

**STATE OF NEW MEXICO**



**ANNUAL FINANCIAL REPORT**

**JUNE 30, 2008**

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## **INTRODUCTORY SECTION**

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**STATE OF NEW MEXICO  
LOGAN MUNICIPAL SCHOOLS**

ANNUAL FINANCIAL REPORT  
For the Fiscal Year Ended June 30, 2008

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**LOGAN MUNICIPAL SCHOOLS**

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**STATE OF NEW MEXICO  
LOGAN MUNICIPAL SCHOOLS**

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OFFICIAL ROSTER  
June 30, 2008

**Name**

Board of Education

**Title**

Cinda Barber

President

Billy Cone

Vice President

Clint Usrey

Secretary

Tom Bruhn

Member

LaDonna Sorrels

Member

School Officials

Doug Hulce

Superintendent

Pat Copeland

Business Manager

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**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Hector H. Balderas  
New Mexico State Auditor  
The Office of Management and Budget and  
The Governing Board  
Logan Municipal Schools  
Logan, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information and the budgetary comparison statement of the general fund activities of Logan Municipal Schools (the "District") as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds and the budgetary comparisons of the Public Schools Capital Outlay, Capital Improvements SB-9 and Debt Service fund and the remaining nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008 as listed in the table of contents. These financial statements are the responsibility of Logan Municipal Schools' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Logan Municipal Schools, as of June 30, 2008, and the respective changes in financial position, thereof and the respective budgetary comparison statements for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of Logan Municipal Schools as of June 30, 2008, and the respective changes in financial position thereof and the respective budgetary comparison statements for each nonmajor governmental fund and the budgetary comparison of the major Public Schools Capital Outlay, Capital Improvements SB-9 and Debt Service funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2008 on our consideration of the Logan Municipal Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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The *Management's Discussion and Analysis* on pages 11-20 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Logan Municipal Schools' basic financial statements, the combining and individual fund financial statements, and the budgetary comparison statements. The accompanying financial information listed as Statement B and as supporting Schedules I through III in the table of contents are presented for purposes of additional analysis and is not a required part of the financial statements of Logan Municipal Schools. Such information has been subjected to the auditing procedures applied in the audit of the basic and each of the nonmajor governmental fund financial statements, and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements. The Introductory Section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on it.

*Precision Accounting, LLC*  
Albuquerque, New Mexico  
August 28, 2008

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## **MANAGEMENT DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDING JUNE 30, 2008**

This Management Discussion and Analysis of the fiscal performance of the Logan Municipal Schools (District) for the period ending June 30, 2008. The MD & A written analysis is a required part of the District's financial reporting and is an objective and easily readable discussion of the District's financial activities. For school districts, GASB 34 has had a significant impact in the manner in which the financial statements are prepared, as well as the kinds of statements that are included in the report. There are two new statements that were begun four years ago: a Statement of Net Assets which includes all of the assets and liabilities of the district and a Statement of Activities, which is a report that uses a net cost format with expenses reported by functions/programs. The Management Discussion and Analysis as well as the two new statements, provide a review of the School District's *overall* financial activities using the accrual basis of accounting. Fund financial statements are reported on a modified accrual basis of accounting. The reports include a comparison with last fiscal year.

The discussion and analysis, as well as the Statement of Net Assets and Statement of Activities, provide a review of the District's overall financial activities, using the accrual basis of accounting, for the year ending June 30, 2008. Fund financial statements are reported on a modified accrual basis of accounting. Rather than looking at specific areas of performance, this discussion and analysis focuses on the financial performance of the District as a whole. Whenever possible this discussion and analysis will provide the reader multi-year pictures of financial performance and other pertinent information through the use of tables and other graphics information.

In addition to the new reporting, this annual report consists of a series of detailed, audited financial statements and the notes to those statements. Also included is the Independent Auditor's Report, The 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 *Governmental Auditing Standards*, and a Schedule of Findings and Recommendations. These statements and information were included in past audit reports.

### **About LOGAN MUNICIPAL SCHOOLS**

To completely understand the financial discussion of Logan Municipal Schools, it is important to understand the nature of the District.

As one would travel the State of New Mexico, it would be a unique treat to pass through Logan. Located in Eastern New Mexico, the community is isolated and yet diverse. Nestled next to beautiful Ute Lake State Park in Quay County is the village of Logan. Logan is a small, rural community with a population of just over 1,000 people; however, because of summer recreation, the population often expands to several thousand during its peak season. Most people derive their livelihood from farming, ranching, and government employment and, of course, recreation.

Logan has a registered voting population of approximately 700 with 50 percent of these voters being retired with no ties to the school. This enables the Logan Municipal Schools to qualify and apply for additional Funding. Most of the community realized the importance of the school as the center of this thriving area and whole heartily supported this important endeavor, Logan Municipal Schools has completed over \$5,000,000 of facility improvements with almost **\$3,173,800** in additional revenues from PSFA and Logan Schools Capital Improvement (SB9) funds to be expended in the next phase. The first \$990,000 of new construction was local general obligation bond funds; the remainder is from the Public School Capital Outlay Council and Public School Facility Authority. The school population is approximately 230 students in grades PK-12 with approximately 15 three and four year olds attending a pre-school funded with an Office of Child Development Grant. It is the attempt of the district to provide academic and extracurricular opportunities that will enhance individual student knowledge and experience. Our older students are active in sports-football, volleyball, basketball and track-along with FFA, FCCLA, Honor Society, Student Council and various other activities. The primary focus with the elementary students tends to be in the classroom because of necessary skill building at this level; however, these students also have the opportunity to participate in limited sports competitions. On the state rankings, Logan students do very well. The High School, Elementary and Middle School have been rated as "Meeting AVP" for the last two years. The Drop Out Rate is under 1%; there is little violence and/or vandalism to report; and it is important that as one walks the halls, there are still no locks on the student's lockers because there is not a need.

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2008**

The District provides a full range of educational services to its students. The Special Education staff of the Logan district joins forces with the General Education staff, families, and community to increase learning opportunities for ALL students. The purpose of Special Education is based on a philosophy of providing a high quality, individualized, comprehensive education in the most inclusive environment based on a student's educational needs. The purpose of this education is to prepare students to become productive and responsible and to allow them to meaningfully participate in an ever-changing global society.

**Significant Financial Highlights for the Year Ending June 30, 2008**

The overall Fund Balances increased from \$627,716 for the year ending June 30, 2007 to \$832,635 for the year ending June 30, 2008. The total increase in fund balance is \$204,919. The increase was due to very conservative spending by Logan School District due to declining enrollment number we were experiencing at the time.

Total expenditures decreased from \$3,995,021 for the year ending June 30, 2007 to \$3,717,908 for the year ending June 30, 2008. This is a decrease in expenditures of \$277,113 or 7%. The reason for this decrease is the district experienced an unexpected staff reduction due to retirement of some very highly paid teachers.. Revenues decreased from \$4,092,715 for the year ending June 30, 2007 to 3,923,827 for the year ending June 30, 2008 resulting in a total decrease of \$168,888.

Total cash increased by 164,917 in 2008 in part due to the district being conservative in its spending and a reduction in staff.

The change of \$166,852 in capital assets is attributable to capital additions of \$93,206 and depreciation expense of 260,058 for the year.

Although there was an decrease in accounts payable of \$54,010 overall liabilities increased as a result of the by \$70,658 due to the employee insurance payable at June 30, 2008.

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2008**

**DISTRICT WIDE FINANCIAL STATEMENTS**

Statement of Net Assets

The overall Statement of Net Assets is prepared using the accrual method of accounting. This statement shows that the District has net assets of \$4,800,663. The District has \$717,149 of cash and cash equivalents on hand as of June 30, 2008 compared to \$246,094 in accounts payable and other current liabilities. There are no restricted net assets. Net Assets totaling \$1,017,280 are "unrestricted".

<u>Assets</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>
Cash Assets	552,232	717,149
Other Current Assets	134,991	395,177
Capital Assets	4,550,235	4,383,383
Other Non Current Assets	14,061	11,048
Total Assets	5,251,519	5,506,757
 <u>Liabilities</u>		
Accounts Payable	55,120	11,110
Other Current Liabilities	155,424	234,984
Long Term Liabilities	600,000	460,000
Total Liabilities	810,554	706,094
 <u>Net Assets</u>		
Invested in Capital Assets	4,071,061	3,783,383
Restricted	-	-
Unrestricted	369,914	1,017,280
Total Net Assets	4,440,975	5,506,757

GASB 34 rules require public entities to depreciate capital assets. This statement includes an adjusted accumulated depreciation of the District's capital assets in the amount of \$4,383,383. The District utilized a "straight line" depreciation method in all cases and standardized lifetime tables in calculating this depreciation.

Statement of Activities

The Statement of (Governmental) Activities is a statement required by GASB 34 and is prepared using the accrual method of accounting. This report compliments the Statement of Net Assets by showing the overall change in the District's net assets for the fiscal year ending June 30, 2008. As of June 30, 2008 the District had net assets of \$4,800,663. The adjusted beginning year total net assets are \$4,440,975 reflecting a increase in total net assets of \$359,688 for the year ending June 30, 2008.

	<u>June 30, 2007</u>	<u>June 30, 2008</u>
Expenses for Governmental Activities	4,248,838	3,754,302
Less Charges for Services	36,013	32,463
Less Operating Grants and Contributions	776,134	953,920
Less Capital ,Grants and Contributions	<u>-656,734</u>	<u>196,388</u>
Net (Expenses) Revenues and Changes in Net Assets	(2,779,957)	(2,571,531)

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2008**

General Revenues	37,302	466,003
Taxes -general, debt service, capital projects	2,352,298	2,443,167
Federal and State Aid not restricted to specific purpose Interest Earned	29,860	22,069
Miscellaneous	3,141	-
Subtotal, General Revenues	2,623,834	2,91,219
Changes in Net Assets	(156,123)	359,688
Net Assets Beginning	<u>4,597,098</u>	<u>4,440,975</u>
Net Assets –Ending	4,440,975	4,800,663

**FUND FINANCIAL STATEMENTS**

The Statement of Revenues and Expenditures and Changes in Fund Balances report guides the reader to a meaningful overall view for the District revenue, expenditures and changes to the fund balance. Total revenues from state, local and federal sources were \$3,923,827. Total expenditures for the District were \$3,717,908. The total ending fund balance was \$832,635; an increase of \$205,919 from the prior year.

**Multi-Year District Revenues and Expenditures**

A multi-year view of overall District revenues and expenditures indicates growth or lack of growth in both areas through the 2007/2008 fiscal year. The revenue and expenditures decreased in the 2007/2008 fiscal year due to the policy of the Logan Municipal Schools to not expend more revenue than we receive coupled with the cap on cash balances allowed by the PED. The District enrollment is either flat or decreasing and expenditures are increasing with increased costs such as energy and mandates on salaries for long term employees.

Year	Total Revenues *	Increase %	Total Expenses *
2000/2001	2,516,822	0%	2,551,664
2001/2002	2,886,926	15%	2,908,221
2002/2003	4,514,404	56%	5,211,512
2003/2004	5,752,380	27%	5,680,426
2004/2005	3,152,102	-45%	3,230,588
2005/2006	3,497,169	11%	3,550,617
2006/2007	4,132,870	18%	3,995,021

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2008**

Note: Revenues include proceeds from General Obligation Bonds and exclude cash carryovers; Expenditures include capital outlays.

**The Budget**

District budgets reflect the same growth as seen in the revenue and expenditures of the District. The State of New Mexico school budget process is defined under state law and regulation. To enhance the process of developing a budget at the school district level, the District utilizes goals and objectives defined by the District's Board, community input meetings, long term plans and input from various staff groups to develop to the District's budget. District priorities are well defined through this process.

GASB 34 does not require a statement presenting the overall result of the budget for each year; however, all major budgetary funds are required to be reported as a separate statement.

Major budgetary funds in these reports are; The General Fund (Operational Fund), Debt Service. In addition, twenty-six (26) non-major Special Revenue Funds, three (3) non-major Capital Projects Funds are also reported for their budgetary performance. The following graphics and tables show the fiscal relationship of the major funds and the combined non-major funds.

The reader will note that the General Fund represents 25% of the total fund dollar amount. This fund provides the salary and benefits for the significant majority of the Direct Instruction, Instructional Support, Administration, Business Support, Food Service and Maintenance staff as well as classroom materials, special education consulting staff and fixed utility costs.

Revenue from this fund is substantially derived from the State Equalization Guarantee, which is the funding formula appropriated for education by the State Legislature. The General Fund is explored later in the Management Discussion and Analysis.

The following table examines the summary budget performance of the major and combined nonmajor funds for the fiscal year ending June 30, 2008. Detailed budget performance is examined through the Budgetary Comparison Statement for each major fund and the Schedule of Revenues and Expenditures Budget and Actual for the combined Special Revenue Funds, Capital Projects Funds, and Debt Service.

**MAJOR FUNDS EXPENDITURE BUDGET PERFORMANCE**

Fund Type	Final Budget	Actual	Variance
General	2,688,909	2,503,825	185,084
PSCO	135,433	108,438	26,995
Senate Bill Nine	171,570	92,577	78,993
Debt Service	166,357	166,374	(17)

The General Fund's original budget of \$2,472,060 is \$216,849 less than the final budget of \$2,688,909. The reason for this increase is the budget is prepared in April, approved in early June and final budget reflects grants and other awards garnered during the year that increases revenue.

The \$169,792 variance between the final budget in the General Fund and the amount actually spent is the result of decreased revenues resulting in decreased expenditures in these revenue funds as detailed in the application process and award guidelines.

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2008**

**COMBINED NON-MAJOR FUNDS EXPENDITURE BUDGET PERFORMANCE**

Fund Type	Combined Budget	Actual	Final Variance
Special Funds	\$755,548	\$657,621	\$97,927
Capital Projects	\$171,570	\$92,577	\$78,993

All funds fell within the regulatory criteria set by the Public Education Department and New Mexico Statute. Both the Manual of Procedures for Public School Accounting and NMSA 8-22-5, Annotated require that budget expenditures be within the authorization of the approved budget.

**The General Fund**

The General Fund revenues represent \$2,602,897 of the total \$3,923,827 in overall District revenues.

The General Fund is predominately funded by revenues from the State of New Mexico Equalization Guarantee Formula. This fund pays for teaching staff, teaching support staff, special education support staff, maintenance staff and administration staff. The General Fund provides the predominant funding for athletics and food service. Because of the student growth experienced by the School District, an emphasis on schools by the New Mexico Legislature, and because the Equalization Guarantee Formula is based upon student populations, the Operational Fund has seen significant increases in revenues as seen in the following table.

Year	Revenues	Increase %
2000-2001	1,739,129	
2001-2002	2,036,856	17%
2002-2003	2,091,714	3%
2003-2004	2,071,638	-1%
2004-2005	2,003,867	-3%
2005-2006	2,257,142	9%
2006-2007	2,724,397	9%
2007-2008	2,602,897	-4%

Because the General Fund is the main fund whose expenditures are significantly related to the educational process, \$2,503,682 was expended in the year ending June 30, 2008.

The most significant inter-fund expenditure was for the function noted as "Direct Instruction". This expenditure was \$1,387,206 and represents 75 % of all general expenditures. Expenditures included in this function are regular and special education teachers and assistants, benefits, payroll taxes, school supplies, training and miscellaneous instructional related contract services. Approximately 76% of all General Fund expenditures are made for employee salaries, payroll taxes and benefits.



**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2008**

The following discussion on the General Fund Budget will relate functional expenditures for the year ending June 30, 2008 for the General Fund. Direct Instruction represents 55% of all General Fund expenditures. Direct Instruction expenditures account for regular education, special education and kindergarten teachers and educational assistant's salaries, payroll taxes and benefits. Instructional Support represents 11% of General Fund expenditures and account for expenditures for school principals, program coordinators, counselors, school nursing staff, librarians, special education ancillary staff and significant support to special education programs through contract ancillary support staff and contract programs.

The Office of the Superintendent and the Business Office represent the overhead support of the entire operations of the District; these programs combined represent 10% of the total General Fund. Operation of Plant accounts for 17% of the General Fund expenditures. Included in the Operation of the Plant expenditures are salaries and benefits for maintenance staff, school custodians, fixed utility costs, maintenance and repairs, maintenance supplies and school custodial supplies. Additional support for maintenance supplies and projects comes from the voter approved SB9 Fund. The General Fund also supports expenditures for athletics, food service and transportation.

**Capital Assets**

Because of aging facilities, the District has taken an aggressive approach to maintaining existing facilities.

Asset Type	Balance June 30, <u>2006</u>	Balance June 30, <u>2007</u>	Balance June 30, <u>2008</u>
Land & Improvements	7,847,547	7,855,872	7,916,384
Furniture, Fixtures & Equipment	486,808	604,707	637,402
Total Capital Assets	8,334,355	8,460,579	8,512,786
Less Accumulated Depreciation	(3,401,486)	(3,656,527)	,(4,170,403)
Capital Assets-Net	4,932,869	4,804,052	4,383,383

In the fiscal year ending June 30, 2008 the Statement of Revenues and Expenditures and Changes in Fund Balances shows the District expended \$71,879 for all capital outlays. The capital outlay expenditures consist mostly of maintenance of equipment and grounds, and library books.

**General Long Term Debt**

Article IX, Section 11 of the New Mexico Constitution limits the power of a school district to incur general obligation debt beyond a school year unless such debt is for "the purpose of erecting, remodeling, making additions, and furnishing buildings or purchasing or improving school grounds or purchasing computer software or hardware for student use in public classrooms or any combination of these purposes." The approval of debt is subject to a vote of the local electors and may not exceed 6% of the assessed valuation of the taxable property within the District.

The School District has never defaulted on any of its debts or other obligations. Listed below is the District's total general obligation debt as of June 30, 2008.

Year Ended June 30	Principal	Interest	Totals
2009	140,000	24,073	164,073
2010	145,000	17,871	162,871
2011	155,000	11,002	166,002
2012	160,000	3,680	163,680
Total	600,000	56,626	656,626

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2008**

In 2003, the New Mexico legislature passed some major education reforms known as House Bill 212 that implemented a new three tiered licensure system for classroom teachers. It has had a major impact on the district's budget because it establishes a \$30,000, \$40,000 and a \$50,000 salary minimum for Level I, Level II and Level III teachers. In addition, the legislation provides for a minimum salary for school principals effective in FY07-08.

It is expected that there will continue to be double-digit inflation in the cost of health and medical insurance benefits provided through the New Mexico Public Schools Insurance Authority in subsequent years. This will have a large budget impact to the district.

The New Mexico Public Schools Insurance Authority also provides general liability, property damage and worker's compensation coverage for all school districts in New Mexico. It is anticipated that for the next several years, that school districts will experience double-digit inflationary increases for this coverage. The cost increases of general liability, property damage and worker's compensation premiums should be included in the funding formula, but because of the high claims history of some districts, those districts will realize a budget shortfall.

The above factors will present some challenges and opportunities for the District to closely review all programs, operations, and staffing levels, in hopes of identifying ways in which to balance its budget in future years. The board of education has indicated their desire to establish a long-range strategic planning committee to help develop plans for coping with the budget challenges.

**Contacting the Logan Municipal School**

This financial report is designed to provide our community, parents, taxpayers, investors, and creditors with an overview of the Logan Municipal School District's financial condition and to provide accountability for the funds the school district receives. If you have any questions about this report or about the operations of the Logan Municipal School District, please contact:

Pat Copeland Business Manager  
Logan Municipal School District  
PO Box 67 Logan, NM 88426

e-mail: [loganbusiness@plateautel.net](mailto:loganbusiness@plateautel.net)

**BASIC  
FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2008**

Exhibit A-1  
(Page 1 of 2)

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current assets:	
Cash and temporary investments	\$ 717,149
Receivables (net of allowance for uncollectibles)	383,370
Inventory	11,807
Total current assets	1,112,326
Noncurrent assets:	
Bond issuance costs (net of amortization of \$16,070)	11,048
Capital assets:	
Construction in progress	-
Other capital assets	8,553,786
Less accumulated depreciation	(4,170,403)
Total Capital assets	4,383,383
Total noncurrent assets	4,394,431
Total assets	\$ 5,506,757

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

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2008**

Exhibit A-1  
(Page 2 of 2)

	<b>Governmental Activities</b>
<b>LIABILITIES AND NET ASSETS</b>	
Current liabilities:	
Accounts payable	\$ 11,110
Accrued salaries and benefits	70,658
Accrued interest	13,524
Deferred revenue	10,802
Current portion of long-term debt	140,000
Total current liabilities	246,094
Noncurrent liabilities:	
Bonds, loans and other payables:	
Due in more than one year	460,000
Total noncurrent liabilities	460,000
Total liabilities	706,094
Net assets:	
Invested in capital assets, net of related debt	3,783,383
Unrestricted	1,017,280
Total net assets	4,800,663
Total liabilities and net assets	\$ 5,506,757

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

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2008**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Service</u>
Governmental activities:		
Instruction:		
Direct instruction	2,024,581	\$ -
Support services:		
Students	246,222	-
Instruction	74,913	188
General Administration	151,671	-
School Administration	98,484	-
Central Services	151,784	-
Operation & Maintenance of Plant	442,177	11,905
Student Transportation	262,225	-
Other Support Services	-	-
Food Services	149,525	20,370
Capital Outlay	109,364	-
Interest on long-term debt	43,356	-
	<u>3,754,302</u>	<u>32,463</u>

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

<b>Program Revenues</b>		<b>Net</b>
<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>(Expenses) Revenues and Changes in Net Assets</b>
\$ 591,733	\$ -	\$ (1,432,848)
-	196,388	(49,834)
-	-	(74,725)
-	-	(151,671)
-	-	(98,484)
-	-	(151,784)
-	-	(430,272)
250,243	-	(11,982)
-	-	-
111,944	-	(17,211)
-	-	(109,364)
-	-	(43,356)
<u>953,920</u>	<u>196,388</u>	<u>(2,571,531)</u>

**General Revenues:**

Property taxes:	
Levied for general purposes	31,645
Levied for debt service	227,805
Levied for capital projects	206,533
State aid not restricted	2,443,167
Unrestricted investment earnings	22,069
Gain (loss) on sale of fixed assets	-
Miscellaneous	-
	<u>2,931,219</u>
Change in net assets	359,688
Net assets - beginning as reported	4,239,742
Restatement-Note 17	201,233
Net assets - beginning as restated	<u>4,440,975</u>
Net assets - ending	<u>\$ 4,800,663</u>

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

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2008

	General Fund			Public Schools
<b>ASSETS</b>	Operational	Transportation	Instructional Materials	Capital Outlay
<i>Current Assets</i>				
Cash and cash equivalents	\$ 98,433	\$ 1	\$ 8,647	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	12,544	-	-	-
Other accounts receivable	-	-	-	-
Interfund receivable	173,289	-	-	-
Inventory	-	7,966	-	-
<i>Total assets</i>	\$ 284,266	\$ 7,967	\$ 8,647	\$ -
 <b>LIABILITIES AND FUND BALANCES</b>				
<i>Current Liabilities</i>				
Accounts payable	\$ 8,167	\$ -	\$ -	\$ -
Accrued salaries and benefits	70,658	-	-	-
Interfund payable				
Deferred revenue	11,549	-	-	-
<i>Total liabilities</i>	90,374	-	-	-
 <i>Fund Balances</i>				
Reserved:				
Reserved for inventory	-	7,966	-	-
Reserved for debt service	-	-	-	-
Unreserved:				
Designated for subsequent year's expenditures reported in:				
General Fund	-	-	-	-
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Undesignated, reported in:				
General Fund	193,892	1	8,647	-
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
<i>Total fund balances</i>	193,892	7,967	8,647	-
<i>Total liabilities and fund balances</i>	\$ 284,266	\$ 7,967	\$ 8,647	\$ -

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



Capital Improvements SB-9	Debt Service	Other Governmental Funds	Total Governmental Funds
\$ 339,186	\$ 177,791	\$ 93,091	\$ 717,149
-	-	-	-
125,416	60,464	136,464	334,888
-	-	48,482	48,482
-	-	-	173,289
-	-	3,841	11,807
<u>464,602</u>	<u>238,255</u>	<u>281,878</u>	<u>1,285,615</u>
\$ -	\$ -	\$ 2,943	\$ 11,110
-	-	-	70,658
121,867	53,705	173,289	173,289
<u>121,867</u>	<u>53,705</u>	<u>10,802</u>	<u>197,923</u>
-	-	-	-
121,867	53,705	187,034	452,980
-	-	3,841	11,807
-	184,550	-	184,550
-	-	-	-
-	-	-	-
342,735	-	18,882	361,617
-	-	-	202,540
-	-	72,121	72,121
-	-	-	-
<u>342,735</u>	<u>184,550</u>	<u>94,844</u>	<u>832,635</u>
<u>\$ 464,602</u>	<u>\$ 238,255</u>	<u>\$ 281,878</u>	<u>\$ 1,285,615</u>

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**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**GOVERNMENTAL FUNDS**

Exhibit B-1  
(Page 2 of 2)

**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS**  
June 30, 2008

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

Fund balances - total governmental funds	\$ 832,635
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets	4,383,383
Other assets are not available to pay for current-period expenditures and therefore, are deferred in the funds:	
Bond issuance costs	11,048
Deferred property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred revenue in fund financial statements, but are considered revenue in the Statement of Activities	187,121
Other liabilities are not due and payable in the current period and therefore are not reported in the funds - accrued interest payable	(13,524)
Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported in the funds	(600,000)
Net Assets of Governmental Activities in the Statement of Net Assets	<u>\$ 4,800,663</u>

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

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2008

	General Fund			Public Schools Capital Outlay
	Operational	Transportation	Instructional Materials	
<i>Revenues:</i>				
Taxes				
Taxes levied/assessed	\$ 20,096	\$ -	\$ -	\$ -
Local sources				
Tuition	-	-	-	-
Investment income	8,875	-	-	-
Food services	-	-	-	-
District activities	-	-	-	-
Other revenue	2,491	-	361	-
State sources				
Unrestricted Grants	2,563,167	-	-	-
Restricted Grants	-	250,243	29,368	136,680
Federal sources				
Unrestricted Grants	-	-	-	-
Unrestricted -state passthrough	-	-	-	-
Restricted Grants	-	-	-	-
Restricted -state passthrough	-	-	-	-
Department of Interior	-	-	-	-
Other items	8,268	-	-	-
<i>Total revenues</i>	<u>2,602,897</u>	<u>250,243</u>	<u>29,729</u>	<u>136,680</u>
<i>Expenditures:</i>				
Current:				
Instruction	1,387,206	-	20,792	-
Support Services				
Students	212,005	-	-	-
Instruction	61,368	-	1,799	-
General Administration	149,303	-	-	-
School Administration	98,484	-	-	-
Central Services	150,598	-	-	-
Operation & maintenance of plant	437,064	-	-	-
Student transportation	-	249,224	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	7,654	-	-	-
Capital outlay	-	-	-	108,438
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,503,682</u>	<u>249,224</u>	<u>22,591</u>	<u>108,438</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>99,215</u>	<u>1,019</u>	<u>7,138</u>	<u>28,242</u>
<i>Other financing sources (uses)</i>				
Proceeds from other sales	-	-	-	-
Bond Proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	99,215	1,019	7,138	28,242
<i>Fund balances - beginning of year</i>	<u>94,677</u>	<u>6,948</u>	<u>1,509</u>	<u>(28,242)</u>
<i>Fund balances - end of year</i>	<u>\$ 193,892</u>	<u>\$ 7,967</u>	<u>\$ 8,647</u>	<u>\$ -</u>

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

	Capital Improvements SB-9	Debt Service	Other Governmental Funds	Total Governmental Funds
\$	84,666	\$ 174,100	\$ -	\$ 278,862
	-	-	-	-
	-	4,131	9,091	22,097
	-	-	20,370	20,370
	-	-	11,905	11,905
	-	-	14,563	17,415
	-	-	-	-
	-	-	10,802	2,573,969
	9,827	-	63,858	489,976
	-	-	-	-
	-	-	46,559	46,559
	-	-	16,981	16,981
	-	-	430,162	430,162
	-	-	-	-
	-	-	7,263	15,531
	<u>94,493</u>	<u>178,231</u>	<u>631,554</u>	<u>3,923,827</u>
	-	-	448,259	1,856,257
	-	-	34,217	246,222
	-	-	11,746	74,913
	826	1,542	-	151,671
	-	-	-	98,484
	-	-	1,186	151,784
	-	-	5,113	442,177
	-	-	13,001	262,225
	51,294	-	-	51,294
	-	-	138,516	146,170
	557	-	(37,116)	71,879
	-	135,000	-	135,000
	-	29,832	-	29,832
	<u>52,677</u>	<u>166,374</u>	<u>614,922</u>	<u>3,717,908</u>
	<u>41,816</u>	<u>11,857</u>	<u>16,632</u>	<u>205,919</u>
	-	-	-	-
	-	-	-	-
	-	-	-	-
	41,816	11,857	16,632	205,919
	300,919	172,693	78,212	626,716
\$	<u><u>342,735</u></u>	<u><u>184,550</u></u>	<u><u>94,844</u></u>	<u><u>832,635</u></u>

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**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

Exhibit B-2  
 (Page 2 of 2)

For the year Ended June 30, 2008

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

Net change in fund balances - total governmental funds	\$	205,919
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital expenditures:		
Current year capital expenditures capitalized		93,206
Depreciation expense		(260,058)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds:

Property taxes		185,850
----------------	--	---------

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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:

Amortization of bond issuance costs		(3,013)
Accrued Interest		2,784
Principal payments on bonds		135,000

Changes in Net Assets of Governmental Activities:	\$	<u>359,688</u>
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The accompanying notes are an integral part of these financial statements.

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**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**OPERATIONAL FUND**

Exhibit C-1

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ 22,917	\$ 22,917	26,550	\$ 3,633
State sources	2,511,656	2,590,967	2,563,167	(27,800)
Federal sources	-	-	-	-
Interest	-	-	8,875	8,875
<i>Total revenues</i>	<u>2,534,573</u>	<u>2,613,884</u>	<u>2,598,592</u>	<u>(15,292)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	1,485,088	1,424,665	1,400,690	23,975
Support Services				
Students	306,786	288,932	212,005	76,927
Instruction	66,489	74,634	61,368	13,266
General Administration	151,721	174,964	149,560	25,404
School Administration	94,099	106,401	98,484	7,917
Central Services	-	154,677	149,190	5,487
Operation & maintenance of plant	361,759	450,018	424,874	25,144
Student transportation	-	-	-	-
Other Support Services	1,801	1,801	-	1,801
Operation of Non-instructional Services				
Food services operations	4,317	12,817	7,654	5,163
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,472,060</u>	<u>2,688,909</u>	<u>2,503,825</u>	<u>185,084</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>62,513</u>	<u>(75,025)</u>	<u>94,767</u>	<u>169,792</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated Cash	(62,513)	75,025	-	(75,025)
<i>Total other financing sources (uses)</i>	<u>(62,513)</u>	<u>75,025</u>	<u>-</u>	<u>(75,025)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>94,767</u>	<u>94,767</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(58,211)</u>	<u>(58,211)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,556</u>	<u>\$ 36,556</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 94,767	
Adjustment to revenues for accruals and other deferrals			4,305	
Adjustment to expenditures for payables, prepaids and other accruals			143	
Net change in fund balance (GAAP Basis)			<u>\$ 99,215</u>	

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

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**TRANSPORTATION FUND**

Exhibit C-2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -		\$ -
State sources	2,534,573	2,613,884	250,243	(2,363,641)
Federal sources	-	-		-
Interest	-	-		-
<i>Total revenues</i>	<u>2,534,573</u>	<u>2,613,884</u>	<u>250,243</u>	<u>(2,363,641)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	237,892	257,192	249,224	7,968
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>237,892</u>	<u>257,192</u>	<u>249,224</u>	<u>7,968</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>2,296,681</u>	<u>2,356,692</u>	<u>1,019</u>	<u>(2,355,673)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	(2,296,681)	(2,356,692)	-	2,356,692
<i>Total other financing sources (uses)</i>	<u>(2,296,681)</u>	<u>(2,356,692)</u>	<u>-</u>	<u>2,356,692</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>1,019</u>	<u>1,019</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>6,557</u>	<u>6,557</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,576</u>	<u>\$ 7,576</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 1,019	
Adjustment to revenues for accruals and other deferrals				
Adjustment to expenditures for payables, prepaids and other accruals				
Net change in fund balance (GAAP Basis)			<u>\$ 1,019</u>	

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

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**

Exhibit C-3

**INSTRUCTIONAL MATERIALS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	361	\$ 361
State sources	20,983	20,983	29,368	8,385
Federal sources	-	-		-
Interest	-	-		-
<i>Total revenues</i>	<u>20,983</u>	<u>20,983</u>	<u>29,729</u>	<u>8,746</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	19,284	20,907	20,907	-
Support Services				
Students	-	-	-	-
Instruction	1,699	1,799	1,799	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>20,983</u>	<u>22,706</u>	<u>22,706</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(1,723)</u>	<u>7,023</u>	<u>8,746</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	1,723	-	(1,723)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>1,723</u>	<u>-</u>	<u>(1,723)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>7,023</u>	<u>7,023</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>212</u>	<u>212</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,235</u>	<u>\$ 7,235</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 7,024	
Adjustment to revenues for accruals and other deferrals				
Adjustment to expenditures for payables, prepaids and other accruals			\$ 114	
Net change in fund balance (GAAP Basis)			<u>\$ 7,138</u>	

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

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**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**AGENCY FUNDS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
June 30, 2008

Exhibit D

**ASSETS**

*Current Assets*

Cash \$ 60,758

*Total assets* \$ 60,758

**LIABILITIES**

*Current Liabilities*

Deposits held in trust for others \$ 60,758

*Total liabilities* \$ 60,758

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

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STATE OF NEW MEXICO  
Logan Municipal Schools  
Notes to the Financial Statements  
June 30, 2008

**NOTE 1. Summary of Significant Accounting Policies**

Logan Municipal Schools is a special purpose government corporation governed by an elected five-member Board of Education. The Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to the public school education of the City of Logan. The District is responsible for all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

This summary of significant accounting policies of the District is presented to assist in the understanding of the District's financial statements. The financial statements and notes are the representation of Logan Municipal School's management who is responsible for their integrity and objectivity. The financial statements of the District 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 pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the government's accounting policies are described below.

A. *Financial Reporting Entity*

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14 and No. 39. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the District has no component units, and is not a component unit of another governmental agency.

STATE OF NEW MEXICO  
Logan Municipal Schools  
Notes to the Financial Statements  
June 30, 2008

**NOTE 1. Summary of Significant Accounting Policies (continued)**

**B. *Government-wide and fund financial statements***

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund 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 to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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. These include fees for meals, lab fees and activity fees for Logan Municipal Schools. 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 District's policy to use restricted resources first, then unrestricted resources as they are needed.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**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*, as is the fiduciary fund financial statement. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are billed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. 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 or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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.



STATE OF NEW MEXICO  
Logan Municipal Schools  
Notes to the Financial Statements  
June 30, 2008

**NOTE 1. Summary of Significant Accounting Policies** (continued)

C. *Measurement focus, basis of accounting, and financial statement presentation* (continued)

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

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 by district school tax levy, state equalization and earnings from investments. Expenditures include all costs associated with the daily operations of the schools except for those items included in other funds.

The *Transportation Fund* is used to account for the State Equalization received from the State Department of Education which is used to pay for the costs associated with transporting school age children.

The *Instructional Materials Fund* is used to account for the monies received from the State Department of Education for the purposes of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students.

The *Public School Capital Outlay Capital Projects Fund* is used to account for capital projects funded from awards made by the Public School Capital Outlay Council.

The *Capital Improvements SB-9 Capital Projects Fund* is used to account for the revenue derived from a district tax levy and matched by the state. Expenditures are restricted to capital improvements.

The *Debt Service Fund* is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Additionally, the government reports the following fund types:

The *Fiduciary Funds* account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

As a general rule 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. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
Notes to the Financial Statements  
June 30, 2008

**NOTE 1. Summary of Significant Accounting Policies** (continued)

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

**Deposits and Investments:** The District'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 District to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Investments for the District 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.

**Receivables and Payables:** Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund 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 cost 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.

The District receives monthly income from a tax levy in Quay County. The funds are collected by the County Treasurers and are remitted to the School District the following month. Under the modified accrual method of accounting, the amount remitted by the County Treasurers in July and August 2008 is considered 'measurable and available' and, accordingly, is recorded as revenue in the governmental fund statements during the year ended June 30, 2008.

Certain Special Revenue funds are administered on a reimbursement method of funding; other funds are operated on a cash advance method of funding. The funds incurred the cost and submitted the necessary request for reimbursement or advance, respectively.

**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 fund financial statements.

**Instructional Materials:** The New Mexico Public Education Department (PED) receives federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, seventy percent is restricted to the requisition of materials listed in the New Mexico Public Education Department "State Adopted Instructional Material" list, while thirty percent of each allocation is available for purchases directly from vendors. The districts are allowed to carry forward unused allocations from year to year.

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
Notes to the Financial Statements  
June 30, 2008

**NOTE 1. Summary of Significant Accounting Policies** (continued)

D. *Assets, Liabilities and Net Assets or Equity* (continued)

**Inventory:** Inventory is valued at cost utilizing the purchase basis of accounting. Inventory in the Special Revenue Funds consists of U.S.D.A. commodities and other purchased food and non-food supplies. The cost of purchased food is recorded as an expenditure at the time individual inventory items are consumed. The U.S.D.A. commodities are recorded at year-end by audit adjusting entries. Commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories. Non-commodity inventories are equally offset by a fund balance reserve, which indicates that they do not constitute “available spendable resources” even though they are a component of net current assets.

**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 (amount not rounded) 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. 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 asset 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:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	20-50
Equipment, vehicles, software and library	3-15

**Deferred Revenues:** Accounting principles generally accepted in the United States of America require that grant revenue be recognized at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as deferred revenues. Amounts receivable from the property taxes levied for the current year that are not considered to be “available” under the current financial resources measurement focus are reported as deferred revenues in the governmental fund financial statements.

**Compensated Absences:** The District contracts with all employees on an annual basis. A terminated employee is paid through the date of dismissal in accordance with their contract. Due to this practice, no liability is reported for unpaid vacation or accumulated sick leave, as no payment is required upon termination of service by employees.

**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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
Notes to the Financial Statements  
June 30, 2008

**NOTE 1. Summary of Significant Accounting Policies** (continued)

D. *Assets, Liabilities and Net Assets or Equity* (continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. 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 service expenditures.

**Fund Equity:** In the fund financial statements, governmental funds report reservations of fund balance that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**Reclassifications:** Certain amounts presented in prior year data have been reclassified in order to be consistent with the current year's presentation.

**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.

**State Equalization Guarantee:** School districts in the State of New Mexico receive a 'state equalization guarantee distribution' which is defined as "that amount of money distributed to each school district to insure that the school district's operating revenue, including its local and federal revenues as defined (in Chapter 22, Section 825, NMSA 1978) is at least equal to the school district's program costs.

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education; 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$2,443,167 in state equalization guarantee distributions during the year ended June 30, 2008.

**Tax Revenues:** The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. 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 District recognizes tax revenues in the period for which they are levied in the government-wide financial statements. The District records only the portion of the taxes considered 'measurable' and 'available' in the governmental fund financial statements. The District recognized \$278,862 in tax revenues in the governmental fund financial statements during the year ended June 30, 2008. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

**Transportation Distribution:** School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K-12 attending public school within the school district. The District received \$250,243 in transportation distributions during the year ended June 30, 2008.

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
Notes to the Financial Statements  
June 30, 2008

**NOTE 1. Summary of Significant Accounting Policies** (continued)

E. *Revenues*

**Instructional Materials:** The District had allocations allowed by the State for the current year of \$29,368. The full amount of allocations used to purchase textbooks during the year was \$22,591. Allocations received and utilized are reflected in revenue and expenditures of the General Fund.

**NOTE 2. Stewardship, Compliance and Accountability**

*Budgetary Information*

Budgets for the General, Special Revenue, Debt Service, and Capital Projects Funds are prepared by management and are approved by the local Board of Education and the School Budget and Planning Unit of the Department of Education. Auxiliary student activity accounts are not budgeted.

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year. Because the budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year, such appropriated balance is legally restricted and is therefore presented as a designated portion of fund balance.

Actual expenditures may not exceed the budget on a line item basis, i.e., each budgeted expenditure must be within budgeted amounts. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a 'series' this may be accomplished with only local Board of Education approval. If a transfer between 'series' or a budget increase is required, approval must also be obtained from Public School Finance Division.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures. The School District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In April or May, the superintendent submits to the Board of Education a proposed operating budget of the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Department of Education.
2. In May or June, the budget is approved by the Board of Education.
3. The school board meeting is open for the general public unless a closed meeting has been called.
4. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Department of Education.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds.
6. Budgets for the General, Special Revenue, Debt Service and Capital Projects Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for Budget purposes.

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
Notes to the Financial Statements  
June 30, 2008

**NOTE 2. Stewardship, Compliance and Accountability (continued)**

The School Board may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. New Mexico Administrative Code 6.20.2.9 prohibits a school district from exceeding budgetary control at the function level.

The District is required to balance its budgets each year. Accordingly, amounts that are excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures.

**NOTE 3. Cash and Temporary Investments**

State statutes authorize the investment of the District 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 District properly followed state investment requirements as of June 30, 2008.

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 District. 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.

The collateral pledged is listed on Schedule 1 of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, District or political subdivision of the State of New Mexico.

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 \$100,000 in aggregate and separate from the \$100,000 coverage for public unit demand deposits at the same institution.

**Deposits**

NM 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 District for a least one half of the amount on deposit with the institution. The schedule listed below will meet the State of New Mexico, Office of the State Auditor's requirements in reporting the insured portion of the deposits.

<u>Type</u>	<u>First National Bank of New Mexico</u>
Checking	\$ <u>912,198</u>
Total Deposits	912,198
Less: FDIC Coverage	<u>(100,000)</u>

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
Notes to the Financial Statements  
June 30, 2008

**NOTE 3. Cash and Temporary Investments (continued)**

Uninsured Amount	812,198
50% Collateral requirement	406,099
Pledged Securities (Schedule 1)	<u>570,192</u>
(Over) Under collateralized	<u>\$ (164,093)</u>
Custodial Credit Risk-Deposits	
Account Balance	\$ 912,198
FDIC Insured	(100,000)
Collateral:	
Collateral held by the pledging bank, not in the District's name	570,192
Uninsured and uncollateralized	<u>242,006</u>
Total Deposits	<u>\$ 912,198</u>

Custodial credit risk is the risk that in the event of a bank failure, the governments' deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2008, \$812,198 of the District's bank balance of \$912,198 was exposed to custodial credit risk.

Custodial Credit Risk- Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have an investment policy for custodial credit risk. New Mexico State Statutes require collateral pledged to be delivered for the securities underlying an overnight repurchase agreement, or a joint safekeeping receipt to be issued to the District for at least one hundred and two percent of the fair value of the securities underlying overnight repurchase accounts invested with the institution.

At June 30, 2008, the Districts' investment balances were exposed to custodial credit risk as follows:

Investment in the State Treasurer Local Government

Investment Pool	<u>\$ 5,149</u>
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The New MexiGrow Local Governmental Investment Pool's (LGIP) investments are valued at fair value based on quoted market prices as of the valuation date. The LGIP is not SEC registered. The New Mexico State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Sections 6-10-10 I through 6-10-10-P and Section 6-10-10.1 A and E, NMSA 1978. The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 19078, as the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the LGIP is voluntary.

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
Notes to the Financial Statements  
June 30, 2008

**NOTE 3. Cash and Temporary Investments (continued)**

Interest Rate Risk and Credit Rating-Investment in State Treasurer's LGIP

The District does not have a formal policy limiting investment maturities to manage its exposure to fair value losses from increasing interest rates. The District's investments at June 30, 2008 include the following:

State Treasurer Local Government Investment Pool    AAAM    46-day WAM    \$    5,149

Reconciliation of Cash and Temporary Investments

Governmental Funds - Balance Sheet	
Cash and cash equivalents per Exhibit A-1	\$ 717,149
Add outstanding checks and other reconciling items	<u>200,198</u>
Balance per bank and State Treasurer's LGIP	<u>\$ 917,347</u>

**NOTE 4. Accounts Payables and Accrued Expenses**

Accounts payable and Accrued Expenses as of June 30, 2008, are as follows:

Payable to suppliers	\$ 11,111
Accrued salaries	70,658
Accrued interest	<u>13,524</u>
Total Accounts Payable and Accrued Expenses	95,297

**NOTE 5. Interfund Receivables, Payables, and Transfers**

The District records temporary interfund receivables and payables to enable the funds to operate until grant monies are received.

The composition of interfund balances during the year ended June 30, 2008 is as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 173,289	\$ -
Nonmajor Funds:		
Title I	-	12,211
IDEA B Entitlement	-	19,433
IDEA B Discretionary	-	33,964
Title V Part A Innovative Pro Strategies	-	1,700
Rural Education Achievement	-	13,939
21 <sup>st</sup> Century Community Learning Centers	-	17,253
Microsoft Settlement Funds	-	1,215
Pre-kindergarten Initiative	-	12,652
Legislative Appropriation -2006	-	10,909
State 21 <sup>st</sup> Century Community Learning Centers	-	39,211
State Pre-kindergarten Initiative	-	9,362
Library SB 301 Bonds	-	1,440
	<u>\$ 173,289</u>	<u>\$ 173,289</u>



**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
Notes to the Financial Statements  
June 30, 2008

**NOTE 6. Accounts Receivable**

Accounts receivable as of June 30, 2008, are as follows:

	General Fund	Capital Improvements SB-9	Debt Service	Other Governmental Funds	Total
Property taxes	\$ 12,356	\$ 125,416	\$ 60,464	\$	\$ 198,236
Due from other governments:	188				188
Other funds					
<b>Public Education Department:</b>					
Pre-Kindergarten Initiative		-	-	12,652	12,652
Legislative Appropriation				10,909	10,909
Title I		-	-	12,211	12,211
Microsoft Settlement Funds				1,215	1,215
IDEA B Entitlement				19,433	19,433
Pre-Kindergarten – Special State	-	-	-	1,440	1,440
IDEA B Discretionary				33,964	33,964
Food Service	-	-	-	9,874	9,874
Library SB 301 GO Bonds				9,362	9,362
Rural Education Achievement Program	-	-	-	13,939	13,939
Title V				1,700	1,700
21st Century	-	-	-	58,247	58,247
	<u>\$ 12,544</u>	<u>\$ 125,416</u>	<u>\$ 60,464</u>	<u>\$ 184,946</u>	<u>\$ 383,370</u>

The above receivables are deemed 100% collectible.

**Deferred Revenues**

Deferred revenue represents advances on grants which have not been earned at June 30, 2008.

	<u>Other Governmental</u>	<u>Total</u>
Federal Awards	\$ 10,802	\$ 10,802

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
Notes to the Financial Statements  
June 30, 2008

**NOTE 7. Capital Assets**

A summary of capital assets and changes occurring during the year ended June 30, 2008, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land is not subject to depreciation.

	Balance June 30, 2007	Additions and Transfers In	Deletions and Transfers Out	Balance June 30, 2008
Capital assets not being depreciated:				
Land	\$ 41,000	\$ -	\$ -	\$ 41,000
Total capital assets not being depreciated	<u>41,000</u>	<u>-</u>	<u>-</u>	<u>41,000</u>
Capital assets being depreciated:				
Buildings and improvements	7,814,873	60,511	-	7,875,384
Equipment, Vehicles, Software and Library	<u>604,707</u>	<u>32,695</u>	<u>-</u>	<u>637,402</u>
Total capital assets being depreciated	<u>8,419,580</u>	<u>93,206</u>	<u>-</u>	<u>8,512,786</u>
Total capital assets	<u>8,460,580</u>	<u>93,206</u>	<u>-</u>	<u>8,553,786</u>
Less accumulated depreciation:				
Buildings and improvements	2,690,568	255,805	615,070	3,561,446
Equipment, Vehicles, Software and Library Books	<u>1,219,777</u>	<u>4,250</u>	<u>(615,070)</u>	<u>608,957</u>
Total accumulated depreciation	<u>3,910,344</u>	<u>260,058</u>	<u>-</u>	<u>4,170,403</u>
Total capital assets net of depreciation	<u>\$ 4,550,235</u>	<u>\$ (166,852)</u>	<u>\$ -</u>	<u>\$ 4,383,383</u>

Capital assets, net of accumulated depreciation, at June 30, 2008 appear in the Statement of Net Assets as follows:

Governmental activities	\$ 4,383,383
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Depreciation expense for the year ended June 30, 2008 was charged to the following functions and funds:

Governmental activities:	
Direct instruction	\$ 104,023
Instructional support	132,630
Food Services	10,402
Pupil Transportation	13,003
	<u>\$ 260,058</u>

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
Notes to the Financial Statements  
June 30, 2008

**NOTE 8. Long-term Debt**

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued with varying terms and varying amounts of principal maturing each year. All general obligation bonds as of June 30, 2008 are for governmental activities. The following bonds were issued for the purpose of erecting, furnishing, remodeling and making additions to District buildings and improving District grounds. A tax is annually assessed, levied and collected upon all taxable property within the District for the purpose of providing the necessary funds to meet the interest and principal payments as they become due.

Bonds outstanding at June 30, 2008, are comprised of the following:

Series	Date of Issue	Amount	Interest Rate	Balance
2001	7/15/2001	\$990,000	4.875% - 6.375%	\$600,000

The following is a summary of the long-term debt and the activity for the year ended June 30, 2008:

	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008	Due Within One Year
General obligation bonds					
Series 7/15/2001	\$ 735,000	\$ -	\$ 135,000	\$ 600,000	\$ 140,000
	<u>\$ 735,000</u>	<u>\$ -</u>	<u>\$ 135,000</u>	<u>\$ 600,000</u>	<u>\$ 140,000</u>

The annual requirements to amortize the General Obligation Bonds as of June 30, 2008, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2009	140,000	24,073	164,073
2010	145,000	17,871	162,871
2011	155,000	11,002	166,002
2012	160,000	3,680	163,680
	<u>\$ 600,000</u>	<u>\$ 56,626</u>	<u>\$ 656,626</u>

**Reconciliation of Long-Term Debt to the Statement of Net Assets**

Total Long term debt	\$ 600,000
Net Issue Costs/Premium/Discounts on Bond Issues	(30,131)
Accumulated Amortization	19,083
	<u>\$ 588,952</u>

The payments made to liquidate the debt are usually paid by the debt service fund.

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
Notes to the Financial Statements  
June 30, 2008

**NOTE 9. Risk Management**

The District is a member of the New Mexico Public School Insurance Authority (NMPSIA). The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The District pays an annual premium to the NMPSIA based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. Also included under the risk management program are Boiler, Machinery and Student Accident Insurance.

The NMPSIA provides coverage for up to a maximum of \$500,000,000 for each property damage claim with a \$750 deductible to each building. General liability coverage is afforded to all employees, volunteers and school board members and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for Faithful Performance. A limit of \$250,000 applies to Depositor's Forgery, Credit Card Forgery, and Money Orders. A limit of \$100,000 applies to Money and Securities, which include a \$750 deductible.

In case the NMPSIA's assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. As of June 30, 2008, there have been no claims that have exceeded insurance coverage.

**NOTE 10. Other Required Individual Fund Disclosures**

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

- A. Deficit fund balance of individual funds.

There were none at June 30, 2008.

**NOTE 11. ERA Pension Plan**

*Plan Description.* Substantially all of Logan Municipal Schools' full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (ERA) (Chapter 22, Article 11 NMSA 1978.) The Educational Retirement Board is the administrator of the plan, which is a cost-sharing, multiple-employer defined benefit retirement plan. The plan provides for retirement, disability benefits, and cost-of-living adjustments to plan members and beneficiaries. ERA issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to ERA, P. O. Box 26129, Santa Fe, New Mexico 87502.

*Funding Policy.* Plan members are required to contribute 7.825% of their gross salary. The District is required to contribute 10.90% of the gross covered salary. The contribution requirements of plan members and the District are established under Chapter 22, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The District's total contributions to ERA for the years ended June 30, 2008, 2007, and 2006 were \$ 321,127, \$311,698, and \$314,961, respectively.

**STATE OF NEW MEXICO**  
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Notes to the Financial Statements  
June 30, 2008

**NOTE 12. Post-Employment Benefits**

The Retiree Health Care Act (the "Act") (Chapter 10, Article 7C, NMSA, 1978) provides comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The purpose is to provide eligible retirees, their spouses, dependents, and surviving spouses and dependents with health insurance consisting of a plan, or optional plans, of benefits that can be purchased by funds flowing into Retiree Health Care Fund and by co-payments or out-of-pocket payments to eligible retirees. Monies flow to the Retiree Health Care Fund on pay-as-you-go basis from eligible employers and eligible retirees.

Eligible employers are institutions of higher education, school districts, or other entities participating in the Public School Insurance Authority, state agencies, state courts, magistrate courts, municipalities or counties, which are affiliated under or covered by the Education Retirement Act (ERA), Public Employees Retirement Association (PERA), Volunteer Firefighters Retirement Act, Judicial Retirement Act or the Magistrate Retirement Act. Eligible retirees are: (1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the Retiree Health Care Act on the person's behalf unless that person retired before the employer's NMRHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date, and the date of retirement; or (2) retirees defined by the Act who retired prior to July 1, 1990; and former legislators who served at least two years.

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

Contributions from participating employers and participating employees become the property of the Retiree Health Care Fund and are not refundable under any circumstances, including termination of employment or termination of the participating employer's operation or participation in the Retiree Health Care Act. The employer, employee, and retiree contributions are required to be remitted to the Retiree Health Care Authority on a monthly basis.

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

For the years ended June 30, 2008, 2007 and 2006, the District remitted \$21,311, \$22,801 and \$22,399, in employer contributions and \$ 11,378, \$11,437 and \$11,199 in employee contributions, respectively.

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
Notes to the Financial Statements  
June 30, 2008

**NOTE 13. Contingent Liabilities**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the School expects such amount, if any, to be immaterial.

The District is involved in various claims and lawsuits arising in the normal course of business. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the District.

**NOTE 14. Non-Cash Federal Assistance**

The District receives USDA Commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2008 was \$7,263.

**NOTE 15. Surety Bond**

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

**NOTE 16. Memorandum of Understanding**

REC

Purpose: To allow the submission of a consolidated application to the State Department of Education for certain funds granted to the State of New Mexico by the USDE under the Education of the Handicapped Act, Part B, PL 94-142 among others.

Participants: Regional Education Cooperative and Logan Municipal Schools

Responsible Party for Operation and Audit: Regional Education Cooperative

Beginning and Ending Date of Agreement: July 1, 1995 until the end of any fiscal year during which the school give notice of intent to terminate.

Total Estimated Amount of Project and Actual Amount Contributed: The REC paid expenditures on behalf of the District.

Quay County

Purpose: To implement the "Protecting you/Protecting me" Program to improve the health of children living in the Logan School District.

Participants: Quay County MCCH Council and Logan Municipal Schools

Responsible Party for Operation and Audit: Regional Education Cooperative

Beginning and Ending Date of Agreement: November 8, 2006 until May 15, 2008.

Total Estimated Amount of Project and Actual Amount Contributed: Unknown

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
Notes to the Financial Statements  
June 30, 2008

**NOTE 16. Memorandum of Understanding**

Energy Minerals and Natural Resources Department

Purpose: Provide for the joint use of certain baseball fields near Ute Lake.

Participants-New Mexico EMNRD and Logan School District.

Responsibility: Both parties will repair and maintain the baseball fields.

Beginning and ending dates of agreement: April 4, 2008 till April 4, 2012.

Estimated costs: Total costs are unknown but the parties will share repair and maintenance costs.

**NOTE 17. Restatement of Net Assets**

Prior year billed but unpaid property taxes were recorded as deferred revenue in the Statement of Net Assets. The restatement of Net Assets as of June 30, 2007 corrects that error.

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**SUPPLEMENTARY INFORMATION**

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**NONMAJOR GOVERNMENTAL FUNDS**

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOL**  
**NONMAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS**

The Special Revenue Funds are used to account for Federal, State and Local funded grants. These grants are awarded to the District with the purpose of accomplishing specific educational tasks. Grants accounted for in the Special Revenue Funds include:

**Food Service** – This fund is utilized to account for Federal and Local sources of income relating to the food service programs. The Food Service Fund is segregated into two categories, one being the Federal funds and the other being Non-Federal funds. Federal funds consist of the National School Lunch Program, which is administered by the State of New Mexico for the purpose of making breakfast and lunch available to all school children and to encourage the domestic consumption of agricultural commodities and other food components. The Non-Federal funds consist of income derived from Snack-Bar facilities located in the District. Authority for the creation of this fund is NMSA 22-13-13.

**Athletics** - This fund is used to account for fees generated at athletic activities throughout the School District. The gate receipts are obtained from the general public and are expended in this fund. The authority for creation of this fund is 6.20.2 NMAC.

**Title I** – This fund’s major objectives are to provide supplemental educational opportunities for academically disadvantaged children in the area where they reside. Campuses are identified for program participation by the percentage of students on free or reduced price lunches. Any school with a free and reduced price lunch percentage that is equal to or greater than the total district percentage becomes eligible for program participation. Any student whose test scores fall below District established criteria and who is attending a Title I campus is eligible to receive Title I services. Poverty is the criteria that identify a campus; education need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Education. Authority for the creation of this fund is Part A of Chapter I of Title I of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

**IDEA B Entitlement** – The purpose of this program is to account for revenue used to help maximize the resources in meeting the objective of handicapped children. The federal revenues in this fund are received from and administered by the New Mexico Department of Education. Authority for the creation of this fund is Part B of the Handicapped Act, Public Law 105-17.

**IDEA B- Discretionary** – The purpose of this program is to provide administrators and program directors with information and strategies that will support licensed and waived teachers in the areas of special education with day-to-day functions of the classroom. Authority for creation of this fund is Individuals with Disabilities Education Act (IDEA), Part B, Sections 611-617, and Part D, Section 674 as amended, 20 U.S.C. 1411-1417 and 1420, Public Law 105-17.

**IDEA-B Preschool** - The objective of the Assistance to States for the Education of Handicapped Children Program is to assist in providing free, appropriate public education to all handicapped children from ages three to five. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Children, Youth and Families. Authority for creation of this fund is Public Law 105-17.

**Enhancing Education through Technology** - The objective of the federal grant is strengthen teacher learning in the filed of technology. The fund was created by the authority of federal grant provision. (PL 103-382)

**Title V Part A** – To establish a local program of alcohol and drug abuse education and prevention coordinated with related community efforts and resources. Authority for creation of this fund is Chapter II of Title I of Elementary and Secondary Education Act (ESEA) of 1965 as amended, Public Law 103-382.

**Pre-school Initiative** – The purpose of this fund is to provide special education and related services to pre-school students and also to increase the accessibility of such instruction to all students. Authority for creation of this fund is .

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOL**  
**NONMAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS**

**21<sup>st</sup> Century Community Learning Centers** – The purpose of this fund is to account for revenues and expenditures for a collaborative consortium of education, health, culture enrichment and social support system in rural communities. The fund was created by grant provisions.

**Rural Education Achievement Program** – The purpose of this fund is to provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended.

**Technology in Education** – The purpose of this grant is to assist the District to develop and implement a strategic, long-term plan for utilizing educational technology in the school system. Funds accounted for in this fund are received from the State of New Mexico. The authority for creation of this fund is NMSA 22-15A-1 to 22-15A-10.

**Incentives for School Improvement** – The purpose of this state grant is to provide funds for use in providing student educational trips, automation of the District’s libraries, and other educational materials. Authority for creation of this fund is Laws of 1997, Chapter 32.

**Legislative Appropriation- Laws of NM 2005** – The purpose is to account for revenues and expenditures from a state grant to provide professional development, library materials and educational technology. Funding provided by the State of New Mexico.

**GO Library Bonds** - The objective of this act is to acquire library books, equipment and library resources for public school libraries and juvenile detention libraries. Funds are acquired from General Obligation Bonds through the Public Education Department. Authority for creation of this fund is the Legislation in Chapter 117, Laws of 2004, Section 10C (3).

**Legislative Appropriation Laws of 2006-** The purpose is to account for a special appropriation from the Legislature for the purpose of purchasing information technology and professional development. Authorization is a special appropriation by the 2007 Legislative Session.

**ENMR-** These funds are capital credits that are dispersed back members of the Eastern NM Telephone Cooperative member. Funds were used to off-set communication expenses.

**McCune Charitable Foundation** – The objective of this program is to teach communication, self-esteem and problem solving skills. The fund was created by provisions in a contract.

**Microsoft Settlement Funds-** Funds were disbursed to local school districts (LEA’s) as a result of a legal settlement. This money was used to purchase technology upgrades for Logan Municipal Schools.

**Beginning Teacher Mentoring-** These funds were intended and used to help beginning (Level I) teachers become more proficient through the guidance of more experienced Level II and especially Level III professional staff.

**Pre-kindergarten Special-** This was a grant from PED to purchase learning materials and supplies for the Pre-K program providing services for four year olds at Logan Municipal Schools.

**Libraries SB 301 G.O. Bonds-** The objective of this initiative was to raise money for LEA’s to enhance resources for needs of local libraries. Money was used for books and reference materials for our K-12 library.

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOL**  
**NONMAJOR GOVERNMENTAL FUNDS**

**CAPITAL PROJECTS FUNDS**

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The District has six separate funds classified as non-major Capital Projects Funds as follows:

**Bond Building Capital Outlay** – This fund is used to account for resources received from the Department of Education state equalization guarantee for use in remodeling and equipping classroom facilities.

**Special Capital Outlay** – The purpose of this fund is to account for the Critical Capital Outlay appropriation from the State of New Mexico.

**Public Schools Capital Outlay 20%** – The purpose of this fund is to account for resources received from the local ad valorem tax levy for use in remodeling and equipping classroom facilities.

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STATE OF NEW MEXICO  
LOGAN MUNICIPAL SCHOOLS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2008

ASSETS	Special Revenue Funds		
	Food Service	Athletics	Title I
<i>Current Assets</i>			
Cash and cash equivalents	\$ 9,969	\$ 7	\$ -
Accounts receivable			
Taxes	-	-	-
Due from other governments	-	-	12,211
Other accounts receivable	9,874	-	-
Interfund receivable	-	-	-
Inventory	3,841	-	-
<i>Total assets</i>	\$ 23,684	\$ 7	\$ 12,211
 <b>LIABILITIES AND FUND BALANCES</b>			
<i>Current Liabilities</i>			
Accounts payable	\$ 1,160	\$ -	\$ -
Accrued salaries and benefits	-	-	-
Interfund payable	-	-	12,211
Deferred revenue	-	-	-
<i>Total liabilities</i>	1,160	-	12,211
 <i>Fund Balances</i>			
Reserved:			
Reserved for inventory	3,841	-	-
Unreserved:			
Designated for subsequent year's expenditures reported in:			
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Undesignated, reported in:			
Special Revenue Funds	18,683	7	-
Capital Projects Funds	-	-	-
<i>Total fund balances</i>	22,524	7	-
<i>Total liabilities and fund balances</i>	\$ 23,684	\$ 7	\$ 12,211

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



Statement A-1  
 (Page 1 of 4)

IDEA-B Entitlement	IDEA-B Discretionary	IDEA-B Preschool
\$ -	\$ -	\$ -
-	-	-
19,433	33,964	-
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 19,433</u>	<u>\$ 33,964</u>	<u>\$ -</u>
\$ -	\$ -	\$ -
-	-	-
19,433	33,964	-
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>19,433</u>	<u>33,964</u>	<u>-</u>
-	-	-
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 19,433</u>	<u>\$ 33,964</u>	<u>\$ -</u>

STATE OF NEW MEXICO  
 LOGAN MUNICIPAL SCHOOLS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2008

ASSETS	Special Revenue Funds		
	Enhancing Education Thru Technology	Enhancing Education Thru Technology	Title V Part A, Innovative Pro Strategies
<i>Current Assets</i>			
Cash and cash equivalents	\$ 727	\$ 694	\$ -
Accounts receivable			
Taxes	-	-	-
Due from other governments	-	-	1,700
Other accounts receivable	-	-	-
Interfund receivable	-	-	-
Inventory	-	-	-
	-	-	-
<i>Total assets</i>	\$ 727	\$ 694	\$ 1,700
 <b>LIABILITIES AND FUND BALANCES</b>			
<i>Current Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-
Interfund payable	-	-	1,700
Deferred revenue	727	694	-
	727	694	1,700
<i>Total liabilities</i>	727	694	1,700
 <i>Fund Balances</i>			
Reserved:			
Reserved for inventory	-	-	-
Unreserved:			
Designated for subsequent year's expenditures reported in:			
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Undesignated, reported in:			
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
	-	-	-
<i>Total fund balances</i>	-	-	-
<i>Total liabilities and fund balances</i>	\$ 727	\$ 694	\$ 1,700

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

Statement A-1  
 (Page 2 of 4)

Preschool Initiative	21st Century Community Learning Centers	Rural Education Achievement Program
\$ -	\$ -	\$ -
-	-	-
-	58,247	-
12,652	-	13,939
-	-	-
-	-	-
<u>\$ 12,652</u>	<u>\$ 58,247</u>	<u>\$ 13,939</u>
\$ -	\$ 1,783	\$ -
-	-	-
12,652	56,464	13,939
-	-	-
-	-	-
<u>12,652</u>	<u>58,247</u>	<u>13,939</u>
-	-	-
-	-	-
-	-	-
-	-	-
<u>12,652</u>	<u>58,247</u>	<u>13,939</u>

STATE OF NEW MEXICO  
LOGAN MUNICIPAL SCHOOLS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2008

ASSETS	Special Revenue Funds		
	Technology for Education	TANF Full Day Kindergarten	Incentives for School Improvement
<i>Current Assets</i>			
Cash and cash equivalents	\$ 7,669	\$ 500	\$ 156
Accounts receivable			
Taxes	-	-	-
Due from other governments	-	-	-
Other accounts receivable	-	-	-
Interfund receivable	-	-	-
Inventory	-	-	-
	-	-	-
<i>Total assets</i>	\$ 7,669	\$ 500	\$ 156
 <b>LIABILITIES AND FUND BALANCES</b>			
<i>Current Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-
Interfund payable	-	-	-
Deferred revenue	7,669	500	156
	7,669	500	156
<i>Total liabilities</i>	7,669	500	156
 <i>Fund Balances</i>			
Reserved:			
Reserved for inventory	-	-	-
Unreserved:			
Designated for subsequent year's expenditures reported in:			
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Undesignated, reported in:			
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
	-	-	-
<i>Total fund balances</i>	-	-	-
<i>Total liabilities and fund balances</i>	\$ 7,669	\$ 500	\$ 156

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

<u>Legislative Appropriations Laws of 2005</u>	<u>GO Library Bonds Laws of 2004</u>	<u>Legislative Appropriations Laws of 2006</u>	<u>School Improvement Framework</u>
\$ 771	\$ 129	\$ -	\$ -
-	-	-	-
-	-	10,909	-
-	-	-	-
-	-	-	-
<u>771</u>	<u>129</u>	<u>10,909</u>	<u>-</u>
\$ <u>771</u>	\$ <u>129</u>	\$ <u>10,909</u>	\$ <u>-</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	10,909	-
<u>771</u>	<u>129</u>	<u>-</u>	<u>-</u>
<u>771</u>	<u>129</u>	<u>10,909</u>	<u>-</u>
-	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>771</u>	\$ <u>129</u>	\$ <u>10,909</u>	\$ <u>-</u>

STATE OF NEW MEXICO  
LOGAN MUNICIPAL SCHOOLS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2008

ASSETS	Special Revenue				
	CYFD Pre-School	ENMR	McCune Foundation	Microsoft Settlement Funds	Beginning Teacher Mentoring
<i>Current Assets</i>					
Cash and cash equivalents	\$ 148	\$ 11	\$ 33	-	\$ 156
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	-	-	-	-
Other accounts receivable	-	-	-	1,215	-
Interfund receivable	-	-	-	-	-
Inventory	-	-	-	-	-
	-	-	-	-	-
<i>Total assets</i>	\$ 148	\$ 11	\$ 33	\$ 1,215	\$ 156
 <b>LIABILITIES AND FUND BALANCES</b>					
<i>Current Liabilities</i>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-	-	-
Interfund payable	-	-	-	1,215	-
Deferred revenue	-	-	-	-	156
	-	-	-	-	156
<i>Total liabilities</i>	-	-	-	1,215	156
<i>Fund Balances</i>					
Reserved:					
Reserved for inventory	-	-	-	-	-
Unreserved:					
Designated for subsequent year's expenditures reported in:					
Special Revenue Funds	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-
Undesignated, reported in:					
Special Revenue Funds	148	11	33	-	-
Capital Projects Funds	-	-	-	-	-
	-	-	-	-	-
<i>Total fund balances</i>	148	11	33	-	-
<i>Total liabilities and fund balances</i>	\$ 148	\$ 11	\$ 33	\$ 1,215	\$ 156

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

Special Revenue		Capital Project Funds			Total Nonmajor Governmental Funds
Pre-Kinder- garten Special	Libraries SB 301 GO Bonds-2006	Bond Building	Special Capital Outlay State	Public Schools Capital Outlay 20%	
\$ -	\$ -	39,799	\$ 32,322	\$ -	\$ 93,091
-	-	-	-	-	-
-	-	-	-	-	136,464
1,440	9,362	-	-	-	48,482
-	-	-	-	-	-
-	-	-	-	-	3,841
<u>\$ 1,440</u>	<u>\$ 9,362</u>	<u>39,799</u>	<u>\$ 32,322</u>	<u>\$ -</u>	<u>\$ 281,878</u>
\$ -	\$ -	-	\$ -	\$ -	\$ 2,943
-	-	-	-	-	-
1,440	9,362	-	-	-	173,289
-	-	-	-	-	10,802
<u>1,440</u>	<u>9,362</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>187,034</u>
-	-	-	-	-	3,841
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	18,882
-	-	39,799	32,322	-	72,121
-	-	39,799	32,322	-	94,844
<u>\$ 1,440</u>	<u>\$ 9,362</u>	<u>39,799</u>	<u>\$ 32,322</u>	<u>\$ -</u>	<u>\$ 281,878</u>

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2008

	Special Revenue Funds		
	Food Service	Athletics	Title I
<i>Revenues:</i>			
Taxes	\$	\$	\$
Taxes levied/assessed	-	-	-
Local sources			
Tuition	-	-	-
Investment income	-	-	-
Food services	20,370	-	-
District activities	-	11,905	-
Other revenue	-	-	-
State sources			
Unrestricted Grants	-	-	-
Restricted Grants	-	-	-
Federal sources			
Unrestricted Grants	-	-	-
Unrestricted -state passthrough	-	-	-
Restricted Grants	-	-	-
Restricted -state passthrough	104,681	-	38,712
Department of Interior	-	-	-
Other items	7,263	-	-
<i>Total revenues</i>	132,314	11,905	38,712
<i>Expenditures:</i>			
Current:			
Instruction	-	17,596	35,142
Support Services			
Students	-	-	-
Instruction	-	-	2,384
General Administration	-	-	-
School Administration	-	-	-
Central Services	-	-	1,186
Operation & maintenance of plant	-	-	-
Student transportation	-	-	-
Other Support Services	-	-	-
Operation of Non-instructional Services			
Food services operations	124,861	-	-
Capital outlay	-	-	-
<i>Total expenditures</i>	124,861	17,596	38,712
<i>Excess (deficiency) of revenues over expenditures</i>	7,453	(5,691)	-
<i>Other financing sources (uses)</i>			
Transfers	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-
<i>Net changes in fund balances</i>	7,453	(5,691)	-
<i>Fund balances - beginning of year</i>	15,071	5,698	-
<i>Fund balances - end of year</i>	\$ 22,524	\$ 7	\$ -

The accompanying notes are an integral part of these financial statements



Statement A-2  
(Page 1 of 4)

<u>IDEA-B Entitlement</u>	<u>IDEA-B Discretionary</u>	<u>IDEA-B Preschool</u>	<u>Enhancing Education Thru Technology</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
52,780	49,866	5,000	-
-	-	-	-
-	-	-	-
<u>52,780</u>	<u>49,866</u>	<u>5,000</u>	<u>-</u>
39,376	49,866	3,545	-
13,404	-	1,455	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>52,780</u>	<u>49,866</u>	<u>5,000</u>	<u>-</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2008

	Enhancing Education Thru Technology	Title V Part A Innovative Pro Strategies	Preschool Initiative
<i>Revenues:</i>			
Taxes	\$	\$	\$
Taxes levied/assessed	-	-	-
Local sources			
Tuition	-	-	-
Investment income	-	-	-
Food services	-	-	-
District activities	-	-	-
Other revenue	-	-	-
State sources			
Unrestricted Grants	-	-	-
Restricted Grants	-	-	-
Federal sources			
Unrestricted Grants	-	-	-
Unrestricted -state passthrough	-	-	41,999
Restricted Grants	-	-	-
Restricted -state passthrough	-	2,276	-
Department of Interior	-	-	-
Other items	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>2,276</u>	<u>41,999</u>
<i>Expenditures:</i>			
Current:			
Instruction	-	2,276	41,999
Support Services			
Students	-	-	-
Instruction	-	-	-
General Administration	-	-	-
School Administration	-	-	-
Central Services	-	-	-
Operation & maintenance of plan	-	-	-
Student transportation	-	-	-
Other Support Services	-	-	-
Operation of Non-instructional Services:			
Food services operations	-	-	-
Capital outlay	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>2,276</u>	<u>41,999</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>			
Transfers	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Statement A-2  
(Page 2 of 4)

21st Century Community Learning Centers	Rural Education Achievement Program	Technology For Education
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	6,233
-	-	-
-	-	-
-	16,981	-
165,938	-	-
-	-	-
-	-	-
<u>165,938</u>	<u>16,981</u>	<u>6,233</u>
131,792	-	4,461
2,377	16,981	-
-	-	-
-	-	-
-	-	-
5,113	-	-
13,001	-	-
-	-	-
13,655	-	-
-	-	-
<u>165,938</u>	<u>16,981</u>	<u>4,461</u>
-	-	1,772
-	-	-
-	-	-
-	-	1,772
-	-	(1,772)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2008

	Special Revenue Funds		
	TANF Full Day Kindergarten	Incentives For School Improvement	Legislative Appropriations Laws of 2005
<i>Revenues:</i>			
Taxes	\$	\$	\$
Taxes levied/assessed	-	-	-
Local sources			
Tuition	-	-	-
Investment income	-	-	-
Food services	-	-	-
District activities	-	-	-
Other revenue	-	-	-
State sources			
Unrestricted Grants	-	-	-
Restricted Grants	-	-	-
Federal sources			
Unrestricted Grants	-	-	-
Unrestricted -state passthrough	-	-	-
Restricted Grants	-	-	-
Restricted -state passthrough	-	-	-
Department of Interior	-	-	-
Other items	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>			
Current:			
Instruction	-	156	-
Support Services			
Students	-	-	-
Instruction	-	-	-
General Administration	-	-	-
School Administration	-	-	-
Central Services	-	-	-
Operation & maintenance of plant	-	-	-
Student transportation	-	-	-
Other Support Services	-	-	-
Operation of Non-instructional Services:			
Food services operations	-	-	-
Capital outlay	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>156</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(156)</u>	<u>-</u>
<i>Other financing sources (uses)</i>			
Transfers	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	(156)	-
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>156</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Statement A-2  
 (Page 3 of 4)

<u>GO Library Bonds Laws of 2004</u>	<u>Legislative Appropriations Laws of 2006</u>	<u>School Improvement Framework</u>	<u>CYFD Pre-School</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	17,150
-	-	-	-
-	-	1,000	-
-	-	-	-
-	10,909	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>10,909</u>	<u>1,000</u>	<u>17,150</u>
129	10,909	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>129</u>	<u>10,909</u>	<u>-</u>	<u>-</u>
<u>(129)</u>	<u>-</u>	<u>1,000</u>	<u>17,150</u>
-	-	-	-
-	-	-	-
<u>(129)</u>	<u>-</u>	<u>1,000</u>	<u>17,150</u>
<u>129</u>	<u>-</u>	<u>(1,000)</u>	<u>(17,002)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148</u>

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2008

	Special Revenue		
	ENMR	McCune Foundation	Microsoft Settlement Funds
<i>Revenues:</i>			
Taxes	\$	\$	\$
Taxes levied/assessed	-	-	-
Local sources			
Tuition	-	-	-
Investment income	-	-	-
Food services	-	-	-
District activities	-	-	-
Other revenue	-	-	14,563
State sources			
Unrestricted Grants	-	-	-
Restricted Grants	-	-	-
Federal sources			
Unrestricted Grants	-	-	-
Unrestricted -state passthrough	-	-	-
Restricted Grants	-	-	-
Restricted -state passthrough	-	-	-
Department of Interior	-	-	-
Other items	-	-	-
<i>Total revenues</i>	-	-	14,563
<i>Expenditures:</i>			
Current:			
Instruction	-	-	14,563
Support Services			
Students	-	-	-
Instruction	-	-	-
General Administration	-	-	-
School Administration	-	-	-
Central Services	-	-	-
Operation & maintenance of p	-	-	-
Student transportation	-	-	-
Other Support Services	-	-	-
Operation of Non-instructional Services			
Food services operations	-	-	-
Capital outlay	-	-	-
<i>Total expenditures</i>	-	-	14,563
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-
<i>Other financing sources (uses)</i>			
Transfers	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-
<i>Net changes in fund balances</i>	-	-	-
<i>Fund balances - beginning of year</i>	11	33	-
<i>Fund balances - end of year</i>	\$ 11	\$ 33	\$ -

The accompanying notes are an integral part of these financial statements

<u>Beginning</u>	<u>Pre-Kinder-</u>	<u>Libraries</u>
<u>Teacher</u>	<u>garten</u>	<u>SB 301 GO</u>
<u>Mentoring</u>	<u>Special</u>	<u>Bonds-2006</u>
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	1,440	9,362
-	-	-
-	-	-
3,560	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>3,560</u>	<u>1,440</u>	<u>9,362</u>
3,560	1,440	-
-	-	-
-	-	9,362
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>3,560</u>	<u>1,440</u>	<u>9,362</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO  
LOGAN MUNICIPAL SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2008

Statement A-2  
(Page 4 of 4)

	Capital Project Funds			Total Nonmajor Governmental Funds
	Bond Building	Special Capital Outlay State	Capital Outlay 20%	
<i>Revenues:</i>				
Taxes	\$	\$	\$	\$
Taxes levied/assessed	-	-	-	-
Local sources				
Tuition	-	-	-	-
Investment income	9,091	-	-	9,091
Food services	-	-	-	20,370
District activities	-	-	-	11,905
Other revenue	-	-	-	14,563
State sources				
Unrestricted Grants	-	-	-	10,802
Restricted Grants	-	40,475	-	63,858
Federal sources				
Unrestricted Grants	-	-	-	-
Unrestricted -state passthrough	-	-	-	46,559
Restricted Grants	-	-	-	16,981
Restricted -state passthrough	-	-	-	430,162
Department of Interior	-	-	-	-
Other items	-	-	-	7,263
<i>Total revenues</i>	9,091	40,475	-	631,554
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	356,810
Support Services				
Students	-	-	-	34,217
Instruction	-	-	-	11,746
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	1,186
Operation & maintenance of plai	-	-	-	5,113
Student transportation	-	-	-	13,001
Other Support Services	-	-	-	-
Operation of Non-instructional Service:				
Food services operations	-	-	-	138,516
Capital outlay	29,333	25,000	-	54,333
<i>Total expenditures</i>	29,333	25,000	-	614,922
<i>Excess (deficiency) of revenues over expenditures</i>	(20,242)	15,475	-	16,632
<i>Other financing sources (uses)</i>				
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net changes in fund balances</i>	(20,242)	15,475	-	16,632
<i>Fund balances - beginning of year</i>	60,041	16,847	-	78,212
<i>Fund balances - end of year</i>	\$ 39,799	\$ 32,322	\$ -	\$ 94,844

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**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**FOOD SERVICE SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Statement A-3

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ 21,800	\$ 21,800	24,339	\$ 2,539
State sources	-	-	-	-
Federal sources	86,000	95,969	94,807	(1,162)
Interest	-	-	-	-
<i>Total revenues</i>	<u>107,800</u>	<u>117,769</u>	<u>119,146</u>	<u>1,377</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	111,673	121,642	124,507	(2,865)
Capital outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>111,673</u>	<u>121,642</u>	<u>124,507</u>	<u>(2,865)</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(3,873)</u>	<u>(3,873)</u>	<u>(5,361)</u>	<u>(1,488)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	3,873	3,873	-	(3,873)
<i>Total other financing sources (uses)</i>	<u>3,873</u>	<u>3,873</u>	<u>-</u>	<u>(3,873)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(5,361)</u>	<u>(5,361)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>9,873</u>	<u>9,873</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,512</u>	<u>\$ 4,512</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 4,450	
Adjustment to revenue for accruals and other deferrals			13,168	
Adjustment to expenditures for payables, prepaids and other accruals			(10,165)	
Net change in fund balance (GAAP basis)			<u>\$ 7,453</u>	

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

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**ATHLETICS SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Statement A-4

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ 12,000	\$ 12,000	11,905	\$ (95)
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>12,000</u>	<u>12,000</u>	<u>11,905</u>	<u>(95)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	19,097	19,098	17,952	1,146
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>19,097</u>	<u>19,098</u>	<u>17,952</u>	<u>1,146</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(7,097)</u>	<u>(7,098)</u>	<u>(6,047)</u>	<u>1,051</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	7,097	7,098	-	(7,098)
<i>Total other financing sources (uses)</i>	<u>7,097</u>	<u>7,098</u>	<u>-</u>	<u>(7,098)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(6,047)</u>	<u>(6,047)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>7,453</u>	<u>7,453</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,406</u>	<u>\$ 1,406</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (6,047)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			356	
Net change in fund balance (GAAP basis)			<u>\$ (5,691)</u>	

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

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**TITLE I SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Statement A-5

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	36,582	39,877	38,577	(1,300)
Interest	-	-	-	-
<i>Total revenues</i>	<u>36,582</u>	<u>39,877</u>	<u>38,577</u>	<u>(1,300)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	33,211	36,506	35,142	1,364
Support Services				
Students	-	-	-	-
Instruction	2,391	2,391	2,384	7
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	1,202	1,202	1,186	16
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>36,804</u>	<u>40,099</u>	<u>38,712</u>	<u>1,387</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(222)</u>	<u>(222)</u>	<u>(135)</u>	<u>87</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	222	222	-	(222)
<i>Total other financing sources (uses)</i>	<u>222</u>	<u>222</u>	<u>-</u>	<u>(222)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(135)</u>	<u>(135)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (135)</u>	<u>\$ (135)</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (135)	
Adjustment to revenue for accruals and other deferrals			135	
Adjustment to expenditures for payables, prepaids and other accruals				
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**IDEA B ENTITLEMENT SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Statement A-6

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	58,115	58,115	33,347	(24,768)
Interest	-	-	-	-
<i>Total revenues</i>	<u>58,115</u>	<u>58,115</u>	<u>33,347</u>	<u>(24,768)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	44,645	44,645	39,376	5,269
Support Services				
Students	13,470	13,470	13,404	66
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>58,115</u>	<u>58,115</u>	<u>52,780</u>	<u>5,335</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(19,433)</u>	<u>(30,103)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(19,433)</u>	<u>(30,103)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19,433)</u>	<u>\$ (30,103)</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (19,433)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			19,433	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**IDEA B DISCRETIONARY SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Statement A-7

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	48,648	49,866	44,469	(5,397)
Interest	-	-	-	-
<i>Total revenues</i>	<u>48,648</u>	<u>49,866</u>	<u>44,469</u>	<u>(5,397)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	56,931	49,867	50,343	(476)
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>56,931</u>	<u>49,867</u>	<u>50,343</u>	<u>(476)</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(8,283)</u>	<u>(1)</u>	<u>(5,874)</u>	<u>(5,873)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	8,283	1	-	(1)
<i>Total other financing sources (uses)</i>	<u>8,283</u>	<u>1</u>	<u>-</u>	<u>(1)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(5,874)</u>	<u>(5,874)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,874)</u>	<u>\$ (5,874)</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (5,874)	
Adjustment to revenue for accruals and other deferrals			5,397	
Adjustment to expenditures for payables, prepaids and other accruals			477	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**IDEA B PRESCHOOL SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Statement A-8

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	5,000	5,000	5,000	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	3,531	3,545	3,545	-
Support Services				
Students	1,469	1,455	1,455	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ -	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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



**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**ENHANCING EDUCATION THRU TECHNOLOGY SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Statement A-9

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	347	347
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>347</u>	<u>347</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	399	-	399
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>399</u>	<u>-</u>	<u>399</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(399)</u>	<u>347</u>	<u>746</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	399	-	(399)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>399</u>	<u>-</u>	<u>(399)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>347</u>	<u>347</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 347</u>	<u>\$ 347</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 347	
Adjustment to revenue for accruals and other deferrals			(347)	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**ENHANCING EDUCATION THRU TECHNOLOGY SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Statement A-10

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ -	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**TITLE V PART A INNOVATIVE PRO STRATEGIES SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Statement A-11

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	1,646	1,695	646	(1,049)
Interest	-	-	-	-
<i>Total revenues</i>	<u>1,646</u>	<u>1,695</u>	<u>646</u>	<u>(1,049)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	1,646	2,276	2,276	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,646</u>	<u>2,276</u>	<u>2,276</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(581)</u>	<u>(1,630)</u>	<u>(1,049)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	581	-	(581)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>581</u>	<u>-</u>	<u>(581)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(1,630)</u>	<u>(1,630)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,630)</u>	<u>\$ (1,630)</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (1,630)	
Adjustment to revenue for accruals and other deferrals			1,630	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**PRESCHOOL INITIATIVE SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Statement A-12

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	41,999	29,347	(12,652)
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>41,999</u>	<u>29,347</u>	<u>(12,652)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	42,000	41,999	1
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>42,000</u>	<u>41,999</u>	<u>1</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(1)</u>	<u>(12,652)</u>	<u>(12,651)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	1	-	(1)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>1</u>	<u>-</u>	<u>(1)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(12,652)</u>	<u>(12,652)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,652)</u>	<u>\$ (12,652)</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 12,652	
Adjustment to revenue for accruals and other deferrals			(12,652)	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
21st CENTURY COMMUNITY LEARNING CENTERS SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008

Statement A-13

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	138,881	131,061	108,335	(22,726)
Interest	-	-	-	-
<i>Total revenues</i>	<u>138,881</u>	<u>131,061</u>	<u>108,335</u>	<u>(22,726)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	107,892	103,716	86,763	16,953
Support Services				
Students	2,397	2,397	2,377	20
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	8,838	5,113	3,725
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	26,110	26,110	5,752	20,358
Capital outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>136,399</u>	<u>141,061</u>	<u>100,005</u>	<u>41,056</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>2,482</u>	<u>(10,000)</u>	<u>8,330</u>	<u>18,330</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	(2,482)	10,000	-	(10,000)
<i>Total other financing sources (uses)</i>	<u>(2,482)</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>8,330</u>	<u>8,330</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,330</u>	<u>\$ 8,330</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 8,330	
Adjustment to revenue for accruals and other deferrals			57,603	
Adjustment to expenditures for payables, prepaids and other accruals			(65,933)	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**RURAL EDUCATION ACHIEVEMENT PROGRAM SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Statement A-14

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	21,100	16,981	4,119
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>21,100</u>	<u>16,981</u>	<u>4,119</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(21,100)</u>	<u>(16,981)</u>	<u>4,119</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	21,100	-	(21,100)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>21,100</u>	<u>-</u>	<u>(21,100)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(16,981)</u>	<u>(16,981)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (16,981)</u>	<u>\$ (16,981)</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (16,981)	
Adjustment to revenue for accruals and other deferrals			16,981	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**TECHNOLOGY FOR EDUCATION SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Statement A-15

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	4,500	13,902	9,402
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>4,500</u>	<u>13,902</u>	<u>9,402</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	4,500	4,461	39
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>4,500</u>	<u>4,461</u>	<u>39</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>9,441</u>	<u>9,441</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>9,441</u>	<u>9,441</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,441</u>	<u>\$ 9,441</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 9,441	
Adjustment to revenue for accruals and other deferrals			(9,441)	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**TANF FULL DAY KINDERGARTEN SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Statement A-16

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>500</u>	<u>500</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 500</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ -	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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



**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**INCENTIVES FOR SCHOOL IMPROVEMENT SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Statement A-17

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>156</u>	<u>156</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 156</u>	<u>\$ 156</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ -	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			(156)	
Net change in fund balance (GAAP basis)			<u>\$ (156)</u>	

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

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**LEGISLATIVE APPROPRIATIONS LAWS OF 2005 SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Statement A-18

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	771	771
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 771	\$ 771
Net change in fund balance (Non-GAAP Budgetary basis)			\$ -	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			\$ -	

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

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**GO LIBRARY BONDS- LAWS OF 2004 SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Statement A-19

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>129</u>	<u>129</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 129</u>	<u>\$ 129</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ -	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			(129)	
Net change in fund balance (GAAP basis)			<u>\$ (129)</u>	

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

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**SCHOOL IMPROVEMENT FRAMEWORK SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Statement A-20

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	-	-	-
Federal sources	-	-	1,000	1,000
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 1,000	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ 1,000</u>	

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

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**LEGISLATIVE APPROPRIATION 2006 SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Statement A-21

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	-	-	-
Federal sources	-	10,909	-	(10,909)
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>10,909</u>	<u>-</u>	<u>(10,909)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	10,909	10,909	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>10,909</u>	<u>10,909</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(10,909)</u>	<u>(10,909)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(10,909)</u>	<u>(10,909)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,909)</u>	<u>\$ (10,909)</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (10,909)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			10,909	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**CYFD PRE-SCHOOL SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Statement A-22

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	-	17,150	17,150
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>17,150</u>	<u>17,150</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>17,150</u>	<u>17,150</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>17,150</u>	<u>17,150</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,150</u>	<u>\$ 17,150</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 17,150	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ 17,150</u>	

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

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**ENMR SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Statement A-23

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>11</u>	<u>11</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 11</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ -	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**McCUNE FOUNDATION SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Statement A-24

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>33</u>	<u>33</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33</u>	<u>\$ 33</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ -	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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



**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**

Statement A-25

MICROSOFT SETTLEMENT FUND SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ 18,364	13,348	\$ (5,016)
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>18,364</u>	<u>13,348</u>	<u>(5,016)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	18,364	14,563	3,801
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>18,364</u>	<u>14,563</u>	<u>3,801</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,215)</u>	<u>(1,215)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(1,215)</u>	<u>(1,215)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>139,654</u>	<u>139,654</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 138,439</u>	<u>\$ 138,439</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (1,215)	
Adjustment to revenue for accruals and other deferrals			1,215	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**

Statement A-26

BEGINNING TEACHER MENTORING SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	-	-	-
Federal sources	-	3,716	3,716	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>3,716</u>	<u>3,716</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	3,716	3,560	156
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	0	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>3,716</u>	<u>3,560</u>	<u>156</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>156</u>	<u>156</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>156</u>	<u>156</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>139,654</u>	<u>139,654</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139,810</u>	<u>\$ 139,810</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 156	
Adjustment to revenue for accruals and other deferrals			(156)	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**

Statement A-27

PRE-KINTERGARTEN SPECIAL STATE SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	1,440	-	(1,440)
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>1,440</u>	<u>-</u>	<u>(1,440)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	1,440	1,440	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>1,440</u>	<u>1,440</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,440)</u>	<u>(1,440)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(1,440)</u>	<u>(1,440)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>139,654</u>	<u>139,654</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 138,214</u>	<u>\$ 138,214</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (1,440)	
Adjustment to revenue for accruals and other deferrals			1,440	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**

Statement A-28

LIBRARIES SB 301 GO BONDS-2006 SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	9,362	-	(9,362)
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>9,362</u>	<u>-</u>	<u>(9,362)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	9,361	9,362	(1)
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>9,361</u>	<u>9,362</u>	<u>(1)</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>1</u>	<u>(9,362)</u>	<u>(9,363)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	(1)	-	1
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>1</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(9,362)</u>	<u>(9,362)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>139,654</u>	<u>139,654</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,292</u>	<u>\$ 130,292</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (9,362)	
Adjustment to revenue for accruals and other deferrals			9,362	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**TEACHER/PRINCIPAL TRAINING & RECRUITING SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Statement A-29

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	3,500	-	20,027	20,027
Interest	-	-	-	-
<i>Total revenues</i>	<u>3,500</u>	<u>-</u>	<u>20,027</u>	<u>20,027</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	3,500	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>20,027</u>	<u>20,027</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>20,027</u>	<u>20,027</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,027</u>	<u>\$ 20,027</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 20,027	
Adjustment to revenue for accruals and other deferrals			(20,027)	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**BOND BUILDING CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Statement A-30

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	9,091	9,091
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>9,091</u>	<u>9,091</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	29,322	29,333	(11)
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>29,322</u>	<u>29,333</u>	<u>(11)</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(29,322)</u>	<u>(20,242)</u>	<u>9,080</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	29,322	-	(29,322)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>29,322</u>	<u>-</u>	<u>(29,322)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(20,242)</u>	<u>(20,242)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>139,654</u>	<u>139,654</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 119,412</u>	<u>\$ 119,412</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (20,242)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ (20,242)</u>	

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

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**PUBLIC SCHOOLS CAPITAL OUTLAY CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Statement A-31

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	135,433	136,680	1,247
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>135,433</u>	<u>136,680</u>	<u>1,247</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	135,433	108,438	26,995
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>135,433</u>	<u>108,438</u>	<u>26,995</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>28,242</u>	<u>28,242</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>28,242</u>	<u>28,242</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,242</u>	<u>\$ 28,242</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 28,242	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ 28,242</u>	

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

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**SPECIAL CAPITAL OUTLAY STATE CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Statement A-32

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	25,000	41,846	40,475	(1,371)
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>25,000</u>	<u>41,846</u>	<u>40,475</u>	<u>(1,371)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	25,000	41,846	25,000	16,846
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>25,000</u>	<u>41,846</u>	<u>25,000</u>	<u>16,846</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>15,475</u>	<u>15,475</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>15,475</u>	<u>15,475</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>16,847</u>	<u>16,847</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,322</u>	<u>\$ 32,322</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 15,475	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ 15,475</u>	

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



**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Statement A-33

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ 70,153	\$ 70,153	82,393	\$ 12,240
State sources	-	7,090	9,827	2,737
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>70,153</u>	<u>77,243</u>	<u>92,220</u>	<u>14,977</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	550	550	826	(276)
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	163,930	171,020	91,751	79,269
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>164,480</u>	<u>171,570</u>	<u>92,577</u>	<u>78,993</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(94,327)</u>	<u>(94,327)</u>	<u>(357)</u>	<u>93,970</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	94,327	94,327	-	(94,327)
<i>Total other financing sources (uses)</i>	<u>94,327</u>	<u>94,327</u>	<u>-</u>	<u>(94,327)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(357)</u>	<u>(357)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>168,617</u>	<u>168,617</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 168,260</u>	<u>\$ 168,260</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (357)	
Adjustment to revenue for accruals and other deferrals			2,273	
Adjustment to expenditures for payables, prepaids and other accruals			39,900	
Net change in fund balance (GAAP basis)			<u>\$ 41,816</u>	

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

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**PUBLIC SCHOOL CAPITAL OUTLAY-20% CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Statement A-34

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>589</u>	<u>589</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 589</u>	<u>\$ 589</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ -	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**DEBT SERVICE FUND**

Statement A-35

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ 167,332	\$ 167,332	\$ 174,719	\$ 7,387
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	4,131	4,131
<i>Total revenues</i>	167,332	167,332	178,850	11,518
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	1,525	1,525	1,542	(17)
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	135,000	135,000	135,000	-
Interest	29,832	29,832	29,832	-
<i>Total expenditures</i>	166,357	166,357	166,374	(17)
<i>Excess (deficiency) of revenues over (under) expenditures</i>	975	975	12,476	11,501
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	(975)	(975)	-	975
<i>Total other financing sources (uses)</i>	(975)	(975)	-	975
<i>Net change in fund balances</i>	-	-	12,476	12,476
<i>Fund balances - beginning of year</i>	-	-	172,904	172,904
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 185,380	\$ 185,380
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 12,476	
Adjustment to revenue for accruals and other deferrals			(619)	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			\$ 11,857	

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

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**FIDUCIARY FUNDS**

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**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**

**FIDUCIARY FUNDS**

Agency Funds

**Agency Funds** – To account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Logan Municipal Schools has the following funds classified as Agency Funds:

**Activity** – To account for assets held by the District until distributed to various organizations at the schools.

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**AGENCY FUNDS**

Statement B  
Page 1 of 2

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
For the Year Ended June 30, 2008

	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008
<b>ASSETS</b>				
6th Grade, Class of 2014	\$	\$ 96	\$	\$ 96
1st Grade, Class of 2019	11	13	-	24
2nd Grade, Class of 2018	100	-	-	100
3rd Grade, Class of 2017	29	13	-	42
4th Grade, Class of 2016	100	-	-	100
5th Grade, Class of 2015	87	1,098	985	200
6th Grade, Class of 2014	113	58	171	-
7th Grade, Class of 2013	312	241	-	553
8th Grade, Class of 2012	241	61	-	302
10th Grade, Class of 2010	1,826	1,792	1,202	2,416
11th Grade, Class of 2009	2,460	10,486	8,096	4,850
12th Grade, Class of 2008	4,990	974	5,964	-
Class of 2007	97	-	97	-
Class of 2006	45	-	45	-
Class of 2005	-	-	-	-
Resource Room	46	-	46	-
Resource Room - Elementary	49	-	49	-
9th Grade, Class of 2011	218	3,180	1,330	2,068
Athletics	-	1,291	62	1,229
Baseball	-	2,325	289	2,036
Boys Basketball	2,106	3,920	4,644	1,382
Girls Basketball	1,015	1,826	2,676	165
Football	-	-	-	-
JH Cheerleaders	159	155	314	-
Varsity Cheerleaders	179	607	-	786
Volleyball	-	-	-	-
Athletic Wear	-	-	-	-
Cafeteria Workshop	1,127	9,234	7,908	2,453
Drug Free	58	-	-	58
Building Fund	2,000	-	2,000	-
FCCLA	669	1,177	1,286	560
FFA	1,941	29,178	29,101	2,018
Honor Society	492	-	58	434
Horticulture	2,585	-	75	2,510
Hospitality/Staff	28	-	28	-
Irlen	61	-	-	61



**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**AGENCY FUNDS**

Statement B  
Page 2 of 2

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
For the Year Ended June 30, 2008

	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008
Library	902	2,527	2,576	853
Lil' Dogies	587	1,120	813	894
Miscellaneous	5,179	9,496	7,021	7,654
Music	1,812	2,212	3,617	407
NMPSIA Clearing Account	66,350	422,813	489,163	-
Student Council	496	1,681	1,237	940
Summer Work Program	-	2,885	2,448	437
Super Computers	4,678	-	1,829	2,849
Yearbook	3,160	10,597	11,243	2,514
Fifty Plus Club	386	-	137	249
District II FFA	-	-	-	-
FFA Livestock	12	-	12	-
Booster Club	161	-	161	-
SHREC	1,181	908	1,287	802
Burns Family Foundation	28,512	15,000	27,068	16,444
Scholarship Fund	507	1,210	1,670	47
June May Scholarship Fund		2,550.00	325.00	2,225
Total Assets	\$ 137,067	\$ 540,724	\$ 617,033	\$ 60,758
 <b>LIABILITIES</b>				
Deposits held for others	137,067	540,724	617,033	60,758
Total Liabilities	\$ 137,067	\$ 540,724	\$ 617,033	\$ 60,758

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**SUPPORTING SCHEDULES**

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**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY**  
June 30, 2008

Schedule I

Name of Depository	Description of Pledged Collateral	Fair Par/Market Value June 30, 2008	Name and Location of Safekeeper
First National Bank of NM	FNMA ARM 654324 31390R4H3 6.85% 10/1/2032	\$ 12,388	Federal Home Loan Bank of Dallas Irving, TX
First National Bank of NM	FNMA ARM 670702 31391MDF7 6.501% 11/1/2032	19,399	Federal Home Loan Bank of Dallas Irving, TX
First National Bank of NM	Espanola N Mex Pub Sch Dist 45 296628BK5 3.375% 7/1/2012	25,000	Federal Home Loan Bank of Dallas Irving, TX
First National Bank of NM	Dulce NM Indpt Sch Dist No 21 264430GQ6 4.0% 6/1/2014	50,000	Federal Home Loan Bank of Dallas Irving, TX
First National Bank of NM	Eastern NM University Revs 27678NAK9 3.45% 8/15/2011	25,000	Federal Home Loan Bank of Dallas Irving, TX
First National Bank of NM	Eastern NM University Revs 276785UA8 5.0% 4/1/2014	25,000	Federal Home Loan Bank of Dallas Irving, TX
First National Bank of NM	Eastern NM University Revs 276785UA8 5.0% 4/1/2014	25,000	Federal Home Loan Bank of Dallas Irving, TX
First National Bank of NM	FHLB Fixed Rate Note 3133XPCF99 5.2% 12/10/2019	49,945	Federal Home Loan Bank of Dallas Irving, TX
First National Bank of NM	FHLB Fixed Rate Note 3133XPCF99 5.2% 12/10/2019	49,945	Federal Home Loan Bank of Dallas Irving, TX
First National Bank of NM	FHLB Fixed Rate Note 3133XPCF99 5.2% 12/10/2019	149,834	Federal Home Loan Bank of Dallas Irving, TX
First National Bank of NM	FHLB Fixed Rate Note 3133XDTA9 4.75% 12/10/2010	<u>138,682</u>	Federal Home Loan Bank of Dallas Irving, TX
	Total Collateral Pledged	<u>\$ 570,192</u>	

The accompanying notes are an integral part of these financial statements

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**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS**  
June 30, 2008

Schedule II

Deposit or Investment Account Type	First National Bank of NM	NM State Treasurer	Total
Operational Checking	\$ 626,952	\$ 5,149	\$ 632,101
Constuction Checking	224,488	-	224,488
Activities Checking	60,758	-	60,758
	<hr/>	<hr/>	<hr/>
Total On Deposit	912,198	5,149	917,347
Reconciling Items	(139,440)	-	(139,440)
Reconciled Balance June 30, 2008	\$ <u>772,758</u>	\$ <u>5,149</u>	\$ <u>777,907</u>

Reconciliation to financial statements:

Cash and cash equivalents:

Total cash and cash equivalents per Statement of Net Assets	\$ 717,149
Total cash and cash equivalents per Fiduciary Statement of Assets and Liabilities	<u>60,758</u>
	<u>\$ 777,907</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**

Logan Municipal Schools

Cash Reconciliation

June 30, 2008

	<u>Operational Account</u>	<u>Transportation Account</u>	<u>Instructional Materials Account</u>	<u>Food Services Account</u>
Cash per June 30, 2007 audit report	\$ 95,823	\$ 6,948	\$ 1,624	\$ 12,096
Add:				
2007-08 revenues	2,600,733	250,243	29,729	122,440
Loans from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash available	2,696,556	257,191	31,353	134,536
Less:				
2007-08 expenditures	(2,503,825)	(249,224)	(22,709)	(124,507)
Receivables/Payables	79,098	(7,966)	3	(60)
Loans (to) from other funds	<u>(23)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash June 30, 2008	<u><u>\$ 271,806</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 8,647</u></u>	<u><u>\$ 9,969</u></u>
Bank balance end of year	\$ 408,305	\$ 1	\$ 8,647	\$ 9,969
Deposits in transit	-	-	-	-
Outstanding checks	(132,161)	-	-	-
Held checks	-	-	-	-
Adjustments	<u>(4,338)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash June 30, 2008	<u><u>\$ 271,806</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 8,647</u></u>	<u><u>\$ 9,969</u></u>

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



<u>Athletics Account</u>	<u>Activities Account</u>	<u>Federal Projects</u>	<u>Local/State Account</u>	<u>Bond Building</u>	<u>Public Schools Capital Outlay</u>
\$ 6,054	\$ 137,065	\$ (112,881)	\$ (10,118)	\$ 10,225	\$ 129,816
11,905	540,726	268,366	70,158	9,091	136,680
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
17,959	677,791	155,485	60,040	19,316	266,496
(17,952)	(617,033)	(249,516)	(96,770)	(29,333)	(108,438)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>(53,299)</u>	<u>21,681</u>	<u>49,816</u>	<u>(158,058)</u>
<u>\$ 7</u>	<u>\$ 60,758</u>	<u>\$ (147,330)</u>	<u>\$ (15,049)</u>	<u>\$ 39,799</u>	<u>\$ -</u>
\$ 7	\$ 63,699	\$ (147,330)	\$ (15,049)	\$ 39,799	\$ -
-	-	-	-	-	-
-	(2,941)	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 7</u>	<u>\$ 60,758</u>	<u>\$ (147,330)</u>	<u>\$ (15,049)</u>	<u>\$ 39,799</u>	<u>\$ -</u>

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**STATE OF NEW MEXICO**  
 Logan Municipal Schools  
 Cash Reconciliation  
 6/30/2008

Schedule III  
 (Page 2 of 2)

	Special Capital Outlay State	Cap Improve SB 9	Public Schools Cap Out 20%	Debt Service Fund	Total
Cash per June 30, 2007 audit report	\$ 16,847	\$ 226,353	\$ -	\$ 169,446	\$ 689,298
Add:					
2007-08 revenues	40,475	92,220	-	174,719	4,347,485
Loans from other funds	-	-	-	-	-
Total cash available	57,322	318,573	-	344,165	5,036,783
Less:					
2007-08 expenditures	(25,000)	(92,577)	-	(166,374)	(4,303,258)
Receivables/Payables	-	-	-	-	71,075
Loans (to) from other funds	-	113,190	-	-	(26,693)
Cash June 30, 2008	\$ 32,322	\$ 339,186	\$ -	\$ 177,791	\$ 777,907
Bank balance end of year	\$ 32,322	\$ 339,186	\$ -	\$ 177,791	\$ 917,347
Deposits in transit	-	-	-	-	-
Outstanding checks	-	-	-	-	(135,102)
Held checks	-	-	-	-	-
Adjustments	-	-	-	-	(4,338)
Cash June 30, 2008	\$ 32,322	\$ 339,186	\$ -	\$ 177,791	\$ 777,907

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

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**COMPLIANCE SECTION**

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**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***

Hector H. Balderas  
New Mexico State Auditor  
The Office of Management and Budget and  
The Governing Board  
Logan Municipal Schools  
Logan, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information and the budgetary comparison statement of the General fund activities of Logan Municipal Schools, as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents and have issued our report thereon dated August 28, 2008. We also have audited the financial statements of each of the District's nonmajor governmental funds and the budgetary comparisons for the Public Schools Capital Outlay, Capital Improvements SB-9, Debt Service Fund and the remaining nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements and the budgetary comparison statements as of and for the year ended June 30, 2008 as listed in the table of contents. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the agency's internal control.

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

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

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Logan Municipal Schools' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and responses as FS-08-01 and FS-08-03.

We noted certain matters that are required to be reported under *Government Auditing Standards* paragraph 5.14 and 5.16, and section 12-6-5 NMSA 1978, which is described in the accompanying schedule of findings and responses as finding FS 08-02.

Logan Municipal Schools' responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit Logan Municipal Schools' responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the audit committee, management, others within the organization, the Office of the State Auditor, NM Public Education Department, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Precision Accounting LLC*  
Albuquerque, New Mexico  
August 28, 2008

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**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**OTHER DISCLOSURES**  
Year Ended June 30, 2008

**A. FINDINGS AND RESPONSES-FINANCIAL STATEMENT AUDIT**

**FS-08-01 Payroll Prior To Services Rendered**

CONDITION: During our review of payroll disbursements, we noted that the District is preparing payroll checks (or direct deposits) prior to the end of the payroll period resulting in payment for services not yet received. This involved all payrolls for the fiscal year. In addition, we found some errors in the calculation of compensated time resulting in the payment for services not rendered. The net error amount is unknown.

CRITERIA: NMSA 1978 Compilation Section 13-1-158 states that no payment for services can be made until the services have been received.

CAUSE OF CONDITION: The District has been processing payroll on the 7<sup>th</sup> of the month covering the pay period from the first till the fifteenth and processing payroll on the 21<sup>st</sup> of the month covering the pay period from the sixteenth to the end of the month. There was also no internal verification of the compensated time being paid.

EFFECT OF CONDITION: The District has paid for services prior to the services being rendered.

RECOMMENDATION: The District should change its paydays to fall after the services have been rendered. We further recommend that internal controls be established to verify the calculation of comp time paid.

COSTS AND BENEFITS OF RECOMMENDED ACTION: No cost associated with the recommended action. However, the District would be in compliance with state law and would correctly pay comp time to employees.

CLIENT RESPONSE: For fiscal year 2008-09 Logan Municipal Schools will address the problem of paying payroll in advance and take corrective action. In addition, we will put internal controls over comp time calculations and payments.

**FS-08-02 Insurance withholding for employees**

CONDITION: During our review of payroll, we noted that one out of twenty employee files tested revealed that the insurance withholding was being withheld at an incorrect rate. The error was approximately \$16 per payday.

CRITERIA: NMAC 6.20.2.18 states that the district will establish written payroll polices and procedures which comply with state and federal regulations for payroll as well as maintaining strict internal controls and financial accounting.

CAUSE OF CONDITION: Insurance withholding is calculated depending upon the salary range of the employee. However, it appears that salary amounts, and thus ranges, have changed while the insurance withholding rate has not.

EFFECT OF CONDITION: One employee out of twenty was being under withheld for insurance withholdings in the amount of \$261 per year.

RECOMMENDATION: We recommend that Logan Municipal Schools implement a preventive control process to review the insurance premiums withheld at least annually or each time a contract is amended.

COSTS AND BENEFITS OF RECOMMENDED ACTION: The benefit of the recommended action is that insurance premiums will be withheld at the correct amount with the district and the employee each paying the correct amount.

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**OTHER DISCLOSURES**  
Year Ended June 30, 2008

CLIENT RESPONSE: The Logan Municipal School District has immediately implemented internal controls to prevent the under withholding of insurance premiums in the future.

**FS-08-03 Principal's Activity Fund**

CONDITION: During our test work on activity funds, we noticed that there was a fund set-up entitled "Principal's Snack Fund". Upon investigation it was determined that this fund has operational revenue in the fund. Also there were expenditures totaling \$949 made out of this fund which are not proper expenditures of public monies.

CRITERIA: The recording of revenue and expenditure of operational funds as activity funds violates NMAC 6.20.2.23 and generally accepted accounting principles.

CAUSE OF CONDITION: Operational funds were being treated as activity funds erroneously.

EFFECT OF CONDITION: The District classified operational funds as activity funds resulting in the funds not being available to the entire district. The District is in violation of NMSA 6.20.2.23, the New Mexico Constitution and good accounting principles.

RECOMMENDATION: We recommend that the funds in this activity fund be recorded as operational revenue and that expenditures be subject to normal expenditure control of public funds by the District.

COSTS AND BENEFITS OF RECOMMENDED ACTION: There would be no additional costs to the District and operational funds would be controlled by the normal operating policies and procedures of the District.

CLIENT RESPONSE: The District will close out this activity fund and transfer the balance to operational funds immediately. Future revenue from the sources in this fund will be deposited into the operational fund.

**B. PRIOR YEAR AUDIT FINDINGS**

FS 07-01 Mileage and Per Diem

Resolved

FS 07-02 Activity Fund Disbursements

Resolved

FS 07-03 Payroll Classified as Contract Services

Resolved

FS 07-04 Activity Fund Receipts

Resolved

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**OTHER DISCLOSURES**  
Year Ended June 30, 2008

**A. AUDITOR PREPARED FINANCIAL STATEMENTS**

Management is responsible for the content of the report and financial statements. It would be preferred and desirable for the District to prepare its own GAAP-basis financial statements, although the District is capable, with guidance, of preparing, reviewing and approving the financial statements, it is felt that the District's personnel do 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.

**B. EXIT CONFERENCE**

The contents of this report were discussed on August 28, 2008. The following individuals were in attendance.

Logan Municipal Schools  
Cinda Barber, Board Member  
Doug Hulce, Superintendent  
Pat Copeland, Business Manager  
Dannell Earle, Food Services

Precision Accounting LLC  
Melissa R. Santistevan, CPA  
C. Jack Emmons, CPA, CFE