

---

STATE OF NEW MEXICO  
Village of Logan  
June 30, 2019

Financial Statements and Supplementary Information  
As Of And For The Year Ended June 30, 2019  
With Independent Auditor's Report Thereon

*Sandra Rush CPA PC  
1101 E Llano Estacado  
Clovis, New Mexico 88101*

---



Introductory Section

STATE OF NEW MEXICO  
VILLAGE OF LOGAN

Official Roster  
For the year ended June 30, 2019

Board of Trustees

David Babb

Mayor

Barry Bass

Trustee

Benny Newton

Trustee

Leslie Osborn

Trustee

Dave Shivers

Trustee

Administrative Officials

Scott Parnell

Village Administrator

Rosalie Rachor

Clerk-Treasurer

STATE OF NEW MEXICO  
VILLAGE OF LOGAN  
Table of Contents  
June 30, 2019

	Page
Introductory Section	i
Official Roster	ii
Table of Contents	iii-iv
Financial Section	1
Independent Auditor's Report	3-4
Basic Financial Statements	5
Government-wide Financial Statements	6
Statement of Net Position	7
Statement of Activities	8
Fund Financial Statements	9
Balance Sheet - Governmental Funds	10-11
Reconciliation of Total Fund Balance from Balance Sheet Governmental Funds to the Total Net Position on the Statement of Net Position	13
Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds	14-15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Statement of Revenues, Expenditures, and Changes in Cash Balances Budget and Actual (Non - GAAP Budgetary Basis)	
General Fund - 101	17-18
Special Revenue Fund - Fire Protection Fund - 209	19
Special Revenue Fund - Municipal Streets Fund - 216	20
Special Revenue Fund - Senior Citizens Fund - 219	21
Proprietary Funds - Statement of Net Position	22
Proprietary Funds - Statement of Revenues, Expenses, and Changes in Net Position	23
Proprietary Funds - Statement of Cash Flows	24
Notes to Financial Statements	25-46
Required Supplementary Information	47

STATE OF NEW MEXICO  
VILLAGE OF LOGAN  
Table of Contents  
June 30, 2019

	Page
Schedule of Required Supplementary Information and Notes for Pension Plan Public Employee Retirement Association (PERA) Pension Plan Last 10 Fiscal Years*	
Schedule of Proportionate Share of the Net Pension Liability	48
Schedule of Contributions	48
Required Supplementary Information	
Schedule of Employer's Proportionate Share of the Net OPED Liability	49
Schedule of Employer's Contributions	49
Notes to Required Supplementary Information	50
Supplementary Information Related to Non-Major Governmental Funds	51
Fund Descriptions	53
Nonmajor Governmental Funds - Combining Balance Sheet	54-55
Nonmajor Governmental Funds - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	56-57
Statement of Revenues, Expenses, and Changes in Cash Balances - Budget and Actual (Non - GAAP Budgetary Basis)	
Enterprise Fund	
Water Fund - 501	58
Solid Waste Fund - 502	59
Compliance Section	60
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> Independent Auditor's Report	61-62
Summary of Audit Results	63
Schedule of Findings and Responses	63
Financial Statement Preparation	64
Exit conference	64

## Financial Section

This Page Intentionally Blank



## Independent Auditor's Report

Brian Colón  
New Mexico State Auditor  
The Governing Board  
Village of Logan  
Logan, New Mexico

### Report on Financial Statements

I 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 of the General Fund and major Special Revenue funds of the Village of Logan (Village) as of and for the year ended June 30, 2019, and the related notes to the financial statements which collectively comprise the Village's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I 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 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 Village'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 Village's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### Opinions

In my 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, the aggregate remaining fund information, and the respective budgetary comparisons for the General Fund and major Special Revenue funds of the Village as of June 30, 2019, and, the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

## **Other Information**

My audit was conducted for the purpose of forming an opinion on the basic financial statements. The supplemental information as noted in the table of contents required by Section 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 auditing standards generally accepted in the United States of America. In my opinion, the supplemental schedules required by Section 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued my report dated December 2, 2019 on my consideration of the Village's internal control over financial reporting and on my 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 my 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.

***Sandra Rush CPA PC***

Sandra Rush CPA PC  
Clovis, New Mexico  
December 2, 2019

## Basic Financial Statements

Government-wide Financial Statements

STATE OF NEW MEXICO  
VILLAGE OF LOGAN  
Statement of Net Position  
June 30, 2019

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents	\$ 2,214,776	\$ 1,179,209	\$ 3,393,985
Cash in New Mexico Finance Authority			
State treasury debt service	15,943	-	15,943
Accounts receivable			
Taxes	58,953	1,048	60,001
Grantor	10,133	-	10,133
Accounts	4,913	82,110	87,023
	<u>2,304,718</u>	<u>1,262,367</u>	<u>3,567,085</u>
Total current assets			
Noncurrent assets			
Restricted cash	-	19,885	19,885
Capital assets	10,016,980	16,813,595	26,830,575
Accumulated depreciation	(6,778,602)	(4,319,551)	(11,098,153)
	<u>3,238,378</u>	<u>12,513,929</u>	<u>15,752,307</u>
Total noncurrent assets			
	<u>5,543,096</u>	<u>13,776,296</u>	<u>19,319,392</u>
Total assets			
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Aggregated deferred outflows	295,363	-	295,363
	<u>295,363</u>	<u>-</u>	<u>295,363</u>
Total assets and deferred outflows of resources			
	<u>\$ 5,838,459</u>	<u>\$ 13,776,296</u>	<u>\$ 19,614,755</u>
<u>LIABILITIES</u>			
Current liabilities			
Accounts payable	\$ 11,132	\$ 13,758	\$ 24,890
Accrued wages payable	-	-	-
accrued interest payable	886	34,224	35,110
Current portion of long-term debt	89,896	103,289	193,185
	<u>101,914</u>	<u>151,271</u>	<u>253,185</u>
Total current liabilities			
Non-current liabilities			
Customer deposits	-	19,885	19,885
Compensated absences	25,396	6,439	31,835
Long-term portion notes payable	379,002	4,841,282	5,220,284
Net pension liability PERA	936,563	-	936,563
Net OPEB liability RHC	507,453	-	507,453
	<u>1,848,414</u>	<u>4,867,606</u>	<u>6,716,020</u>
Total non-current liabilities			
	<u>1,950,328</u>	<u>5,018,877</u>	<u>6,969,205</u>
Total liabilities			
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Aggregated deferred inflows	185,410	-	185,410
	<u>185,410</u>	<u>-</u>	<u>185,410</u>
<u>NET POSITION</u>			
Net investment in capital assets	2,769,480	7,549,473	10,318,953
Restricted			
Special revenue fund	583,854	-	583,854
Capital projects fund	473,678	-	473,678
Unrestricted	(124,291)	1,207,946	1,083,655
	<u>3,702,721</u>	<u>8,757,419</u>	<u>12,460,140</u>
Total net position			
	<u>3,702,721</u>	<u>8,757,419</u>	<u>12,460,140</u>
Total liabilities, deferred inflows of resources and net position			
	<u>\$ 5,838,459</u>	<u>\$ 13,776,296</u>	<u>\$ 19,614,755</u>

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

STATE OF NEW MEXICO  
VILLAGE OF LOGAN

Statement of Activities  
For the year ended June 30, 2019

Functions / Programs	Expenses	Program Revenues			Net (Expenses) Revenues		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Governmental activities</b>							
General government	\$ 428,046	\$ 33,784	\$ 169,930	\$ -	\$ (224,332)	\$ -	\$ (224,332)
Public safety	697,364	68,440	286,274	21,800	(320,850)	-	(320,850)
Public works	208,968	-	34,431	80,420	(94,117)	-	(94,117)
Culture and recreation	207,964	70,704	70,133	-	(67,127)	-	(67,127)
Health and welfare	86,095	6,000	71,500	-	(8,595)	-	(8,595)
Debt service interest	3,750	-	-	-	(3,750)	-	(3,750)
Change in/out flow OPEB	(181,097)	-	-	-	181,097	-	181,097
Change in/out flow pension	17,464	-	-	-	(17,464)	-	(17,464)
<b>Total governmental activities</b>	<b>1,468,554</b>	<b>178,928</b>	<b>632,268</b>	<b>102,220</b>	<b>(555,138)</b>	<b>-</b>	<b>(555,138)</b>
<b>Business-type activities</b>							
Water	1,096,393	785,045	-	-	-	(311,348)	(311,348)
Solid waste	174,168	202,491	-	-	-	28,323	28,323
<b>Total business-type activities</b>	<b>1,270,561</b>	<b>987,536</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(283,025)</b>	<b>(283,025)</b>
<b>Total governmental and business-type activities</b>	<b>\$ 2,739,115</b>	<b>\$ 1,166,464</b>	<b>\$ 632,268</b>	<b>\$ 102,220</b>	<b>\$ (555,138)</b>	<b>(283,025)</b>	<b>(838,163)</b>
<b>General Revenues</b>							
<b>Taxes</b>							
Property					238,182	-	238,182
Franchise					2,714	-	2,714
Gross receipts					810,211	63,352	873,563
Fees					-	3,310	3,310
Motor vehicle department					14,444	-	14,444
Lodgers					10,573	-	10,573
Licenses and fees					13,886	-	13,886
Penalties and fines					-	-	-
Interest income					25,873	8,324	34,197
Miscellaneous					100	-	100
Transfers in (out)					-	-	-
<b>Total general revenues</b>					<b>1,115,983</b>	<b>74,986</b>	<b>1,190,969</b>
<b>Change in net position</b>					<b>560,845</b>	<b>(208,039)</b>	<b>352,806</b>
<b>Net position, beginning</b>					<b>3,141,876</b>	<b>8,965,458</b>	<b>12,107,334</b>
<b>Net position, ending</b>					<b>\$ 3,702,721</b>	<b>\$ 8,757,419</b>	<b>\$ 12,460,140</b>

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

## Fund Financial Statements

STATE OF NEW MEXICO  
 VILLAGE OF LOGAN  
 Balance Sheet  
 Governmental Funds  
 June 30, 2019

	Special Revenue			
	General 101	Fire Protection 209	Municipal Streets 216	Senior Citizens 219
<b>ASSETS</b>				
Cash in banks	\$ 1,192,065	\$ 261,391	\$ 136,043	\$ 8,125
New Mexico Finance Authority				
Cash state treasury debt service	-	14,427	-	-
Accounts receivable				
Accounts	-	-	-	-
Grantor	-	-	-	10,133
Taxes	48,624	-	2,739	-
Total assets	<u>\$ 1,240,689</u>	<u>\$ 275,818</u>	<u>\$ 138,782</u>	<u>\$ 18,258</u>
<b>LIABILITIES</b>				
Accounts payables	\$ 4,635	\$ 405	\$ -	\$ 638
Total liabilities	<u>4,635</u>	<u>405</u>	<u>-</u>	<u>638</u>
<b>FUND BALANCE</b>				
Restricted for				
Special revenue funds	-	275,413	138,782	17,620
Capital projects funds	-	-	-	-
Unassigned				
General government fund	1,236,054	-	-	-
Total fund balance	<u>1,236,054</u>	<u>275,413</u>	<u>138,782</u>	<u>17,620</u>
Total liabilities and fund balance	<u>\$ 1,240,689</u>	<u>\$ 275,818</u>	<u>\$ 138,782</u>	<u>\$ 18,258</u>

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



<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 617,152	\$ 2,214,776
1,516	15,943
4,913	4,913
-	10,133
<u>7,590</u>	<u>58,953</u>
<u>\$ 631,171</u>	<u>\$ 2,304,718</u>
<u>\$ 5,454</u>	<u>\$ 11,132</u>
<u>5,454</u>	<u>11,132</u>
152,039	583,854
473,678	473,678
<u>-</u>	<u>1,236,054</u>
<u>625,717</u>	<u>2,293,586</u>
<u>\$ 631,171</u>	<u>\$ 2,304,718</u>

This Page Intentionally Blank

STATE OF NEW MEXICO  
 VILLAGE OF LOGAN  
 Reconciliation of Total Fund Balance from Balance Sheet Governmental Funds to the  
 Total Net Position on the Statement of Net Position  
 For the year ended June 30, 2019

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

Fund balance - total governmental funds	\$	2,293,586
---	----	-----------

Capital assets used in governmental activities are not financial resources  
 and, therefore, are not reported in the funds

Capital assets	\$ 10,016,980	
Accumulated depreciation	<u>(6,778,602)</u>	3,238,378

Deferred outflows and inflows of resources related to pensions and retiree  
 health care authority are applicable to future periods and therefore,  
 are not reported in the funds:

Deferred outflows of resources related to pension	284,324	
Deferred inflows of resources related to pension	(139,118)	
Deferred outflows of resources related to retiree health care	11,039	
Deferred inflows of resources related to retiree health care	<u>(46,292)</u>	109,953

Certain liabilities, including accrued compensated absences, bonds payable,  
 lease purchase notes and net pension liability, are not due and payable  
 in the current period and therefore are not reported in the funds

Accrued compensated absences	(25,396)
Loans and notes payable	(468,898)
Accrued interest payable	(886)
Net pension liability public employees retirement association	(936,563)
Net pension liability retiree health care	<u>(507,453)</u>
Net position of governmental activities	<u>\$ 3,702,721</u>

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

STATE OF NEW MEXICO  
VILLAGE OF LOGAN  
Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Governmental Funds  
For the year ended June 30, 2019

	General 101	Special Revenue		
		Fire Protection 209	Municipal Streets 216	Senior Citizens 219
Revenue				
Property tax	\$ 238,182	\$ -	\$ -	\$ -
Franchise tax	2,714	-	-	-
Gross receipts tax	708,377	-	-	-
Gasoline tax	-	-	34,431	-
Lodgers tax	-	-	-	-
MVD	14,444	-	-	-
Charges for services	23,664	-	-	-
Interest	19,701	3,317	-	-
Licenses and fees	13,886	-	-	-
Miscellaneous	21,619	12,380	-	35,906
Local grants	-	-	-	-
State grants	148,261	255,516	80,420	83,264
Federal grants	-	-	-	21,567
Total revenues	<u>1,190,848</u>	<u>271,213</u>	<u>114,851</u>	<u>140,737</u>
Expenditures				
Current				
General government				
Legislative	40,269	-	-	-
Finance	288,079	-	-	-
General government	31,995	-	-	-
Public safety	365,009	141,476	-	-
Public works	47,505	-	82,170	-
Health and welfare	-	-	-	-
Culture and recreation	12,943	-	-	-
Capital outlay	-	291,370	54,067	164,264
Debt service				
Principal	-	58,996	-	-
Interest	-	3,129	-	-
Total expenditures	<u>785,800</u>	<u>494,971</u>	<u>136,237</u>	<u>164,264</u>
Excess (deficiency) of revenues over expenditures	405,048	(223,758)	(21,386)	(23,527)
Other financing sources (uses)				
Loan proceeds	-	-	-	-
Operating transfers (net)	(20,000)	-	23,029	20,000
Total other financing sources (uses)	<u>(20,000)</u>	<u>-</u>	<u>23,029</u>	<u>20,000</u>
Net change in fund balances	385,048	(223,758)	1,643	(3,527)
Fund balances, beginning				
Restatement	-	-	-	-
Fund balances, beginning restated	<u>851,006</u>	<u>499,171</u>	<u>137,139</u>	<u>21,147</u>
Fund balances, ending	<u>\$ 1,236,054</u>	<u>\$ 275,413</u>	<u>\$ 138,782</u>	<u>\$ 17,620</u>

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

Other Governmental Funds	Total Governmental Funds
\$ -	\$ 238,182
-	2,714
101,834	810,211
-	34,431
10,573	10,573
-	14,444
72,040	95,704
2,855	25,873
-	13,886
17,977	87,882
5,000	5,000
101,471	668,932
-	21,567
311,750	2,029,399
-	40,269
-	288,079
-	31,995
77,325	583,810
3,382	133,057
73,386	73,386
8,499	21,442
38,223	547,924
22,908	81,904
621	3,750
224,344	1,805,616
87,406	223,783
38,223	38,223
(23,029)	-
15,194	38,223
102,600	262,006
523,117	523,117
-	-
523,117	2,031,580
\$ 625,717	\$ 2,293,586

STATE OF NEW MEXICO  
 VILLAGE OF LOGAN  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes  
 in Fund Balances of Governmental Funds to the Statement of Activities  
 For the year ended June 30, 2019

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

Net change in fund balances - total governmental funds	\$ 262,006
--	------------

Capital outlays to purchase or build capital assets are reported in the 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. This is the amount by which depreciation exceeds capital outlays for the period.

Current year capital expenditures capitalized	383,660
Depreciation expense	(287,016)

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

Principal payment	81,904
Proceeds of long-term debt	(38,223)

Expenditures in the statement of activities that do not provide current financial resources are not reported as expenditures in the funds.

Governmental funds report town pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense:

Change in compensated absences	(5,117)
Change in interest expense	(2)
Change in deferred inflows / outflows related to OPEB	181,097
Change in deferred inflows / outflows related to pension	<u>(17,464)</u>

Change in Net Position of Governmental Activities	<u>\$ 560,845</u>
---	-------------------

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

STATE OF NEW MEXICO  
VILLAGE OF LOGAN  
General Fund - 101  
Statement of Revenues, Expenditures, and Changes in Cash Balance  
Budget and Actual (Non - GAAP Budgetary Basis)  
For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenue</b>				
Property tax	\$ 222,243	\$ 222,243	\$ 237,907	\$ 15,664
Franchise tax	4,500	4,500	3,640	(860)
Gross receipts tax	435,000	724,500	724,929	429
Gasoline tax	-	-	-	-
MVD tax	-	-	-	-
Other tax	22,500	22,500	12,179	(10,321)
Charges for services	109,700	26,497	23,664	(2,833)
Interest	20,000	30,000	19,701	(10,299)
Licenses and fees	5,954	8,332	13,886	5,554
Fines and penalties	-	-	-	-
Rents	-	-	-	-
Other income	100	100	100	-
Law enforcement protection fund grant	-	-	-	-
Miscellaneous	-	-	21,519	21,519
Local grants	-	-	-	-
State grants	110,000	143,325	148,261	4,936
Federal grants	-	-	-	-
<b>Total revenue</b>	<b>929,997</b>	<b>1,181,997</b>	<b>1,205,786</b>	<b>23,789</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>General government</b>				
<b>Legislative</b>				
Personnel services	25,907	25,907	28,823	(2,916)
Operating expenses	8,000	8,000	6,514	1,486
<b>Finance</b>				
Personnel services	276,881	276,881	188,752	88,129
Operating expenses	214,364	214,364	100,611	113,753
<b>Police department</b>				
Personnel services	294,486	294,486	286,439	8,047
Operating expenses	30,200	30,200	40,363	(10,163)
Capital outlay	-	-	-	-
<b>Highway and streets</b>				
Personnel services	36,355	36,355	28,253	8,102
Operating expenses	25,400	25,400	21,245	4,155
<b>Motor vehicle department</b>				
Personnel services	-	-	37,072	(37,072)
Operating expenses	7,800	7,800	4,567	3,233
<b>Civic center</b>				
Operating expenses	-	-	13,283	(13,283)
<b>Insurance</b>				
Employee bonds	-	-	525	(525)
General insurance	-	-	11,527	(11,527)

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

STATE OF NEW MEXICO  
VILLAGE OF LOGAN  
General Fund - 101  
Statement of Revenues, Expenditures, and Changes in Cash Balance  
Budget and Actual (Non - GAAP Budgetary Basis)  
For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
Expenditures (continued)				
Miscellaneous				
Risk management	-	-	4,243	(4,243)
Workers compensation ins	-	-	3,031	(3,031)
Dilapidated building removal	-	-	8,273	(8,273)
Election expenses	-	-	2,917	(2,917)
EPCOG	-	-	600	(600)
Legal fees	-	-	813	(813)
NM State library	-	-	315	(315)
RPCCHA capital outlay	-	-	2,408	(2,408)
Total expenditures	<u>919,393</u>	<u>919,393</u>	<u>790,574</u>	<u>128,819</u>
Excess (deficiency) revenues over (under) expenditures	10,604	262,604	415,212	152,608
Other financing sources (uses):				
Operating transfers net	31,000	21,000	(20,000)	(41,000)
Designated cash	-	-	-	-
Total other financing sources (uses)	<u>31,000</u>	<u>21,000</u>	<u>(20,000)</u>	<u>(41,000)</u>
Net change in cash balances	41,604	283,604	395,212	111,608
Cash balance, beginning	-	-	796,853	796,853
Cash balance, ending	<u>\$ 41,604</u>	<u>\$ 283,604</u>	<u>\$ 1,192,065</u>	<u>\$ 908,461</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 395,212	
Adjustment to revenues for accruals and other deferrals			(14,938)	
Adjustment to expenditures for payables, prepaids and other accruals			4,774	
Net change in fund balance (GAAP Basis)			<u>\$ 385,048</u>	

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



STATE OF NEW MEXICO  
VILLAGE OF LOGAN  
Special Revenue Fund - Fire Protection Fund - 209  
Statement of Revenues, Expenditures, and Changes in Cash Balances  
Budget and Actual (Non - GAAP Budgetary Basis)  
For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property tax	\$ -	\$ -	\$ -	\$ -
Franchise tax	-	-	-	-
Gross receipts tax	-	-	-	-
Gasoline tax	-	-	-	-
MVD tax	-	-	-	-
Other tax	-	-	-	-
Charges for services	-	-	-	-
Interest	-	3,293	3,317	24
Miscellaneous	-	12,381	12,380	(1)
Local grants	-	-	-	-
State grants	250,299	255,516	255,516	-
Federal grants	-	-	-	-
<b>Total revenues</b>	<b>250,299</b>	<b>271,190</b>	<b>271,213</b>	<b>23</b>
Expenditures				
Current				
General government				
General	-	-	-	-
Public safety	118,600	118,600	142,195	(23,595)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	556,454	577,666	291,370	286,296
Debt service:				
Principal	59,500	59,500	58,996	504
Interest	3,150	3,150	3,129	21
<b>Total expenditures</b>	<b>737,704</b>	<b>758,916</b>	<b>495,690</b>	<b>263,226</b>
Excess (deficiency) revenues over (under) expenditures	(487,405)	(487,726)	(224,477)	263,249
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	368,805	369,126	-	(369,126)
<b>Total other financing sources (uses)</b>	<b>368,805</b>	<b>369,126</b>	<b>-</b>	<b>(369,126)</b>
Net change in cash balances	(118,600)	(118,600)	(224,477)	(105,877)
Cash balance, beginning	-	-	500,295	500,295
Cash balance, ending	\$ (118,600)	\$ (118,600)	\$ 275,818	\$ 394,418
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (224,477)	
Adjustment to revenues for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			719	
Net change in fund balance (GAAP Basis)			\$ (223,758)	

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

STATE OF NEW MEXICO  
VILLAGE OF LOGAN  
Special Revenue Fund - Municipal Streets Fund - 216  
Statement of Revenues, Expenditures, and Changes in Cash Balances  
Budget and Actual (Non - GAAP Budgetary Basis)  
For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Property tax	\$ -	\$ -	\$ -	\$ -
Franchise tax	-	-	-	-
Gross receipts tax	-	-	-	-
Gasoline tax	34,000	34,000	35,041	1,041
MVD tax	-	-	-	-
Other tax	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Local grants	-	-	-	-
State grants	83,321	83,321	80,420	(2,901)
Federal grants	-	-	-	-
<b>Total revenues</b>	<b>117,321</b>	<b>117,321</b>	<b>115,461</b>	<b>(1,860)</b>
<b>Expenditures</b>				
Current				
General government				
General	-	-	-	-
Public safety	-	-	-	-
Public works	53,321	53,321	82,170	(28,849)
Culture and recreation	-	-	-	-
Capital outlay	150,000	150,000	54,067	95,933
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>203,321</b>	<b>203,321</b>	<b>136,237</b>	<b>67,084</b>
Excess (deficiency) revenues over (under) expenditures	(86,000)	(86,000)	(20,776)	65,224
Other financing sources (uses)				
Operating transfers net	25,000	25,000	23,029	(1,971)
Designated cash	61,000	61,000	-	(61,000)
<b>Total other financing sources (uses)</b>	<b>86,000</b>	<b>86,000</b>	<b>23,029</b>	<b>(62,971)</b>
Net change in cash balances	-	-	2,253	2,253
Cash balance, beginning	-	-	133,790	133,790
Cash balance, ending	\$ -	\$ -	\$ 136,043	\$ 136,043
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 2,253	
Adjustment to revenues for accruals and other deferrals			(610)	
Adjustment to expenditures for payables, prepaids and other accruals			-	
<b>Net change in fund balance (GAAP Basis)</b>			<b>\$ 1,643</b>	

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

STATE OF NEW MEXICO  
VILLAGE OF LOGAN  
Special Revenue Fund - Senior Citizens Fund - 219  
Statement of Revenues, Expenditures, and Changes in Cash Balances  
Budget and Actual (Non - GAAP Budgetary Basis)  
For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Property tax	\$ -	\$ -	\$ -	\$ -
Franchise tax	-	-	-	-
Gross receipts tax	-	-	-	-
Gasoline tax	-	-	-	-
MVD tax	-	-	-	-
Other tax	-	-	-	-
Charges for services	61,790	61,569	70,604	9,035
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Local grants	-	-	-	-
State grants	81,085	87,927	51,766	(36,161)
Federal grants	10,494	27,011	15,513	(11,498)
<b>Total revenues</b>	<b>153,369</b>	<b>176,507</b>	<b>137,883</b>	<b>(38,624)</b>
<b>Expenditures</b>				
Current				
General government				
General	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	148,821	176,507	165,358	11,149
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>148,821</b>	<b>176,507</b>	<b>165,358</b>	<b>11,149</b>
Excess (deficiency) revenues over (under) expenditures	4,548	-	(27,475)	(27,475)
Other financing sources (uses)				
Operating transfers net	20,000	20,000	20,000	-
Designated cash	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>-</b>
<b>Net change in cash balances</b>	<b>24,548</b>	<b>20,000</b>	<b>(7,475)</b>	<b>(27,475)</b>
Cash balance, beginning	-	-	15,600	15,600
Cash balance, ending	\$ 24,548	\$ 20,000	\$ 8,125	\$ (11,875)
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (7,475)	
Adjustment to revenues for accruals and other deferrals			2,854	
Adjustment to expenditures for payables, prepaids and other accruals			1,094	
<b>Net change in fund balance (GAAP Basis)</b>			<b>\$ (3,527)</b>	

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

STATE OF NEW MEXICO  
VILLAGE OF LOGAN  
Proprietary Funds  
Statement of Net Position  
June 30, 2019

	Business-type Activities <u>Water Fund 501</u>	Business-type Activities <u>Solid Waste 502</u>	Business-type Activities <u>Totals</u>
<b><u>ASSETS</u></b>			
Current assets			
Cash and cash equivalents	\$ 759,108	\$ 420,101	\$ 1,179,209
Accounts receivable			
Taxes	-	1,048	1,048
Net sales	<u>67,806</u>	<u>14,304</u>	<u>82,110</u>
Total current assets	<u>826,914</u>	<u>435,453</u>	<u>1,262,367</u>
Noncurrent assets			
Restricted cash	19,885	-	19,885
Capital assets	16,530,368	283,227	16,813,595
Less: accumulated depreciation	<u>(4,137,881)</u>	<u>(181,670)</u>	<u>(4,319,551)</u>
Total noncurrent assets	<u>12,412,372</u>	<u>101,557</u>	<u>12,513,929</u>
Total assets	<u>\$ 13,239,286</u>	<u>\$ 537,010</u>	<u>\$ 13,776,296</u>
<b><u>LIABILITIES AND NET POSITION</u></b>			
Current liabilities			
Accounts payable	\$ 5,331	\$ 8,427	\$ 13,758
Accrued wages payable	-	-	-
Accrued interest payable	34,224	-	34,224
Current portion long-term debt	<u>103,289</u>	<u>-</u>	<u>103,289</u>
Total current liabilities	<u>142,844</u>	<u>8,427</u>	<u>151,271</u>
Noncurrent liabilities			
Customer meter deposits	19,885	-	19,885
Compensated absences	6,439	-	-
Long-term debt	<u>4,841,282</u>	<u>-</u>	<u>4,841,282</u>
Total noncurrent liabilities	<u>4,867,606</u>	<u>-</u>	<u>4,841,282</u>
Total liabilities	5,010,450	8,427	5,018,877
Net position			
Net invested in capital assets	7,447,916	101,557	7,549,473
Unrestricted	<u>780,920</u>	<u>427,026</u>	<u>1,207,946</u>
Total net position	<u>8,228,836</u>	<u>528,583</u>	<u>8,757,419</u>
Total liabilities and net position	<u>\$ 13,239,286</u>	<u>\$ 537,010</u>	<u>\$ 13,776,296</u>

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

STATE OF NEW MEXICO  
VILLAGE OF LOGAN

Proprietary Funds  
Statement of Revenues, Expenses and Changes in Net Position  
For the year ended June 30, 2019

	Business-type Activities Water Fund 501	Business-type Activities Solid Waste 502	Business-type Activities Totals
Operating revenues			
Sales and services	\$ 765,811	\$ 198,291	\$ 964,102
Total operating revenues	<u>765,811</u>	<u>198,291</u>	<u>964,102</u>
Operating expenses			
Public works	312,051	120,361	432,412
Personnel	186,932	42,044	228,976
Depreciation	412,562	11,763	424,325
Total operating expenses	<u>911,545</u>	<u>174,168</u>	<u>1,085,713</u>
Operating income (loss)	(145,734)	24,123	(121,611)
Non-operating revenues (expenses)			
Gross receipts tax environmental	36,895	26,457	63,352
Conservation fee tax	14,159	-	14,159
Interest	4,959	3,365	8,324
Penalties	7,207	-	7,207
Other income (expense)	1,178	4,200	5,378
Change in meter deposits	-	-	-
Capital outlay	-	-	-
Principal debt service payment	-	-	-
Interest debt service payment	(184,848)	-	(184,848)
Total non-operating revenue (expenses)	<u>(120,450)</u>	<u>34,022</u>	<u>(86,428)</u>
Net income (loss)	(266,184)	58,145	(208,039)
Operating transfers (net)	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position - proprietary funds	(266,184)	58,145	(208,039)
Net position, beginning	<u>8,495,020</u>	<u>470,438</u>	<u>8,965,458</u>
Net position, ending	<u>\$ 8,228,836</u>	<u>\$ 528,583</u>	<u>\$ 8,757,419</u>

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

STATE OF NEW MEXICO  
VILLAGE OF LOGAN  
Proprietary Funds  
Statement of Cash Flows  
For the year ended June 30, 2019

	Business-type Activities <u>Water Fund 501</u>	Business-type Activities <u>Solid Waste 502</u>	Business-type Activities <u>Totals</u>
Cash flows from operating activities			
Receipts from customers	\$ 774,263	\$ 197,053	\$ 971,316
Payments to suppliers and contractors	(314,768)	(120,056)	(434,824)
Payments to and on behalf of employees	(188,609)	(42,422)	(231,031)
Net cash provided (used) by operating activities	<u>270,886</u>	<u>34,575</u>	<u>305,461</u>
Cash flows from non capital financing activities			
Gross receipts tax environmental	36,895	26,826	63,721
Conservation fee tax	3,310	-	3,310
Fees	10,849		
Penalties	7,207		
Net meter deposits	160	-	160
Other income (expense)	1,178	4,200	5,378
State grant			-
Operating transfers (net)	-	-	-
Net cash provided (used) by non capital financing activities	<u>59,599</u>	<u>31,026</u>	<u>90,625</u>
Cash flows from capital and related financing activities			
Acquisition of capital assets	(45,605)	-	(45,605)
Long-term debt principal payment	(100,789)	-	(100,789)
Interest income / payment	(180,533)	3,365	(177,168)
Net cash provided (used) by capital and related financing activities	<u>(326,927)</u>	<u>3,365</u>	<u>(323,562)</u>
Net increase (decrease) in cash and cash equivalents	3,558	68,966	72,524
Cash and cash equivalents, beginning	<u>775,435</u>	<u>351,135</u>	<u>1,126,570</u>
Total cash and cash equivalents, ending	<u>\$ 778,993</u>	<u>\$ 420,101</u>	<u>\$ 1,199,094</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)			\$ (121,611)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation and amortization			424,325
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable			7,214
Increase (Decrease) in accounts payable			(4,467)
Net cash provided (used) by operating activities			<u>\$ 305,461</u>

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

## Notes to Financial Statements

## **Note 1 Summary of Significant Accounting Policies**

This summary of significant accounting policies of the Village of Logan (the Village) is presented to assist in the understanding of the Village's financial statements. The financial statements and notes are the representation of the Village's management who is responsible for their integrity and objectivity. The financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements have incorporated all applicable GASB statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures. The more significant of the government's accounting policies are described below.

### **A. Reporting Entity**

The Village is a political subdivision of the state of New Mexico and was incorporated under provisions of Chapter 3, Article 2, NMSA 1978 as amended. The Village operates under the mayor-trustee form of government. The Village provides the following authorized services: public safety, police and fire, highways and streets, water, sanitation, health and welfare, social services, culture and recreation, public improvements, and general administrative services. The Village's basic financial statements include all activities and accounts of the Village's *financial reporting entity*.

The financial reporting entity consists of the primary government, and any another organization for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body, and either it is able to impose its will on that organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens, on the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, activities, or level of services performed or provided by the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

Based upon the application of these criteria, there are no component units of the Village. The Village is not considered a component unit of another governmental agency during the fiscal year ended June 30, 2019.

### **B. Government-Wide Financial Statements**

The basic financial statements include both government-wide (based on the Village as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity 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 on a significant extent on fees and charges for support. The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a function category (general government, public safety, etc.) or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or activity and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported as general revenues.



The net cost (by function of governmental-type activity) is normally covered by general revenues (property, sales, franchise, public service taxes, interest income, etc.). The Village does not allocate indirect costs. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term is considered an indirect expense and is reported separately on the Statement of Activities.

Separate fund based financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual government funds and major individual enterprise funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The nonmajor funds are detailed in the combining section of the statements.

The Village's fiduciary funds (which have been refined and narrowed in scope) are presented in the fund financial statements by type. Since, by definition, the assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the municipality; these funds are not incorporated into the government-wide statements.

The government-wide focus is more on the sustainability of the Village as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

### **C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which 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 as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund level financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balance of financial resources) rather than upon net income. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period. For this purpose, the Village considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Generally, intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property, franchise, sales and public service tax revenues associated with the current fiscal period are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, contributions, and miscellaneous revenues are recorded as revenues when received in cash, as the resulting receivable is immaterial.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

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

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided through property and other taxes, federal sources, state sources, charges for services, licenses and fees, and other miscellaneous recoveries and revenue. Expenditures include all costs associated with the daily operation of the Village except for items included in other funds.

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

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

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

Under the requirements of GASB No. 34, the Village is required to present certain of its governmental funds as major based upon certain criteria. The major funds presented in the fund financial statements include only the General Fund and the Fire Protection Fund. No other funds were required to be presented as major at the discretion of management.

#### General Fund

The Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided primarily through property, gross receipts and other miscellaneous taxes.

#### Fire Protection Fund

To account for the operation and maintenance of the fire Department. Financing is provided by a 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 regulations.

#### Senior Citizens Fund

To account for the receipt 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)

#### Municipal Streets

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)

The government reports its Water Fund and Solid Waste Fund (Proprietary funds) as major business-type funds. Additionally, the government reports the following fund types:

The *fiduciary funds* are purely custodial (assets equal liabilities) and do not involve measurement of results of operations.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes, because elimination of these charges would distort the direct costs and program revenues reported in the Statement of Activities

Program revenues reduce the cost of the function to be financed from the Village's general revenues. Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

The Village reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The Village does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified function and is included in the direct expense of each function. Interest on general and long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing service in connection with the fund's principal ongoing operations. The principal operating revenue of the Village's enterprise fund is charges for services for the Village's garbage, water & sewer utilities. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the Village's policy to use the restricted resources first, then unrestricted resources as they are needed.

Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the Village; therefore, revenues are recognized based upon the expenditures

recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

**D. Assets, Liabilities, and Net Position or Equity**

**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.

State statutes authorize the Village to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Investments for the Village are reported at fair value. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

**Restricted Assets:**

Restricted assets are those held in trust for others.

**Receivables and Payables:**

Inter-fund activity is reported either as loans, services provided, reimbursements, or transfers. Loans are reported as inter-fund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related costs as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements. All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, delinquent property taxes are recorded when levied.

**Prepaid Items:**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and proprietary financial statements.

**Inventory:**

The cost of purchased inventory is recorded as an expenditure at the time individual inventory items are consumed.

**Capital Assets:**

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000, per section 12-6-10 NMSA 1978, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are to be included as part of the governmental capital assets reported in the government wide statements. Donated capital assets are recorded at estimated fair market value at the date of donation. Information Technology Equipment including software is being capitalized and included in furniture, fixtures, and equipment in accordance with NMAC 2.20.1.9 C (5).

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

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

**Deferred Outflows of Resources:**

In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time.

**Deferred Inflows of Resources:**

In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources.

**Pensions – Deferred Inflows and Deferred Outflows of Resources**

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

**Compensated Absences:**

All full-time regular employees are entitled to paid vacation time. Part time employees are entitled to paid vacation time on a basis prorated to the full-time (40 hour) work week. Unused sick leave is not paid upon termination.

**Long-term Obligations:**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position.

In the fund financial statements, the face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt services expenditures.

**Fund Balance:** Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent: The following classifications may be used:

**Non-Spendable**

The non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

**Restricted**

Fund balance is reported as restricted when constraints placed on the use of resources are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

**Committed**

Amounts that can only be used for specific purposes pursuant to constraints imposed by the formal action of the Village Board of Trustees should be reported as committed fund balance. The committed amounts cannot be used for any other purpose unless the Village's Board of Trustees removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

**Assigned**

Assigned fund balance includes (a) all remaining amounts, except for negative balances, that are reported in governmental funds, other than the general fund, that are not classified as non-spendable and are neither restricted nor committed and amounts in the general fund that are constrained by the Village's intent to be used for specific purposes but are neither restricted nor committed. Intent, and removal of, is expressed by the Board of Trustees or the Finance Committee. The Village did not have assigned fund balances for the year ended June 30, 2019.

#### Unassigned

The remaining fund balance, after all other classifications, within the general fund is reported as unassigned fund balance. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In governmental funds, other than the general fund, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, a negative fund balance will be reported as unassigned fund balance.

When committed, assigned, and unassigned resources are available for use, it is the Village's policy to use committed first followed by assigned and unassigned resources as they are needed.

#### **Net Position and Fund Equity:**

Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

In the government-wide financial statements, fund equity is classified as net position and is displayed in three components:

#### Net investment in capital assets:

Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

#### Restricted Net Position:

Consist of net position with "legally enforceable" constraints placed on the use, either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Legally enforceable means that a government can be compelled by an external party – such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation, only for the purposes specified by the legislation. Generally, the enforceability of an enabling legislation restriction is determined by professional judgment. If it is determined that the restrictions continue to be legally enforceable, then for the purposes of financial reporting, the restricted net position should not reflect any reduction for resources used for purposes not stipulated by the enabling legislation. Descriptions for the related restrictions for net position are restricted for "debt service or capital projects."

#### Unrestricted Net Position:

All other net positions that do not meet the definition of "restricted" or "net investment in capital assets".

#### **Inter-fund Transactions:**

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers.

#### **Estimates:**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates affecting the Village's financials include management's estimate of the useful lives of capital assets.

#### **Tax Revenues:**

The Village receives mill levy and ad-valorem tax revenues. Property taxes are assessed on January 1st of each year and are payable in two equal installments, on November 10th of the year in which the tax bill is prepared and April 10th of the following year with the levies becoming delinquent 30 days (one month) thereafter. The Village recognizes tax revenues in the period for which they are levied in the government-wide financial statements. The Village records only the portion of the taxes considered 'measurable' and 'available' in the governmental fund financial statements.

## **Note 2 Stewardship, Compliance, and Accountability**

### *Budgetary Information*

Annual budgets of the Village are prepared prior to June 1 and must be approved by Village Council resolution and submitted to the Department of Finance and Administration for State approval. Once the budget has been formally approved, any amendments must also be approved by the Village Council and the Department of Finance and Administration. A separate budget is prepared for each fund. Line items within each budget may be over-expended; however, it is not legally permissible to over-expend any budget in total.

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of the funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

Formal budgetary integration is employed as a management control device during the year for the General Fund, and Special Revenue Funds. The Village is required to balance its budgets each year. Accordingly, amounts that are in excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures. The Village Council may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance.

The accompanying Statements of Revenues, Expenditures, and Changes in Cash Balance – Budget (non-GAAP Budgetary Basis) and Actual presents comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, perspective, equity, and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2019, is presented.

The appropriated budget for the year ended June 30, 2019, was properly amended by the Village Council throughout the year.

## **Note 3 Deposits and Investments**

State statutes authorize the investment of the Village funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States government obligations. All invested funds of the Village properly followed State investment requirements as of June 30, 2019.

Deposits of funds may be made in interest or non-interest-bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the Village. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case, shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess of funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits, and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the Village for at least one half the amount in excess of FDIC coverage on deposit with the institution.

The schedule listed below discloses the State of New Mexico, Office of the State Auditor's requirements on reporting the insured portion of the Village's deposits.

STATE OF NEW MEXICO  
VILLAGE OF LOGAN  
Notes to The Financial Statements  
For the Year Ended June 30, 2019

	FNB NM Tucumcari, NM	Tucumcari Fed S & L Tucumcari, NM	Type
Total amount on deposit on June 30, 2019			
Logan General Fund	\$ 1,738,845	\$	Checking Non-Interest
Village of Logan	400,000		CD
Village of Logan	100,000		CD
Village of Logan Volunteer Fire Fighters	200,000		CD
Village of Logan Sewer and Water	400,000		CD
Village of Logan Sewer and Water	100,000		CD
Village of Loving General Fund	250,000		CD
Village of Logan	-	250,000	CD
Logan EMS	1,001		Checking Non-Interest
Logan EMS	40,000		CD
Logan MVD	2,726		Checking Non-Interest
Total deposited	<u>3,232,572</u>	<u>250,000</u>	
Less FDIC coverage	<u>(500,000)</u>	<u>(250,000)</u>	
Total uninsured public funds	<u>2,732,572</u>	<u>-</u>	
50% collateral requirement			
as per Section 6-10-17, NMSA 1978	<u>1,366,286</u>	<u>-</u>	
Pledged securities	<u>1,617,557</u>	<u>-</u>	
Over (under)	<u>\$ 251,271</u>	<u>\$ -</u>	

Pledged Collateral:

Description	CUSIP#	Maturity Date	Market Value	Location
FHLMC POOL #C9176:	3128P75W9	5/1/2034	\$ 565,505	FHLB, Dallas TX
FHLB	780040BF7	10/1/2019	10,068	FHLB, Dallas TX
FHLB	756874BF9	8/15/2033	227,533	FHLB, Dallas TX
FHLB	38379UFP6	12/16/2056	814,451	FHLB, Dallas TX
			<u>\$ 1,617,557</u>	

Reconciled Bank Cash to Net Position

	Bank Balance	Outstanding Deposits	Outstanding Checks	Balance
Logan General Fund	\$ 1,738,845	\$ 1,503	\$ (67,479)	\$ 1,672,869
Logan MVD	2,726		(2,726)	-
Logan EMS	1,001			1,001
CD's	<u>\$ 1,740,000</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,740,000</u>
	<u>\$ 3,482,572</u>	<u>\$ 1,503</u>	<u>\$ (70,205)</u>	<u>\$ 3,413,870</u>

Restricted cash held by New Mexico Finance Authority:

Name of Account	Balance Per NMFA 6/30/2019
NMFA ZD PP-2058 Fire Station	\$ 320
NMFA ZD PP-2205 Ute Lake Sub Station	13,501
NMFA C MAN PP-3467 Class A Fire Truck	606
NMFA DM PP-3090 Ambulance	1,516
Total Deposited	<u>\$ 15,943</u>

Custodial Credit Risk

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, 2019, \$1,115,015 of the Village's bank balance of \$3,482,572 was exposed to custodial credit risk.

STATE OF NEW MEXICO  
VILLAGE OF LOGAN  
Notes to The Financial Statements  
For the Year Ended June 30, 2019

	FNB NM Tucumcari, NM	Tucumcari Fed S & L Tucumcari, NM
Custodial Credit Risk Deposits		
Account Balance	\$ 3,232,572	\$ 250,000
FDIC Insurance	500,000	250,000
Collateral:		
Collateral held by the pledging bank, not in the District's name	1,617,557	-
Uninsured and uncollateralized	1,115,015	-
Total Deposits	<u>\$ 3,232,572</u>	<u>\$ 250,000</u>

**Note 4 Receivables**

Receivables as of June 30, 2019, are as follows:

Governmental Activities	General Fund	Municipal Streets	Senior Citizens	Non Major	Totals
Accounts receivable taxes					
Property Tax	\$ 1,367	\$ -	\$ -	\$ -	\$ -
GRT Municipal	21,134	-	-	-	-
GRT Infrastructure	2,096	-	-	6,288	-
GRT State Shared	20,544	-	-	-	-
GRT Inter State Telecom	-	-	-	-	-
GRT Municipal Equivalent	-	-	-	-	-
Gas Tax	-	2,739	-	-	-
Franchise Tax	1,218	-	-	-	-
MVD	2,265	-	-	-	-
Lodgers Tax	-	-	-	1,302	-
Total accounts receivable taxes	-	-	-	-	58,953
Accounts receivable grantor	-	-	10,133	-	10,133
Accounts receivable other	-	-	-	4,913	4,913
Totals	<u>\$ 48,624</u>	<u>\$ 2,739</u>	<u>\$ 10,133</u>	<u>\$ 12,503</u>	<u>\$ 73,999</u>

The above accounts receivable taxes and accounts receivable from grantor are deemed 100% collectible.

Business-type Activities	Water Fund	Solid Waste Fund	Totals
Accounts receivable taxes			
Environmental GRT	\$ -	\$ 1,048	\$ 1,048
Total accounts receivable tax	<u>\$ -</u>	<u>\$ 1,048</u>	<u>\$ 1,048</u>
Receivable from customers	\$ 77,938	\$ 16,441	\$ 94,379
Less allowance for uncollectible	(10,132)	(2,137)	(12,269)
Total receivables from customers	<u>\$ 67,806</u>	<u>\$ 14,304</u>	<u>\$ 82,110</u>

**Note 5 Interfund Receivables, Payables, and Transfers**

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.



STATE OF NEW MEXICO  
VILLAGE OF LOGAN  
Notes to The Financial Statements  
For the Year Ended June 30, 2019

	Transfer In	Transfer Out
General	\$	\$ (20,000)
Senior Citizens	20,000	
Infrastructure Resr	23,029	
Municipal Streets	-	(23,029)
Totals	<u>\$ 43,029</u>	<u>\$ (43,029)</u>

**Note 6 Accounts Payables**

Accounts payable are payable to suppliers as of June 30, 2019, are listed below.

Governmental Activities	General Fund	Fire Protection Fund	Senior Citiozens Fund	Non Major Funds
Accounts payable				
General				
Executive	\$ 1,784	\$	\$	\$
Administration and Finance	727			
General government	639			
Public safety	1,468			
Public works	17			
Fire		405		
Senior Citizens			638	
EMS				488
Cemetery				104
Health Clinic				4,862
Totals	<u>\$ 4,635</u>	<u>\$ 405</u>	<u>\$ 638</u>	<u>\$ 5,454</u>
Business-Type	Water Fund	Solid Waste Fund	Total	
Accounts payable	\$ 5,331	\$ 8,247	\$ 13,578	

**Note 7 Capital Assets**

A summary of capital assets and changes occurring during the year ended June 30, 2019 follows.

Governmental activities:	Beginning Balances	Increase	Adjustments/ Decrease	Ending Balances
Capital assets not being depreciated				
Land	\$ 89,421	\$ -	\$ -	\$ 89,421
Capital assets being depreciated				
Infrastructure	4,554,502	54,067	-	4,608,569
Buildings and improvements	2,068,175	-	-	2,068,175
Equipment	2,921,222	329,593	-	3,250,815
Total assets	<u>9,633,320</u>	<u>383,660</u>	<u>-</u>	<u>10,016,980</u>
Less accumulated depreciation				
Infrastructure	(3,895,370)	(72,841)	-	(3,968,211)
Buildings and improvements	(1,127,001)	(55,678)	-	(1,182,679)
Equipment	(1,469,215)	(158,497)	-	(1,627,712)
Total accumulated depreciation	<u>(6,491,586)</u>	<u>(287,016)</u>	<u>-</u>	<u>(6,778,602)</u>
Governmental activity capital assets, net	<u>\$ 3,141,734</u>	<u>\$ 96,644</u>	<u>\$ -</u>	<u>\$ 3,238,378</u>

Capital assets, net of accumulated depreciation, at June 30, 2019 appear in the Statement of Net Position as follows: Governmental activities \$3,238,378.

STATE OF NEW MEXICO  
VILLAGE OF LOGAN  
Notes to The Financial Statements  
For the Year Ended June 30, 2019

Depreciation expense for the year ended June 30, 2019 was charged to the following governmental activities functions.

General	\$	14,491
Public safety		161,115
Public works		79,293
Health		9,859
Culture and Recreation		22,258
	\$	<u>287,016</u>

Business-Type Activities

<b>Business-type activities:</b>	Beginning		Adjustments/	Ending
<b>Water and Sewer</b>	Balances	Increase	Decrease	Balances
Capital assets not being depreciated				
Land	\$ 193,412	\$ -	\$ -	\$ 193,412
Capital assets being depreciated				
Buildings and improvements	16,056,777	45,605	16,610	16,118,992
Equipment	234,574	-	(16,610)	217,964
Total assets	<u>16,484,763</u>	<u>45,605</u>	<u>-</u>	<u>16,530,368</u>
Less accumulated depreciation				
Buildings and improvements	(3,555,555)	(400,609)	-	(3,956,164)
Equipment	(169,764)	(11,953)	-	(181,717)
Total accumulated depreciation	<u>(3,725,319)</u>	<u>(412,562)</u>	<u>-</u>	<u>(4,137,881)</u>
Business-type activity capital assets, net	<u>\$ 12,759,444</u>	<u>\$ (366,957)</u>	<u>\$ -</u>	<u>\$ 12,392,487</u>

<b>Business-type activities:</b>	Beginning		Adjustments/	Ending
<b>Solid Waste</b>	Balances	Increase	Decrease	Balances
Capital assets not being depreciated				
Land	\$ 25,000	\$ -	\$ -	\$ 25,000
CNP	9,157	-	(9,157)	-
Capital assets being depreciated				
Buildings and improvements	6,000	9,157	-	15,157
Equipment	243,070	-	-	243,070
Total assets	<u>283,227</u>	<u>9,157</u>	<u>(9,157)</u>	<u>283,227</u>
Less accumulated depreciation				
Capital assets being depreciated				
Buildings and improvements	(400)	(1,010)	-	(1,410)
Equipment	(169,507)	(10,753)	-	(180,260)
Total accumulated depreciation	<u>(169,907)</u>	<u>(11,763)</u>	<u>-</u>	<u>(181,670)</u>
Business-type activity capital assets, net	<u>\$ 113,320</u>	<u>\$ (2,606)</u>	<u>\$ (9,157)</u>	<u>\$ 101,557</u>

Depreciation expense relating to business-like activities for the year ended June 30, 2019 totaled \$424,325.

**Note 8 Risk Management**

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village has purchased insurance from a commercial vendor and pays an annual premium for its general insurance coverage, as such all risk of loss is transferred.

**Note 9 Other Required Individual Fund Disclosures**

Generally accepted accounting principles require disclosures as part of the Combining Statements

Overview of certain information concerning individual funds including:

- A. Deficit fund balance of individual funds.  
None
- B. Expenditures exceeded appropriations by fund.  
None
- C. Excess expenditures over budget.  
The Village did not reported expenditures in excess of budget at the function level at June 30, 2019,

**Note 10 Long-term Debts**

Governmental Activities

During the year ended June 30, 2019, the following changes occurred in the liabilities reported in the government wide statement of net position:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Governmental activities					
Notes Payable	512,579	38,223	(81,904)	468,898	89,896
	<u>\$ 512,579</u>	<u>\$ 38,223</u>	<u>\$ (81,904)</u>	<u>\$ 468,898</u>	<u>\$ 89,896</u>
Compensated absences	20,279	22,907	(17,790)	25,396	-

In prior years, the General Fund has typically liquidated the compensated absences and the Fire Protection Fund liquidated the three NMFA fire loans. The EMS Fund has typically liquidated the NMFA ambulance loan.

Description	Fund	Maturity Date	Interest Rate	Original Amount	Balance
Fire 6	Fire	8/15/2023	3.4% to 3.84%	\$ 260,000	\$ 74,104
Fire 7	Fire	8/15/2024	0.00%	101,500	34,175
Fire 10	Fire	6/15/2024	0.01%	350,645	284,536
Ambulance	EMS	4/1/2024	0.00%	75,567	40,024
Police Vehicle	LEPF	8/1/2016	3.17%	25,133	9,263
Police Vehicle	LEPF	8/1/2018	3.97%	38,223	26,796
					<u>\$ 468,898</u>

The annual requirement to amortize the loan as of June 30, 2019, including interest and administration fees is as follows:

Year Ended June 30,	Principal	Interest	Total
2020	\$ 89,896	\$ 3,497	\$ 93,393
2021	81,713	2,471	84,184
2022	68,663	1,375	70,038
2023	69,342	752	70,094
2024	50,909	144	51,053
2025-2027	108,375	218	108,593
	<u>\$ 468,898</u>	<u>\$ 8,457</u>	<u>\$ 477,355</u>

Business-type Activities

During the year ended June 30, 2019, the following changes occurred in the liabilities reported in the business type activities statement of net position:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
<b>Business-Type Activities</b>					
Phase I	\$ 3,870,000	\$ 0	\$ (64,000)	\$ 3,806,000	\$ 66,000
Phase I1	940,200	0	(18,700)	921,500	19,200
Phase I11	235,160	0	(18,089)	217,071	18,089
	<u>\$ 5,045,360</u>	<u>\$ 0</u>	<u>\$ (100,789)</u>	<u>\$ 4,944,571</u>	<u>\$ 103,289</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Compensated absences	<u>\$ 6,399</u>	<u>\$ 8,706</u>	<u>\$ (8,666)</u>	<u>\$ 6,439</u>	<u>\$ -</u>

The annual requirement to amortize the loan as of June 30, 2019, including interest and administration fees is as follows:

Year Ended June 30,	Principal	Interest	Total
2020	\$ 103,289	\$ 182,350	\$ 285,639
2021	106,889	179,120	286,009
2022	110,389	175,770	286,159
2023	113,989	172,220	286,209
2024	117,489	168,540	286,029
2025-2029	646,646	782,850	1,429,496
2030-2034	708,379	667,260	1,375,639
2035-2039	813,600	526,890	1,340,490
2040-2044	982,800	356,830	1,339,630
2045-2049	1,198,100	150,450	1,348,550
2050	43,001	1,190	44,191
	<u>\$ 4,944,571</u>	<u>\$ 3,363,470</u>	<u>\$ 8,308,041</u>

**Note 11 Public Employees Retirement Association (PERA) Plan**

**Accounting Policies**

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

**General Information about the Pension Plan**

**Plan description**

The Public Employees Retirement Fund (PERA Fund) is a **cost-sharing, multiple employer defined benefit pension plan**. This fund has six divisions of members, including State General, State Police/Adult Correction Officer Municipal General, Municipal Police/Detention Officers, Municipal fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a Specific division. Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund, unless specifically excluded.

***Benefits provided***

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

**TIER II**

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

**Contributions** - See PERA's compressive annual financial report for Contribution provided description

Coverage Plan	PERA Contribution Rate and Pension Factor in effect during FY 2018					
	Employee Contribution Percent		Employer Contribution Percent	Pension Factor per year of Service		Pension Maximum as a Percentage of Final Average Salary
	Annual Salary less than \$20,000	Annual Salary greater than \$20,000		TIER 1	TIER 2	
State Plan 3	7.42%	8.50%	7.40%	2.00%	2.00%	90%
Municipal Plan 1 plan open to new employees	7.00%	8.50%	7.40%	2.00%	2.00%	90%
Municipal Plan 2 plan open to new employees	9.15%	10.65%	9.55%	2.50%	2.00%	90%
Municipal Plan 3 plan closed to new employees 6/95	13.15%	14.65%	9.55%	3.00%	2.50%	90%
Municipal Plan 4 plan closed to new employees 6/00	15.65%	17.15%	12.05%	3.00%	2.50%	90%
Municipal Police Plan 1	7.00%	8.50%	10.40%	2.00%	2.00%	90%
Municipal Police Plan 2	7.00%	8.50%	15.40%	2.50%	2.00%	90%
Municipal Police Plan 3	7.00%	8.50%	18.90%	2.50%	2.00%	90%
Municipal Police Plan 4	12.35%	13.85%	18.90%	3.00%	2.50%	90%
Municipal Police Plan 5	16.30%	17.80%	18.90%	3.50%	3.00%	90%
Municipal Fire Plan 1	8.00%	9.50%	11.40%	2.00%	2.00%	90%
Municipal Fire Plan 2	8.00%	9.50%	17.90%	2.50%	2.00%	90%
Municipal Fire Plan 3	8.00%	9.50%	21.65%	2.50%	2.00%	90%
Municipal Fire Plan 4	12.80%	14.30%	21.65%	3.00%	2.50%	90%
Municipal Fire Plan 5	16.20%	17.70%	21.65%	3.50%	3.00%	90%
Municipal Detention Officer Plan 1	16.65%	18.15%	17.05%	3.00%	3.00%	90%
State Police and Adult Correction Officer Plan 1	7.60%	9.10%	25.50%	3.00%	3.00%	90%
State Plan 3 Peace Officer	7.42%	8.92%	16.99%	3.00%	3.00%	90%
Juvenile Correction Officer Plan 2	4.78%	6.28%	26.12%	3.00%	3.00%	90%

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

Municipal General Division at June 30, 2019, the Village reported a liability of \$613,833 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2018 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2018. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2018. The Village's proportion of the net pension liability was based on a projection of the Village's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2018, the Village's proportion was 0.0385%, which was a decreased 0.0044% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Village recognized pension expense of \$43,771. At June 30, 2019 the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

STATE OF NEW MEXICO  
VILLAGE OF LOGAN  
Notes to The Financial Statements  
For the Year Ended June 30, 2019

Municipal General Division	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 17,741	\$ 16,116
Change in assumptions	55,653	3,529
Net difference between projected and actual earnings on plan investments	45,525	-
Change in proportion and difference between District contribution and proportionate share of contributions	18,828	52,792
District's contribution subsequent to the measurement date	35,596	-
Totals	<u>\$ 173,343</u>	<u>\$ 72,437</u>

\$35,596 reported as deferred outflows of resources related to pensions resulting from Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows

Year Ended June 30,	Municipal General Division	Municipal Police Division
2019	\$ ####	\$ ####
2020	####	4,910
2021	(7,492)	(24)
2021	2,152	1,085

Municipal Police Division at June 30, 2019, the Village reported a liability of \$322,730 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2018 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2018. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2018. The Village's proportion of the net pension liability was based on a projection of the Village's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2018, the Village's proportion was 0.0473%, which was a decreased 0.0054% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Village recognized pension expense of \$29,102. At June 30, 2019 the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Municipal Police Division	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 15,800	\$ 31,991
Change in assumptions	36,824	1,973
Net difference between projected and actual earnings on plan investments	22,208	-
Change in proportion and difference between District contribution and proportionate share of contributions	16,332	32,717
District's contribution subsequent to the measurement date	19,817	-
Totals	<u>\$ 110,981</u>	<u>\$ 66,681</u>

\$19,817 reported as deferred outflows of resources related to pensions resulting from Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows

**Actuarial assumptions.** The total pension liability in the June 30, 2018 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

PERA	
Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay, open
Amortization period	Solved for based on statutory rates
Asset valuation method	4 year smoothed market value
<b>Actuarial Assumptions</b>	
Investment rate of return	7.25% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll growth	3%
Projected salary increases	3.25% to 13.50% annual rate
Includes inflation at	2.5% - 2.75%\$ all other years
Mortality Assumption	RP-2014 Mortality Tables with female ages set forward one year. Future improvements in mortality rates are assumed using 60% of the MP-2017 projection scale generationally. For non-public safety groups, 25% of in-service deaths are assumed to be duty re
Experience Study Dates	July 1, 2008 to June 30, 2017 (demographic) and July 1, 2010 and July 1, 2010 through June 30, 2018 (economic).

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2018. These assumptions were adopted by the Board use in the June 30, 2017 actuarial valuation.

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

All Funds Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	43.50%	7.48%
Risk Reduction & Mitigation	21.50%	2.37%
Credit Oriented Fixed Income	15.00%	5.47%
Real Assets to Include Real Estate Equity	20.00%	6.48%
Total	<u>100.00%</u>	

**Discount rate:**

A single discount rate of 7.25% was used to measure the total pension liability as of June 30, 2018. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.25%, compounded annually, net of expense. Based on the stated assumptions and the projection of cash flows, the plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

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

**Sensitivity of the Village's proportionate share of the net pension liability to changes in the discount rate.**

The following presents the Village's proportionate share of net pension liability calculated using the discount rate of 7.25%, as well as what the Village's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:



Proportionate share of the net pension liability	1% Decrease 6.25%	Current Discount 7.25%	1% Increase 8.25%
Municipal General Division	\$ 945,875	\$ 613,833	\$ 339,347
Municipal Police Division	\$ 496,226	\$ 322,730	\$ 181,289

**Pension plan fiduciary net position.**

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERA financial report. The report is available at <http://www.pera.state.nm.us/publications.html>.

**Note 12 Post-Employment Benefits - State Retiree Health Care Plan**

General Information about the OPEB

**Plan Description** - Employees of the Village are provided with OPEB through the Retiree Health Care Fund (the Fund) - a cost-sharing multiple- employer defined benefit OPEB plan administered by the New Mexico Retiree Health Care Authority (NMRHCA). NMRHCA was formed February 13, 1990, under the New Mexico Retiree Health Care Act (the Act) of New Mexico Statutes Annotated, as amended (NMSA 1978), to administer the Fund under Section 10-7C-1-19 NMSA 1978. The Fund was created to provide comprehensive group health insurance coverage for individuals (and their spouses, dependents and surviving spouses) who have retired or will retire from public service in New Mexico. NMRHCA is an independent agency of the State of New Mexico. The funds administered by NMRHCA are considered part of the State of New Mexico financial reporting entity and are OPEB trust funds of the State of New Mexico. NMRHCA's financial information is included with the financial presentation of the State of New Mexico.

**Benefits provided.** The Fund is a multiple employer cost sharing defined benefit healthcare plan that provides eligible retirees (including terminated employees who have accumulated benefits but are not yet receiving them), their spouses, dependents and surviving spouses and dependents with health insurance and prescription drug benefits consisting of a plan, or optional plans of benefits, that can be contributions to the Fund and by co-payments or out-of-pocket payments of eligible retirees.

**Employees covered by benefit terms** - At June 30, 2018, the Fund's measurement date, the following employees were covered by the benefit terms:

Plan membership	
Current retirees and surviving spouses	51,205
Inactive and eligible for deferred benefit	11,471
Current active members	93,349
	<u>156,025</u>
Active membership	
State general	19,593
State police and corrections	1,886
Municipal general	17,004
Municipal police	3,820
Municipal FTRE	2,290
Educational Retirement Board	48,756
	<u>93,349</u>

**Contributions** - Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee's salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer's participation in the Fund. Contributions to the Fund from the Village was \$67,559 for the year ended June 30, 2019.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, the Village reported a liability of \$507,453 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017. The Village's proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30. At June 30, 2018, the Village's proportion was 0.01167%.

STATE OF NEW MEXICO  
VILLAGE OF LOGAN  
Notes to The Financial Statements  
For the Year Ended June 30, 2019

For the year ended June 30, 2019, the Village recognized OPEB expense of \$5,111. At June 30, 2019 the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 10,607
Change in assumptions	-	33,447
Difference between projected and actual and projected earnings on OPEB investments	-	2,238
Change in proportion	-	-
District's contribution made after the measurement date	11,039	-
Totals	<u>\$ 11,039</u>	<u>\$ 46,292</u>

Deferred outflows of resources totaling \$11,039 represent Village's contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ended June 30,		
2019	\$	(48,097)
2020		(48,097)
2021		(49,097)
2022		(40,510)
2023		(16,091)

**Actuarial assumptions.** The total OPEB liability was determined by an actuarial valuation using the following assumptions:

Valuation Date	June 30, 2017
Actuarial cost method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation	2.50% for ERB; 2.25% for PERA
Projected payroll increases	3.5% to 12.50%, based on years of service, including inflation
Investment rate of return	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health care cost trend rate	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 years for Medicare medical plan cost
Mortality	ERB members: PR-2000 Combined Healthy Mortality Table with White Collar Adjustment (males) and GRS Southwest Region Teacher Mortality Table (females) PERA members: RP-2000 Combined Health Mortality

**Rate of Return.** The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which the expected future real rates of return (net of investment fees and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumptions.

The best estimates for the long-term expected rate of return is summarized as follows:

Asset Class	Target Allocation	Long-Term Rate of Return
U.S. core fixed income	20%	2.10%
U.S. equity - large cap	20%	7.10%
Non U.S. - emerging markets	15%	10.20%
Non U.S. - developed equities	12%	7.80%
Private equity	10%	11.80%
Credit and structured finance	10%	5.30%
Real estate	5%	4.90%
Absolute return	5%	4.10%
U.S. equity - small/mid cap	3%	7.10%

**Discount rate.** The discount rate used to measure the Fund's total OPEB liability is 4.08% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuarial determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2029. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2029. Beyond 2029, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Thus, 4.08% is the blended discount rate.

**Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates.** The following presents the net OPEB liability of the Village, as well as what the Village's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.08%) or 1-percentage-point higher (5.08%) than the current discount rate:

	1% Decrease 3.08%	Current Discount 4.08%	1% Increase 5.08%
District's proportionate share of the net pension liability	\$ 614,138	\$ 507,453	\$ 423,362

The following presents the net OPEB liability of the Village, as well as what the Village's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rates	1% Increase
	\$ 428,976	\$ 507,453	\$ 568,981

**OPEB plan fiduciary net position.** Detailed information about the OPEB plan's fiduciary net position is available in NMRHCA's audited financial statements for the year ended June 30, 2018.

**Payable Changes in the Net OPEB Liability.** At June 30, 2019, the Village reported a payable of \$0 for outstanding contributions due to NMRHCA for the year ended June 30, 2019.

### Note 13 Contingent Liabilities

In the normal course of operations, the Village receives grant funds from various federal and state agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

### Note 14 Surety Bond

The officials and certain employees of the Village are covered by a surety bond as required by Section 126-7 NMSA 1978 Compilation.

**Note 15 Subsequent Review**

The Village has evaluated subsequent events through December 2, 2019 which is the date the financial statements were available for issuance.

**Note 16 GASB 77 Abatement Disclosures**

The Village was not part of any tax abatement agreements subject to GASBS 77 Tax Abatement Disclosures during the year ended June 30, 2019. As a result, they make no such disclosures related to GASBS 77.

## Required Supplementary Information

STATE OF NEW MEXICO  
VILLAGE OF LOGAN  
Schedule of Required Supplementary Information and  
Public Employee Retirement Association (PERA) Pension Plan  
Last 10 Fiscal Years\*

**Schedule of Proportionate Share of the Net Pension Liability**

	2015 2014	2016 2015	2017 2016	2018 2017	2019 2018
The District's proportion of the net pension liability (asset)	0.10230%	0.09690%	0.08600%	0.09560%	0.08580%
The District's proportionate share of the net pension liability (asset) \$	557,824	\$ 694,372	\$ 974,167	\$ 882,265	\$ 936,563
The District's covered-employee payroll	\$ 589,448	\$ 506,288	\$ 573,585	\$ 506,271	\$ 563,284
The District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	94.63%	137.15%	169.84%	174.27%	166.27%
Plan fiduciary net position as a percentage of the total pension liability	81.29%	76.99%	69.18%	73.74%	71.13%

\* Governmental Accounting Standards Board Statement No.68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the entity is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**Schedule of Contributions**

	2015	2016	2017	2018	2019
Contractually required contribution	\$ 58,704	\$ 49,779	\$ 56,454	\$ 49,893	\$ 55,413
Contributions in relation to the contractually required contribution	58,704	49,779	56,454	49,893	55,413
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
The District's covered-employee payroll	\$ 589,448	\$ 506,288	\$ 573,585	\$ 506,271	\$ 563,284
Contributions as a percentage of covered-employee payroll	9.96%	9.83%	9.84%	9.85%	9.84%

\* Governmental Accounting Standards Board Statement No.68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the entity is not available prior to fiscal year 2015, the year the statement's requirements became effective.

*Note: Employee contributions are not included in this schedule.*

See notes to required supplementary information

STATE OF NEW MEXICO  
 VILLAGE OF LOGAN  
 Schedule of Required Supplementary Information and  
 Retiree Health Care (RHC)  
 Last 10 Fiscal Years\*

**Schedule of Employer's Proportionate Share of the Net OPEB Liability**

	<u>2018*</u>	<u>2019</u>
The District's proportion of the net OPEB liability	0.01319%	0.01167%
The District's proportionate share of the net OPEB liability	\$ 597,728	\$ 507,453
The District's covered-employee payroll	\$ 498,470	\$ 551,934
The District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	119.91%	91.94%
Plan fiduciary net position as a percentage of the total OPEB liability	11.34%	13.14%

**Schedule of Employer's Contributions**

	<u>2018*</u>	<u>2019</u>
Contractually required contribution	\$ 9,967	\$ 11,039
Contributions in relation to the contractually required contribution	<u>9,967</u>	<u>11,039</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
The District's covered-employee payroll	\$ 498,470	\$ 551,934
Contributions as a percentage of covered-employee payroll	2.00%	2.00%

\*These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Village will present information for available years.

Notes to Required Supplementary Information  
Year Ended June 30, 2019

*Changes in benefit provisions.* There were no modifications to the benefit provisions that were reflected in the actuarial valuation as of June 30, 2018.

*Changes in assumptions and methods.* Actuarial assumptions and methods are set by the Board of Trustee, based upon recommendations made by the Plan's actuary. The Board adopted new assumptions on April 21, 2017 in conjunction with the six-year actuarial experience study period ending June 30, 2016. At that time, the Board adopted a number of economic assumption changes, including a decrease in the inflation assumption from 3.00% to 2.50%. The 0.50% decrease in the inflation assumption also led to decreases in the nominal investment return assumption from 7.75% to 7.25%, the assumed annual wage inflation rate from 3.75% to 3.25%, the payroll growth assumption from 3.50% to 3.00%, and the annual assumed COLA from 2.00% to 1.90%.

\* Governmental Accounting Standards Board Statement No.68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the entity is not available prior to fiscal year 2015, the year the statement's requirements became effective.

Notes to Required Supplementary Information  
Year Ended June 30, 2019

Changes of assumptions: RHCA conducts an actuarial experience study for the Plan on a biennial basis. Based on the six-year actuarial experience study presented to the Board of Trustees on June 30, 2017, RHCA implemented the following changes in assumptions for fiscal year 2017 and 2016.

- 1 Fiscal year 2017 valuation assumptions that changed based on this study:
  - a Lower Investment return from 7.75% to 7.25%
  - b Lower Inflation rate from 3.00% to 2.50%
  - c Minor changes to demographic assumptions
- 2 Assumptions that were not changed:
  - a Population growth per year at 0.00%
  - b Health care cost trend rate 8% graded down to 4.5% over 14 years for Non- Medicare medical plan costs and 7.5% graded down to 4.5% over 12 for Medicare medical plan costs.

See also the Actuarial Assumptions of the financial statement note disclosure on the OPEB Plan.

\*Governmental Standards Accounting Board No. 68 requires ten years of historical information be presented: however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the Village is not available prior to 2015, the year the statement's requirements became effective.



Supplementary Information Related to NonMajor Governmental Funds

This Page Intentionally Blank

## **Non-Major Special Revenue Funds**

### **EMS and Ambulance**

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 Protection Fund**

To account for the operation and maintenance of the police department authorized by the State Statute Chapter 289, Laws of 1983. Financing is provided by a grant from the State of New Mexico.

### **Cemetery Fund**

Accounts for funds received from sale of lots and donations for the purpose of maintaining a community cemetery. 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 recreation 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 Fund**

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)

### **Capital Outlay Funds**

#### **Infrastructure**

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

STATE OF NEW MEXICO  
 VILLAGE OF LOGAN  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2019

	Special Revenue			
	EMS and Ambulance 206	Law Enforcement Protection 211	Lodgers Tax 214	Cemetery 505
<u>ASSETS</u>				
Cash in banks	\$ 95,087	\$ -	\$ 7,646	\$ 21,018
New Mexico Finance Authority				
Cash state treasury debt service	1,516	-	-	-
Accounts receivable				
Accounts	4,913	-	-	-
Grantor	-	-	-	-
Taxes	-	-	1,302	-
	<u>101,516</u>	<u>-</u>	<u>8,948</u>	<u>21,018</u>
Total assets	<u>\$ 101,516</u>	<u>\$ -</u>	<u>\$ 8,948</u>	<u>\$ 21,018</u>
<u>LIABILITIES</u>				
Accounts payable	<u>\$ 488</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104</u>
Total liabilities	<u>488</u>	<u>-</u>	<u>-</u>	<u>104</u>
<u>FUND BALANCE</u>				
Restricted for				
Special revenue funds	101,028	-	8,948	20,914
Capital projects funds	-	-	-	-
Unassigned				
Special revenue funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>101,028</u>	<u>-</u>	<u>8,948</u>	<u>20,914</u>
Total liabilities and fund balance	<u>\$ 101,516</u>	<u>\$ -</u>	<u>\$ 8,948</u>	<u>\$ 21,018</u>

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

<u>Health Clinic 506</u>	<u>Capital Projects Infrastructure Reserve 300</u>	<u>Totals</u>
\$ 26,011	\$ 467,390	\$ 617,152
-	-	1,516
-	-	4,913
-	-	-
-	6,288	7,590
<u>\$ 26,011</u>	<u>\$ 473,678</u>	<u>\$ 631,171</u>
<u>\$ 4,862</u>	<u>\$ -</u>	<u>\$ 5,454</u>
<u>4,862</u>	<u>-</u>	<u>5,454</u>
21,149	-	152,039
-	473,678	473,678
-	-	-
<u>21,149</u>	<u>473,678</u>	<u>625,717</u>
<u>\$ 26,011</u>	<u>\$ 473,678</u>	<u>\$ 631,171</u>

STATE OF NEW MEXICO  
VILLAGE OF LOGAN  
Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the year ended June 30, 2019

	Special Revenue			
	EMS and Ambulance 206	Law Enforcement Protection 211	Lodgers Tax 214	Cemetery 505
Revenues				
Property tax	\$ -	\$ -	\$ -	\$ -
Franchise tax	-	-	-	-
Gross receipts tax	-	-	-	-
Gasoline taxes	-	-	-	-
Lodgers tax	-	-	10,573	-
Other tax	-	-	-	-
Charges for services	68,440	-	-	3,600
Interest	362	-	-	-
Miscellaneous	100	5,207	-	6,670
Local grants	-	5,000	-	-
State grants	8,171	21,800	-	-
Federal grants	-	-	-	-
Total revenues	<u>77,073</u>	<u>32,007</u>	<u>10,573</u>	<u>10,270</u>
Expenditures				
Current				
General government				
Legislative	-	-	-	-
Finance	-	-	-	-
Public safety	60,145	17,180	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	1,542
Culture and recreation	-	-	8,499	-
Capital outlay	-	38,223	-	-
Debt service				
Principal	7,981	14,927	-	-
Interest	48	573	-	-
Total expenditures	<u>68,174</u>	<u>70,903</u>	<u>8,499</u>	<u>1,542</u>
Excess (deficiency) of revenues over expenditures	8,899	(38,896)	2,074	8,728
Other financing sources (uses)				
Loan proceeds	-	38,223	-	-
Operating transfers (net)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>38,223</u>	<u>-</u>	<u>-</u>
Net change in fund balances	8,899	(673)	2,074	8,728
Fund balances, beginning	<u>92,129</u>	<u>673</u>	<u>6,874</u>	<u>12,186</u>
Fund balances, ending	<u>\$ 101,028</u>	<u>\$ -</u>	<u>\$ 8,948</u>	<u>\$ 20,914</u>

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

<u>Health Clinic 506</u>	<u>Capital Projects Infrastructure Reserve 300</u>	<u>Totals</u>
\$ -	\$ -	\$ -
-	-	-
-	101,834	101,834
-	-	-
-	-	10,573
-	-	-
-	-	72,040
-	2,493	2,855
6,000	-	17,977
-	-	5,000
71,500	-	101,471
-	-	-
<u>77,500</u>	<u>104,327</u>	<u>311,750</u>
-	-	-
-	-	-
-	-	77,325
-	3,382	3,382
71,844	-	73,386
-	-	8,499
-	-	38,223
-	-	22,908
-	-	621
<u>71,844</u>	<u>3,382</u>	<u>224,344</u>
5,656	100,945	87,406
-	-	38,223
-	(23,029)	(23,029)
-	(23,029)	15,194
5,656	77,916	102,600
<u>15,493</u>	<u>395,762</u>	<u>523,117</u>
<u>\$ 21,149</u>	<u>\$ 473,678</u>	<u>\$ 625,717</u>

STATE OF NEW MEXICO  
VILLAGE OF LOGAN  
Enterprise Fund - Water Fund - 501  
Statement of Revenues, Expenses, and Changes in Cash Balances  
Budget and Actual (Non - GAAP Budgetary Basis)  
For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Charges for services	\$ 789,000	\$ 789,000	\$ 774,263	\$ (14,737)
Total revenues	<u>789,000</u>	<u>789,000</u>	<u>774,263</u>	<u>(14,737)</u>
Expenses				
Current				
Public works	283,500	283,500	314,768	(31,268)
Personal	<u>196,287</u>	<u>196,287</u>	<u>188,609</u>	<u>7,678</u>
Total expenses	<u>479,787</u>	<u>479,787</u>	<u>503,377</u>	<u>(23,590)</u>
Excess (deficiency) revenues over (under) expenses	309,213	309,213	270,886	(38,327)
Other financing sources (uses)				
Gross receipts tax	-	-	36,895	(36,895)
Conservation fee tax	-	-	3,310	3,310
Net meter deposits	-	-	160	160
Fees	-	-	10,849	10,849
Interest income (expense)	(185,479)	(185,479)	(180,533)	4,946
Penalties and interest	-	-	7,207	7,207
Other income (expense)	-	-	1,178	(1,178)
Capital outlay	(85,000)	(85,000)	(45,605)	39,395
Note payment	(89,407)	(99,742)	(100,789)	(1,047)
Operating transfers (net)	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	<u>(359,886)</u>	<u>(370,221)</u>	<u>(267,328)</u>	<u>102,893</u>
Net change in cash balances	(50,673)	(61,008)	3,558	64,566
Cash balance, beginning	-	-	<u>775,435</u>	<u>775,435</u>
Cash balance, ending	<u>\$ (50,673)</u>	<u>\$ (61,008)</u>	<u>\$ 778,993</u>	<u>\$ 840,001</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 3,558	
Adjustment to revenues for accruals and other deferrals			(8,452)	
Adjustment to expenditures for payables, prepaids and other accruals			<u>(261,290)</u>	
Net change in fund balance (GAAP Basis)			<u>\$ (266,184)</u>	

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



STATE OF NEW MEXICO  
VILLAGE OF LOGAN  
Enterprise Fund - Solid Waste Fund - 502  
Statement of Revenues, Expenses, and Changes in Cash Balance  
Budget and Actual (Non - GAAP Budgetary Basis)  
For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Charges for services	\$ 207,200	\$ 207,200	\$ 197,053	\$ (10,147)
Total revenues	207,200	207,200	197,053	(10,147)
Expenses				
Current				
Public works	146,400	146,400	120,056	26,344
Personal	58,789	58,789	42,422	16,367
Total expenses	205,189	205,189	162,478	42,711
Excess (deficiency) revenues over (under) expenses	2,011	2,011	34,575	32,564
Other financing sources (uses)				
Gross receipts tax environmental	18,000	18,000	26,826	8,826
Conservation fee tax	-	-	-	-
Net meter deposits	-	-	-	-
Interest income (expense)	-	-	3,365	3,365
Other income (expenses)	-	-	4,200	4,200
State grant	-	-	-	-
Capital outlay	(80,000)	(80,000)	-	80,000
Note payment	-	-	-	-
Operating transfers (net)	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	(62,000)	(62,000)	34,391	96,391
Net change in cash balances	(59,989)	(59,989)	68,966	128,955
Cash balance, beginning	-	-	351,135	351,135
Cash balance, ending	\$ -	\$ -	\$ 420,101	\$ 420,101
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 68,966	
Adjustment to revenues for accruals and other deferrals			1,238	
Adjustment to expenditures for payables, prepaids and other accruals			(12,059)	
Net change in fund balance (GAAP Basis)			\$ 58,145	

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

## Compliance Section

# Sandra Rush

Certified Public Accountant PC

---

1101 E Llano Estacado • Clovis, New Mexico 88101 • 575-763-2245

Independent Auditor's Report on Internal Control Over Financial  
Reporting and on Compliance and Other Matters Based on an  
Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards*

Brian Colón  
New Mexico State Auditor  
The Governing Board  
Village of Logan  
Logan, New Mexico

I 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 and the budgetary comparisons for the General Fund and major Special Revenue funds of the Village of Logan (Village) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents and have issued my report thereon dated December 2, 2019.

## Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I 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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, I do not express an opinion on the effectiveness of the Village's internal control.

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. The results of my tests disclosed no instances to be material weaknesses that are required to be reported under *Government Auditing Standards*.

*A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. I consider the deficiencies described in the accompanying schedule of findings and responses as items to be significant deficiencies. 2019-001

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and Section 12-6-5 NMSA 1978 as items 2019-001

**Village's Responses to Findings**

The Village's responses to the findings identified in my audit are described in the accompanying schedule of findings and responses. The Village's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on them.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village'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 Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Sandra Rush CPA PC*

Sandra Rush CPA PC

Clovis, New Mexico

December 2, 2019

STATE OF NEW MEXICO  
 VILLAGE OF LOGAN  
 Schedule of Findings and Responses  
 For the Year Ended June 30, 2019

Summary of Audit Results

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified	None noted
• Significant deficiency(ies) identified that are not considered to be material weaknesses	1
• Noncompliance material to financial statements noted	None noted

Prior Year Finding

2018-001	Expenditures	Resolved
----------	--------------	----------

Current Year Finding

2019-001	Annual Inventory and Certification	Significant Deficiency / Other Compliance
----------	------------------------------------	---

Condition

The Village did not perform a physical inventory of capital assets for the year ended June 30, 2019. Also, the Village failed to obtain a certification from the council as required by 12-6-10 NMAC 1978. No progress has been made correcting this finding.

Criteria

According to 2.2.2.10 W of the State Audit Rule agencies shall conduct an annual physical inventory of movable chattels and equipment on the inventory list at the end of each fiscal year in accordance with the requirements of 12-6-10 NMSA 1978. The council shall certify the correctness of the inventory after the physical inventory. This certification shall be provided to the agency's auditors. The IPA shall audit the inventory listing for correctness and compliance with the requirements of the Audit Act

Effect

The Village is not in compliance with 12-6-10 NMAC 1978 regarding their annual capital asset certification.

Cause

Management was unaware of the requirements of 12-6-10 NMAC 1978 to perform a physical inventory of capital assets at year end and have the capital asset inventory certified by the council.

Recommendation

The Village should implement procedures to perform a physical inventory at year end and have the annual capital asset inventory certified by the council.

The clerk should review and become familiar with 2.2.2.10 W (2) and 12-6-10 NMAC 1978.

Response

Management was unaware of the requirements to perform a physical inventory of capital assets at year end and have the capital asset inventory certified by the Village Council. The Administrator performed an internal insurance audit at the time of the renewal and verified all depreciable assets. The information was obtained from the audit and compared to the depreciations schedule.

The Administrator will perform the physical inventory of capital assets for the year end June 30, 2019. The inventory list will be presented to the Village Council for certification at the next regular meeting scheduled for January 14, 2020. The Administrator will be the responsible designated employee to comply and correct the audit finding.

STATE OF NEW MEXICO  
VILLAGE OF LOGAN  
Schedule of Findings and Responses  
For the Year Ended June 30, 2019

Financial Statement Preparation

Although it would be preferred and desirable for the Village to prepare its own GAAP-basis financial statements, it is felt that the Village's personnel did not have the time to prepare them. Therefore, the outside auditor prepared the GAAP basis financial statements and footnotes for inclusion in the annual audit report from the original books and records provided to them by the management of the Village. Management of the Village has reviewed and approved these financial statements and related notes and believes they are adequately supported by the books and records of the government.

Exit Conference

The contents of this report were discussed with, David Babb, Mayor Scott Parnell, village administrator, Rosalie Rachor Clerk/Treasurer, and Sandra Rush, CPA, in an exit conference on December 2, 2019.