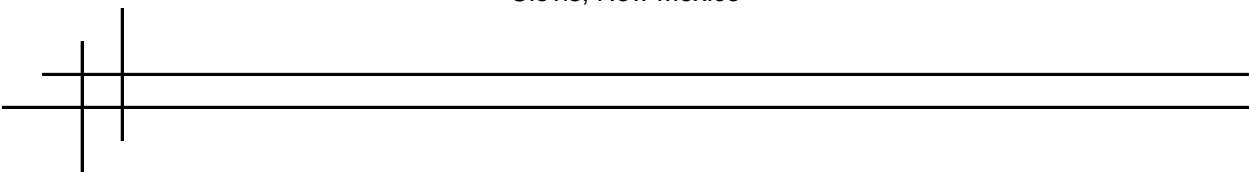


STATE OF NEW MEXICO
VILLAGE OF LOGAN

ANNUAL FINANCIAL REPORT
June 30, 2013

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



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VILLAGE OF LOGAN
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STATE OF NEW MEXICO
VILLAGE OF LOGAN
Official Roster
June 30, 2013

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

225 Innsdale Terrace Clovis, NM 88101
(855) 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

Report on Financial Statements

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, 2013, and the related notes to the financial statements 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 presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village as of June 30, 2013, and the respective changes in financial position, thereof and the respective budgetary comparisons for the general fund and major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the Village as of June 30, 2013, and the respective changes in financial position, thereof and the respective budgetary comparisons for all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

Our audit was conducted for the purpose of forming opinions on the Village's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The schedule required by 2.2.2.NMAC is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2013, 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* in considering the Village's internal control over financial reporting and compliance.

 CPA PC

Clovis, New Mexico
November 20, 2013

FINANCIAL SECTION

STATE OF NEW MEXICO
VILLAGE OF LOGAN
Government-Wide Statement of Net Position
June 30, 2013

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|---------------------------------------|------------------------------------|-------------------------------------|----------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | \$ 1,307,413 | \$ 1,188,298 | \$ 2,495,711 |
| Investments | 314 | 0 | 314 |
| Receivables | | | |
| Taxes | 74,604 | 1,336 | 75,940 |
| Accounts | 26,672 | 80,370 | 107,042 |
| Total Current Assets | <u>1,409,003</u> | <u>1,270,004</u> | <u>2,679,007</u> |
| Noncurrent Assets | | | |
| Restricted Cash | 19,990 | 17,600 | 37,590 |
| Capital Assets | 7,990,122 | 16,601,318 | 24,591,440 |
| Less: Accumulated Depreciation | <u>(5,172,403)</u> | <u>(1,767,303)</u> | <u>(6,939,706)</u> |
| Total Noncurrent Assets | <u>2,837,709</u> | <u>14,851,615</u> | <u>17,689,324</u> |
| Total Assets | <u>4,246,712</u> | <u>16,121,619</u> | <u>20,368,331</u> |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts Payable | 9,359 | 10,442 | 19,801 |
| Accrued Salaries & Benefits | 9,280 | 3,966 | 13,246 |
| Accrued Interest | 429 | 37,960 | 38,389 |
| Compensated Absences | 32,585 | 8,577 | 41,162 |
| Current Portion of Long-Term Debt | 56,275 | 86,389 | 142,664 |
| Total Current Liabilities | <u>107,928</u> | <u>147,334</u> | <u>255,262</u> |
| Noncurrent Liabilities | | | |
| Customer Deposits | 0 | 17,600 | 17,600 |
| Non Current Portion of Long Term Debt | 238,528 | 5,417,716 | 5,656,244 |
| Total Noncurrent Liabilities | <u>238,528</u> | <u>5,435,316</u> | <u>5,673,844</u> |
| Total Liabilities | <u>346,456</u> | <u>5,582,650</u> | <u>5,929,106</u> |
| NET POSITION | | | |
| Net Investment in Capital Assets | 2,542,906 | 9,347,510 | 11,890,416 |
| Unrestricted | 1,357,350 | 1,191,459 | 2,548,809 |
| Total Net Position | <u>\$ 3,900,256</u> | <u>\$ 10,538,969</u> | <u>\$ 14,439,225</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, 2013

| Functions/Programs | Expenses | Program Revenues | | | Net(Expenses) Revenue and Changes in Net Position | | |
|---|---------------------|----------------------|-------------------|-----------------|---|--------------------------|----------------------|
| | | Charges for Services | Operating Grants | Capital Grants | Governmental Activities | Business-Type Activities | Total |
| Governmental Activities | | | | | | | |
| General Government | \$ 508,713 | \$ 122,759 | \$ 138,177 | \$ 0 | \$ (247,777) | \$ 0 | \$ (247,777) |
| Public Safety | 538,665 | 76,764 | 237,257 | 0 | (224,644) | 0 | (224,644) |
| Public Works | 343,552 | 0 | 0 | 0 | (343,552) | 0 | (343,552) |
| Health & Welfare | 112,908 | 6,000 | 96,200 | 0 | (10,708) | 0 | (10,708) |
| Culture & Recreation | 62,356 | 0 | 0 | 6,798 | (55,558) | 0 | (55,558) |
| Interest on Long-Term Obligations | 4,610 | 0 | 0 | 0 | (4,610) | 0 | (4,610) |
| Total Governmental Activities | \$ 1,570,804 | \$ 205,523 | \$ 471,634 | \$ 6,798 | (886,849) | 0 | (886,849) |
| Business-type Activities | | | | | | | |
| Water & Sewer | \$ 1,206,550 | \$ 690,452 | \$ 0 | \$ 0 | 0 | (516,098) | (516,098) |
| Solid Waste | 271,352 | 171,695 | 0 | 0 | 0 | (99,657) | (99,657) |
| Total Business-type Activities | \$ 1,477,902 | \$ 862,147 | \$ 0 | \$ 0 | 0 | (615,755) | (615,755) |
| General Revenues | | | | | | | |
| Taxes | | | | | | | |
| Property | | | | | 172,663 | 0 | 172,663 |
| Gross Receipts | | | | | 450,538 | 8,675 | 459,213 |
| Gasoline | | | | | 33,056 | 0 | 33,056 |
| Other Taxes | | | | | 22,120 | 0 | 22,120 |
| Miscellaneous | | | | | 70,406 | 0 | 70,406 |
| Interest Income | | | | | 3,763 | 3,197 | 6,960 |
| Total General Revenues and Transfers | | | | | 752,546 | 11,872 | 764,418 |
| Change in Net Position | | | | | (134,303) | (603,883) | (738,186) |
| Net Position - beginning | | | | | 4,034,559 | 11,142,852 | 15,177,411 |
| Net Position - ending | | | | | \$ 3,900,256 | \$ 10,538,969 | \$ 14,439,225 |

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, 2013

| | General Fund | Special Revenue Fire Fund | Non-Major Governmental Funds |
|-------------------------------------|-------------------|---------------------------------|------------------------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 644,132 | \$ 184,287 | \$ 478,994 |
| Investments | 314 | 0 | 0 |
| Receivables | | | |
| Taxes | 65,246 | 0 | 9,358 |
| Accounts | 0 | 0 | 26,672 |
| Restricted Cash | 0 | 19,504 | 486 |
| Total Assets | <u>\$ 709,692</u> | <u>\$ 203,791</u> | <u>\$ 515,510</u> |
| LIABILITIES AND FUND BALANCE | | | |
| Liabilities | | | |
| Current Liabilities | | | |
| Accounts Payables | \$ 5,157 | \$ 1,511 | \$ 2,691 |
| Accrued Salaries & Benefits | 9,226 | 0 | 54 |
| Total Liabilities | <u>14,383</u> | <u>1,511</u> | <u>2,745</u> |
| Fund Balances | | | |
| Reserved for, reported in: | | | |
| Special Revenue Fund | 0 | 202,280 | 512,765 |
| Unassigned- General Fund | 695,309 | 0 | 0 |
| Total Fund Balances | <u>695,309</u> | <u>202,280</u> | <u>512,765</u> |
| Total Liabilities and Fund Balances | <u>\$ 709,692</u> | <u>\$ 203,791</u> | <u>\$ 515,510</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, 2013

| | Total Governmental Funds |
|-------------------------------------|--------------------------------|
| | <u> </u> |
| ASSETS | |
| Cash and Cash Equivalents | \$ 1,307,413 |
| Investments | 314 |
| Receivables | |
| Taxes | 74,604 |
| Accounts | 26,672 |
| Restricted Cash | <u>19,990</u> |
| Total Assets | <u>\$ 1,428,993</u> |
| | |
| LIABILITIES AND FUND BALANCE | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payables | \$ 9,359 |
| Accrued Salaries & Benefits | <u>9,280</u> |
| Total Liabilities | <u>18,639</u> |
| | |
| Fund Balances | |
| Reserved for, reported in: | |
| Special Revenue Fund | 715,045 |
| Unassigned- General Fund | <u>695,309</u> |
| Total Fund Balances | <u>1,410,354</u> |
| | |
| Total Liabilities and Fund Balances | <u>\$ 1,428,993</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 Position
 June 30, 2013

| | | |
|---|----|-----------|
| Total Fund Balance - Governmental Funds | \$ | 1,410,354 |
|---|----|-----------|

Amounts reported for governmental activities in the Statement of Net Position are different because:

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 | \$ 7,990,122 | |
| Accumulated depreciation | <u>(5,172,403)</u> | 2,817,719 |

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 | (294,803) | |
| Accrued interest on Notes Payable | (429) | |
| Compensated Absences | <u>(32,585)</u> | <u>(327,817)</u> |

| | | |
|--|----|-------------------------|
| Total net position - governmental activities | \$ | <u><u>3,900,256</u></u> |
|--|----|-------------------------|

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

STATE OF NEW MEXICO
VILLAGE OF LOGAN
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2013

| | General Fund | Special Revenue Fire Fund | Non-Major Governmental Funds |
|--|-------------------|---------------------------------|------------------------------------|
| Revenues | | | |
| Taxes | | | |
| Property | \$ 172,663 | \$ 0 | \$ 0 |
| Gross Receipts | 398,277 | 0 | 52,261 |
| Franchise | 3,894 | 0 | 0 |
| Lodgers | 0 | 0 | 8,078 |
| Gasoline | 0 | 0 | 33,056 |
| Other | 10,148 | 0 | 0 |
| Interest Income | 2,096 | 619 | 1,048 |
| License & Permits | 3,415 | 0 | 0 |
| State Grants | 138,177 | 206,655 | 133,600 |
| Charges for Services | 125,344 | 0 | 76,764 |
| Miscellaneous | 69,387 | 519 | 500 |
| Total Revenues | <u>923,401</u> | <u>207,793</u> | <u>305,307</u> |
| Expenditures | | | |
| Current | | | |
| General Government | 527,490 | 0 | 0 |
| Public Safety | 330,220 | 74,183 | 61,461 |
| Public Works | 131,736 | 0 | 17,469 |
| Health & Welfare | 0 | 0 | 101,016 |
| Culture & Recreation | 14,890 | 0 | 24,974 |
| Capital Outlay | 42,942 | 60,702 | 40,410 |
| Debt Service | | | |
| Principal | 0 | 45,293 | 18,550 |
| Interest | 0 | 3,315 | 1,400 |
| Total Expenditures | <u>1,047,278</u> | <u>183,493</u> | <u>265,280</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(123,877)</u> | <u>24,300</u> | <u>40,027</u> |
| Other Financing Sources (Uses) | | | |
| Transfers In (Out) | <u>(18,000)</u> | <u>0</u> | <u>18,000</u> |
| Total Other Sources (Uses) | <u>(18,000)</u> | <u>0</u> | <u>18,000</u> |
| Net Change in Fund Balance | (141,877) | 24,300 | 58,027 |
| Fund Balance at Beginning of year | <u>837,186</u> | <u>177,980</u> | <u>454,738</u> |
| Fund Balance End of Year | <u>\$ 695,309</u> | <u>\$ 202,280</u> | <u>\$ 512,765</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, 2013

| | Total Governmental Funds |
|--|--------------------------------|
| Revenues | |
| Taxes | |
| Property | \$ 172,663 |
| Gross Receipts | 450,538 |
| Franchise | 3,894 |
| Lodgers | 8,078 |
| Gasoline | 33,056 |
| Other | 10,148 |
| Interest Income | 3,763 |
| License & Permits | 3,415 |
| State Grants | 478,432 |
| Charges for Services | 202,108 |
| Miscellaneous | 70,406 |
| Total Revenues | <u>1,436,501</u> |
| Expenditures | |
| Current | |
| General Government | 527,490 |
| Public Safety | 465,864 |
| Public Works | 149,205 |
| Health & Welfare | 101,016 |
| Culture & Recreation | 39,864 |
| Capital Outlay | 144,054 |
| Debt Service | |
| Principal | 63,843 |
| Interest | 4,715 |
| Total Expenditures | <u>1,496,051</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(59,550)</u> |
| Other Financing Sources (Uses) | |
| Transfers In (Out) | 0 |
| Total Other Sources (Uses) | <u>0</u> |
| Net Change in Fund Balance | (59,550) |
| Fund Balance at Beginning of year | <u>1,469,904</u> |
| Fund Balance End of Year | <u>\$ 1,410,354</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, 2013

Net Change in Fund Balance \$ (59,550)

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

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 Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.

| | | |
|----------------------|----------------|-----------|
| Depreciation expense | \$ (324,018) | |
| Capital Outlay | <u>144,054</u> | (179,964) |

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

63,843

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, 2012 | 534 | |
| Accrued Interest, June 30, 2013 | <u>(429)</u> | 105 |

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, 2012 | 73,848 | |
| Compensated Absences, June 30, 2013 | <u>(32,585)</u> | <u>41,263</u> |

Changes in Net Position of Governmental Activities \$ (134,303)

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, 2013

| | Budgeted Amounts | | Actual (Budgetary Basis) | Variance with Final Budget- Over (Under) |
|----------------------------|-------------------|-------------------|--------------------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | | | | |
| Property | \$ 164,019 | \$ 164,019 | \$ 172,177 | \$ 8,158 |
| Franchise | 4,000 | 4,000 | 3,894 | (106) |
| Gross Receipts | 306,000 | 306,000 | 369,265 | 63,265 |
| Other | 9,500 | 9,500 | 10,148 | 648 |
| Interest Income | 5,000 | 5,000 | 2,096 | (2,904) |
| State Grants | 132,500 | 132,500 | 138,177 | 5,677 |
| License & Permits | 3,500 | 3,500 | 3,415 | (85) |
| Charges for Services | 227,700 | 227,700 | 125,344 | (102,356) |
| Miscellaneous | 26,000 | 26,000 | 69,387 | 43,387 |
| Total Revenues | <u>878,219</u> | <u>878,219</u> | <u>893,903</u> | <u>15,684</u> |
| Expenditures | | | | |
| Executive | | | | |
| Personnel Services | 77,526 | 77,526 | 76,076 | 1,450 |
| Operating Expenses | 4,800 | 4,800 | 5,943 | (1,143) |
| Total Executive | <u>82,326</u> | <u>82,326</u> | <u>82,019</u> | <u>307</u> |
| Financial Department | | | | |
| Personnel Services | 204,141 | 204,141 | 205,196 | (1,055) |
| Operating Expenses | 33,700 | 33,700 | 35,829 | (2,129) |
| Total Financial Department | <u>237,841</u> | <u>237,841</u> | <u>241,025</u> | <u>(3,184)</u> |
| Police Department | | | | |
| Personnel Services | 306,080 | 306,080 | 291,260 | 14,820 |
| Operating Expenses | 36,600 | 36,600 | 38,865 | (2,265) |
| Capital Outlay | 50,000 | 50,000 | 42,942 | 7,058 |
| Total Police Department | <u>392,680</u> | <u>392,680</u> | <u>373,067</u> | <u>19,613</u> |
| Highway & Streets | | | | |
| Personnel Services | 41,165 | 41,165 | 47,088 | (5,923) |
| Operating Expenses | 25,900 | 25,900 | 31,763 | (5,863) |
| Capital Outlay | 40,000 | 40,000 | 0 | 40,000 |
| Total Highway & Streets | <u>\$ 107,065</u> | <u>\$ 107,065</u> | <u>\$ 78,851</u> | <u>\$ 28,214</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, 2013

| | Budgeted Amounts | | Actual (Budgetary Basis) | Variance with Final Budget- Over (Under) |
|--|--------------------|--------------------|--------------------------------|---|
| | Original | Final | | |
| Motor Vehicle Department | | | | |
| Personnel Services | \$ 53,197 | \$ 53,197 | \$ 48,580 | \$ 4,617 |
| Operating Expenses | 3,000 | 3,000 | 3,490 | (490) |
| Total Motor Vehicle Department | <u>56,197</u> | <u>56,197</u> | <u>52,070</u> | <u>4,127</u> |
| Civic Center | | | | |
| Personnel Services | 12,256 | 12,256 | 10,315 | 1,941 |
| Operating Expenses | 5,100 | 5,100 | 4,791 | 309 |
| Total Civic Center | <u>17,356</u> | <u>17,356</u> | <u>15,106</u> | <u>2,250</u> |
| Insurance | | | | |
| Employee Bonds | 800 | 800 | 450 | 350 |
| General Fund | 3,000 | 3,000 | 2,250 | 750 |
| Risk Management | 10,000 | 10,000 | 0 | 10,000 |
| Workers Compensation | 16,000 | 16,000 | 10,479 | 5,521 |
| Total Insurance | <u>29,800</u> | <u>29,800</u> | <u>13,179</u> | <u>16,621</u> |
| Miscellaneous | | | | |
| Election Expense | 3,000 | 3,000 | 1,556 | 1,444 |
| Assistance to Chamber of Commerce | 700 | 700 | 0 | 700 |
| Fees | 282,200 | 282,200 | 182,178 | 100,022 |
| Ute Commission | 600 | 600 | 600 | 0 |
| EPCOG | 443 | 443 | 0 | 443 |
| NM State Library | 300 | 300 | 300 | 0 |
| RPCHA Capital Outlay | 7,000 | 7,000 | 4,247 | 2,753 |
| Total Miscellaneous | <u>294,243</u> | <u>294,243</u> | <u>188,881</u> | <u>105,362</u> |
| Economic Development | | | | |
| Operating Expenses | 3,000 | 3,000 | 2,250 | 750 |
| Total Economic Development | <u>3,000</u> | <u>3,000</u> | <u>2,250</u> | <u>750</u> |
| Total Expenditures | <u>1,220,508</u> | <u>1,220,508</u> | <u>1,046,448</u> | <u>174,060</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(342,289)</u> | <u>(342,289)</u> | <u>(152,545)</u> | <u>189,744</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In (Out) | (20,000) | (20,000) | (18,000) | 2,000 |
| Total Other Sources (Uses) | <u>\$ (20,000)</u> | <u>\$ (20,000)</u> | <u>\$ (18,000)</u> | <u>\$ 2,000</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, 2013

| | Budgeted Amounts | | Actual (Budgetary Basis) | Variance with Final Budget- Over (Under) |
|---|-------------------|-------------------|--------------------------------|---|
| | Original | Final | | |
| Net Change in Cash Balance | \$ (362,289) | \$ (362,289) | \$ (170,545) | \$ 191,744 |
| Cash Balance Beginning of Year | 814,991 | 814,991 | 814,991 | 0 |
| Cash Balance End of Year | <u>\$ 452,702</u> | <u>\$ 452,702</u> | <u>\$ 644,446</u> | <u>\$ 191,744</u> |
| Reconciliation of Budgetary Basis to GAAP Basis | | | | |
| Net Change in Cash Balance | | | \$ (170,545) | |
| Net Change in Taxes Receivables | | | 29,499 | |
| Net Change in Accounts Payable | | | (855) | |
| Net Change in Accrued Salaries and Benefits | | | 24 | |
| Net Change in Fund Balance | | | <u>\$ (141,877)</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, 2013

| | Budgeted Amounts | | Actual (Budgetary Basis) | Variance with Final Budget- Over (Under) |
|--|------------------|------------------|--------------------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Interest Income | \$ 500 | \$ 500 | \$ 618 | \$ 118 |
| State Grant | 206,000 | 206,000 | 206,655 | 655 |
| Miscellaneous | 400 | 400 | 519 | 119 |
| Total Revenues | <u>206,900</u> | <u>206,900</u> | <u>207,792</u> | <u>892</u> |
| Expenditures | | | | |
| Public Safety | | | | |
| Operating Expenses | 144,170 | 144,170 | 72,670 | 71,500 |
| Capital Outlay | 140,644 | 140,644 | 60,703 | 79,941 |
| Debt Service | | | | |
| Principal | 45,000 | 45,000 | 45,293 | (293) |
| Interest | 3,500 | 3,500 | 3,315 | 185 |
| Total Expenditures | <u>333,314</u> | <u>333,314</u> | <u>181,981</u> | <u>151,333</u> |
| Excess (Deficiency) of Revenues Over Expenditures | (126,414) | (126,414) | 25,811 | 152,225 |
| Cash Balance Beginning of Year | <u>177,980</u> | <u>177,980</u> | <u>177,980</u> | <u>0</u> |
| Cash Balance End of Year | <u>\$ 51,566</u> | <u>\$ 51,566</u> | <u>\$ 203,791</u> | <u>\$ 152,225</u> |
| Reconciliation of Budgetary Basis to GAAP Basis | | | | |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis | | | \$ 25,811 | |
| Net Change in Accounts Payable | | | (1,511) | |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis | | | <u>\$ 24,300</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 Position
 June 30, 2013

| ASSETS | Water and Sewer Fund | Solid Waste | Total |
|----------------------------------|-------------------------|-------------------|----------------------|
| Current Assets | | | |
| Cash and Cash Equivalents | \$ 869,215 | \$ 319,083 | \$ 1,188,298 |
| Receivables | | | |
| Accounts | 67,390 | 12,980 | 80,370 |
| Taxes | 0 | 1,336 | 1,336 |
| Total Current Assets | <u>936,605</u> | <u>333,399</u> | <u>1,270,004</u> |
| Noncurrent Assets | | | |
| Restricted Cash | 17,600 | 0 | 17,600 |
| Capital Assets | 16,401,491 | 199,827 | 16,601,318 |
| Less Accumulated Depreciation | <u>(1,650,028)</u> | <u>(117,275)</u> | <u>(1,767,303)</u> |
| Total Noncurrent Assets | <u>14,769,063</u> | <u>82,552</u> | <u>14,851,615</u> |
| Total Assets | <u>15,705,668</u> | <u>415,951</u> | <u>16,121,619</u> |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts Payable | 4,920 | 5,522 | 10,442 |
| Accrued Salaries & Benefits | 3,344 | 622 | 3,966 |
| Accrued Interest | 37,960 | 0 | 37,960 |
| Compensated Absences | 6,468 | 2,109 | 8,577 |
| Current Amount Due | <u>86,389</u> | <u>0</u> | <u>86,389</u> |
| Total Current Liabilities | <u>139,081</u> | <u>8,253</u> | <u>147,334</u> |
| Noncurrent Liabilities | | | |
| Customer Deposits | 17,600 | 0 | 17,600 |
| Bonds and Loans | <u>5,417,716</u> | <u>0</u> | <u>5,417,716</u> |
| Total Noncurrent Liabilities | <u>5,435,316</u> | <u>0</u> | <u>5,435,316</u> |
| Total Liabilities | <u>5,574,397</u> | <u>8,253</u> | <u>5,582,650</u> |
| NET POSITION | | | |
| Investment in Net Capital Assets | 9,264,958 | 82,552 | 9,347,510 |
| Unrestricted | <u>866,313</u> | <u>325,146</u> | <u>1,191,459</u> |
| Total Net Position | <u>\$ 10,131,271</u> | <u>\$ 407,698</u> | <u>\$ 10,538,969</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 Position
 For the Year Ended June 30, 2013

| | Water and Sewer Fund | Solid Waste | Total |
|--------------------------------------|-------------------------|-------------------|----------------------|
| Revenues | | | |
| Sales & Service | \$ 587,761 | \$ 171,695 | \$ 759,456 |
| Connection Fees | 102,691 | | 102,691 |
| Total Revenues | <u>690,452</u> | <u>171,695</u> | <u>862,147</u> |
| Expenses | | | |
| Operating Expenses | 600,128 | 259,149 | 859,277 |
| Depreciation | 405,182 | 12,203 | 417,385 |
| Total Expenses | <u>1,005,310</u> | <u>271,352</u> | <u>1,276,662</u> |
| Operating Income (Loss) | <u>(314,858)</u> | <u>(99,657)</u> | <u>(414,515)</u> |
| Nonoperating Revenue (Expenses) | | | |
| Environmental Gross Receipts Tax | | 8,675 | 8,675 |
| Interest Income | 2,206 | 991 | 3,197 |
| Interest Expense | <u>(201,240)</u> | | <u>(201,240)</u> |
| Total Nonoperating Revenue (Expense) | <u>(199,034)</u> | <u>9,666</u> | <u>(189,368)</u> |
| Change in Net Position | (513,892) | (89,991) | (603,883) |
| Total Net Position - Beginning | <u>10,645,163</u> | <u>497,689</u> | <u>11,142,852</u> |
| Total Net Position - Ending | <u>\$ 10,131,271</u> | <u>\$ 407,698</u> | <u>\$ 10,538,969</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, 2013

| | Water and Sewer Fund | Solid Waste | Total |
|--|-------------------------|--------------------|---------------------|
| Cash Flows from Operating Activities | | | |
| Cash Received From Customers | \$ 743,355 | \$ 171,858 | \$ 915,213 |
| Cash Paid to Suppliers and Employees | 601,693 | 255,932 | 857,625 |
| Net Cash Provided by Operating Activities | <u>141,662</u> | <u>(84,074)</u> | <u>57,588</u> |
| Cash Flows from Noncapital Financing Activities | | | |
| Taxes | 0 | 8,675 | 8,675 |
| Net Cash Provided by Noncapital Financing Activities | <u>0</u> | <u>8,675</u> | <u>8,675</u> |
| Cash Flows from Capital & Related Financing Activities | | | |
| Acquisition and Construction of Capital Assets | (25,176) | 0 | (25,176) |
| Principal Paid | (83,989) | 0 | (83,989) |
| Interest Paid | (201,240) | 0 | (201,240) |
| Net Cash Provided by Capital & Related Financing Activities | <u>(310,405)</u> | <u>0</u> | <u>(310,405)</u> |
| Cash Flows from Investing Activities | | | |
| Interest Received | 2,206 | 991 | 3,197 |
| Net Cash Provided by Investing Activities | <u>2,206</u> | <u>991</u> | <u>3,197</u> |
| Net Increase (Decrease) in Cash | (166,537) | (74,408) | (240,945) |
| Cash, Beginning of Year | <u>1,053,352</u> | <u>393,491</u> | <u>1,446,843</u> |
| Cash, End of Year | <u>\$ 886,815</u> | <u>\$ 319,083</u> | <u>\$ 1,205,898</u> |
| Cash and Cash Equivalents | \$ 869,215 | \$ 319,083 | \$ 1,188,298 |
| Restricted Cash | 17,600 | 0 | 17,600 |
| Total Cash | <u>\$ 886,815</u> | <u>\$ 319,083</u> | <u>\$ 1,205,898</u> |
| Reconciliation of Net Income to Net Cash Provided by Operating Activities | | | |
| Operating Income (Loss) | \$ (314,858) | \$ (99,657) | \$ (414,515) |
| Depreciation | 405,183 | 12,203 | 417,386 |
| Change in Assets and Liabilities | | | |
| (Increase) Decrease in Taxes Receivable | 0 | (603) | (603) |
| (Increase) Decrease in Accounts Receivable | 55,528 | 163 | 55,691 |
| (Increase) Decrease in Inventories | (255) | 0 | (255) |
| Increase (Decrease) in Accounts Payable | 22 | 1,888 | 1,910 |
| Increase (Decrease) in Accrued Salaries & Benefits | (831) | 42 | (789) |
| Increase (Decrease) in Compensated Absences | (502) | 1,890 | 1,388 |
| Increase (Decrease) in Customer Deposits | (2,625) | 0 | (2,625) |
| Net Cash Provided by Operating Activities | <u>\$ 141,662</u> | <u>\$ (84,074)</u> | <u>\$ 57,588</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. The more significant of the Village's accounting policies are described below.

Financial Reporting Entity

The Village 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 Position and the Statement of Changes in Net Position) 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 Assets and Liabilities at the fund financial statement level. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given program 2) operating grants and contributions that are restricted to meeting the operational requirements of a particular program which includes public safety grants for the fire protection and law enforcement and 3) capital grants or contributions restricted to meeting capital requirements of a particular program including the USDA grant to construct a sewer system. Taxes and other items not properly included amount program revenues are reported instead as general revenues.

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

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

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

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

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 Position. 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.

Solid Waste - 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 funds.
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 Solid Waste 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 Position 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 Position

Net position represent the difference between assets and liabilities. Net position 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 positions 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 positions 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).

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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.

| <u>Name of Account</u> | Balance Per Bank 06/30/2013 | Reconciled Balance | <u>Type</u> |
|----------------------------|-----------------------------------|-----------------------|-------------------------------|
| General Fund | \$ 1,807,294 | \$ 1,794,775 | Checking-Interest Bearing |
| EMS Account | 35,378 | 35,378 | Checking-Interest Bearing |
| Primary Care Unit | 1 | 1 | Checking-Interest Bearing |
| Sewer Phase I | 294 | 294 | Checking-Non Interest Bearing |
| Sewer Phase II | 32,863 | 32,863 | Checking-Non Interest Bearing |
| Village of Logan | 100,000 | 100,000 | Savings-Interest Bearing |
| Village of Logan | 200,000 | 200,000 | Savings-Interest Bearing |
| Village of Logan | 150,000 | 150,000 | Savings-Interest Bearing |
| Village of Logan | 100,000 | 100,000 | Savings-Interest Bearing |
| Village of Logan | 100,000 | 100,000 | Savings-Interest Bearing |
| TOTAL Deposited | <u>2,525,830</u> | <u>\$ 2,513,311</u> | |
| Less: FDIC Coverage | <u>(250,000)</u> | | |
| Uninsured Amount | 2,275,830 | | |
| 50% collateral requirement | 1,137,915 | | |
| Pledged securities | <u>1,399,900</u> | | |
| Over (Under) requirement | <u>\$ 261,985</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 Sch Dist 33 | 9ZZ382BX3 | \$ 85,000 | 08/01/2014 |
| Eastern NM University Revs | 276785UA8 | 50,000 | 04/01/2014 |
| Logan NM Sch Dist No 32 | 541066BC9 | 125,000 | 04/15/2019 |
| Logan NM Sch Dist No 32 | 541066BD7 | 125,000 | 04/15/2020 |
| Los Lunas Sch Dist No 001 | 545562ND8 | 325,000 | 04/15/2016 |
| Bernalillo NM Mun Sch Dist 1 | 085279MW4 | 25,000 | 08/01/2017 |
| Roosevelt Cnty NM Gross Recpts | 776461AL9 | 125,000 | 06/01/2017 |
| Roosevelt Cnty NM Gross Recpts | 776461AL9 | 50,000 | 06/01/2017 |
| FNMA ARM-Pool#729128 | 31402HA50 | 4,551 | 11/01/2033 |
| FNMA Fixed Rate Note | 3136FPKV8 | 485,349 | 10/08/2025 |
| | | <u>\$ 1,399,900</u> | |

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| <u>Name of Account</u> | Balance Per Bank Balance | Reconciled Balance | Type |
|----------------------------|--------------------------------|-----------------------|---------|
| NMFA 3 | \$ 3 | \$ 3 | Savings |
| NMFA 4 | 486 | 486 | Savings |
| NMFA 6 | 2 | 2 | Savings |
| NMFA 7 | 19,499 | 19,499 | Savings |
| TOTAL Deposited | <u>19,990</u> | <u>\$ 19,990</u> | |
| Less: FDIC Coverage | <u>(19,990)</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 | \$ 269,990 |
| Collateralized: | |
| Collateral held by the pledging bank in Village's name | 1,399,900 |
| Uninsured and uncollateralized | <u>875,930</u> |
| Total Deposits | <u>\$ 2,545,820</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, 2013 \$875,930 of the Village's bank balance of \$2,545,820 was exposed to custodial credit risk.

State Treasurer

| <u>Name of Account</u> | Balance Per Bank Balance | Reconciled Balance | Type |
|--------------------------|--------------------------------|-----------------------|---------|
| Village of Logan | \$ 206 | \$ 206 | Savings |
| Village of Logan Reserve | 108 | 108 | Savings |
| TOTAL Deposited | <u>\$ 314</u> | <u>\$ 314</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, 2013, the LGIP WAM (R) is 59 days and WAM (F) IS 90 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 \$19,504 restricted cash in the Fire Fund and \$486 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 \$17,600 is for customer deposits.

NOTE E: CAPITAL ASSETS

Capital Assets Balances and Activity for the Year Ended June 30, 2013, is as follows:

| | Balance 6/30/12 | Increases | Decreases | Balance 6/30/13 |
|---|--------------------|--------------|-----------|--------------------|
| 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 | 4,100,934 | 33,612 | 0 | 4,134,546 |
| Buildings & Improvements | 1,946,703 | 42,942 | 0 | 1,989,645 |
| Equipment | 1,249,978 | 67,500 | 24,500 | 1,292,978 |
| Vehicles | 516,453 | 0 | 0 | 516,453 |
| Total Capital Assets, being Depreciated | 7,814,068 | 144,054 | 24,500 | 7,933,622 |
| Total Capital Assets | 7,870,568 | 144,054 | 24,500 | 7,990,122 |
| Less Accumulated Depreciation | | | | |
| Infrastructure | 3,178,371 | 184,895 | 0 | 3,363,266 |
| Buildings & Improvements | 804,715 | 51,948 | 0 | 856,663 |
| Equipment | 595,440 | 56,779 | 24,500 | 627,719 |
| Vehicles | 294,359 | 30,396 | 0 | 324,755 |
| Total Accumulated Depreciation | 4,872,885 | 324,018 | 24,500 | 5,172,403 |
| Capital Assets, net | \$ 2,997,683 | \$ (179,964) | \$ 0 | \$ 2,817,719 |

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Depreciation expense was charged to governmental activities as follows:

| | |
|-----------------------------|-------------------|
| General | \$ 18,025 |
| Public Safety | 78,960 |
| Public Works | 192,648 |
| Health & Welfare | 11,893 |
| Culture & Recreation | 22,492 |
| Total depreciation expenses | <u>\$ 324,018</u> |

| | Balance 6/30/12 | Increases | Decreases | Balance 6/30/13 |
|--|----------------------|---------------------|-------------|----------------------|
| Water & Sewer | | | | |
| Capital Assets not being Depreciated | | | | |
| Land | \$ 193,412 | \$ 0 | \$ 0 | \$ 193,412 |
| Construction in Progress | 0 | 0 | 0 | 0 |
| Total Capital Assets not being Depreciated | <u>193,412</u> | <u>0</u> | <u>0</u> | <u>193,412</u> |
| Other Capital Assets | | | | |
| Buildings & Improvements | 16,042,501 | 0 | 0 | 16,042,501 |
| Equipment | 80,794 | 25,176 | 0 | 105,970 |
| Vehicles | 59,608 | 0 | 0 | 59,608 |
| Total Capital Assets, being Depreciated | <u>16,182,903</u> | <u>25,176</u> | <u>0</u> | <u>16,208,079</u> |
| Total Capital Assets | <u>16,376,315</u> | <u>25,176</u> | <u>0</u> | <u>16,401,491</u> |
| Less Accumulated Depreciation | | | | |
| Buildings & Improvements | 1,172,897 | 394,905 | 0 | 1,567,802 |
| Equipment | 40,731 | 5,548 | 0 | 46,279 |
| Vehicles | 31,217 | 4,730 | 0 | 35,947 |
| Total Accumulated Depreciation | <u>1,244,845</u> | <u>405,183</u> | <u>0</u> | <u>1,650,028</u> |
| Capital Assets, net | <u>\$ 15,131,470</u> | <u>\$ (380,007)</u> | <u>\$ 0</u> | <u>\$ 14,751,463</u> |
| | | | | |
| Solid Waste | | | | |
| 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 | 164,577 | 0 | 0 | 164,577 |
| Vehicles | 10,250 | 0 | 0 | 10,250 |
| Total Capital Assets, being Depreciated | <u>174,827</u> | <u>0</u> | <u>0</u> | <u>174,827</u> |
| Capital Assets, net | <u>199,827</u> | <u>0</u> | <u>0</u> | <u>199,827</u> |
| Less Accumulated Depreciation | | | | |
| Equipment | 94,348 | 12,203 | 0 | 106,551 |
| Vehicles | 10,724 | 0 | 0 | 10,724 |
| Total Accumulated Depreciation | <u>105,072</u> | <u>12,203</u> | <u>0</u> | <u>117,275</u> |
| Capital Assets, net | <u>\$ 94,755</u> | <u>\$ (12,203)</u> | <u>\$ 0</u> | <u>\$ 82,552</u> |

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Notes to the Financial Statements
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NOTE E: LONG TERM DEBT

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

| | Balance 6/30/12 | Additions | Reductions | Balance 6/30/13 | Amounts Due Within One Year |
|--------------------------------|--------------------|-----------|------------|--------------------|-----------------------------------|
| Governmental Activities | | | | | |
| Notes Payable | \$ 330,521 | \$ 0 | \$ 54,130 | \$ 276,391 | \$ 45,983 |
| Total Notes Payable | 330,521 | 0 | 54,130 | 276,391 | 45,983 |
| Other Liabilities | | | | | |
| Compensated Absences | \$ 73,847 | \$ 24,280 | \$ 65,542 | \$ 32,585 | \$ 32,585 |
| Long-Term Liabilities | \$ 404,368 | \$ 24,280 | \$ 119,672 | \$ 308,976 | \$ 78,568 |

| Description | Fund | Maturity Date | Original Amount | Interest Rate | Balance |
|-------------------|------|---------------|-----------------|---------------|-------------------|
| Fire Truck | Fire | 05-12-2014 | \$ 125,593 | 2.02% | \$ 22,102 |
| Fire 81-8927-15-4 | Fire | 08-15-2024 | 101,500 | 0.00% | 75,185 |
| Fire 81-8763-23-7 | Fire | 08-15-2023 | 260,000 | 3.4%-3.84% | 179,104 |
| Ambulance | EMS | 11-03-2010 | \$ 29,123 | 6.37% | 0 |
| | | | | | <u>\$ 276,391</u> |

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

The annual requirements to amortize the loans as of June 30, 2013, including interest payments are as follows:

| | Principal | Interest | Total |
|-----------|-------------------|------------------|-------------------|
| 2014 | \$ 45,983 | \$ 2,572 | \$ 48,555 |
| 2015 | 24,054 | 1,897 | 25,951 |
| 2016 | 24,232 | 1,719 | 25,951 |
| 2017 | 24,418 | 1,567 | 25,985 |
| 2018 | 24,612 | 1,340 | 25,952 |
| 2019-2023 | 126,257 | 3,510 | 129,767 |
| 2024 | 6,835 | 0 | 6,835 |
| | <u>\$ 276,391</u> | <u>\$ 12,605</u> | <u>\$ 288,996</u> |

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Notes to the Financial Statements
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Proprietary Funds

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

| | Balance 6/30/12 | Additions | Reductions | Balance 6/30/13 | Amounts Due Within One Year |
|---------------------------------|---------------------|------------------|------------------|---------------------|-----------------------------------|
| Business-Type Activities | | | | | |
| Loans Payable | \$ 5,588,095 | \$ 0 | \$ 83,990 | \$ 5,504,105 | \$ 86,389 |
| Total Notes Payable | <u>5,588,095</u> | <u>0</u> | <u>83,990</u> | <u>5,504,105</u> | <u>86,389</u> |
| Other Liabilities | | | | | |
| Compensated Absences | | | | | |
| | 7,189 | 12,547 | 11,160 | 8,577 | 8,577 |
| Total Other Liabilities | | | | | |
| | <u>7,189</u> | <u>12,547</u> | <u>11,160</u> | <u>8,577</u> | <u>8,577</u> |
| Long-Term Liabilities | | | | | |
| | <u>\$ 5,595,284</u> | <u>\$ 12,547</u> | <u>\$ 95,150</u> | <u>\$ 5,512,682</u> | <u>\$ 94,966</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, 2013 was \$4,152,000.

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, 2013 was \$1,026,500.

ARRA loan in the amount of \$361,784 is for the construction of sewer lines for the Village. The loan matures in 2031, the interest rate is 0% and payments are \$18,089. The balance of the loan on June 30, 2013 was \$325,605.

The annual requirements to amortize the loans as of June 30, 2013, including interest payments are as follows:

| | Principal | Interest | Total |
|-----------|---------------------|---------------------|----------------------|
| 2014 | \$ 86,389 | \$ 199,530 | \$ 285,919 |
| 2015 | 88,889 | 196,990 | 285,879 |
| 2016 | 91,389 | 194,220 | 285,609 |
| 2017 | 94,789 | 181,450 | 276,239 |
| 2018 | 97,289 | 188,560 | 285,849 |
| 2019-2023 | 535,346 | 895,020 | 1,430,366 |
| 2024-2028 | 626,546 | 803,360 | 1,429,906 |
| 2029-2033 | 700,868 | 692,220 | 1,393,088 |
| 2034-2038 | 783,500 | 557,180 | 1,340,680 |
| 2039-2043 | 946,100 | 393,510 | 1,339,610 |
| 2044-2048 | 1,144,800 | 195,000 | 1,339,800 |
| 2049-2050 | 308,200 | 12,740 | 320,940 |
| | <u>\$ 5,504,105</u> | <u>\$ 4,509,780</u> | <u>\$ 10,013,885</u> |

NOTE F: LEASE PURCHASE AGREEMENTS

The Village entered into a lease purchase agreement to purchase a piece of equipment called a Vac-Tron for \$39,500. The lease payments are \$924.22 monthly and are paid from the Streets Fund. The lease matures in 2015 and the Village will own the equipment. The equipment has been included in capital assets this fiscal year.

Following is a summary of the changes in extended term lease obligation for the year:

| | Balance 06/30/2012 | New Leases | Payments | Balance 06/30/2013 | Amounts Due Within One Year |
|-----------|-----------------------|------------|----------|-----------------------|-----------------------------------|
| Equipment | \$ 28,125 | \$ 0 | \$ 9,713 | \$ 18,412 | 10,292 |
| | \$ 28,125 | \$ 0 | \$ 9,713 | \$ 18,412 | 10,292 |

Schedule of Payments:

| | |
|---|-----------|
| 2014 | 11,091 |
| 2015 | 8,318 |
| TOTAL Lease Payments | 19,409 |
| Less: Imputed Interest | (997) |
| Present Value of Net Minimum Lease Payments | \$ 18,412 |

NOTE G: 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 H: PENSION PLAN

Plan Description. Substantially all of the municipality'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 administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, NM 87504-2123. The report is also available on PERA's website at <http://www.pera.state.nm.us>.

Funding Policy. Plan members are required to contribute 7% of their gross salary. The municipality is required to contribute 7% of the gross covered salary. The contribution requirements of the plan members and the municipality are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The municipality's contributions to PERA for the fiscal years ending June 30, 2013, 2012 and 2011 were \$54,861, \$50,570, and \$49,289, respectively, which equal the amount of the required for each fiscal year.

NOTE I: POST-EMPLOYMENT BENEFITS

Plan Description

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.

Funding Policy

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

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

STATE OF NEW MEXICO
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The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The Village's contributions to the RHCA for the years ended June 30, 2013, 2012 and 2011 were \$11,602, \$9,742 and \$8,604 respectively, which equal the required contributions for each year.

NOTE J: RECEIVABLES

Receivables as of June 30, 2013, were as follows:

| <u>Receivables</u> | <u>General</u> | <u>Non-Major</u> |
|--------------------|------------------|------------------|
| Property | \$ 5,204 | \$ 0 |
| Gross Receipts | 60,042 | 4,829 |
| Gasoline | 0 | 3,488 |
| Other Taxes | 0 | 1,041 |
| Accounts | 0 | 26,672 |
| | <u>\$ 65,246</u> | <u>\$ 36,030</u> |

NOTE K: INTERFUND TRANSFERS

Interfund transfers during the year ended June 30, 2013, were as follows:

| <u>Transfers Out</u> | <u>Transfer In</u> |
|------------------------------------|----------------------------------|
| General Fund \$ <u>18,000</u> | Senior Citizens \$ <u>18,000</u> |

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

NOTE L: 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 M: 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 N: JOINT POWERS AGREEMENTS

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 O: RELATED PARTY TRANSACTIONS

The Village paid Apolonio Ramirez, board member \$4,421.03 for computer services and David Babbs, mayor, \$17,887.86 for electrical services.

**SUPPLEMENTAL INFORMATION RELATED TO
NON MAJOR FUNDS**

NONMAJOR SPECIAL REVENUE 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)

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)

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, 2013

| | <u>EMS Fund</u> | <u>Law Enforcement</u> | <u>Correction</u> |
|-------------------------------------|---------------------|----------------------------|-------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 103,911 | \$ 6,268 | \$ 427 |
| Receivables | | | |
| Taxes | 0 | 0 | 0 |
| Accounts | 26,672 | 0 | 0 |
| Due from Grantor | 0 | 0 | 0 |
| Restricted Cash | 486 | 0 | 0 |
| Total Assets | <u>\$ 131,069</u> | <u>\$ 6,268</u> | <u>\$ 427</u> |
| LIABILITIES AND FUND BALANCE | | | |
| Liabilities | | | |
| Accounts Payable | \$ 471 | \$ 23 | \$ 0 |
| Accrued Salaries & Benefits | 54 | 0 | 0 |
| Total Liabilities | <u>525</u> | <u>23</u> | <u>0</u> |
| Fund Balance | | | |
| Restricted for, reported in: | | | |
| Special Revenue Fund | <u>130,544</u> | <u>6,245</u> | <u>427</u> |
| Total Fund Balance | <u>130,544</u> | <u>6,245</u> | <u>427</u> |
| Total Liabilities and Fund Balance | <u>\$ 131,069</u> | <u>\$ 6,268</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, 2013

| | <u>Street Gas Tax</u> | <u>Cemetery</u> | <u>Lodgers Tax</u> |
|-------------------------------------|---------------------------|-----------------|------------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 77,834 | \$ 7,111 | \$ 26,410 |
| Receivables | | | |
| Taxes | 3,488 | 0 | 1,041 |
| Accounts | 0 | 0 | 0 |
| Due from Grantor | 0 | 0 | 0 |
| Restricted Cash | 0 | 0 | 0 |
| Total Assets | <u>\$ 81,322</u> | <u>\$ 7,111</u> | <u>\$ 27,451</u> |
| LIABILITIES AND FUND BALANCE | | | |
| Liabilities | | | |
| Accounts Payable | \$ 2,052 | \$ 0 | \$ 57 |
| Accrued Salaries & Benefits | 0 | 0 | 0 |
| Total Liabilities | <u>2,052</u> | <u>0</u> | <u>57</u> |
| Fund Balance | | | |
| Restricted for, reported in: | | | |
| Special Revenue Fund | <u>79,270</u> | <u>7,111</u> | <u>27,394</u> |
| Total Fund Balance | <u>79,270</u> | <u>7,111</u> | <u>27,394</u> |
| Total Liabilities and Fund Balance | <u>\$ 81,322</u> | <u>\$ 7,111</u> | <u>\$ 27,451</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, 2013

| | <u>Health Clinic</u> | <u>Recreation</u> | <u>Senior Citizens</u> |
|-------------------------------------|----------------------|-------------------|----------------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 4,401 | \$ 7,634 | \$ 1,119 |
| Receivables | | | |
| Taxes | 0 | 0 | 0 |
| Accounts | 0 | 0 | 0 |
| Due from Grantor | 0 | 0 | 0 |
| Restricted Cash | 0 | 0 | 0 |
| Total Assets | <u>\$ 4,401</u> | <u>\$ 7,634</u> | <u>\$ 1,119</u> |
| LIABILITIES AND FUND BALANCE | | | |
| Liabilities | | | |
| Accounts Payable | \$ 0 | \$ 0 | \$ 88 |
| Accrued Salaries & Benefits | 0 | 0 | 0 |
| Total Liabilities | <u>0</u> | <u>0</u> | <u>88</u> |
| Fund Balance | | | |
| Restricted for, reported in: | | | |
| Special Revenue Fund | <u>4,401</u> | <u>7,634</u> | <u>1,031</u> |
| Total Fund Balance | <u>4,401</u> | <u>7,634</u> | <u>1,031</u> |
| Total Liabilities and Fund Balance | <u>\$ 4,401</u> | <u>\$ 7,634</u> | <u>\$ 1,119</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, 2013

| | <u>Infrastructure</u> | <u>Total</u> |
|-------------------------------------|-----------------------|-------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 243,879 | \$ 478,994 |
| Receivables | | |
| Taxes | 4,829 | 9,358 |
| Accounts | 0 | 26,672 |
| Due from Grantor | 0 | 0 |
| Restricted Cash | 0 | 486 |
| Total Assets | <u>\$ 248,708</u> | <u>\$ 515,510</u> |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities | | |
| Accounts Payable | \$ 0 | \$ 2,691 |
| Accrued Salaries & Benefits | 0 | 54 |
| Total Liabilities | <u>0</u> | <u>2,745</u> |
| Fund Balance | | |
| Restricted for, reported in: | | |
| Special Revenue Fund | <u>248,708</u> | <u>512,765</u> |
| Total Fund Balance | <u>248,708</u> | <u>512,765</u> |
| Total Liabilities and Fund Balance | <u>\$ 248,708</u> | <u>\$ 515,510</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, 2013

| | EMS Fund | Law Enforcement | Correction |
|--|-------------------|--------------------|---------------|
| Revenues | | | |
| Taxes | | | |
| Lodgers | \$ 0 | \$ 0 | \$ 0 |
| Gross Receipts | 0 | 0 | 0 |
| Gasoline | 0 | 0 | 0 |
| Interest Income | 102 | 44 | 0 |
| State Grants | 8,202 | 22,400 | 0 |
| Charges for Services | 69,404 | 0 | 0 |
| Miscellaneous | 500 | 0 | 0 |
| Total Revenues | <u>78,208</u> | <u>22,444</u> | <u>0</u> |
| Expenditures | | | |
| Current | | | |
| Public Safety | 40,966 | 20,495 | 0 |
| Public Works | 0 | 0 | 0 |
| Culture & Recreation | 0 | 0 | 0 |
| Health & Welfare | 0 | 0 | 0 |
| Capital Outlay | 0 | 0 | 0 |
| Debt Service | | | |
| Principal | 8,837 | 0 | 0 |
| Interest | 22 | 0 | 0 |
| Total Expenditures | <u>49,825</u> | <u>20,495</u> | <u>0</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>28,383</u> | <u>1,949</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 | 28,383 | 1,949 | 0 |
| Fund Balances at Beginning of Year | <u>102,161</u> | <u>4,296</u> | <u>427</u> |
| Fund Balance End of Year | <u>\$ 130,544</u> | <u>\$ 6,245</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, 2013

| | <u>Street Gas Tax</u> | <u>Cemetery</u> | <u>Lodgers Tax</u> |
|--|---------------------------|-----------------|------------------------|
| Revenues | | | |
| Taxes | | | |
| Lodgers | \$ 0 | \$ 0 | \$ 8,078 |
| Gross Receipts | 0 | 0 | 0 |
| Gasoline | 33,056 | 0 | 0 |
| Interest Income | 171 | 18 | 65 |
| State Grants | 0 | 0 | 0 |
| Charges for Services | 0 | 1,360 | 0 |
| Miscellaneous | 0 | 0 | 0 |
| Total Revenues | <u>33,227</u> | <u>1,378</u> | <u>8,143</u> |
| Expenditures | | | |
| Current | | | |
| Public Safety | 0 | 0 | 0 |
| Public Works | 15,778 | 1,691 | 0 |
| Culture & Recreation | 0 | 0 | 7,202 |
| Health & Welfare | 0 | 0 | 0 |
| Capital Outlay | 0 | 0 | 0 |
| Debt Service | | | |
| Principal | 9,713 | 0 | 0 |
| Interest | 1,378 | 0 | 0 |
| Total Expenditures | <u>26,869</u> | <u>1,691</u> | <u>7,202</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>6,358</u> | <u>(313)</u> | <u>941</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 | 6,358 | (313) | 941 |
| Fund Balances at Beginning of Year | <u>72,912</u> | <u>7,424</u> | <u>26,453</u> |
| Fund Balance End of Year | <u>\$ 79,270</u> | <u>\$ 7,111</u> | <u>\$ 27,394</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, 2013

| | <u>Health Clinic</u> | <u>Recreation</u> | <u>Senior Citizens</u> |
|--|----------------------|-------------------|----------------------------|
| Revenues | | | |
| Taxes | | | |
| Lodgers | \$ 0 | \$ 0 | \$ 0 |
| Gross Receipts | 0 | 0 | 0 |
| Gasoline | 0 | 0 | 0 |
| Interest Income | 0 | 22 | 0 |
| State Grants | 96,200 | 0 | 6,798 |
| Charges for Services | 6,000 | 0 | 0 |
| Miscellaneous | 0 | 0 | 0 |
| Total Revenues | <u>102,200</u> | <u>22</u> | <u>6,798</u> |
| Expenditures | | | |
| Current | | | |
| Public Safety | 0 | 0 | 0 |
| Public Works | 0 | 0 | 0 |
| Culture & Recreation | 0 | 205 | 17,567 |
| Health & Welfare | 101,016 | 0 | 0 |
| Capital Outlay | 0 | 0 | 6,798 |
| Debt Service | | | |
| Principal | 0 | 0 | 0 |
| Interest | 0 | 0 | 0 |
| Total Expenditures | <u>101,016</u> | <u>205</u> | <u>24,365</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>1,184</u> | <u>(183)</u> | <u>(17,567)</u> |
| Other Financing Sources (Uses) | | | |
| Transfers In (Out) | <u>0</u> | <u>0</u> | <u>18,000</u> |
| Total Other Sources (Uses) | <u>0</u> | <u>0</u> | <u>18,000</u> |
| Net Change in Fund Balance | 1,184 | (183) | 433 |
| Fund Balances at Beginning of Year | <u>3,217</u> | <u>7,817</u> | <u>598</u> |
| Fund Balance End of Year | <u>\$ 4,401</u> | <u>\$ 7,634</u> | <u>\$ 1,031</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, 2013

| | <u>Infrastructure</u> | <u>Total</u> |
|--|-----------------------|-------------------|
| Revenues | | |
| Taxes | | |
| Lodgers | \$ 0 | \$ 8,078 |
| Gross Receipts | 52,261 | 52,261 |
| Gasoline | 0 | 33,056 |
| Interest Income | 626 | 1,048 |
| State Grants | 0 | 133,600 |
| Charges for Services | 0 | 76,764 |
| Miscellaneous | 0 | 500 |
| Total Revenues | <u>52,887</u> | <u>305,307</u> |
| Expenditures | | |
| Current | | |
| Public Safety | 0 | 61,461 |
| Public Works | 0 | 17,469 |
| Culture & Recreation | 0 | 24,974 |
| Health & Welfare | 0 | 101,016 |
| Capital Outlay | 33,612 | 40,410 |
| Debt Service | | |
| Principal | 0 | 18,550 |
| Interest | 0 | 1,400 |
| Total Expenditures | <u>33,612</u> | <u>265,280</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>19,275</u> | <u>40,027</u> |
| Other Financing Sources (Uses) | | |
| Transfers In (Out) | 0 | 18,000 |
| Total Other Sources (Uses) | <u>0</u> | <u>18,000</u> |
| Net Change in Fund Balance | 19,275 | 58,027 |
| Fund Balances at Beginning of Year | <u>229,433</u> | <u>454,738</u> |
| Fund Balance End of Year | <u>\$ 248,708</u> | <u>\$ 512,765</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, 2013

| | Budgeted Amounts | | Actual (Budgetary Basis) | Variance with Final Budget- Over (Under) |
|--|------------------|------------------|--------------------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Interest Income | \$ 3,000 | \$ 3,000 | \$ 102 | \$ (2,898) |
| State Grant | 137,955 | 137,955 | 8,202 | (129,753) |
| Ambulance Services | 4,000 | 4,000 | 77,321 | 73,321 |
| Miscellaneous | 500 | 500 | 500 | 0 |
| Total Revenues | <u>145,455</u> | <u>145,455</u> | <u>86,125</u> | <u>(59,330)</u> |
| Expenditures | | | | |
| Public Safety | | | | |
| Personnel Services | 1,405 | 1,405 | 1,301 | 104 |
| Operating Expenses | 48,550 | 48,550 | 40,721 | 7,829 |
| Capital Outlay | 80,000 | 80,000 | 0 | 80,000 |
| Debt Service | | | | |
| Principal | 0 | 0 | 8,837 | (8,837) |
| Interest | 0 | 0 | 22 | (22) |
| Total Expenditures | <u>129,955</u> | <u>129,955</u> | <u>50,881</u> | <u>79,074</u> |
| Excess (Deficiency) of Revenues Over Expenditures | 15,500 | 15,500 | 35,244 | 19,744 |
| Cash Balance Beginning of Year | <u>69,153</u> | <u>69,153</u> | <u>69,153</u> | <u>0</u> |
| Cash Balance End of Year | <u>\$ 84,653</u> | <u>\$ 84,653</u> | <u>\$ 104,397</u> | <u>\$ 19,744</u> |
| Reconciliation of Budgetary Basis to GAAP Basis | | | | |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis | | | \$ 35,244 | |
| Net Change in Receivables | | | (7,918) | |
| Net Change in Accounts Payable | | | 1,057 | |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis | | | <u>\$ 28,383</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, 2013

| | Budgeted Amounts | | Actual (Budgetary Basis) | Variance with Final Budget- Over (Under) |
|--|------------------|-----------------|--------------------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Interest Income | \$ 400 | \$ 400 | \$ 44 | \$ (356) |
| State Grant | 22,400 | 22,400 | 22,400 | 0 |
| Miscellaneous | 0 | 0 | 0 | 0 |
| Total Revenues | <u>22,800</u> | <u>22,800</u> | <u>22,444</u> | <u>(356)</u> |
| Expenditures | | | | |
| Public Safety | | | | |
| Operating Expenses | 23,800 | 23,800 | 20,472 | 3,328 |
| Capital Outlay | 0 | 0 | 0 | 0 |
| Total Expenditures | <u>23,800</u> | <u>23,800</u> | <u>20,472</u> | <u>3,328</u> |
| Excess (Deficiency) of Revenues Over Expenditures | (1,000) | (1,000) | 1,972 | 2,972 |
| Cash Balance Beginning of Year | <u>4,296</u> | <u>4,296</u> | <u>4,296</u> | <u>0</u> |
| Cash Balance End of Year | <u>\$ 3,296</u> | <u>\$ 3,296</u> | <u>\$ 6,268</u> | <u>\$ 2,972</u> |
| Reconciliation of Budgetary Basis to GAAP Basis | | | | |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis | | | \$ 1,972 | |
| Net Change in Accounts Payable | | | <u>(23)</u> | |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis | | | <u>\$ 1,949</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, 2013

| | 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, 2013

| | Budgeted Amounts | | Actual (Budgetary Basis) | Variance with Final Budget- Over (Under) |
|--|------------------|------------------|--------------------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Gas Tax | \$ 35,000 | \$ 35,000 | \$ 32,016 | \$ (2,984) |
| Interest Income | 600 | 600 | 171 | (429) |
| Total Revenues | <u>35,600</u> | <u>35,600</u> | <u>32,187</u> | <u>(3,413)</u> |
| Expenditures | | | | |
| Public Works | | | | |
| Operating Expenses | 20,000 | 20,000 | 13,726 | 6,274 |
| Capital Outlay | 50,000 | 50,000 | 0 | 50,000 |
| Debt Service | | | | |
| Principal | 0 | 0 | 9,713 | (9,713) |
| Interest | 0 | 0 | 1,378 | (1,378) |
| Total Expenditures | <u>70,000</u> | <u>70,000</u> | <u>24,817</u> | <u>45,183</u> |
| Excess (Deficiency) of Revenues Over Expenditures | (34,400) | (34,400) | 7,370 | 41,770 |
| Cash Balance Beginning of Year | <u>70,464</u> | <u>70,464</u> | <u>70,464</u> | <u>0</u> |
| Cash Balance End of Year | <u>\$ 36,064</u> | <u>\$ 36,064</u> | <u>\$ 77,834</u> | <u>\$ 41,770</u> |
| Reconciliation of Budgetary Basis to GAAP Basis | | | | |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis | | | \$ 7,370 | |
| Net Change in Taxes Receivables | | | 1,040 | |
| Net Change in Accounts Payable | | | (2,052) | |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis | | | <u>\$ 6,358</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, 2013

| | Budgeted Amounts | | Actual (Budgetary Basis) | Variance with Final Budget- Over (Under) |
|--|------------------|-----------------|--------------------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Interest Income | \$ 200 | \$ 200 | \$ 1,360 | \$ 1,160 |
| Charges for Services | 4,100 | 4,100 | 18 | (4,082) |
| Total Revenues | <u>4,300</u> | <u>4,300</u> | <u>1,378</u> | <u>(4,082)</u> |
| Expenditures | | | | |
| Public Works | | | | |
| Operating Expenses | 1,800 | 1,800 | 1,752 | 48 |
| Total Expenditures | <u>1,800</u> | <u>1,800</u> | <u>1,752</u> | <u>48</u> |
| Excess (Deficiency) of Revenues Over Expenditures | 2,500 | 2,500 | (374) | (2,874) |
| Cash Balance Beginning of Year | <u>7,485</u> | <u>7,485</u> | <u>7,485</u> | <u>0</u> |
| Cash Balance End of Year | \$ <u>9,985</u> | \$ <u>9,985</u> | \$ <u>7,111</u> | \$ <u>(2,874)</u> |
| Reconciliation of Budgetary Basis to GAAP Basis | | | | |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis | | | \$ (374) | |
| Net Change in Account Payable | | | 61 | |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis | | | \$ <u>(313)</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, 2013

| | Budgeted Amounts | | Actual (Budgetary Basis) | Variance with Final Budget- Over (Under) |
|--|------------------|------------------|--------------------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Lodgers Tax | \$ 8,000 | \$ 8,000 | \$ 8,172 | \$ 172 |
| Miscellaneous | 300 | 300 | 65 | (235) |
| Total Revenues | <u>8,300</u> | <u>8,300</u> | <u>8,237</u> | <u>(63)</u> |
| Expenditures | | | | |
| Culture & Recreation | | | | |
| Operating | 10,000 | 10,000 | 7,196 | 2,804 |
| Total Expenditures | <u>10,000</u> | <u>10,000</u> | <u>7,196</u> | <u>2,804</u> |
| Excess (Deficiency) of Revenues Over Expenditures | (1,700) | (1,700) | 1,041 | 2,741 |
| Cash Balance Beginning of Year | <u>25,369</u> | <u>25,369</u> | <u>25,369</u> | <u>0</u> |
| Cash Balance End of Year | <u>\$ 23,669</u> | <u>\$ 23,669</u> | <u>\$ 26,410</u> | <u>\$ 2,741</u> |
| Reconciliation of Budgetary Basis to GAAP Basis | | | | |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis | | | \$ 1,041 | |
| Net Change in Taxes Receivables | | | (95) | |
| Net Change in Account Payable | | | (5) | |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis | | | <u>\$ 941</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, 2013

| | Budgeted Amounts | | Actual (Budgetary Basis) | Variance with Final Budget- Over (Under) |
|--|------------------|-----------------|--------------------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Charge for Services | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ 0 |
| State Grant | 96,200 | 96,200 | 96,200 | 0 |
| Total Revenues | <u>102,200</u> | <u>102,200</u> | <u>102,200</u> | <u>0</u> |
| Expenditures | | | | |
| Public Works | | | | |
| Operating Expenses | 101,200 | 101,200 | 101,016 | 184 |
| Capital Outlay | 0 | 0 | 0 | 0 |
| Total Expenditures | <u>101,200</u> | <u>101,200</u> | <u>101,016</u> | <u>184</u> |
| Excess (Deficiency) of Revenues Over Expenditures | 1,000 | 1,000 | 1,184 | 184 |
| Cash Balance Beginning of Year | <u>3,217</u> | <u>3,217</u> | <u>3,217</u> | <u>0</u> |
| Cash Balance End of Year | <u>\$ 4,217</u> | <u>\$ 4,217</u> | <u>\$ 4,401</u> | <u>\$ 184</u> |
| Reconciliation of Budgetary Basis to GAAP Basis | | | | |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis | | | <u>\$ 1,184</u> | |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis | | | <u>\$ 1,184</u> | |

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

STATE OF NEW MEXICO
VILLAGE OF LOGAN
SPECIAL REVENUE FUND-RECREATION
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2013

| | Budgeted Amounts | | Actual (Budgetary Basis) | Variance with Final Budget- Over (Under) |
|--|------------------|-----------------|--------------------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Interest Income | \$ 0 | \$ 0 | \$ 22 | \$ 22 |
| Total Revenues | <u>0</u> | <u>0</u> | <u>22</u> | <u>22</u> |
| Expenditures | | | | |
| Culture & Recreation | | | | |
| Operating Expenses | 800 | 982 | 982 | 0 |
| Total Expenditures | <u>800</u> | <u>982</u> | <u>982</u> | <u>0</u> |
| Excess (Deficiency) of Revenues Over Expenditures | (800) | (982) | (960) | 22 |
| Cash Balance Beginning of Year | <u>8,594</u> | <u>8,594</u> | <u>8,594</u> | <u>0</u> |
| Cash Balance End of Year | <u>\$ 7,794</u> | <u>\$ 7,612</u> | <u>\$ 7,634</u> | <u>\$ 22</u> |
| Reconciliation of Budgetary Basis to GAAP Basis | | | | |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis | | | \$ (960) | |
| Net Change in Account Payable | | | <u>777</u> | |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis | | | <u>\$ (183)</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, 2013

| | Budgeted Amounts | | Actual (Budgetary Basis) | Variance with Final Budget- Over (Under) |
|--|-------------------|-------------------|--------------------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| State Grant | \$ 0 | \$ 0 | \$ 6,798 | \$ 6,798 |
| Total Revenues | <u>0</u> | <u>0</u> | <u>6,798</u> | <u>6,798</u> |
| Expenditures | | | | |
| Culture & Recreation | | | | |
| Operating Expenses | 17,620 | 17,620 | 18,489 | (869) |
| Capital Outlay | <u>8,298</u> | <u>8,298</u> | <u>6,798</u> | <u>1,500</u> |
| Total Expenditures | <u>25,918</u> | <u>25,918</u> | <u>25,287</u> | <u>631</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(25,918)</u> | <u>(25,918)</u> | <u>(18,489)</u> | <u>7,429</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In (Out) | <u>20,000</u> | <u>20,000</u> | <u>18,000</u> | <u>(2,000)</u> |
| Total Other Sources (Uses) | <u>20,000</u> | <u>20,000</u> | <u>18,000</u> | <u>(2,000)</u> |
| Net Change in Cash Balance | (5,918) | (5,918) | (489) | 5,429 |
| Cash Balance Beginning of Year | <u>1,608</u> | <u>1,608</u> | <u>1,608</u> | <u>0</u> |
| Cash Balance End of Year | <u>\$ (4,310)</u> | <u>\$ (4,310)</u> | <u>\$ 1,119</u> | <u>\$ 5,429</u> |
| Reconciliation of Budgetary Basis to GAAP Basis | | | | |
| Net Change in Cash Balance | | | \$ (489) | |
| Net Change in Accounts Payable | | | <u>922</u> | |
| Net Change in Fund Balance | | | <u>\$ 433</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, 2013

| | Budgeted Amounts | | Actual (Budgetary Basis) | Variance with Final Budget- Over (Under) |
|--|-------------------|-------------------|--------------------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Gross Receipts Tax | \$ 70,000 | \$ 70,000 | \$ 51,810 | \$ (18,190) |
| Interest Income | 500 | 500 | 626 | 126 |
| Total Revenues | <u>70,500</u> | <u>70,500</u> | <u>52,436</u> | <u>(18,064)</u> |
| Expenditures | | | | |
| Public Works | | | | |
| Capital Outlay | 50,000 | 50,000 | 33,612 | 16,388 |
| Total Expenditures | <u>50,000</u> | <u>50,000</u> | <u>33,612</u> | <u>16,388</u> |
| Excess (Deficiency) of Revenues Over Expenditures | 20,500 | 20,500 | 18,824 | (1,676) |
| Cash Balance Beginning of Year | <u>225,055</u> | <u>225,055</u> | <u>225,055</u> | <u>0</u> |
| Cash Balance End of Year | <u>\$ 245,555</u> | <u>\$ 245,555</u> | <u>\$ 243,879</u> | <u>\$ (1,676)</u> |
| Reconciliation of Budgetary Basis to GAAP Basis | | | | |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis | | | \$ 18,824 | |
| Net Change in Taxes Receivables | | | 451 | |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis | | | <u>\$ 19,275</u> | |

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

ENTERPRISE FUNDS

Water and Sewer and Solid Waste

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

STATE OF NEW MEXICO
VILLAGE OF LOGAN
 PROPRIETARY FUND-WATER AND SEWER FUND
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Non-GAAP-Budgetary Basis)
 For the Year Ended June 30, 2013

| | Budgeted Amounts | | Actual (Budgetary Basis) | Variance with Final Budget- Over (Under) |
|--|-------------------|-------------------|--------------------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Charges for Services | \$ 687,100 | \$ 687,100 | \$ 638,030 | \$ (49,070) |
| Connection Fees | 0 | 0 | 102,691 | 102,691 |
| Interest Income | 10,000 | 10,000 | 2,206 | (7,794) |
| Miscellaneous | 0 | 0 | 2,634 | 2,634 |
| Total Revenues | <u>697,100</u> | <u>697,100</u> | <u>745,561</u> | <u>48,461</u> |
| Expenditures | | | | |
| Public Works | | | | |
| Operating Expenses | 456,975 | 616,975 | 600,863 | 16,112 |
| Capital Outlay | 317,000 | 317,000 | 25,176 | 291,824 |
| Debt Service | | | | |
| Principal | 84,000 | 84,000 | 83,989 | 11 |
| Interest | 205,000 | 205,000 | 202,070 | 2,930 |
| Total Expenditures | <u>1,062,975</u> | <u>1,222,975</u> | <u>912,098</u> | <u>310,877</u> |
| Excess (Deficiency) of Revenues Over Expenditures | (365,875) | (525,875) | (166,537) | 359,338 |
| Cash Balance Beginning of Year | <u>1,053,352</u> | <u>1,053,352</u> | <u>1,053,352</u> | <u>0</u> |
| Cash Balance End of Year | <u>\$ 687,477</u> | <u>\$ 527,477</u> | <u>\$ 886,815</u> | <u>\$ 359,338</u> |
| Reconciliation of Budgetary Basis to GAAP Basis | | | | |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis | | | \$ (166,537) | |
| Depreciation | | | (405,182) | |
| Capital Outlay | | | 25,176 | |
| Principal | | | 83,989 | |
| Net Change in Accounts Receivables | | | (55,528) | |
| Net Change in Accounts Payable | | | 255 | |
| Net Change in Accrued Salaries and Benefits | | | (22) | |
| Net Change in Accrued Interest | | | 830 | |
| Net Change in Compensated Absences | | | 502 | |
| Net Change in Customer Deposits | | | 2,625 | |
| Change in Net Assets-GAAP Basis | | | <u>\$ (513,892)</u> | |

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

STATE OF NEW MEXICO
VILLAGE OF LOGAN
 PROPRIETARY FUND-SOLID WASTE FUND
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Non-GAAP-Budgetary Basis)
 For the Year Ended June 30, 2013

| | Budgeted Amounts | | Actual (Budgetary Basis) | Variance with Final Budget- Over (Under) |
|--|-------------------|-------------------|--------------------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Charges for Services | \$ 180,000 | \$ 180,000 | \$ 171,858 | \$ (8,142) |
| Environmental Gross Receipts Tax | 5,500 | 5,500 | 8,072 | 2,572 |
| Interest Income | 3,000 | 3,000 | 991 | (2,009) |
| Total Revenues | <u>188,500</u> | <u>188,500</u> | <u>180,921</u> | <u>(7,579)</u> |
| Expenditures | | | | |
| Public Works | | | | |
| Operating Expenses | 257,030 | 257,030 | 255,329 | 1,701 |
| Capital Outlay | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Expenditures | <u>257,030</u> | <u>257,030</u> | <u>255,329</u> | <u>1,701</u> |
| Excess (Deficiency) of Revenues Over Expenditures | (68,530) | (68,530) | (74,408) | (5,878) |
| Cash Balance Beginning of Year | <u>393,491</u> | <u>393,491</u> | <u>393,491</u> | <u>0</u> |
| Cash Balance End of Year | <u>\$ 324,961</u> | <u>\$ 324,961</u> | <u>\$ 319,083</u> | <u>\$ (5,878)</u> |
| Reconciliation of Budgetary Basis to GAAP Basis | | | | |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis | | | \$ (74,408) | |
| Depreciation | | | (12,203) | |
| Capital Outlay | | | 0 | |
| Net Change in Taxes Receivables | | | 603 | |
| Net Change in Accounts Receivable | | | (163) | |
| Net Changes in Accounts Payables | | | (1,888) | |
| Net Change in Accrued Salaries and Benefits | | | (42) | |
| Net Changes in Compensated Absences | | | (1,890) | |
| Change in Net Assets-GAAP Basis | | | <u>\$ (89,991)</u> | |

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

De'Aun Willoughby CPA, PC

Certified Public Accountant

225 Innsdale Terrace Clovis, NM 88101

(855) 253-4313

Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed
In Accordance with *Government Auditing Standards*

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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue fund, of the Village of Tularosa (Village) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and the combining and individual funds and related budgetary comparisons of the Village, presented as supplemental information, and have issued our report thereon dated November 20, 2013.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that are less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses, that we consider to be significant deficiencies. 13-1, 13-2


Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 is described in the accompanying Schedule of Findings and Responses; 13-1, 13-2.

The Village's Responses to Findings

The Village's responses to the findings identified in our audit as described in the accompanying Schedule of Findings and Responses. The Village's response was not subject to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

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

 De'Ann Willoughby CPA PC

Clovis, New Mexico
November 20, 2013

Financial Statement Audit Findings

Prior Year Audit Findings

11-1 Compensated Absences

Status

Resolved

Current Year Audit Findings

13-1 941-Compliance and Internal Control-Significant Deficiency

Condition

During payroll procedures we noticed that 2 of the 4 Internal Revenue payroll forms, 941 quarterly reports were not submitted timely.

Criteria

Instructions for Form 941 (Rev. January 2013) Employer's Quarterly Federal Tax Return, Department of the Treasury states form 941s are due within 30 days of the quarter end.

Cause

The clerk stated she thought the reports were submitted on-line. She mailed the reports after receiving an IRS letter stating the returns had not been received by the IRS.

Effect

The Village could be penalized for failure to file employment returns timely.

Recommendation

The 941s should be mailed within 30 days of the quarter year end.

Response

The issue has been resolved and won't occur again.

13-2 Unauthorized sale of equipment-Compliance and Internal Control-Significant Deficiency

Condition

The Village sold three pieces of equipment with sealed bids but did not send a letter to the State Auditor.

Criteria

Sale of Public Property (Sections 13-6-1 to 13-6-8 NMSA 1978); requires the state auditor be notified in writing of the disposal of the capital assets prior to the sale.

Cause

Management was unaware a letter had to be sent to the state auditor before the disposal of equipment.

Effect

Sale of Public Property (Sections 13-6-1 to 13-6-8 NMSA 1978) was violated.

Recommendation

Procedures stated in the criteria should be followed when disposing of equipment.

Response

We will adhere to the requirements when disposing of equipment in the future.

Financial Statement Preparation

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

Exit Conference

An exit conference was held on November 20, 2013. In attendance were Apolonio Ramirez-Mayor Pro-Tem, Larry Walling-Village Administrator, Angelina Cordova-Clerk and De'Aun Willoughby, CPA.