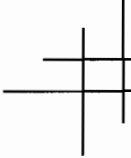




**STATE OF NEW MEXICO
VILLAGE OF DORA**

ANNUAL FINANCIAL REPORT
June 30, 2008

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



STATE OF NEW MEXICO
VILLAGE OF DORA
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 For the Year Ended June 30, 2008

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STATE OF NEW MEXICO
VILLAGE OF DORA
Official Roster
June 30, 2008

BOARD OF TRUSTEES

Mickey Burkett	Mayor
Jack Manis	Trustee
Lewis Walker	Trustee
Bill Cathey	Trustee
Jessie Edmonds	Trustee

ADMINISTRATIVE OFFICIAL

Becky Frazee	Clerk/Treasurer
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Independent Auditor's Report

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the Village of Dora

Mr. Balderas and Members of the Board

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Dora, (Village), as of and for the year ended June 30, 2008, which collectively comprise the Village's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Village's nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village as of June 30, 2008, and the respective changes in financial position, and cash flows where applicable, thereof and the respective budgetary comparisons for the general fund and the major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the Village as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for all the nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2009, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing, of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

De'Aun Willoughby CPA PC

June 30, 2009

FINANCIAL SECTION

STATE OF NEW MEXICO
VILLAGE OF DORA
 Government-wide Statement of Net Assets
 June 30, 2008

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 269,777	\$ 82,839	\$ 352,616
Investments	170,000	0	170,000
Taxes Receivable	2,282	0	2,282
Accounts Receivable	0	1,090	1,090
Total Current Assets	<u>442,059</u>	<u>83,929</u>	<u>525,988</u>
Noncurrent Assets			
Restricted Cash	0	374	374
Capital Assets	1,598,207	826,055	2,424,262
Less: Accumulated Depreciation	(717,892)	(274,800)	(992,692)
Total Noncurrent Assets	<u>880,315</u>	<u>551,629</u>	<u>1,431,944</u>
Total Assets	<u>1,322,374</u>	<u>635,558</u>	<u>1,957,932</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	10,564	1,741	12,305
Current Portion of Long Term Debt	11,613	0	11,613
Total Current Liabilities	<u>22,177</u>	<u>1,741</u>	<u>23,918</u>
Noncurrent Liabilities			
Customer Deposits	0	374	374
Non Current Portion of Long Term Debt	94,747	0	94,747
Total Noncurrent Liabilities	<u>94,747</u>	<u>374</u>	<u>95,121</u>
Total Liabilities	<u>116,924</u>	<u>2,115</u>	<u>119,039</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	773,955	551,629	1,325,584
Unrestricted	431,495	81,814	513,309
Total Net Assets	<u>\$ 1,205,450</u>	<u>\$ 633,443</u>	<u>\$ 1,838,893</u>

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

STATE OF NEW MEXICO
VILLAGE OF DORA
 Government-wide Statement of Activities
 For the Year Ended June 30, 2008

Functions/Programs	Program Revenues				Net(Expenses) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	\$ 62,544	\$ 0	\$ 35,000	\$ 0	\$ (27,544)	\$ 0	\$ (27,544)
Public Safety	139,790	19,702	125,831	0	5,743	0	5,743
Culture & Recreation	31,697	0	9,456	0	(22,241)	0	(22,241)
Interest on Long-Term Obligations	4,192	0	0	0	(4,192)	0	(4,192)
Total Governmental Activities	\$ 238,223	\$ 19,702	\$ 170,287	\$ 0	\$ (48,234)	\$ 0	\$ (48,234)
Business-type Activities							
Utilities	\$ 47,702	\$ 24,080	\$ 0	\$ 0	\$ 0	\$ (23,622)	\$ (23,622)
Total Business-type Activities	\$ 47,702	\$ 24,080	\$ 0	\$ 0	\$ 0	\$ (23,622)	\$ (23,622)
General Revenues							
Taxes							
Property					\$ 899	\$ 0	\$ 899
Gross Receipts					20,610	0	20,610
Cigarette					205	0	205
Gasoline					4,873	0	4,873
Miscellaneous					5,023	3,426	8,449
Interest Income					17,881	0	17,881
Total General Revenues and Transfers					49,491	3,426	52,917
Change in Net Assets					1,257	(20,196)	(18,939)
Net Assets - beginning					1,204,193	653,639	1,857,832
Net Assets - ending					\$ 1,205,450	\$ 633,443	\$ 1,838,893

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

STATE OF NEW MEXICO
VILLAGE OF DORA
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2008

	General Fund	Fire Fund	EMS & Ambulance Fund
ASSETS			
Cash and Cash Equivalents	\$ 195,489	\$ 15,939	\$ 12,694
Investments	170,000	0	0
Receivables			
Taxes	1,865	0	0
Interfund Balance	60,000	0	0
Total Assets	<u>\$ 427,354</u>	<u>\$ 15,939</u>	<u>\$ 12,694</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Current Liabilities			
Interfund Balance	\$ 0	\$ 60,000	\$ 0
Accounts Payable	5,956	3,888	280
Total Liabilities	<u>5,956</u>	<u>63,888</u>	<u>280</u>
Fund Balances			
Unreserved Reported In:			
General Fund	421,398	0	0
Special Revenue Fund	0	(47,949)	12,414
Total Fund Balances	<u>421,398</u>	<u>(47,949)</u>	<u>12,414</u>
Total Liabilities and Fund Balances	<u>\$ 427,354</u>	<u>\$ 15,939</u>	<u>\$ 12,694</u>

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

STATE OF NEW MEXICO
VILLAGE OF DORA
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2008

	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS		
Cash and Cash Equivalents	\$ 45,655	\$ 269,777
Investments	0	170,000
Receivables		
Taxes	417	2,282
Interfund Balance	0	60,000
Total Assets	<u>\$ 46,072</u>	<u>\$ 502,059</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Current Liabilities		
Interfund Balance	\$ 0	\$ 60,000
Accounts Payable	440	10,564
Total Liabilities	<u>440</u>	<u>70,564</u>
 Fund Balances		
Unreserved Reported In:		
General Fund	0	421,398
Special Revenue Fund	45,632	10,097
Total Fund Balances	<u>45,632</u>	<u>431,495</u>
 Total Liabilities and Fund Balances	 <u>\$ 46,072</u>	 <u>\$ 502,059</u>

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

STATE OF NEW MEXICO
VILLAGE OF DORA
 Reconciliation of the Governmental Funds
 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:

Total Fund Balance - Governmental Funds	\$	431,495
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Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

The cost of capital assets	\$	1,598,207	
Accumulated depreciation is		<u>(717,892)</u>	880,315

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

Notes Payable	<u>(106,360)</u>
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Total net assets - governmental activities	\$	<u><u>1,205,450</u></u>
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The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF DORA
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2008

	General Fund	Fire Fund	EMS & Ambulance Fund
Revenues			
Taxes			
Property	\$ 899	\$ 0	\$ 0
Gross Receipts	20,610	0	0
Cigarette	26	0	0
Gasoline	0	0	0
Federal Grants	0	0	0
State & Local Grants	35,000	113,797	12,034
Licenses, Fees, & Fines	439	0	19,263
Interest Income	15,203	893	159
Miscellaneous	4,855	0	153
Total Revenues	<u>77,032</u>	<u>114,690</u>	<u>31,609</u>
Expenditures			
Current			
General	59,250	0	0
Public Safety	6,780	52,381	19,503
Culture & Recreation	7,563	0	0
Capital Outlay	0	129,000	0
Debt Service			
Principal	0	18,215	0
Interest	0	4,192	0
Total Expenditures	<u>73,593</u>	<u>203,788</u>	<u>19,503</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,439</u>	<u>(89,098)</u>	<u>12,106</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	<u>(12,500)</u>	<u>10,000</u>	<u>0</u>
Total Other Sources (Uses)	<u>(12,500)</u>	<u>10,000</u>	<u>0</u>
Net Change in Fund Balance	(9,061)	(79,098)	12,106
Fund Balance at Beginning of year	<u>430,459</u>	<u>31,149</u>	<u>308</u>
Fund Balance End of Year	<u>\$ 421,398</u>	<u>\$ (47,949)</u>	<u>\$ 12,414</u>

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

STATE OF NEW MEXICO
VILLAGE OF DORA
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2008

	Non-Major Governmental Funds	Total Governmental Funds
Revenues		
Taxes		
Property	\$ 0	\$ 899
Gross Receipts	0	20,610
Cigarette	179	205
Gasoline	4,873	4,873
Federal Grants	1,960	1,960
State & Local Grants	7,496	168,327
Licenses, Fees, & Fines	0	19,702
Interest Income	1,626	17,881
Miscellaneous	15	5,023
Total Revenues	<u>16,149</u>	<u>239,480</u>
Expenditures		
Current		
General	0	59,250
Public Safety	0	78,664
Culture & Recreation	12,723	20,286
Capital Outlay	0	129,000
Debt Service		
Principal	0	18,215
Interest	0	4,192
Total Expenditures	<u>12,723</u>	<u>309,607</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,426</u>	<u>(70,127)</u>
Other Financing Sources (Uses)		
Transfers In/(Out)	2,500	0
Total Other Sources (Uses)	<u>2,500</u>	<u>0</u>
Net Change in Fund Balance	5,926	(70,127)
Fund Balance at Beginning of year	<u>39,706</u>	<u>501,622</u>
Fund Balance End of Year	<u>\$ 45,632</u>	<u>\$ 431,495</u>

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

STATE OF NEW MEXICO
VILLAGE OF DORA
 Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balance
 To the Statement of Activities
 June 30, 2008

Net Change in Fund Balance \$ (70,127)

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

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

Depreciation expense	\$	(75,831)	
Capital Outlays		<u>129,000</u>	53,169

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

18,215

Changes in Net Assets of Governmental Activities \$ 1,257

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

STATE OF NEW MEXICO
VILLAGE OF DORA
GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Taxes				
Gross Receipts	\$ 17,500	\$ 17,500	\$ 21,056	\$ 3,556
Property	859	859	899	40
Cigarette	0	0	27	27
Licenses, Fines, & Forfeitures	368	368	415	47
Small Cities Assistance	35,000	35,000	35,000	0
Interest Income	15,000	15,000	15,203	203
Miscellaneous	300	300	4,855	4,555
Total Revenues	<u>69,027</u>	<u>69,027</u>	<u>77,455</u>	<u>8,428</u>
Expenditures				
Financial Department				
Personnel Services	27,600	27,600	27,091	509
Benefits	10,353	10,353	10,273	80
Operating Expenses				
Attorney	2,855	2,855	105	2,750
Auditor	47,424	4,424	424	4,000
Dues	700	700	425	275
Insurance	6,200	6,200	6,172	28
Maintenance	1,504	1,504	1,270	234
Office	200	200	166	34
Miscellaneous	1,760	1,760	2,727	(967)
Supplies	1,800	1,800	1,797	3
Travel	1,560	1,560	1,430	130
Utilities	4,000	4,000	3,630	370
Total Financial Department	<u>105,956</u>	<u>62,956</u>	<u>55,510</u>	<u>7,446</u>
Election				
Operating Expenses	<u>400</u>	<u>400</u>	<u>385</u>	<u>15</u>
Total Election	<u>400</u>	<u>400</u>	<u>385</u>	<u>15</u>
Public Safety				
Personnel Services	<u>8,500</u>	<u>11,500</u>	<u>6,780</u>	<u>4,720</u>
Total Public Safety	<u>\$ 8,500</u>	<u>\$ 11,500</u>	<u>\$ 6,780</u>	<u>\$ 4,720</u>

STATE OF NEW MEXICO
VILLAGE OF DORA
GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Culture & Recreation				
Community Building				
Maintenance	\$ 1,200	\$ 1,200	\$ 958	\$ 242
Supplies	200	200	41	159
Telephone	2,750	2,750	2,736	14
Small Equipment	1,000	1,000	489	511
Total Community Building	<u>5,150</u>	<u>5,150</u>	<u>4,224</u>	<u>926</u>
Parks				
Maintenance	2,500	2,500	1,947	553
Supplies	100	100	70	30
Utilities	1,600	1,600	1,323	277
Total Parks & Recreation	<u>4,200</u>	<u>4,200</u>	<u>3,340</u>	<u>860</u>
Total Expenditures	<u>124,206</u>	<u>84,206</u>	<u>70,239</u>	<u>13,967</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ <u>(55,179)</u>	\$ <u>(15,179)</u>	\$ <u>7,216</u>	\$ <u>22,395</u>
Other Financing Sources (Uses)				
Loan to Fire Fund	\$ 0	\$ (64,000)	\$ (60,000)	\$ 4,000
Transfers In/(Out)	0	(2,500)	(12,500)	(10,000)
Total Other Sources (Uses)	<u>0</u>	<u>(66,500)</u>	<u>(72,500)</u>	<u>(6,000)</u>
Net Change in Cash Balance	(55,179)	(81,679)	(65,284)	16,395
Cash Balance Beginning of Year	<u>430,773</u>	<u>430,773</u>	<u>430,773</u>	<u>0</u>
Cash Balance End of Year	\$ <u><u>375,594</u></u>	\$ <u><u>349,094</u></u>	\$ <u><u>365,489</u></u>	\$ <u><u>16,395</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 7,216	
Net Change in Taxes Receivables			(422)	
Net Change in Accounts Payables			<u>(3,355)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u><u>3,439</u></u>	

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

STATE OF NEW MEXICO
VILLAGE OF DORA
SPECIAL REVENUE FUND-FIRE FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Fire Allotment	\$ 61,156	\$ 61,156	\$ 65,438	\$ 4,282
State Fire Suppression	8,100	8,100	11,659	3,559
Interest Income	1,000	1,000	893	(107)
City of Portales	30,000	30,000	30,000	0
County Subsidied	6,700	6,700	6,700	0
Total Revenues	<u>106,956</u>	<u>106,956</u>	<u>114,690</u>	<u>7,734</u>
Expenditures				
Public Safety				
Operating				
Auditing	875	875	875	0
Communication	0	0	846	(846)
Equipment Expenses	19,200	19,200	20,322	(1,122)
Insurance	8,000	8,000	8,331	(331)
Maintenance	0	0	1,629	(1,629)
Office	0	0	34	(34)
Supplies	6,036	6,036	5,714	322
Transportation	7,733	7,733	7,183	550
Utilities	16,473	16,473	6,188	10,285
Miscellaneous	0	0	100	(100)
Capital Purchases	124,407	129,000	129,000	0
Lease Purchase				
Principal	4,192	18,215	18,215	0
Interest	4,192	4,192	4,192	0
Total Expenditures	<u>191,108</u>	<u>209,724</u>	<u>202,629</u>	<u>7,095</u>
Excess (Deficiency) of Revenues Over Expenditures	(84,152)	(102,768)	(87,939)	14,829
Other Financing Sources (Uses)				
Loans from Other Funds	0	64,000	60,000	4,000
Transfers In/(Out)	10,000	10,000	10,000	0
Total Other Sources (Uses)	<u>10,000</u>	<u>74,000</u>	<u>70,000</u>	<u>4,000</u>
Net Change in Cash Balance	(74,152)	(28,768)	(17,939)	10,829
Cash Balance Beginning of Year	<u>33,878</u>	<u>33,878</u>	<u>33,878</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (40,274)</u>	<u>\$ 5,110</u>	<u>\$ 15,939</u>	<u>\$ 10,829</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (87,939)	
Net Change in Accounts Payables			(1,159)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (89,098)</u>	

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

STATE OF NEW MEXICO
VILLAGE OF DORA
SPECIAL REVENUE FUND-EMS & AMBULANCE FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State EMS Grant	\$ 9,980	\$ 9,980	\$ 9,834	\$ (146)
State Trauma Grant	0	2,200	2,200	0
Interest Income	0	0	158	158
Charge for Services	18,000	18,000	19,263	1,263
Miscellaneous	2,200	2,200	153	(2,047)
Total Revenues	<u>30,180</u>	<u>32,380</u>	<u>31,608</u>	<u>(772)</u>
Expenditures				
Public Safety				
Operating				
Audit	602	602	620	(18)
Equipment Expense	2,384	2,384	1,521	863
Fees	1,700	1,700	2,316	(616)
Maintenance	1,000	1,000	828	172
Office	1,500	1,500	16	1,484
Per Diem	7,180	7,180	3,008	4,172
Supplies	5,498	7,698	6,811	887
Telephone	1,700	1,700	912	788
Training	1,280	1,280	1,677	(397)
Transportation	1,000	1,000	1,513	(513)
Total Expenditures	<u>23,844</u>	<u>26,044</u>	<u>19,222</u>	<u>6,822</u>
Excess (Deficiency) of Revenues Over Expenditures	6,336	6,336	12,386	6,050
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>308</u>	<u>(308)</u>
Cash Balance End of Year	<u>\$ 6,336</u>	<u>\$ 6,336</u>	<u>\$ 12,694</u>	<u>\$ 5,742</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 12,386	
Net Change in Accounts Payables			<u>(280)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 12,106</u>	

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

STATE OF NEW MEXICO
VILLAGE OF DORA
 PROPRIETARY FUND
 Statement of Net Assets
 June 30, 2008

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 82,839
Receivables (net of allowance for uncollectible accounts)	
Accounts	1,090
Total Current Assets	<u>83,929</u>

Noncurrent Assets

Restricted Cash	374
Capital Assets	826,055
Less Accumulated Depreciation	<u>(274,800)</u>
Total Noncurrent Assets	<u>551,629</u>

Total Assets	<u>635,558</u>
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LIABILITIES

Current Liabilities

Accounts Payable	1,741
Total Current Liabilities	<u>1,741</u>

Noncurrent Liabilities

Customer Deposits	374
Total Noncurrent Liabilities	<u>374</u>

Total Liabilities	<u>2,115</u>
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NET ASSETS

Invested in Capital Assets	551,629
Unrestricted	81,814
Total Net Assets	<u>\$ 633,443</u>

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

STATE OF NEW MEXICO
VILLAGE OF DORA
 PROPRIETARY FUND
 Statement of Revenue, Expenses and Changes in Fund Net Assets
 For the Year Ended June 30, 2008

Operating Revenues	
Sales & Service	\$ 24,080
Miscellaneous	<u>3,426</u>
Total Operating Revenues	<u>27,506</u>
Operating Expenses	
Salaries & Benefits	2,600
Operating	16,628
Contract Services	8,980
Depreciation	<u>19,494</u>
Total Operating Expenses	<u>47,702</u>
Operating Income (Loss)	(20,196)
Total Net Assets - Beginning	<u>653,639</u>
Total Net Assets - Ending	<u>\$ 633,443</u>

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

STATE OF NEW MEXICO
VILLAGE OF DORA
 PROPRIETARY FUND
 Combined Statement of Cash Flows
 For the Year Ended June 30, 2008

Cash Flows from Operating Activities	
Cash Received From Customers	\$ 26,551
Cash Paid to Suppliers and Employees	<u>(28,013)</u>
Net Cash Provided by Operating Activities	<u>(1,462)</u>
Net Increase (Decrease) in Cash	(1,462)
Cash, Beginning of Year	<u>84,301</u>
Cash, End of Year	<u>\$ 82,839</u>
Reconciliation of Net Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ (20,196)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
Depreciation	19,494
Change in Assets and Liabilities	
(Increase) Decrease in Accounts Receivable	(954)
Increase (Decrease) in Accounts Payable	194
Net Cash Provided by Operating Activities	<u>\$ (1,462)</u>

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

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis for State and Local Governments*. Some of the significant changes in the Statement include the following:

- A Management's Discussion and Analysis (MD & A) providing an analysis of the town's overall financial position and results of operations.
- Governmental-Wide Financial Statements prepared using full-accrual accounting for all the town's activities.
- A change in fund financial statements to focus on major funds.

These and other changes are reflected in the accompanying financial statements (including the notes to the financial statements) as of June 30, 2008.

In addition, in June 2001, the GASB issued Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus* - an amendment of GASB Statement No. 21 and No. 34 and Statement No. 38, *Certain Financial Note Disclosures*. These two statements clarify, modify, establish and rescind certain disclosure requirements under GASB No. 34. Both statements are being implemented in conjunction with GASB Statement No. 34. These statements do not have an impact on the results of operations or the financial position of the town.

Financial Reporting Entity

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

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Village is considered a primary government, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the Village may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges and issue bonded debt.

The Village has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected village members are financially accountable. There are no other primary governments with which the Village Board Members are financially accountable. There are no other primary governments with which the Village has a significant relationship.

The accounts of the Village are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

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

Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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

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

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

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

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

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

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

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

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

Measurement Focus and Basis of Accounting

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

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

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

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

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

Budgetary Control

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

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

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

1. Enterprise Funds. Enterprise Funds account for operations carried out and financed like a business operation, usually designated to be self-supporting through fees for services and generating revenues from outside sources. The Village of Dora has two of these funds , including the Water and Sewer Fund as well as the Landfill Fund. Enterprise Funds are budgeted as separate cost centers but as integral parts of the work
2. Internal Service Fund (ISF). An ISF accounts for financing goods or services provided by an organizational unit of the Village to other units of the Village, on a self-liquidating, fee-for-service basis. The Village of Dora does not have an ISF Fund.

Cash and Cash Equivalents

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

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

Investments

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

- (a) bonds or negotiable securities of the United States, the state or any county, municipality or Village which has a taxable valuation of real property for the last preceding year of at least one million dollars (1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding; or
- (b) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government.

(c) in contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with investment.

Prepaid Items

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

Receivables and Payables

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

Capital Assets

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

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Buildings, Improvements and Infrastructure	30-40 Years
Infrastructure	40 Years
Equipment and Vehicles	5-20 Years

Use of Restricted Funds

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

Revenue

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

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

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

Compensated Absences

There are no compensated absences offered to the Village employees.

Net Assets

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

NOTE B: RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS STATEMENTS

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

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

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

Reconciliations are located at the bottom of each budget actual.

NOTE C: CASH AND INVESTMENTS

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

Portales National Bank

<u>Name of Account</u>	<u>Balance Per Bank 06-30-08</u>	<u>Reconciled Balance</u>	<u>Type</u>
Village of Dora CD	\$ 98,735	\$ 98,735	Savings
TOTAL Deposited	98,735	98,735	
Less: FDIC Coverage	(98,735)		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	0		
Over (Under) requirement	\$ 0		

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

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

Wells Fargo Bank

<u>Name of Account</u>	Balance Per Bank 06-30-08	Reconciled Balance	Type
Village of Dora	\$ 18,495	\$ 18,495	Checking
Village of Dora	3,000	3,000	Checking
Village of Dora	15,507	11,804	Checking
TOTAL Deposited	37,002	\$ 33,299	
Less: FDIC Coverage	(33,297)		
Uninsured Amount	3,705		
50% collateral requirement	1,853		
Pledged securities	500,000		
Over (Under) requirement	\$ 498,148		

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

The following securities are pledged at Wells Fargo:

<u>Description</u>	<u>CUSIP #</u>	Par/Market Value	Maturity Date	Location
FNCL	31410SA80	\$ 48,643	05/01/2036	San Francisco, CA
		\$ 48,643		

New Mexico Bank & Trust

<u>Name of Account</u>	Balance Per Bank 06-30-08	Reconciled Balance	Type
Village of Dora CD	\$ 80,000	\$ 80,000	Savings
TOTAL Deposited	80,000	\$ 80,000	
Less: FDIC Coverage	(80,000)		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	0		
Over (Under) requirement	\$ 0		

First Financial Credit Union

<u>Name of Account</u>	Balance Per Bank 06-30-08	Reconciled Balance	Type
Village of Dora CD .55%	\$ 2,851	\$ 2,851	Savings
Village of Dora CD 5.1%	30,207	30,207	Savings
Village of Dora CD 3.27%	50,323	50,323	Savings
TOTAL Deposited	83,381	83,381	
Less: FDIC Coverage	(83,381)		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	0		
Over (Under) requirement	\$ 0		

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

First Community Bank

<u>Name of Account</u>	Balance Per Bank 06-30-08	Reconciled Balance	Type
Village of Dora CD	\$ 57,575	\$ 57,575	Savings
TOTAL Deposited	<u>57,575</u>	<u>57,575</u>	
Less: FDIC Coverage	<u>(57,575)</u>		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	0		
Over (Under) requirement	<u>\$ 0</u>		

Custodial Credit Risk-Deposits

<u>Depository Account</u>	Bank Balance
Insured	\$ 352,988
Collateralized:	
Collateral held by the pledging bank in Village's name	3,705
Uninsured and uncollateralized	0
Total Deposits	<u>\$ 356,693</u>

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2008 none of the Village's bank balance of \$356,693 was exposed to custodial credit risk.

State Treasurer

<u>Name of Account</u>	Balance Per Bank 06-30-08	Reconciled Balance	Type
General	\$ 170,000	\$ 170,000	Saving
TOTAL Deposited	<u>\$ 170,000</u>	<u>\$ 170,000</u>	

The investments with the State Treasurer are valued at fair value based on quoted market prices as of valuation date.

The State Treasurer Local Government Investment Pool is not SEC registered. Section 6-10-10 1, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States government or by its departments or agencies and are either direct obligations of the United States or are backed by the full faith and credit of the United States government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments;

The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at 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 amounts were invested; and

Participation in the local government investment pool is voluntary.

Interest Rate Risk

Interest rate risk is the risk that interest rate variations may adversely affect an investment's fair value. The prices of securities fluctuate with market interest rates and the securities held in a portfolio will decline if market interest rates rise. The portfolio's weighted average maturity (WAM) is a key determinant of the tolerance of a fund's investments to rising interest rates. The WAM for this investment is 24 days. The investment is rated AAAM and the rate is 2.408%.

NOTE D: RESTRICTED CASH

There was \$374 in restricted cash in the Water Fund for customer deposits.

NOTE E: CAPITAL ASSETS

Capital Assets Balances and Activity for the Year Ended June 30, 2008, is as follows:

	Balance 6/30/07	Increases	Decreases	Balance 6/30/08
Governmental Activities				
Capital Assets, not being Depreciated				
Land	\$ 13,519	\$ 0	\$ 0	\$ 13,519
Construction in Progress	0	15,000	0	15,000
Total Capital Assets, not being Depreciated	<u>13,519</u>	<u>15,000</u>	<u>0</u>	<u>28,519</u>
Capital Assets, being Depreciated				
Buildings & Improvements	364,653	0	0	364,653
Infrastructure	254,493	0	0	254,493
Equipment	137,699	114,000	(16,834)	234,865
Vehicles	715,677	0	0	715,677
Total Capital Assets, being Depreciated	<u>1,472,522</u>	<u>114,000</u>	<u>(16,834)</u>	<u>1,569,688</u>
Total Capital Assets	<u>1,486,041</u>	<u>129,000</u>	<u>(16,834)</u>	<u>1,598,207</u>
Less Accumulated Depreciation				
Buildings & Improvements	191,073	10,264	0	201,337
Infrastructure	132,433	11,778	0	144,211
Equipment	73,936	7,085	(16,834)	64,187
Vehicles	261,452	46,705	0	308,157
Total Accumulated Depreciation	<u>658,894</u>	<u>75,832</u>	<u>(16,834)</u>	<u>717,892</u>
Capital Assets, net	<u>\$ 827,147</u>	<u>\$ 53,168</u>	<u>\$ 0</u>	<u>\$ 880,315</u>

Depreciation expense was charged to governmental activities as follows:

General	\$ 3,295
Public Safety	61,126
Culture & Recreation	11,411
Total depreciation expenses	<u>\$ 75,832</u>

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

	Balance 6/30/07	Increases	Decreases	Balance 6/30/08
Business-Type Activities				
Capital Assets not being Depreciated				
Land	\$ 25,099	\$ 0	\$ 0	\$ 25,099
Total Capital Assets not being Depreciated	<u>25,099</u>	<u>0</u>	<u>0</u>	<u>25,099</u>
Capital Assets, being Depreciated				
Infrastructure	668,795	0	0	668,795
Equipment	132,161	0	0	132,161
Total Capital Assets at Historical Cost	<u>826,055</u>	<u>0</u>	<u>0</u>	<u>826,055</u>
Less Accumulated Depreciation				
Infrastructure	242,605	18,329	0	260,934
Equipment	12,701	1,165	0	13,866
Total Accumulated Depreciation	<u>255,306</u>	<u>19,494</u>	<u>0</u>	<u>274,800</u>
Capital Assets, net	<u>\$ 570,749</u>	<u>\$ (19,494)</u>	<u>\$ 0</u>	<u>\$ 551,255</u>

NOTE F: LONG TERM DEBT

Notes Payable

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

	Balance 6/30/07	Additions	Reductions	Balance 6/30/08	Amounts Due Within One Year
Governmental Activities					
Notes Payable					
NMFA-Fire Truck	\$ 117,584	\$ 0	\$ 11,224	\$ 106,360	\$ 11,613
Portales National- Fire Truck	6,991	0	6,991	0	0
Total Notes Payable	<u>124,575</u>	<u>0</u>	<u>18,215</u>	<u>106,360</u>	<u>11,613</u>

November 21, 2001 the Village entered into a loan agreement with a local financial institution to purchase a fire truck, financing \$32,164. This loan is due in annual installments with interest at 3.9% maturing in July, 2008. The fire truck debt service is paid from the Fire Fund.

The Village entered into a loan agreement with New Mexico Finance Authority in May, 2006 to purchase a fire truck with annual principal payments and semi-annual interest payments totaling approximately \$15,889 per fiscal year. The fire truck debt service is paid from the Fire Fund.

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

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 11,613	\$ 4,272	\$ 15,885
2010	12,031	3,855	15,886
2011	12,478	3,409	15,887
2012	12,959	2,930	15,889
2013	13,474	2,415	15,889
2014-2016	43,805	3,806	47,611
	<u>\$ 106,360</u>	<u>\$ 20,687</u>	<u>\$ 127,047</u>

NOTE H: PROPERTY TAXES

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

NOTE I: PENSION PLAN

The Village has elected not to participate in the New Mexico Public Employees Retirement Association retirement system

NOTE J: POST-EMPLOYMENT BENEFITS

The Retiree Health Care Act (10-7C-1 to 10-7C-16 NMSA 1978 provides comprehensive care group health insurance for persons who have retired from certain public service in New Mexico. As authorized under Section 9D. Of Chapter 6 Laws of 1990, the Village has elected not to participate in the program.

NOTE K: RECEIVABLES

Receivables as of June 30, 2008, were as follows:

<u>Receivables</u>	<u>General</u>	<u>Non-Major</u>	<u>Water</u>
Taxes	\$ 1,865	\$ 417	\$ 0
Accounts	0	0	1,090
	<u>\$ 1,865</u>	<u>\$ 417</u>	<u>\$ 1,090</u>

NOTE L: INTERFUND TRANSACTIONS

The General Fund loaned the Fire Fund \$60,000 to purchase equipment. The loan will be paid back in the next year. The General Fund transferred \$10,000 to the Fire Fund to purchase equipment. The General Fund transferred \$2,500 to the Senior Citizens Fund to supplement the operating expenses.

NOTE M: RISK MANAGEMENT

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

NOTE N: SURETY BOND

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

NOTE P: DEFICIT FUND BALANCE

The Fire Fund had a deficit fund balance of \$(47,949).

NOTE Q: BUDGET VIOLATIONS

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
GENERAL FUND				
Total Other Sources (Uses)	0	(66,500)	(72,500)	(6,000)

**SUPPLEMENTAL INFORMATION RELATED TO
NON MAJOR FUNDS**

NONMAJOR SPECIAL REVENUE FUNDS

Municipal Street Fund

To account for the one-cent gasoline tax being allocated to the City for the explicit purpose of street repair. The authority for the allocation and setup of the fund is 7-1-6-27, NMSA, 1978 Compilation, 1989 supplement.

Recreation Fund

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

Senior Citizens Fund

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

STATE OF NEW MEXICO
VILLAGE OF DORA
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2008

	Municipal Street Fund	Recreation Fund	Senior Citizens Fund	Total
ASSETS				
Cash and Cash Equivalents	\$ 44,070	\$ 179	\$ 1,406	\$ 45,655
Receivables				
Taxes	417	0	0	417
Accounts Receivable	0	0	0	0
Restricted Cash	0	0	0	0
Capital Assets	0	0	0	0
Accumulated Depreciation	0	0	0	0
Total Assets	<u>\$ 44,487</u>	<u>\$ 179</u>	<u>\$ 1,406</u>	<u>\$ 46,072</u>
LIABILITIES AND FUND BALANCE				
Liabilities				
Interfund Balance	\$ 0	\$ 0	\$ 0	\$ 0
Accounts Payable	0	0	440	440
Customer Deposits	0	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>440</u>	<u>440</u>
Fund Balance				
Unreserved Reported In:				
Special Revenue	<u>44,487</u>	<u>179</u>	<u>966</u>	<u>45,632</u>
Total Fund Balance	<u>44,487</u>	<u>179</u>	<u>966</u>	<u>45,632</u>
Total Liabilities and Fund Balance	<u>\$ 44,487</u>	<u>\$ 179</u>	<u>\$ 1,406</u>	<u>\$ 46,072</u>

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

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

	Municipal Street Fund	Recreation Fund	Senior Citizens Fund	Total
Revenues				
Taxes				
Cigarette	\$ 0	\$ 179	\$ 0	\$ 179
Gasoline	4,873	0	0	4,873
Federal Grants	0	0	1,960	1,960
State Grants	0	0	7,496	7,496
Interest Income	1,626	0	0	1,626
Miscellaneous	0	0	15	15
Total Revenues	<u>6,499</u>	<u>179</u>	<u>9,471</u>	<u>16,149</u>
Expenditures				
Current				
Culture & Recreation	0	0	12,723	12,723
Total Expenditures	<u>0</u>	<u>0</u>	<u>12,723</u>	<u>12,723</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>6,499</u>	<u>179</u>	<u>(3,252)</u>	<u>3,426</u>
Other Financing Sources (Uses)				
Transfers In/(Out)	0	0	2,500	2,500
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>2,500</u>	<u>2,500</u>
Net Change in Fund Balance	6,499	179	(752)	5,926
Fund Balances at Beginning of Year	<u>37,988</u>	<u>0</u>	<u>1,718</u>	<u>39,706</u>
Fund Balance End of Year	<u>\$ 44,487</u>	<u>\$ 179</u>	<u>\$ 966</u>	<u>\$ 45,632</u>

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

STATE OF NEW MEXICO
VILLAGE OF DORA
SPECIAL REVENUE FUND-MUNICIPAL STREET FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gasoline Tax	\$ 5,000	\$ 5,000	\$ 4,872	\$ (128)
Interest	1,620	1,620	1,627	7
Total Revenues	<u>6,620</u>	<u>6,620</u>	<u>6,499</u>	<u>(121)</u>
Expenditures				
Public Works				
Operating Expenses	4,500	4,500	0	4,500
Total Expenditures	<u>4,500</u>	<u>4,500</u>	<u>0</u>	<u>4,500</u>
Excess (Deficiency) of Revenues Over Expenditures	2,120	2,120	6,499	4,379
Cash Balance Beginning of Year	<u>37,571</u>	<u>37,571</u>	<u>37,571</u>	<u>0</u>
Cash Balance End of Year	\$ <u>39,691</u>	\$ <u>39,691</u>	\$ <u>44,070</u>	\$ <u>4,379</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>6,499</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>6,499</u>	

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

STATE OF NEW MEXICO
VILLAGE OF DORA
SPECIAL REVENUE FUND-RECREATION FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Cigarette Tax	\$ 0	\$ 0	\$ 179	\$ 179
Total Revenues	<u>0</u>	<u>0</u>	<u>179</u>	<u>179</u>
Expenditures				
Culture & Recreation				
Operating Expenses	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>179</u>	<u>179</u>
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 179</u>	<u>\$ 179</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 179	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 179</u>	

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

STATE OF NEW MEXICO
VILLAGE OF DORA
SPECIAL REVENUE FUND-SENIOR CITIZENS FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grants	\$ 0	\$ 0	\$ 1,960	\$ 1,960
State & Local Grants	9,456	9,456	7,496	1,960
Miscellaneous	0	0	15	(15)
Total Revenues	<u>9,456</u>	<u>9,456</u>	<u>9,471</u>	<u>1,960</u>
Expenditures				
Culture & Recreation				
Personnel Services	1,625	1,625	1,625	0
Audit	104	104	104	0
Fees	680	680	686	(6)
Supplies	1,560	1,560	1,553	7
Insurance	1,141	1,141	1,141	0
Telephone	436	436	436	0
Utilities	2,500	2,500	2,472	28
Per Diem	800	800	706	94
Transportation	448	448	392	56
Maintenance	3,168	3,168	3,168	0
Total Expenditures	<u>12,462</u>	<u>12,462</u>	<u>12,283</u>	<u>179</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,006)</u>	<u>(3,006)</u>	<u>(2,812)</u>	<u>194</u>
Other Financing Sources (Uses)				
Transfers In/(Out)	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>0</u>
Total Other Sources (Uses)	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>0</u>
Net Change in Cash Balance	(506)	(506)	(312)	194
Cash Balance Beginning of Year	<u>1,718</u>	<u>1,718</u>	<u>1,718</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,212</u>	<u>\$ 1,212</u>	<u>\$ 1,406</u>	<u>\$ 194</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (2,812)	
Net Change in Accounts Payables			(440)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (3,252)</u>	

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

ENTERPRISE FUND

Water

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

STATE OF NEW MEXICO

VILLAGE OF DORA

PROPRIETARY FUND-WATER

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

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Sales & Service	\$ 24,200	\$ 24,200	\$ 23,125	\$ (1,075)
Interest Income	3,500	3,500	2,952	(548)
Miscellaneous	1,150	1,150	474	(676)
Total Revenues	<u>28,850</u>	<u>28,850</u>	<u>26,551</u>	<u>(2,299)</u>
Expenditures				
Public Works				
Personnel Services	2,600	2,600	2,600	0
Operating Expenses				
Audit	977	977	977	0
Dues	300	300	106	194
Insurance	1,500	1,500	1,138	362
Maintenance	11,035	11,035	10,933	102
Office	450	450	329	121
Supplies	200	200	132	68
Utilities	2,465	2,465	2,251	214
Miscellaneous	400	400	269	131
Water Conservation Fee	1,369	1,369	298	1,071
Trash Contract	1,800	1,800	1,776	24
Water Contract	7,204	7,204	7,204	0
Total Expenditures	<u>30,300</u>	<u>30,300</u>	<u>28,013</u>	<u>2,287</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,450)</u>	<u>(1,450)</u>	<u>(1,462)</u>	<u>(12)</u>
Cash Balance Beginning of Year	<u>84,301</u>	<u>84,301</u>	<u>84,301</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 82,851</u>	<u>\$ 82,851</u>	<u>\$ 82,839</u>	<u>\$ (12)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,462)	
Net Change in Accounts Receivables			954	
Net Change in Accumulated Depreciation			(19,494)	
Net Change in Accounts Payables			(194)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (20,196)</u>	

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

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(575) 253-4313

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

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the Village of Dora

Mr. Balderas and Members of the Board

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds, and the combining and individual funds presented as supplemental information of the Village of Dora (Village), as of and for the year ended June 30, 2008, and have issued our report thereon dated June 30, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2007-1, 2008-1, 2008-2, 2008-4, 2008-5, 2008-6, 2008-7, 2008-8, 2008-09 and 2008-10.

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

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

De'Ann Willoughby CPA PC

June 30, 2009

Prior Year Audit Findings

	<u>Status</u>
2005-4 Segregation of Duties	Resolved
2007-1 Late Audit Report	Repeated & Modified

Current Year Audit Findings

2007-1 Late Audit Report

Condition

The current auditor was waiting on the submission and approval of the previous year audit.

Criteria

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

Effect

The field work was completed after the December 1 deadline.

Cause

The previous year auditor did not submit the report timely.

Recommendation

The audit should be filed timely.

Response

The Village has hired the current auditor and hopes to be timely with all future audits.

2008-1 SAS 112 Compliance

Condition

The Auditing Standards Board has issued *Statement on Auditing Standards No. 112, Communicating Internal Control Related Matters Identified in an Audit* (SAS 112). The new standard provides guidance to auditors on communicating matters related to an audit of financial statements. The standard requires the auditor to evaluate identified control deficiencies and

Criteria

Statement on Auditing Standards (SAS) 112, Communication of Internal Control Related Matters Identified in an Audit, requires that management clearly accept responsibility for preparing all financial information and company's financial statements.

Effect

The Village's management may not be able to detect errors in reporting or financial presentation if they exist. Management may not be qualified to review the financial statements prepared by the auditor.

Cause

The Villages staff has not been trained on Governmental Accounting Standards and related procedures to prepare financial statements.

Recommendation

We recommend that the employees who participate in the accounting function obtain training in governmental accounting and the preparation of financial statements.

Response

The Village will continue to rely on the auditor to prepare the financial statements.

2008-2 Village pays all of employees' medicare tax**Condition**

The Village is paying the employees' medicare tax rather than withholding the medicare tax from the employees' pay.

Criteria

State and local government employees may be covered for social security and Medicare either mandated by law, or provided under a Section 218 Agreement between the state and the Social Security Administration.

Effect

It is very unusual for a governmental agency to pay the employee's portion of medicare tax. Without a written policy, the auditors assumed management may not be aware they are paying the employees medicare tax. This payment is a taxable benefit and should be included in the taxable wages of the employees.

Cause

The Clerk stated that the Village pays the employees portion of the medicare tax.

Recommendation

The medicare tax should be withheld for the employee's earnings.

Response

The Medicare tax will be addressed in the personnel policy.

2008-3 Payroll Periods**Condition**

There are not set pay days. The employees are paid randomly rather than biweekly or semi-monthly.

Criteria

The New Mexico Department of Workforce Solutions requires employees to be paid at least every 16 days and should be an established time each month.

Effect

Time records are difficult to calculate and track by management when there is not a set payday. Overtime issues are more difficult to calculate when there is not a set payday.

Cause

The Clerk calculated her pay as she needed it or when there was a councilman available to sign the paycheck.

Recommendation

There should be set paydays, either bi-weekly or semi-monthly.

Response

The Village of Dora will set paydays on a bi-weekly basis.

2008-4 Vacation**Condition**

There is no policy for the amount of vacation time earned. The clerk was paid for 156 hours of vacation time. We could not determine if the hours carryover from year to year, how much was earned each year or the remaining hours.

Criteria

Good internal controls require vacation policies be in writing and made a part of the personnel manual.

Effect

Employees may be paid for more vacation time than earned or owed to them.

Cause

The Village does not have a written personnel policy stating the amount of vacation time employees

Recommendation

The Board should write a policy and create an employee manual.

Response

The Village of Dora will create an employee manual and address vacation time.

2008-5 No SUTA reports filed**Condition**

The Village is not filing SUTA reports with New Mexico Department of Workforce Solutions.

Criteria

According to the New Mexico Department of Workforce Solutions, all governmental agencies are required to file and pay unemployment taxes.

Effect

The Village is subject to taxes and penalties and interest.

Cause

The Clerk was unaware of the filing requirements.

Recommendation

The Village should file the required tax returns, pay the taxes, penalties and interest.

Response

The Village of Dora will contact the NM Department of Workforce Solutions and begin paying the SUTA tax.

2008-6 Overtime Hours

Condition

Based on the time records, the employees earned overtime and were not paid time and a half or did not receive compensating time.

Criteria

In accordance with New Mexico Department of Workforce Solutions, all employees except exempt employees, working more than 40 hours per week must be paid overtime at one and a half the pay rate or receive compensating time at one and a half hours of overtime worked.

Effect

Employees are not compensated for time worked as required by law.

Cause

The Clerk was not aware overtime was earned.

Recommendation

A set payday makes the calculation of overtime easier to calculate. Overtime should be paid or comp time earned accordingly.

Response

Overtime hours will be addressed in the personnel policy.

2008-7 Medical Insurance Benefits

Condition

The Village is paying 100% of the medical insurance premiums for employees and their families. A check is issued to BC/BS of NM for the employee and NM Health Insurance Alliance to pay the family portion. There is not a cafeteria plan in place at the Village. The checks issued to the insurance companies are not included in the employees' taxable wages. Amount paid from July 1, 2007 through June 30, 2008 was \$2,944 to BC/BS of NM and \$4,958 to NM Health Insurance alliance.

Criteria

Benefits paid without a cafeteria plan in place are taxable as described in section 125 of the Internal Revenue Code.

Effect

It is unusual for a governmental agency to pay 100% of the employees' and their families medical insurance. There is not a policy in place to verify the benefit. The benefit should be taxable to the employee without a cafeteria plan in place.

Cause

The Clerk was not aware that a portion of the benefit is taxable.

Recommendation

Response

The Village of Dora will seek a cafeteria plan for their employee's medical insurance.

2008-8 Bank Statements

Condition

The auditors were not provided bank statements. The Village does not receive paper bank statements, only electronic ones. The statements are not available electronically after 6 months.

Criteria

All bank statements should be kept for a period of five years and should provide them to the auditors.

Effect

The auditors could not review the written checks along with the supporting documentation.

Cause

The clerk was not aware that the auditors would need the bank statements.

Recommendation

Paper bank statements should be mailed to the Village monthly for the financial institutions.

Response

Bank statements will be ordered from the bank and mailed to the Village of Dora.

2008-9 Paid Retirement

Condition

There is no policy for the amount of retirement paid by the Village or necessary IRS documentation setting up the retirement plan. The Village and the employee are both contributing \$80 each a month, that is deposited into a retirement account at First Financial Credit Union.

Criteria

Good accounting practices require retirement plans to be in writing and included in the personnel hand book. All retirement plans should have the necessary IRS documentation and W-2s should be completed correctly to reflect the retirement plan.

Effect

Without a written policy, auditors are unable to determine the benefit amount. The Village could be subject to Internal Revenue Service issues without the proper documentation for the retirement plan. The contribution to the retirement plan may be taxable. The W-2 was not completed correctly to report the plan to the IRS.

Cause

The Clerk was unaware that a written police and IRS approved plan was required.

Recommendation

There should be a written policy placed in the employee handbook and an approved IRS document completed for the retirement plan.

Response

Paid retirement will be addressed in the personnel policy.

2008-10 Expenditures Over Budget

Condition

The Village incurred expenditures in excess of the approved budget in the following fund. See Note Q on page 34.

Criteria

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

Effect

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

Cause

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

Recommendation

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

Response

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

Financial Statement Preparation

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

Exit Conference

An exit conference was held on June 30, 2009. In attendance was , Mickey Burkett-Mayor, Becky Frazee-Clerk and De'Aun Willoughby, CPA.