19,643
Cash Balance Beginning of Year	<u>40,708</u>	<u>40,708</u>	<u>40,708</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 7,855</u>	<u>\$ 7,855</u>	<u>\$ 27,498</u>	<u>\$ 19,643</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (13,210)	
Net Change in Restricted Cash				
Net Change in Receivables			(7,903)	
Net Change in Inventory			205	
Net Change in Accounts Payable			(136)	
Net Change in Accrued Salaries and Benefits			(75)	
Net Change in Deferred Revenue			(2,508)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (23,627)</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, 2010

ASSETS	Water and Sewer Fund	Landfill Fund	Total
Current Assets			
Cash and Cash Equivalents	\$ 438,341	\$ 435,226	\$ 873,567
Receivables			
Accounts	35,291	15,373	50,664
Taxes	0	649	649
Inventory	5,422	0	5,422
Total Current Assets	<u>479,054</u>	<u>451,248</u>	<u>930,302</u>
Noncurrent Assets			
Restricted Cash	22,450	0	22,450
Capital Assets	12,181,079	181,427	12,362,506
Less Accumulated Depreciation	(791,470)	(83,507)	(874,977)
Total Noncurrent Assets	<u>11,412,059</u>	<u>97,920</u>	<u>11,509,979</u>
Total Assets	<u>11,891,113</u>	<u>549,168</u>	<u>12,440,281</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	5,019	1,325	6,344
Accrued Salaries & Benefits	3,890	968	4,858
Accrued Interest	44,605	0	44,605
Current Amount Due	59,100	0	59,100
Total Current Liabilities	<u>112,614</u>	<u>2,293</u>	<u>114,907</u>
Noncurrent Liabilities			
Compensated Absences	5,897	3,573	9,470
Customer Deposits	22,450	0	22,450
Bonds and Loans	5,353,900	0	5,353,900
Total Noncurrent Liabilities	<u>5,382,247</u>	<u>3,573</u>	<u>5,385,820</u>
Total Liabilities	<u>5,494,861</u>	<u>5,866</u>	<u>5,500,727</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	5,999,059	97,920	6,096,979
Unrestricted	397,193	445,382	842,575
Total Net Assets	<u>\$ 6,396,252</u>	<u>\$ 543,302</u>	<u>\$ 6,939,554</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, 2010

	Water and Sewer Fund	Landfill Fund	Total
Revenues			
Sales & Service	\$ 401,001	\$ 170,620	\$ 571,621
Connection Fees	259,367	0	259,367
Total Revenues	<u>660,368</u>	<u>170,620</u>	<u>830,988</u>
Expenses			
Personnel Services	175,257	41,385	216,642
Operating Expenses	110,067	81,492	191,559
Depreciation	58,001	21,305	79,306
Total Expenses	<u>343,325</u>	<u>144,182</u>	<u>487,507</u>
Operating Income (Loss)	<u>317,043</u>	<u>26,438</u>	<u>343,481</u>
Nonoperating Revenue (Expenses)			
Environmental Gross Receipts Tax	0	11,752	11,752
Federal Grant	3,205,095	0	3,205,095
Interest Income	4,186	2,407	6,593
Interest Expense	(221,101)	0	(221,101)
Total Nonoperating Revenue (Expense)	<u>2,988,180</u>	<u>14,159</u>	<u>3,002,339</u>
Change in Net Assets	3,305,223	40,597	3,345,820
Total Net Assets - Beginning	<u>3,091,029</u>	<u>502,705</u>	<u>3,593,734</u>
Total Net Assets - Ending	<u>\$ 6,396,252</u>	<u>\$ 543,302</u>	<u>\$ 6,939,554</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, 2010

	Water and Sewer Fund	Landfill Fund	Total
Cash Flows from Operating Activities			
Cash Received From Customers	\$ 659,990	\$ 170,084	\$ 830,074
Cash Paid to Suppliers and Employees	234,018	120,201	354,219
Net Cash Provided by Operating Activities	<u>425,972</u>	<u>49,883</u>	<u>475,855</u>
Cash Flows from Noncapital Financing Activities			
Taxes	0	11,752	11,752
Net Cash Provided by Noncapital Financing Activities	<u>0</u>	<u>11,752</u>	<u>11,752</u>
Cash Flows from Capital & Related Financing Activities			
Grants for Construction Projects	3,205,095	0	3,205,095
Loan Proceeds for Construction Projects	5,413,000	0	5,413,000
Acquisition and Construction of Capital Assets	(8,771,678)		(8,771,678)
Principal Paid	0	0	0
Interest Paid	(221,101)	0	(221,101)
Net Cash Provided by Capital & Related Financing Activities	<u>(374,684)</u>	<u>0</u>	<u>(374,684)</u>
Cash Flows from Investing Activities			
Interest Received	4,186	2,407	6,593
Net Cash Provided by Investing Activities	<u>4,186</u>	<u>2,407</u>	<u>6,593</u>
Net Increase (Decrease) in Cash	55,474	64,042	119,516
Cash, Beginning of Year	<u>405,317</u>	<u>371,184</u>	<u>776,501</u>
Cash, End of Year	<u>\$ 460,791</u>	<u>\$ 435,226</u>	<u>\$ 896,017</u>
Cash and Cash Equivalents			
Cash and Cash Equivalents	\$ 438,341	\$ 435,226	\$ 873,567
Restricted Cash	22,450	0	22,450
Total Cash	<u>\$ 460,791</u>	<u>\$ 435,226</u>	<u>\$ 896,017</u>
Reconciliation of Net Income to Net Cash Provided by Operating Activities			
Operating Income (Loss)	\$ 317,043	\$ 26,438	\$ 343,481
Depreciation	58,002	21,305	79,307
Change in Assets and Liabilities			
(Increase) Decrease in Taxes Receivable	0	121	121
(Increase) Decrease in Accounts Receivable	(379)	(535)	(914)
(Increase) Decrease in Interest Receivable	0	440	440
(Increase) Decrease in Inventories	(311)	0	(311)
Increase (Decrease) in Accounts Payable	1,944	(677)	1,267
Increase (Decrease) in Accrued Salaries & Benefits	3,890	968	4,858
Increase (Decrease) in Accrued Interest	44,605	0	44,605
Increase (Decrease) in Compensated Absences	1,178	1,823	3,001
Net Cash Provided by Operating Activities	<u>\$ 425,972</u>	<u>\$ 49,883</u>	<u>\$ 475,855</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.

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)

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 & Sewer - 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.

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).

STATE OF NEW MEXICO
VILLAGE OF LOGAN
Notes to the Financial Statements
June 30, 2010

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.

First National Bank

<u>Name of Account</u>	Balance Per Bank 06/30/10	Reconciled Balance	Type
General Fund	\$ 1,312,537	\$ 1,307,359	Checking
Sewer Phase I	1	1	Checking
Sewer Phase I Operations	57,176	57,176	Checking
Sewer Phase II	1	1	Checking
Sewer Phase II Operations	25,694	25,695	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>2,045,409</u>	<u>\$ 2,040,232</u>	
Less: FDIC Coverage	<u>(2,045,409)</u>		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	674,288		
Over (Under) requirement	<u>\$ 674,288</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
Roosevelt County GRT	776451AL9	175,000	6/1/2017
FNMA ARM-Pool #729128	31402HA50	14,288	11/1/1933
FHLB Fixed Rate Note	3133XWX95	250,000	12/11/2020
		<u>\$ 674,288</u>	

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Bank of Albuquerque	Balance	Reconciled	
<u>Name of Account</u>	Per Bank	Balance	Type
	06/30/10		
NMFA 3	\$ 27	\$ 27	Savings
NMFA 4	1,245	1,245	Savings
NMFA 6	24	24	Savings
NMFA 7	19,466	19,466	Savings
TOTAL Deposited	<u>20,762</u>	<u>\$ 20,762</u>	
Less: FDIC Coverage	<u>(20,762)</u>		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	0		
Over (Under) requirement	<u>\$ 0</u>		

Custodial Credit Risk-Deposits

<u>Depository Account</u>	Bank
	Balance
Insured	\$ 2,066,171
Collateralized:	
Collateral held by the pledging bank in	
Village's name	0
Uninsured and uncollateralized	0
Total Deposits	<u>\$ 2,066,171</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, 2010 none of the Village's bank balance of \$2,066,171 was exposed to custodial credit risk.

State Treasurer

State Treasurer	Balance	Reconciled	
<u>Name of Account</u>	Per Bank	Balance	Type
	06/30/10		
Village of Logan	\$ 14	\$ 14	Savings
Village of Logan Reserve	850	850	Savings
TOTAL Deposited	<u>\$ 864</u>	<u>\$ 864</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.

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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. However, our portfolio is posted on the State Treasurer's website www.stonm.org and available for review by participants at any time.

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, 2010, the LGIP WAM is 50 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.

NOTE D: RESTRICTED CASH

There was \$19,466 restricted cash in the Fire Fund and \$1,245 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, 2010, is as follows:

	Balance 6/30/09	Increases	Decreases	Balance 6/30/10
Governmental Activities				
Capital Assets, not being Depreciated				
Land	\$ 56,500	\$ 0	\$ 0	\$ 56,500
Total Capital Assets, not being Depreciated	56,500	0	0	56,500
Capital Assets, being Depreciated				
Infrastructure	3,857,416	174,953	0	4,032,369
Buildings & Improvements	1,936,703	0	0	1,936,703
Equipment	1,153,742	5,925	0	1,159,667
Vehicles	490,453	17,000	0	507,453
Total Capital Assets, being Depreciated	7,438,314	197,878	0	7,636,192
Total Capital Assets	7,494,814	197,878	0	7,692,692
Less Accumulated Depreciation				
Infrastructure	2,633,341	180,158	0	2,813,499
Buildings & Improvements	653,707	50,711	0	704,418
Equipment	432,408	50,637	0	483,045
Vehicles	213,338	24,974	0	238,312
Total Accumulated Depreciation	3,932,794	306,480	0	4,239,274
Capital Assets, net	\$ 3,562,020	\$ (108,602)	\$ 0	\$ 3,453,418

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Depreciation expense was charged to governmental activities as follows:

General	\$ 14,528
Public Safety	70,323
Public Works	187,351
Health & Welfare	12,739
Culture & Recreation	21,539
Total depreciation expenses	<u>\$ 306,480</u>

	Balance 6/30/09	Increases	Decreases	Balance 6/30/10
Water & Sewer				
Capital Assets not being Depreciated				
Land	\$ 193,412	\$ 0	\$ 0	\$ 193,412
Construction in Progress	1,111,327	8,703,377	0	9,814,704
Total Capital Assets not being Depreciated	<u>\$ 1,304,739</u>	<u>\$ 8,703,377</u>	<u>\$ 0</u>	<u>\$ 10,008,116</u>
Other Capital Assets				
Buildings & Improvements	\$ 2,003,310	\$ 29,250	\$ 0	\$ 2,032,560
Equipment	80,794	0	0	80,794
Vehicles	20,559	39,050	0	59,609
Total Capital Assets, being Depreciated	<u>3,409,402</u>	<u>8,771,677</u>	<u>0</u>	<u>2,172,963</u>
Total Capital Assets	<u>4,714,141</u>	<u>17,475,054</u>	<u>0</u>	<u>12,181,079</u>
Less Accumulated Depreciation				
Buildings & Improvements	690,116	46,719	0	736,835
Equipment	29,423	3,454	0	32,877
Vehicles	13,929	7,829	0	21,758
Total Accumulated Depreciation	<u>733,468</u>	<u>58,002</u>	<u>0</u>	<u>791,470</u>
Capital Assets, net	<u>\$ 3,980,673</u>	<u>\$ 17,417,052</u>	<u>\$ 0</u>	<u>\$ 11,389,609</u>
	Balance	Increases	Decreases	Balance
Landfill	6/30/09			6/30/10
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	146,177	0	0	146,177
Vehicles	10,250	0	0	10,250
Total Capital Assets, being Depreciated	<u>156,427</u>	<u>0</u>	<u>0</u>	<u>156,427</u>
Capital Assets, net	<u>181,427</u>	<u>0</u>	<u>0</u>	<u>181,427</u>
Less Accumulated Depreciation				
Equipment	60,837	14,471	0	75,308
Vehicles	1,366	6,833	0	8,199
Total Accumulated Depreciation	<u>62,203</u>	<u>21,304</u>	<u>0</u>	<u>83,507</u>
Capital Assets, net	<u>\$ 119,224</u>	<u>\$ (21,304)</u>	<u>\$ 0</u>	<u>\$ 97,920</u>

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NOTE E: LONG TERM DEBT

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

	Balance 6/30/09	Additions	Reductions	Balance 6/30/10	Amounts Due Within One Year
Governmental Activities					
Notes Payable	\$ 513,726	\$ 0	\$ 65,952	\$ 447,774	\$ 63,792
Total Notes Payable	<u>513,726</u>	<u>0</u>	<u>65,952</u>	<u>447,774</u>	<u>63,792</u>
Other Liabilities					
Compensated Absences	63,278	27,051	28,754	61,575	0
Total Other Liabilities	<u>63,278</u>	<u>27,051</u>	<u>28,754</u>	<u>61,575</u>	<u>0</u>
Long-Term Liabilities	<u>\$ 577,004</u>	<u>\$ 27,051</u>	<u>\$ 94,706</u>	<u>\$ 509,349</u>	<u>\$ 63,792</u>

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

Description	Fund	Maturity Date	Original Amount	Interest Rate	Balance
Fire Truck	Fire	05-12-2014	\$ 125,593	2.02%	\$ 85,420
Fire 81-8927-15-4	Fire	08-15-2024	101,500	0.00%	95,690
Fire 81-8763-23-7	Fire	08-15-2023	260,000	3.4%-3.84%	229,268
Kansas State Bank	LEPF	04-01-2011	34,500	5.00%	8,674
EMS	EMS	06-01-2013	43,969	3.00%	26,447
CNH Capital	Streets	11-03-2010	\$ 29,123	6.37%	2,275
					<u>\$ 447,774</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.

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The annual requirements to amortize the loans as of June 30, 2010, including interest payments are as follows:

	Principal	Interest	Total
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	24,054	1,897	25,951
2016-2020	123,098	6,695	129,793
2021-2024	83,256	1,441	84,697
	<u>\$ 447,774</u>	<u>\$ 24,834</u>	<u>\$ 472,608</u>

Proprietary Funds

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

	Balance 6/30/09	Additions	Reductions	Balance 6/30/10	Amounts Due Within One Year
Business-Type Activities					
Loans Payable	\$ 0	\$ 5,413,000	\$ 0	\$ 5,413,000	\$ 59,100
Total Notes Payable	<u>0</u>	<u>5,413,000</u>	<u>0</u>	<u>5,413,000</u>	<u>59,100</u>
Other Liabilities					
Compensated Absences	<u>6,467</u>	<u>6,945</u>	<u>3,942</u>	<u>9,470</u>	<u>0</u>
Total Other Liabilities	<u>6,467</u>	<u>6,945</u>	<u>3,942</u>	<u>9,470</u>	<u>0</u>
Long-Term Liabilities	<u>\$ 6,467</u>	<u>\$ 5,419,945</u>	<u>\$ 3,942</u>	<u>\$ 5,422,470</u>	<u>\$ 59,100</u>

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

USDA loan Phase I in the amount of \$4,340,000 is for the construction of sewer lines for the Village. The loan matures in 2050, the interest rate is 4.125% and payments vary from \$222,900 to \$223,800. The balance of the loan on June 30, 2010 was \$4,340,000.

USDA loan Phase II in the amount of \$1,782,560 is for the construction of sewer lines for the Village. The loan matures in 2050, the interest rate is 2.75% and payments vary from \$44,530 to \$44,620. The balance of the loan on June 30, 2010 was \$1,073,000.

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The annual requirements to amortize the loans as of June 30, 2010, including interest payments are as follows:

	Principal	Interest	Total
2011	\$ 59,100	\$ 208,610	\$ 267,710
2012	61,500	206,400	267,900
2013	63,900	204,070	267,970
2014	66,300	201,630	267,930
2015	68,800	199,090	267,890
2016-2020	385,100	944,340	1,329,440
2021-2025	464,400	875,200	1,339,600
2026-2031	559,400	779,660	1,339,060
2032-2036	675,900	663,590	1,339,490
2037-2041	817,800	522,700	1,340,500
2042-2046	987,600	352,020	1,339,620
2047-2050	1,203,200	144,950	1,348,150
	<u>\$ 5,413,000</u>	<u>\$ 5,302,260</u>	<u>\$ 10,715,260</u>

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, 2010, 2009, and 2008, were \$88,766, \$78,785 and \$76,901 respectively, equal to the amount of the required contributions for each year.

NOTE H: POST-EMPLOYMENT BENEFITS

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

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

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

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

The 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, Albuquerque State Government Center, 401 Roma, NW, Suite 200, Albuquerque, New Mexico 87102.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2010, the statute required each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee was required to contribute .65% of their salary. In the fiscal years ending June 30, 2011 through June 30, 2013 the contribution rates for employees and employers will rise as follows:

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For employees who are not members of an enhanced retirement plan the contribution rates will be:

Fiscal Year	Employer Contribution Rate	Employee Contribution Rate
2011	1.666%	0.833%
2012	1.834%	0.917%
2013	2.000%	1.000%

Also, employers joining the program after 1/1/98 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

The Village's contributions to the RHCA for the years ended June 30, 2010, 2009 and 2008 were \$9,494, \$8,432 and \$7,845 respectively, which equal the required contributions for each year.

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.

NOTE I: RECEIVABLES

Receivables as of June 30, 2010, were as follows:

<u>Receivables</u>	General	EMS	Non-Major
Accounts Receivable	\$ 0	\$ 34,515	\$ 0
Interest	1,662	0	0
Gross Receipts Taxes	43,404	0	6,082
Other Taxes	3,645	0	4,671
	<u>\$ 48,711</u>	<u>\$ 34,515</u>	<u>\$ 10,753</u>

NOTE J: INTERFUND TRANSFERS

Interfund transfers during the year ended June 30, 2010, were as follows:

<u>Transfers Out</u>		<u>Transfer In</u>		
		Senior Citizens	Lodgers Promotion	Total
General Fund	\$ 17,000	\$ 17,000	\$ 0	\$ 17,000
Lodgers Tax	8,000	0	8,000	8,000
	<u>\$ 17,000</u>	<u>\$ 17,000</u>	<u>\$ 8,000</u>	<u>\$ 25,000</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 Quay County Gaming Authority have the power to carry out the purposes and 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, 2010 were \$9,814,704.

NOTE O. BUDGET

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

The following funds maintained a deficit fund balance as of June 30, 2010.

Excess of expenditures over appropriations. The following funds exceeded approved budgetary authority for the year ended June 30, 2010:

<u>Non-Major Funds</u>	
HEALTH CLINIC	(1,231)

**SUPPLEMENTAL INFORMATION RELATED TO
NON MAJOR FUNDS**

NONMAJOR SPECIAL REVENUE 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.

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)

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)

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.

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)

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.

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.

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)

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, 2010

	Fire Fund	Law Enforcement	Correction
ASSETS			
Cash and Cash Equivalents	\$ 75,045	\$ 1,434	\$ 427
Receivables			
Taxes	0	0	0
Interest	0	0	0
Restricted Cash	19,466	0	0
Total Assets	<u>\$ 94,511</u>	<u>\$ 1,434</u>	<u>\$ 427</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 676	\$ 18	\$ 0
Total Liabilities	<u>676</u>	<u>18</u>	<u>0</u>
Fund Balance			
Reserved for:			
Special Revenue	93,835	1,416	427
Total Fund Balance	<u>93,835</u>	<u>1,416</u>	<u>427</u>
 Total Liabilities and Fund Balance	 <u>\$ 94,511</u>	 <u>\$ 1,434</u>	 <u>\$ 427</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, 2010

	Street Gas Tax	Cemetery	Lodgers Tax
ASSETS			
Cash and Cash Equivalents	\$ 53,990	\$ 5,515	\$ 18,856
Receivables			
Taxes	3,400	0	1,271
Interest	0	0	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 57,390</u>	<u>\$ 5,515</u>	<u>\$ 20,127</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 128	\$ 0
Total Liabilities	<u>0</u>	<u>128</u>	<u>0</u>
Fund Balance			
Reserved for:			
Special Revenue	<u>57,390</u>	<u>5,387</u>	<u>20,127</u>
Total Fund Balance	<u>57,390</u>	<u>5,387</u>	<u>20,127</u>
 Total Liabilities and Fund Balance	 <u>\$ 57,390</u>	 <u>\$ 5,515</u>	 <u>\$ 20,127</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, 2010

	Lodgers Tax Promotional	Health Clinic	Recreation
ASSETS			
Cash and Cash Equivalents	\$ 6,517	\$ 2,966	\$ 10,233
Receivables			
Taxes	0	0	0
Interest	0	0	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 6,517</u>	<u>\$ 2,966</u>	<u>\$ 10,233</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 53	\$ 0	\$ 56
Total Liabilities	<u>53</u>	<u>0</u>	<u>56</u>
Fund Balance			
Reserved for:			
Special Revenue	6,464	2,966	10,177
Total Fund Balance	<u>6,464</u>	<u>2,966</u>	<u>10,177</u>
 Total Liabilities and Fund Balance	 <u>\$ 6,517</u>	 <u>\$ 2,966</u>	 <u>\$ 10,233</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, 2010

	Senior Citizens	Infrastructure	Total
ASSETS			
Cash and Cash Equivalents	\$ 865	\$ 162,051	\$ 337,899
Receivables			
Taxes	0	6,082	10,753
Interest	0	0	0
Restricted Cash	0	0	19,466
Total Assets	<u>\$ 865</u>	<u>\$ 168,133</u>	<u>\$ 368,118</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 771	\$ 0	\$ 1,702
Total Liabilities	<u>771</u>	<u>0</u>	<u>1,702</u>
Fund Balance			
Reserved for:			
Special Revenue	94	168,133	366,416
Total Fund Balance	<u>94</u>	<u>168,133</u>	<u>366,416</u>
Total Liabilities and Fund Balance	<u>\$ 865</u>	<u>\$ 168,133</u>	<u>\$ 368,118</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, 2010

	Fire Fund	Law Enforcement	Correction
Revenues			
Taxes			
Cigarette	0	0	0
Lodgers	0	0	0
Gasoline	0	0	0
Infrastructure	0	0	0
Interest Income	600	0	0
State Grants	220,125	22,400	0
Charges for Services	0	0	0
Miscellaneous	0	1,161	0
Total Revenues	<u>220,725</u>	<u>23,561</u>	<u>0</u>
Expenditures			
Current			
Public Safety	111,468	15,116	0
Public Works	0	0	0
Culture & Recreation	0	0	0
Health & Welfare	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	42,482	8,156	0
Interest	4,832	1,069	0
Total Expenditures	<u>158,782</u>	<u>24,341</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>61,943</u>	<u>(780)</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfers In/Out	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	61,943	(780)	0
Fund Balances at Beginning of Year	<u>31,892</u>	<u>2,196</u>	<u>427</u>
Fund Balance End of Year	<u>\$ 93,835</u>	<u>\$ 1,416</u>	<u>\$ 427</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, 2010

	Street Gas Tax	Cemetery	Lodgers Tax
Revenues			
Taxes			
Cigarette	\$ 0	\$ 0	\$ 0
Lodgers	0	0	9,697
Gasoline	36,834	0	0
Infrastructure	0	0	0
Interest Income	212	23	0
State Grants	66,500	0	0
Charges for Services	0	3,009	0
Miscellaneous	0	150	143
Total Revenues	<u>103,546</u>	<u>3,182</u>	<u>9,840</u>
Expenditures			
Current			
Public Safety	0	0	0
Public Works	0	3,744	0
Culture & Recreation	0	0	0
Health & Welfare	0	0	0
Capital Outlay	78,795	0	0
Debt Service			
Principal	6,542	0	0
Interest	373	0	0
Total Expenditures	<u>85,710</u>	<u>3,744</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>17,836</u>	<u>(562)</u>	<u>9,840</u>
Other Financing Sources (Uses)			
Transfers In/Out	0	0	(8,000)
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(8,000)</u>
Net Change in Fund Balance	17,836	(562)	1,840
Fund Balances at Beginning of Year	<u>39,552</u>	<u>5,949</u>	<u>18,287</u>
Fund Balance End of Year	<u>\$ 57,388</u>	<u>\$ 5,387</u>	<u>\$ 20,127</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, 2010

	<u>Lodgers Tax Promotional</u>	<u>Health Clinic</u>	<u>Recreation</u>
Revenues			
Taxes			
Cigarette	\$ 0	\$ 0	\$ 1,652
Lodgers	0	0	0
Gasoline	0	0	0
Infrastructure	0	0	0
Interest Income	19	0	0
State Grants	0	158,697	0
Charges for Services	0	6,000	0
Miscellaneous	0	2	51
Total Revenues	<u>19</u>	<u>164,699</u>	<u>1,703</u>
Expenditures			
Current			
Public Safety	0	0	0
Public Works	0	0	0
Culture & Recreation	6,213	0	2,560
Health & Welfare	0	173,932	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>6,213</u>	<u>173,932</u>	<u>2,560</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(6,194)</u>	<u>(9,233)</u>	<u>(857)</u>
Other Financing Sources (Uses)			
Transfers In/Out	<u>8,000</u>	<u>0</u>	<u>0</u>
Total Other Sources (Uses)	<u>8,000</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	1,806	(9,233)	(857)
Fund Balances at Beginning of Year	<u>4,658</u>	<u>12,199</u>	<u>11,034</u>
Fund Balance End of Year	<u>\$ 6,464</u>	<u>\$ 2,966</u>	<u>\$ 10,177</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, 2010

	Senior Citizens	Infrastructure	Total
Revenues			
Taxes			
Cigarette	\$ 0	\$ 0	\$ 1,652
Lodgers	0	0	9,697
Gasoline	0	0	36,834
Infrastructure	0	72,519	72,519
Interest Income	0	1,487	2,341
State Grants	17,625	0	485,347
Charges for Services	0	0	9,009
Miscellaneous	0	0	1,507
Total Revenues	<u>17,625</u>	<u>74,006</u>	<u>618,906</u>
Expenditures			
Current			
Public Safety	0	0	126,584
Public Works	0	0	3,744
Culture & Recreation	36,088	0	44,861
Health & Welfare	0	0	173,932
Capital Outlay	0	96,158	174,953
Debt Service			
Principal	0	0	57,180
Interest	0	0	6,274
Total Expenditures	<u>36,088</u>	<u>96,158</u>	<u>587,528</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(18,463)</u>	<u>(22,152)</u>	<u>31,378</u>
Other Financing Sources (Uses)			
Transfers In/Out	17,000	0	17,000
Total Other Sources (Uses)	<u>17,000</u>	<u>0</u>	<u>17,000</u>
Net Change in Fund Balance	(1,463)	(22,152)	48,378
Fund Balances at Beginning of Year	<u>1,557</u>	<u>190,285</u>	<u>318,036</u>
Fund Balance End of Year	<u>\$ 94</u>	<u>\$ 168,133</u>	<u>\$ 366,414</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 600	\$ 600	\$ 600	\$ 0
State Grant	176,158	176,158	220,125	43,967
Total Revenues	<u>176,758</u>	<u>176,758</u>	<u>220,725</u>	<u>43,967</u>
Expenditures				
Public Safety				
Operating Expenses	14,200	14,200	65,595	(51,395)
Utilities	13,000	13,000	15,752	(2,752)
Bulk Gas & Oil	4,000	4,000	3,215	785
Training	6,000	6,000	318	5,682
Insurance	25,000	25,000	25,000	0
Accounts Payable	2,000	2,000	912	1,088
Debt Service				
Principal	0	0	42,482	(42,482)
Interest	0	0	4,832	(4,832)
Capital Outlay	127,400	127,400	0	127,400
Total Expenditures	<u>191,600</u>	<u>191,600</u>	<u>158,106</u>	<u>33,494</u>
Excess (Deficiency) of Revenues Over Expenditures	(14,842)	(14,842)	62,619	77,461
Cash Balance Beginning of Year	<u>31,892</u>	<u>31,892</u>	<u>31,892</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 17,050</u>	<u>\$ 17,050</u>	<u>\$ 94,511</u>	<u>\$ 77,461</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 62,619	
Net Change in Accounts Payable			(676)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 61,943</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 22,400	\$ 22,400	\$ 22,400	\$ 0
Miscellaneous	500	500	1,161	661
Total Revenues	<u>22,900</u>	<u>22,900</u>	<u>23,561</u>	<u>661</u>
Expenditures				
Public Safety				
Operating Expenses	7,109	7,109	15,098	(7,989)
Capital Outlay	17,225	17,225	0	17,225
Debt Service				
Principal	0	0	8,156	(8,156)
Interest	0	0	1,069	(1,069)
Total Expenditures	<u>24,334</u>	<u>24,334</u>	<u>24,323</u>	<u>11</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,434)	(1,434)	(762)	672
Cash Balance Beginning of Year	<u>2,196</u>	<u>2,196</u>	<u>2,196</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 762</u>	<u>\$ 762</u>	<u>\$ 1,434</u>	<u>\$ 672</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (762)	
Net Change in Accounts Payable			(18)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (780)</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, 2010

	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-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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gas Tax	\$ 30,000	\$ 30,000	\$ 33,435	\$ 3,435
Interest Income	600	600	212	(388)
State Grant	66,500	66,500	66,500	0
Total Revenues	<u>97,100</u>	<u>97,100</u>	<u>100,147</u>	<u>3,047</u>
Expenditures				
Public Works				
Operating Expenses	0	0	0	0
Capital Outlay	133,600	133,600	78,794	54,806
Debt Service				
Principal	0	0	6,542	(6,542)
Interest	0	0	373	(373)
Total Expenditures	<u>133,600</u>	<u>133,600</u>	<u>85,709</u>	<u>47,891</u>
Excess (Deficiency) of Revenues Over Expenditures	(36,500)	(36,500)	14,438	50,938
Cash Balance Beginning of Year	<u>39,552</u>	<u>39,552</u>	<u>39,552</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 3,052</u>	<u>\$ 3,052</u>	<u>\$ 53,990</u>	<u>\$ 50,938</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 14,438	
Net Change in Taxes Receivables			<u>3,398</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 17,836</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 200	\$ 200	\$ 23	\$ (177)
Charges for Services	2,500	2,500	3,009	509
Miscellaneous	100	100	150	50
Total Revenues	<u>2,800</u>	<u>2,800</u>	<u>3,182</u>	<u>509</u>
Expenditures				
Public Works				
Personnel Services	3,344	3,344	0	3,344
Operating Expenses	<u>2,656</u>	<u>2,656</u>	<u>3,653</u>	<u>(997)</u>
Total Expenditures	<u>6,000</u>	<u>6,000</u>	<u>3,653</u>	<u>2,347</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,200)	(3,200)	(471)	2,729
Cash Balance Beginning of Year	<u>5,986</u>	<u>5,986</u>	<u>5,986</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 2,786</u>	<u>\$ 2,786</u>	<u>\$ 5,515</u>	<u>\$ 2,729</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (471)	
Net Change in Account Payable			<u>(91)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (562)</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Lodgers Tax	\$ 10,000	\$ 10,000	\$ 9,848	\$ (152)
Miscellaneous	400	400	105	(295)
Total Revenues	<u>10,400</u>	<u>10,400</u>	<u>9,953</u>	<u>(447)</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	<u>10,400</u>	<u>10,400</u>	<u>9,953</u>	<u>(447)</u>
Other Financing Sources (Uses)				
Transfer to Promotional	<u>(8,000)</u>	<u>(8,000)</u>	<u>(8,000)</u>	<u>0</u>
Total Other Sources (Uses)	<u>(8,000)</u>	<u>(8,000)</u>	<u>(8,000)</u>	<u>0</u>
Net Change in Cash Balance	2,400	2,400	1,953	(447)
Cash Balance Beginning of Year	<u>16,903</u>	<u>16,903</u>	<u>16,903</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 19,303</u>	<u>\$ 19,303</u>	<u>\$ 18,856</u>	<u>\$ (447)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,953	
Net Change in Taxes Receivables			(150)	
Net Change in Accounts Payable			37	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 1,840</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 100	\$ 100	\$ 19	\$ (81)
Total Revenues	<u>100</u>	<u>100</u>	<u>19</u>	<u>(81)</u>
Expenditures				
Culture & Recreation				
Operating Expenses	12,500	12,500	6,160	6,340
Total Expenditures	<u>12,500</u>	<u>12,500</u>	<u>6,160</u>	<u>6,340</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(12,400)</u>	<u>(12,400)</u>	<u>(6,141)</u>	<u>6,259</u>
Other Financing Sources (Uses)				
Transfer In/(Out)	8,000	8,000	8,000	0
Total Other Sources (Uses)	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>0</u>
Net Change in Cash Balance	(4,400)	(4,400)	1,859	6,259
Cash Balance Beginning of Year	<u>4,658</u>	<u>4,658</u>	<u>4,658</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 258</u>	<u>\$ 258</u>	<u>\$ 6,517</u>	<u>\$ 6,259</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,859	
Net Change in Accounts Payable			<u>(53)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 1,806</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Charge for Services	\$ 6,500	\$ 6,500	\$ 6,000	\$ (500)
State Grant	158,700	158,700	158,697	(3)
Miscellaneous	8,000	8,000	1	(7,999)
Total Revenues	<u>173,200</u>	<u>173,200</u>	<u>164,698</u>	<u>(8,502)</u>
Expenditures				
Public Works				
Operating Expenses	167,700	167,700	173,931	(6,231)
Capital Outlay	5,000	5,000	0	5,000
Total Expenditures	<u>172,700</u>	<u>172,700</u>	<u>173,931</u>	<u>(1,231)</u>
Excess (Deficiency) of Revenues Over Expenditures	500	500	(9,233)	(9,733)
Cash Balance Beginning of Year	<u>12,199</u>	<u>12,199</u>	<u>12,199</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 12,699</u>	<u>\$ 12,699</u>	<u>\$ 2,966</u>	<u>\$ (9,733)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ (9,233)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (9,233)</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Cigarette Taxes	\$ 1,600	\$ 1,600	\$ 1,723	\$ 123
Miscellaneous	400	400	51	(349)
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>1,774</u>	<u>(226)</u>
Expenditures				
Culture & Recreation				
Personnel Services	4,608	4,608	0	4,608
Operating Expenses	1,600	1,600	2,504	(904)
Accounts Payable	100	100	28	72
Capital Outlay	<u>2,000</u>	<u>2,000</u>	<u>0</u>	<u>2,000</u>
Total Expenditures	<u>8,308</u>	<u>8,308</u>	<u>2,532</u>	<u>5,776</u>
Excess (Deficiency) of Revenues Over Expenditures	(6,308)	(6,308)	(758)	5,550
Cash Balance Beginning of Year	<u>10,991</u>	<u>10,991</u>	<u>10,991</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 4,683</u>	<u>\$ 4,683</u>	<u>\$ 10,233</u>	<u>\$ 5,550</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (758)	
Net Change in Taxes Receivables			(71)	
Net Change in Account Payable			(28)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (857)</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 17,625	\$ 17,625	\$ 17,625	\$ 0
Total Revenues	<u>17,625</u>	<u>17,625</u>	<u>17,625</u>	<u>0</u>
Expenditures				
Culture & Recreation				
Operating Expenses	13,400	13,400	10,795	2,605
Bulk Gas & Oil	2,000	2,000	1,351	649
Insurance	5,000	5,000	5,000	0
Accounts Payable	0	0	445	(445)
Capital Outlay	<u>18,015</u>	<u>18,015</u>	<u>18,169</u>	<u>(154)</u>
Total Expenditures	<u>38,415</u>	<u>38,415</u>	<u>35,760</u>	<u>2,655</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(20,790)</u>	<u>(20,790)</u>	<u>(18,135)</u>	<u>2,655</u>
Other Financing Sources (Uses)				
Transfer In/(Out)	<u>17,000</u>	<u>17,000</u>	<u>17,000</u>	<u>0</u>
Total Other Sources (Uses)	<u>17,000</u>	<u>17,000</u>	<u>17,000</u>	<u>0</u>
Net Change in Cash Balance	(3,790)	(3,790)	(1,135)	2,655
Cash Balance Beginning of Year	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (1,790)</u>	<u>\$ (1,790)</u>	<u>\$ 865</u>	<u>\$ 2,655</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,135)	
Net Change in Accounts Payable			<u>(328)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (1,463)</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gross Receipts Tax	\$ 49,500	\$ 49,500	\$ 71,040	\$ 21,540
Interest Income	500	500	1,818	1,318
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>72,858</u>	<u>22,858</u>
Expenditures				
Public Works				
Capital Outlay	100,000	100,000	96,158	3,842
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>96,158</u>	<u>3,842</u>
Excess (Deficiency) of Revenues Over Expenditures	(50,000)	(50,000)	(23,300)	26,700
Cash Balance Beginning of Year	<u>185,351</u>	<u>185,351</u>	<u>185,351</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 135,351</u>	<u>\$ 135,351</u>	<u>\$ 162,051</u>	<u>\$ 26,700</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (23,300)	
Net Change in Taxes Receivables			1,479	
Net Change in Interest Receivables			(331)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (22,152)</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, sewer and landfill 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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Charges for Services	\$ 390,329	\$ 390,329	\$ 397,952	\$ 7,623
Connection Fees	250,000	250,000	259,367	9,367
Interest Income	10,000	10,000	4,186	(5,814)
Federal Grant	3,205,095	3,205,095	3,205,095	0
Loan Proceeds	5,413,000	5,413,000	5,413,000	0
Miscellaneous	2,671	2,671	2,671	0
Total Revenues	<u>9,271,095</u>	<u>9,271,095</u>	<u>9,282,271</u>	<u>11,176</u>
Expenditures				
Public Works				
Personnel Services	214,508	214,508	170,188	44,320
Operating Expenses	31,400	31,400	47,018	(15,618)
Bulk Gas & Oil	1,000	1,000	2,024	(1,024)
Insurance	10,000	10,000	10,000	0
Fuel & Power	32,000	32,000	25,244	6,756
Gross Receipt Tax	16,000	16,000	17,078	(1,078)
Water Allotment	10,000	10,000		10,000
Water Conservation Fee	5,000	5,000	3,994	1,006
Accounts Payable	2,000	2,000	3,077	(1,077)
Capital Outlay	9,000,000	9,000,000	8,771,678	228,322
Debt Service				
Principal	0	0	0	0
Interest	0	0	176,496	(176,496)
Total Expenditures	<u>9,321,908</u>	<u>9,321,908</u>	<u>9,226,797</u>	<u>95,111</u>
Excess (Deficiency) of Revenues Over Expenditures	(50,813)	(50,813)	55,474	106,287
Cash Balance Beginning of Year	<u>405,317</u>	<u>405,317</u>	<u>405,317</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 354,504</u>	<u>\$ 354,504</u>	<u>\$ 460,791</u>	<u>\$ 106,287</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, 2010

Reconciliation of Budgetary Basis to GAAP Basis

Excess (Deficiency) of Revenues Over Expenditures-Cash Basis	\$	55,474
Net Change in Accounts Receivables		378
Net Change in Inventory		311
Net Change in Accounts Payable		(1,944)
Net Change in Accrued Salaries and Benefits		(3,890)
Net Change in Accrued Interest		(44,605)
Net Change in Compensated Absences		(1,178)
Loan Proceeds		(5,413,000)
Capital Outlay		8,771,678
Depreciation		(58,001)
Principal		0
Change in Net Assets-GAAP Basis	\$	<u>3,305,223</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Charges for Services	\$ 169,500	\$ 169,500	\$ 170,084	\$ 584
Environmental Gross Receipts Tax	6,500	6,500	11,873	5,373
State Grant	100,000	100,000	0	(100,000)
Interest Income	5,000	5,000	2,847	(2,153)
Total Revenues	281,000	281,000	184,804	(96,196)
Expenditures				
Public Works				
Personnel Services	39,175	39,175	38,594	581
Operating Expenses	58,500	58,500	49,322	9,178
Bulk Gas & Oil	1,000	1,000	845	155
Insurance	8,000	8,000	10,000	(2,000)
Administrative Fee	20,000	20,000	20,000	0
Accounts Payable	2,000	2,000	2,001	(1)
Capital Outlay	250,000	250,000	0	250,000
Total Expenditures	378,675	378,675	120,762	257,913
Excess (Deficiency) of Revenues Over Expenditures	(97,675)	(97,675)	64,042	161,717
Cash Balance Beginning of Year	371,184	371,184	371,184	0
Cash Balance End of Year	\$ 273,509	\$ 273,509	\$ 435,226	\$ 161,717
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 64,042	
Net Change in Taxes Receivables			(121)	
Net Change in Accounts Receivable			535	
Net Change in Interest Receivable			(440)	
Net Changes in Accounts Payables			677	
Net Change in Accrued Salaries and Benefits			(968)	
Net Changes in Compensated Absenses			(1,823)	
Depreciation			(21,305)	
Change in Net Assets-GAAP Basis			\$ 40,597	

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, 2010

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			
Water & Waste Disposal Systems for Rural Communities	10.760	NM-9200	\$ 8,618,095
Total Federal Assistance			\$ <u>8,618,095</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, 2010

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 two loans outstanding at the end of the year for a total of \$5,413,000.

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, the aggregate remaining fund information, the budgetary comparisons for the general fund, major special revenue fund, and the combining and individual funds and related budgetary comparisons presented as supplemental information of VILLAGE OF LOGAN, (Village), as of and for the year ended June 30, 2010, and have issued our report thereon dated August 12, 2011. 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 auditing 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses listed as 10-2 and 10-3.

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 our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are describe in the accompanying schedule of findings and questioned costs as items 10-2 and 10-3.

The Village's responses to the findings identified in our audit as described in the accompanying schedule of findings and responses. We did not audit the Village's response and, accordingly, we express no opinion on it.

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

August 12, 2011

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 VILLAGE OF LOGAN (Village) compliance with the types of compliance requirements described in the OMB A-133 Compliance Supplement that could have a direct and material effect on each of the Village's major federal programs for the year ended June 30, 2010. 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 each of its major federal programs is the responsibility of the Village's management. Our responsibility is to express an opinion on the Village's compliance based on our audit.

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. 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, the Village complied, in all material respects, with the requirements referred to above that are applicable its major federal program for the year ended June 30, 2010. However, the results of our auditing procedures disclosed one instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 10-1.

Internal Control Over Compliance

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 the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over compliance.

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

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

The Village's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Village's response and accordingly, we express no opinion on it.

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

August 12, 2011

STATE OF NEW MEXICO
VILLAGE OF LOGAN
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2010

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	Water & Waste Disposal Systems for Rural Communities

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

Auditee qualified as low risk auditee yes no

Federal Award Findings

Prior Year Audit Findings

There were no audit findings for the prior year.

Current Year Audit Findings

10-1 Late Filed Data Collection Form and Reporting Package to the Federal Clearinghouse-Compliance

Condition

The audit report was filed after the due date.

Criteria

As required by OMB Circular A-133.320, the reporting package is due nine months after the fiscal year end.

Cause

The auditor takes full responsibility for the late audit report.

Effect

Late report filing is an instance of noncompliance with the District's internal controls related to financial reporting.

Recommendation

Care should be taken to ensure that the data collection form and reporting package are completed in a timely fashion.

Response

We will be sure our audit is timely completed.

Financial Statement Audit Findings

Prior Year Audit Findings

There were no prior year audit findings.

Current Year Audit Findings

10-2 Late Audit Report-Compliance and Internal Control-Material Weakness

Condition

The June 30, 2010 audit report was submitted to the Office of the New Mexico State Auditor after the December 1, 2010 deadline.

Criteria

Villages audits are to be submitted to the State Auditor by December 1 as required by NMAC 2.2.2.9A (1) (d).

Cause

The auditor takes full responsibility for the late audit report.

Effect

Those relying on the financial statements including but not limited to the NM Department of Finance and Administration (DFA) and Local Government Division (LGD) did not have audited financial statements to facilitate their oversight function.

Recommendation

The Village should contract with an auditor that will perform and submit the audit reports timely.

Response

We will be sure our audit is timely completed.

10-3 Expenditures Over Budget-Compliance and Internal Control-Material Weakness**Condition**

The Village incurred expenditures in excess of the approved budget in the following fund. See Note O on page 40.

Criteria

Section 6-6-6, NMSA 1978, requires the Village to keep expenditures within budgeted amounts.

Cause

Purchases were approved in excess of available budget or budget adjustments were not approved to cover the expenditures approved.

Effect

State statute may have been violated subjecting those responsible to the penalty provisions of the statute.

Recommendation

The Village should consider preparing and reviewing budget to actual reports on a monthly basis.

Response

The Village will review the budget in a timely manner for budget adjustments.

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 August 12, 2011. In attendance was David Babb-Mayor, Larry Wallin-Village Administrator, Angelina Cordova-Clerk and De'Aun Willoughby, CPA.