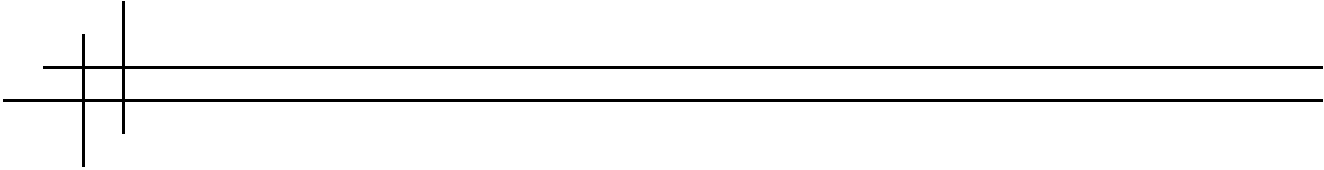




STATE OF NEW MEXICO  
**VILLAGE OF DORA**

**ANNUAL FINANCIAL REPORT**  
June 30, 2010

**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, 2010

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STATE OF NEW MEXICO  
**VILLAGE OF DORA**  
Official Roster  
June 30, 2010

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**BOARD OF TRUSTEES**

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

**ADMINISTRATIVE OFFICIAL**

Becky Frazee	Clerk/Treasurer
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De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(575) 253-4313

Independent Auditor's Report

Mr. Hector Balderas  
State Auditor of the State of New Mexico  
Board Members of the Village of 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 and the budgetary comparisons for the general fund and major special revenue fund of VILLAGE OF DORA, (Village), as of and for the year ended June 30, 2010, which collectively comprise the Village's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Village's nonmajor governmental funds, nonmajor proprietary fund and the budgetary comparisons for all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund and major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental and nonmajor proprietary fund of the Village as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for all nonmajor funds 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 July 15, 2011, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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 the purpose 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*

July 15, 2011

## **FINANCIAL SECTION**

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

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 389,395	\$ 77,425	\$ 466,820
Investment	655	0	655
Taxes Receivable	1,403	0	1,403
Accounts Receivable	4,940	954	5,894
Total Current Assets	<u>396,393</u>	<u>78,379</u>	<u>474,772</u>
Noncurrent Assets			
Restricted Cash	0	595	595
Capital Assets	1,826,028	826,055	2,652,083
Less: Accumulated Depreciation	(913,133)	(311,848)	(1,224,981)
Total Noncurrent Assets	<u>912,895</u>	<u>514,802</u>	<u>1,427,697</u>
Total Assets	<u>1,309,288</u>	<u>593,181</u>	<u>1,902,469</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	3,572	2,172	5,744
Accrued Payroll	5,690	0	5,690
Current Portion of Long Term Debt	12,478	0	12,478
Total Current Liabilities	<u>21,740</u>	<u>2,172</u>	<u>23,912</u>
Noncurrent Liabilities			
Customer Deposits	0	595	595
Non Current Portion of Long Term Debt	69,791	0	69,791
Total Noncurrent Liabilities	<u>69,791</u>	<u>595</u>	<u>70,386</u>
Total Liabilities	<u>91,531</u>	<u>2,767</u>	<u>94,298</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	830,626	514,802	1,345,428
Unrestricted	387,131	75,612	462,743
Total Net Assets	<u>\$ 1,217,757</u>	<u>\$ 590,414</u>	<u>\$ 1,808,171</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, 2010

Functions/Programs	Expenses	Program Revenues			Net(Expenses) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
General Government	\$ 70,662	\$ 25	\$ 35,000	\$ 0	\$ (35,637)	\$ 0	\$ (35,637)
Public Safety	150,594	24,336	109,930	69,719	53,391	0	53,391
Public Works	14,433	0	0	0	(14,433)	0	(14,433)
Culture & Recreation	35,235	0	11,738	0	(23,497)	0	(23,497)
Interest on Long-Term Obligations	2,997	0	0	0	(2,997)	0	(2,997)
Total Governmental Activities	<u>\$ 273,921</u>	<u>\$ 24,361</u>	<u>\$ 156,668</u>	<u>\$ 69,719</u>	<u>\$ (23,173)</u>	<u>\$ 0</u>	<u>\$ (23,173)</u>
<b>Business-type Activities</b>							
Utilities	\$ 62,995	\$ 29,486	\$ 0	\$ 0	\$ 0	\$ (33,509)	\$ (33,509)
Total Business-type Activities	<u>\$ 62,995</u>	<u>\$ 29,486</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (33,509)</u>	<u>\$ (33,509)</u>
<b>General Revenues</b>							
Taxes							
Property				\$ 1,102	\$ 0	\$ 1,102	
Gross Receipts				14,452	1,050	15,502	
Gasoline				5,506	0	5,506	
Motor Vehicle				270	0	270	
Miscellaneous				9,879	2,303	12,182	
Interest Income				4,433	648	5,081	
Total General Revenues and Transfers				<u>35,642</u>	<u>4,001</u>	<u>39,643</u>	
Change in Net Assets				12,469	(29,508)	(17,039)	
Net Assets - beginning				<u>1,205,288</u>	<u>619,922</u>	<u>1,825,210</u>	
Net Assets - ending				<u>\$ 1,217,757</u>	<u>\$ 590,414</u>	<u>\$ 1,808,171</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, 2010

	<u>General Fund</u>	<u>Fire Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 355,077	\$ 16,970	\$ 17,348	\$ 389,395
Investment	655	0	0	655
Receivables				
Taxes	1,403	0	0	1,403
Accounts	0	0	4,940	4,940
Interfund Balance	49,000	0	0	49,000
Total Assets	<u>\$ 406,135</u>	<u>\$ 16,970</u>	<u>\$ 22,288</u>	<u>\$ 445,393</u>
 <b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Interfund Balance	\$ 0	\$ 49,000	\$ 0	\$ 49,000
Accounts Payable	3,572	0	0	3,572
Accrued Payroll	1,124	2,670	1,896	5,690
Total Liabilities	<u>4,696</u>	<u>51,670</u>	<u>1,896</u>	<u>58,262</u>
 <b>Fund Balances</b>				
<b>Unreserved Reported In:</b>				
General Fund	401,439	0	0	401,439
Special Revenue Fund	0	(34,700)	20,392	(14,308)
Total Fund Balances	<u>401,439</u>	<u>(34,700)</u>	<u>20,392</u>	<u>387,131</u>
 Total Liabilities and Fund Balances	 <u>\$ 406,135</u>	 <u>\$ 16,970</u>	 <u>\$ 22,288</u>	 <u>\$ 445,393</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, 2010

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

Total Fund Balance - Governmental Funds	\$	387,131
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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	\$	1,826,028	
Accumulated depreciation is		<u>(913,133)</u>	912,895

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>(82,269)</u>
---------------	--	-----------------

Total net assets - governmental activities	\$	<u><u>1,217,757</u></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, 2010

	General Fund	Fire Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes				
Property	\$ 1,102	\$ 0	\$ 0	\$ 1,102
Gross Receipts	14,452	0	0	14,452
Gasoline	5,506	0	0	5,506
Motor Vehicle	270	0	0	270
Charge for Services	0	0	24,336	24,336
Federal Grants	0	12,580	1,960	14,540
State & Local Grants	35,000	91,404	78,743	205,147
County Subsidy	0	6,700	0	6,700
Interest Income	4,423	0	10	4,433
Licenses, Fees, & Fines	25	0	0	25
Miscellaneous	210	6,349	3,320	9,879
Total Revenues	<u>60,988</u>	<u>117,033</u>	<u>108,369</u>	<u>286,390</u>
<b>Expenditures</b>				
Current				
General	67,368	0	0	67,368
Public Safety	11,612	64,704	19,512	95,828
Public Works	3,118	0	0	3,118
Culture & Recreation	10,722	0	13,102	23,824
Capital Outlay	3,018	47,997	93,485	144,500
Debt Service				
Principal	0	12,478	0	12,478
Interest	0	2,997	0	2,997
Total Expenditures	<u>95,838</u>	<u>128,176</u>	<u>126,099</u>	<u>350,113</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(34,850)</u>	<u>(11,143)</u>	<u>(17,730)</u>	<u>(63,723)</u>
Other Financing Sources (Uses)				
Transfers In/(Out)	<u>27,827</u>	<u>(5,972)</u>	<u>(21,855)</u>	<u>0</u>
Total Other Sources (Uses)	<u>27,827</u>	<u>(5,972)</u>	<u>(21,855)</u>	<u>0</u>
Net Change in Fund Balance	(7,023)	(17,115)	(39,585)	(63,723)
Fund Balance at Beginning of year	<u>408,462</u>	<u>(17,585)</u>	<u>59,977</u>	<u>450,854</u>
Fund Balance End of Year	<u>\$ 401,439</u>	<u>\$ (34,700)</u>	<u>\$ 20,392</u>	<u>\$ 387,131</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, 2010

Net Change in Fund Balance	\$	(63,723)
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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

Depreciation expense	\$	(80,786)	
Capital Outlays		144,500	63,714

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

	12,478
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Changes in Net Assets of Governmental Activities	\$	12,469
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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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Taxes				
Gross Receipts	\$ 20,000	\$ 20,000	\$ 15,107	\$ (4,893)
Property	1,125	1,125	1,095	(30)
Gasoline	5,200	5,200	5,030	(170)
Motor Vehicle	235	235	295	60
Licenses, Fines, & Forfeitures	125	125	25	(100)
Small Cities Assistance	35,000	35,000	35,000	0
State & Local Grants	10,000	10,000	0	(10,000)
Interest Income	11,600	11,600	4,423	(7,177)
Miscellaneous	350	350	210	(140)
Total Revenues	<u>83,635</u>	<u>83,635</u>	<u>61,185</u>	<u>(22,450)</u>
<b>Expenditures</b>				
Financial Department				
Personnel Services	28,000	28,000	28,342	(342)
Benefits	9,800	9,800	9,802	(2)
Operating Expenses	21,475	29,248	29,084	164
Total Financial Department	<u>59,275</u>	<u>67,048</u>	<u>67,228</u>	<u>(180)</u>
Election				
Operating Expenses	400	325	325	0
Total Election	<u>400</u>	<u>325</u>	<u>325</u>	<u>0</u>
Public Safety				
Operating Expenses	14,700	12,553	9,783	2,770
Total Public Safety	<u>14,700</u>	<u>12,553</u>	<u>9,783</u>	<u>2,770</u>
Highways & Streets				
Operating Expenses	6,500	2,778	2,764	14
Total Highways & Streets	<u>6,500</u>	<u>2,778</u>	<u>2,764</u>	<u>14</u>
Senior Citizens				
Operating Expenses	3,000	2,500	2,500	0
Total Senior Citizens	<u>3,000</u>	<u>2,500</u>	<u>2,500</u>	<u>0</u>
Economic Development				
Dues	2,500	2,500	2,500	0
Total Economic Development	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ 0</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Culture & Recreation				
Operating Expenses	\$ 8,160	\$ 8,160	\$ 5,264	\$ 2,896
Capital Outlay	0	0	3,018	(3,018)
Total Community Building	8,160	8,160	8,282	(122)
Total Expenditures	94,535	95,864	93,382	2,482
Excess (Deficiency) of Revenues Over Expenditures	(10,900)	(12,229)	(32,197)	(19,968)
Other Financing Sources (Uses)				
Transfers Out to Fire	0	0	(9,028)	9,028
Transfers Out to Capital Projects	0	0	(13,961)	13,961
Transfers In from Streets	0	0	50,816	(50,816)
Loan Payment from Fire	0	0	5,000	(5,000)
Total Other Sources (Uses)	0	0	32,827	(32,827)
Net Change in Cash Balance	(10,900)	(12,229)	630	12,859
Cash Balance Beginning of Year	355,102	355,102	355,102	0
Cash Balance End of Year	\$ 344,202	\$ 342,873	\$ 355,732	\$ 12,859
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 630	
Net Change in Taxes Receivables			(196)	
Net Change in Accounts Payables			(1,334)	
Net Change in Accrued Payroll			(1,123)	
Loan repayment from Fire Fund			(5,000)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ (7,023)	

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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Fire Allotment	\$ 63,945	\$ 63,945	\$ 77,451	\$ 13,506
State Fire Suppression	11,450	13,953	13,953	0
Federal Grant	0	12,580	12,580	0
County Subsidy	0	6,700	6,700	0
Miscellaneous	0	0	6,349	6,349
Total Revenues	<u>75,395</u>	<u>97,178</u>	<u>117,033</u>	<u>19,855</u>
<b>Expenditures</b>				
<b>Public Safety</b>				
Operating	65,000	65,000	64,290	710
Capital Purchases	33,591	49,401	47,997	1,404
Lease Purchase				
Principal	12,478	12,478	12,478	0
Interest	2,997	2,997	2,997	0
Total Expenditures	<u>114,066</u>	<u>129,876</u>	<u>127,762</u>	<u>2,114</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(38,671)</u>	<u>(32,698)</u>	<u>(10,729)</u>	<u>21,969</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In from General	0	9,028	9,028	0
Transfers Out to Capital Projects	0	(15,000)	(15,000)	0
Loan Payment to General	0	0	(5,000)	5,000
Total Other Sources (Uses)	<u>0</u>	<u>(5,972)</u>	<u>(10,972)</u>	<u>5,000</u>
Net Change in Cash Balance	(38,671)	(38,670)	(21,701)	16,969
Cash Balance Beginning of Year	<u>38,671</u>	<u>38,671</u>	<u>38,671</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>1</u>	\$ <u>16,970</u>	\$ <u>16,969</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (21,701)	
Net Change in Accounts Payables			(414)	
Loan Payment to General Fund			5,000	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>(17,115)</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, 2010

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ASSETS

Current Assets

Cash and Cash Equivalents	\$ 77,425
Receivables (net of allowance for uncollectible accounts)	
Accounts	954
Total Current Assets	<u>78,379</u>

Noncurrent Assets

Restricted Cash	595
Capital Assets	826,055
Less Accumulated Depreciation	<u>(311,848)</u>
Total Noncurrent Assets	<u>514,802</u>

Total Assets	<u>593,181</u>
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LIABILITIES

Current Liabilities

Accounts Payable	<u>2,172</u>
Total Current Liabilities	<u>2,172</u>

Noncurrent Liabilities

Customer Deposits	<u>595</u>
Total Noncurrent Liabilities	<u>595</u>

Total Liabilities	<u>2,767</u>
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NET ASSETS

Invested in Capital Assets	514,802
Unrestricted	<u>75,612</u>
Total Net Assets	<u>\$ 590,414</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, 2010

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Operating Revenues	
Sales & Service	\$ 29,486
Miscellaneous	2,303
Total Operating Revenues	<u>31,789</u>
Operating Expenses	
Salaries & Benefits	2,400
Operating Costs	42,071
Depreciation	18,524
Total Operating Expenses	<u>62,995</u>
Operating Income (Loss)	<u>(31,206)</u>
Nonoperating Revenue (Expenses)	
Environmental Gross Receipts Tax	1,050
Interest Income	648
Total Nonoperating Revenue (Expenses)	<u>1,698</u>
Change in Net Assets	(29,508)
Total Net Assets - Beginning	<u>619,922</u>
Total Net Assets - Ending	<u>\$ 590,414</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 Cash Flows  
 For the Year Ended June 30, 2010

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Cash Flows from Operating Activities	
Cash Received From Customers	\$ 29,486
Cash Paid to Suppliers and Employees	(40,756)
Net Cash Provided by Operating Activities	<u>(11,270)</u>
Cash Flows from Noncapital Financing Activities	
Environmental Gross Receipts Tax	1,050
Net Cash Provided by Noncapital Financing Activities	<u>1,050</u>
Cash Flows from Investing Activities	
Interest Received	648
Net Cash Provided by Investing Activities	<u>648</u>
Net Increase (Decrease) in Cash	(9,572)
Cash, Beginning of Year	<u>87,592</u>
Cash, End of Year	<u>\$ 78,020</u>
Cash Reconciliation	
Cash and Cash Equivalents	77,425
Restricted Cash	595
	<u>78,020</u>
Reconciliation of Net Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ (31,206)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
Depreciation	18,524
Change in Assets and Liabilities	
(Increase) Decrease in Accounts Receivable	(215)
Increase (Decrease) in Accounts Payable	2,172
Increase (Decrease) in Customer Deposits	(545)
Net Cash Provided by Operating Activities	<u>\$ (11,270)</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.

**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 such as the fees received for the ambulance service 2) operating grants and contributions that are restricted to meeting the operational requirements of a particular program such as the state grants for fire protection and emergency medical services 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.

**Fire Fund** -To account for the operation and maintenance of theVillage Fire Department. Financing is primarily from an annual state fire allotment. The fund was created by the authority of state grant provisions. (NMSA 59A-53-1)

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

**Water Fund** - 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.

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.

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.

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.

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>	Balance Per Bank 06-30-10	Reconciled Balance	Type
Village of Dora CD	\$ 98,735	\$ 98,735	Saving
TOTAL Deposited	98,735	<u>98,735</u>	
Less: FDIC Coverage	<u>98,735</u>		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	0		
Over (Under) requirement	<u>\$ 0</u>		

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 06-30-10	Reconciled Balance	Type
Village of Dora	\$ 31,052	\$ 31,052	Checking
Village of Dora	3,000	3,000	Checking
Village of Dora	<u>24,426</u>	<u>32,084</u>	Checking
TOTAL Deposited	58,478	<u>66,136</u>	
Less: FDIC Coverage	<u>58,478</u>		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	0		
Over (Under) requirement	<u>\$ 0</u>		

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

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

**New Mexico Bank & Trust**

<u>Name of Account</u>	Balance Per Bank 06-30-10	Reconciled Balance	Type
Village of Dora CD	\$ 80,000	\$ 80,000	Saving
TOTAL Deposited	80,000	<u>80,000</u>	
Less: FDIC Coverage	<u>80,000</u>		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	0		
Over (Under) requirement	<u>\$ 0</u>		

**First Financial Credit Union**

<u>Name of Account</u>	Balance Per Bank 06-30-10	Reconciled Balance	Type
Village of Dora CD .55%	\$ 2,211	\$ 2,206	Saving
Village of Dora CD 2%	80,629	80,629	Saving
Village of Dora CD .75%	50,184	50,184	Saving
Village of Dora CD .75%	31,950	31,950	Saving
TOTAL Deposited	<u>164,974</u>	<u>\$ 164,969</u>	
Less: FDIC Coverage	<u>164,974</u>		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	0		
Over (Under) requirement	<u>\$ 0</u>		

**First Community Bank**

<u>Name of Account</u>	Balance Per Bank 06-30-10	Reconciled Balance	Type
Village of Dora CD	\$ 57,575	\$ 57,575	Saving
TOTAL Deposited	57,575	<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	\$ 459,762
Collateralized:	
Collateral held by the pledging bank in Village's name	0
Uninsured and uncollateralized	0
Total Deposits	<u>\$ 459,762</u>

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

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Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2010 none of the Village's bank balance of \$459,762 was exposed to custodial credit risk.

**State Treasurer**

<u>Name of Account</u>	Beginning Balance 07/01/09	Ending Balance 06/30/10	Type
LGIP Fund-4101	\$ 135,941	\$ 0	Investment
Reserve Contingencies Fund-4102	4,059	655	Investment
TOTAL Deposited	<u>\$ 140,000</u>	<u>\$ 655</u>	

GASB Statement No. 40, Deposit and Investment Risk Disclosures, relates to how deposits and investments are reported in the annual financial statements of governmental entities. GASB Statement No. 40 disclosures inform financial statement users about deposit and investment risks that could affect a government's ability to provide services and meet its obligations as they become due. GASB Statement No. 40 requires governments to disclose deposit and investment risks related to credit risk (including custodial credit risk), concentration of credit risk, interest rate risk, and foreign currency risk. The State Treasurer's Office provides the following information regarding the LGIP:

1. With respect to credit risk, the LGIP, a government investment pool, is rated AAAM by Standard & Poor's. Therefore, the LGIP reports AAAM for credit risk. Public funds are not required to disclose custodial credit risk for external investment pools. Therefore, the LGIP is exempt from this requirement.
  
2. GASB Statement No. 40 defines concentration of credit risk as investments of more than 5% in any one issuer. External investment pools, such as the LGIP, are excluded from the requirement of disclosing concentration of credit risk. Therefore, the LGIP is exempt from this disclosure.
  
3. GASB Statement No. 40 defines interest rate risk as the risk that interest rate variations may adversely affect the fair value of an investment. According to GASB Statement No. 40, an acceptable method for reporting interest rate risk is weighted average maturity ("WAM"). The State Treasurer's Office uses this method for reporting purposes for the LGIP. The WAM of the LGIP is identified on the monthly LGIP investment report found on the State Treasurer's Office website at [www.stonm.org](http://www.stonm.org). As of June 30, 2009, the LGIP WAM is 43 days.
  
4. Finally, with respect to foreign currency risk, all investments in the LGIP are in U.S. dollar denominated assets. Therefore, the LGIP has no foreign currency risk.

**NOTE D: RESTRICTED CASH**

There was \$595 in restricted cash in the Water Fund for customer deposits.

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

**NOTE E: CAPITAL ASSETS**

Capital Assets Balances and Activity for the Fiscal year, is as follows:

	Beginning Balance 06-30-09	Increases	Decreases	Ending Balance 06-30-10
<b>Governmental Activities</b>				
Capital Assets, not being Depreciated				
Land	\$ 13,519	\$ 0	\$ 0	\$ 13,519
Construction in Progress	64,653	85,984	150,637	0
Total Capital Assets, not being Depreciated	<u>\$ 78,172</u>	<u>\$ 85,984</u>	<u>\$ 150,637</u>	<u>\$ 13,519</u>
Capital Assets, being Depreciated				
Buildings & Improvements	\$ 364,653	\$ 157,659	\$ 0	\$ 522,312
Infrastructure	254,493	0	0	254,493
Equipment	268,533	51,494	0	320,027
Vehicles	715,677	0	0	715,677
Total Capital Assets, being Depreciated	<u>1,603,356</u>	<u>209,153</u>	<u>0</u>	<u>1,812,509</u>
Total Capital Assets	<u>1,681,528</u>	<u>295,137</u>	<u>150,637</u>	<u>1,826,028</u>
<b>Less Accumulated Depreciation</b>				
Buildings & Improvements	211,478	10,142	0	221,620
Infrastructure	155,988	11,778	0	167,766
Equipment	107,599	9,743	0	117,342
Vehicles	357,281	49,124	0	406,405
Total Accumulated Depreciation	<u>832,346</u>	<u>80,787</u>	<u>0</u>	<u>913,133</u>
Capital Assets, net	<u>\$ 849,182</u>	<u>\$ 214,350</u>	<u>\$ 150,637</u>	<u>\$ 912,895</u>

Depreciation expense was charged to governmental activities as follows:

General	\$ 3,294
Public Safety	54,766
Public Works	11,315
Culture & Recreation	11,412
Total depreciation expenses	<u>\$ 80,787</u>

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**VILLAGE OF DORA**  
Notes to the Financial Statements  
June 30, 2010

	Beginning Balance 6/30/09	Increases	Decreases	Ending Balance 6/30/10
<b>Business-Type Activities</b>				
Capital Assets not being Depreciated				
Land	\$ 25,099	\$ 0	\$ 0	\$ 25,099
Total Capital Assets not being Depreciated	25,099	0	0	25,099
Capital Assets, being Depreciated				
Infrastructure	668,795	0	0	668,795
Equipment	132,161	0	0	132,161
Total Capital Assets at Historical Cost	\$ 826,055	\$ 0	\$ 0	\$ 826,055
<b>Less Accumulated Depreciation</b>				
Infrastructure	\$ 278,367	\$ 17,433	0	295,800
Equipment	14,957	1,091	0	16,048
Total Accumulated Depreciation	293,324	18,524	\$ 0	\$ 311,848
Capital Assets, net	\$ 532,731	\$ (18,524)	\$ 0	\$ 514,207

**NOTE F: LONG TERM DEBT**

Notes Payable

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

	Beginning Balance 6/30/09	Additions	Reductions	Ending Balance 6/30/10	Amounts Due Within One Year
<b>Governmental Activities</b>					
Notes Payable					
NMFA-Fire Truck	\$ 94,747	\$ 0	\$ 12,478	\$ 82,269	\$ 12,478
Total Notes Payable	\$ 94,747	\$ 0	\$ 12,478	\$ 82,269	\$ 12,478

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 of 4% totaling approximately \$15,889 per fiscal year. The fire truck debt service is paid from the Fire Fund.

The annual requirements to amortize the loans as of the fiscal year, including interest payments are as follows:

	Principal	Interest	Total
2011	\$ 12,478	\$ 3,409	\$ 15,887
2012	12,959	2,930	15,889
2013	13,474	2,415	15,889
2014	14,025	1,865	15,890
2015	14,612	1,281	15,893
2016	14,721	660	15,381
	\$ 82,269	\$ 12,560	\$ 94,829

**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, 2010, were as follows:

<u>Receivables</u>	<u>General</u>	<u>Non-Major</u>	<u>Water</u>
Taxes	\$ 1,403	\$ 0	\$ 0
Accounts	0	4,940	954
	<u>\$ 1,403</u>	<u>\$ 4,940</u>	<u>\$ 954</u>

**NOTE L: INTERFUND TRANSACTIONS**

The General Fund loaned the Fire Fund \$60,000 to purchase equipment in the June 30, 2008 year. The Fire Fund paid \$6,000 this year towards that loan leaving a balance of \$49,000. The General Fund transferred \$22,989 and Fire Fund transferred \$5,972 to the Capital Projects Fund for a total of \$28,961 to supplement construction costs. The EMS Fund transferred \$3,522 to the Ambulance Fund to split the fund into two funds. The Street Fund transferred \$50,816 to the General Fund to close the Street Fund into the General Fund.

**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 \$(34,700).

**NOTE Q: RELATED PARTY**

The Town purchased \$3,018.12 in welding services from Bill's Welding for the fiscal year. Town Councilman Bill Cathey is the owner of Bill's Welding.

**SUPPLEMENTAL INFORMATION RELATED TO  
NON MAJOR FUNDS**

**NONMAJOR SPECIAL REVENUE 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)

**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, 2010

	EMS Fund	Ambulance Fund	Municipal Street Fund
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 460	\$ 13,004	\$ 0
Receivables			
Accounts Receivable	0	4,940	0
<b>Total Assets</b>	<u>\$ 460</u>	<u>\$ 17,944</u>	<u>\$ 0</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Accounts Payable	\$ 0	\$ 1,142	\$ 0
<b>Total Liabilities</b>	<u>0</u>	<u>1,142</u>	<u>0</u>
Fund Balance			
Unreserved Reported In:			
Special Revenue	460	16,802	0
<b>Total Fund Balance</b>	<u>460</u>	<u>16,802</u>	<u>0</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 460</u>	<u>\$ 17,944</u>	<u>\$ 0</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 Balance Sheet  
June 30, 2010

	Recreation Fund	Capital Projects Fund	Senior Citizens Fund
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 115	\$ 3,769
Receivables			
Accounts Receivable	0	0	0
<b>Total Assets</b>	<b>\$ 0</b>	<b>\$ 115</b>	<b>\$ 3,769</b>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 754
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>754</b>
Fund Balance			
Unreserved Reported In:			
Special Revenue	0	115	3,015
<b>Total Fund Balance</b>	<b>0</b>	<b>115</b>	<b>3,015</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 0</b>	<b>\$ 115</b>	<b>\$ 3,769</b>

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 Balance Sheet  
June 30, 2010

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	<u>Total</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 17,348
Receivables	
Accounts Receivable	4,940
Total Assets	<u>\$ 22,288</u>
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities	
Accounts Payable	\$ 1,896
Total Liabilities	<u>1,896</u>
Fund Balance	
Unreserved Reported In:	
Special Revenue	<u>20,392</u>
Total Fund Balance	<u>20,392</u>
Total Liabilities and Fund Balance	<u>\$ 22,288</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, 2010

	EMS Fund	Ambulance Fund	Municipal Street Fund
<b>Revenues</b>			
Charge for Services	0	24,336	0
Federal Grants	0	0	0
State Grants	11,826	0	0
Interest Income	0	10	0
Miscellaneous	0	0	0
Total Revenues	<u>11,826</u>	<u>24,346</u>	<u>0</u>
<b>Expenditures</b>			
Current			
Public Safety	7,388	12,124	0
Culture & Recreation	0	0	0
Capital Outlay	7,500	0	0
Total Expenditures	<u>14,888</u>	<u>12,124</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,062)</u>	<u>12,222</u>	<u>0</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In/(Out)	3,522	(3,522)	(50,816)
Total Other Sources (Uses)	<u>3,522</u>	<u>(3,522)</u>	<u>(50,816)</u>
Net Change in Fund Balance	460	8,700	(50,816)
Fund Balances at Beginning of Year	<u>0</u>	<u>8,102</u>	<u>50,816</u>
Fund Balance End of Year	<u>\$ 460</u>	<u>\$ 16,802</u>	<u>\$ 0</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, 2010

	Recreation Fund	Capital Projects Fund	Senior Citizens Fund
<b>Revenues</b>			
Charge for Services	0	0	0
Federal Grants	0	0	1,960
State Grants	0	57,139	9,778
Interest Income	0	0	0
Miscellaneous	0	0	3,320
<b>Total Revenues</b>	<u>0</u>	<u>57,139</u>	<u>15,058</u>
<b>Expenditures</b>			
<b>Current</b>			
Public Safety	0	0	0
Culture & Recreation	179	0	12,923
Capital Outlay	0	85,985	0
<b>Total Expenditures</b>	<u>179</u>	<u>85,985</u>	<u>12,923</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(179)</u>	<u>(28,846)</u>	<u>2,135</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In/(Out)	0	28,961	0
<b>Total Other Sources (Uses)</b>	<u>0</u>	<u>28,961</u>	<u>0</u>
Net Change in Fund Balance	(179)	115	2,135
Fund Balances at Beginning of Year	<u>179</u>	<u>0</u>	<u>880</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 115</u>	<u>\$ 3,015</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, 2010

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	<u>Total</u>
Revenues	
Charge for Services	24,336
Federal Grants	1,960
State Grants	78,743
Interest Income	10
Miscellaneous	<u>3,320</u>
Total Revenues	<u>108,369</u>
Expenditures	
Current	
Public Safety	19,512
Culture & Recreation	13,102
Capital Outlay	<u>93,485</u>
Total Expenditures	<u>126,099</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(17,730)</u>
Other Financing Sources (Uses)	
Transfers In/(Out)	<u>(21,855)</u>
Total Other Sources (Uses)	<u>(21,855)</u>
Net Change in Fund Balance	(39,585)
Fund Balances at Beginning of Year	<u>59,977</u>
Fund Balance End of Year	<u>\$ 20,392</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 FUND  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 7,324	\$ 7,324	\$ 7,326	\$ 2
Special State Grant	4,503	4,503	4,500	(3)
Total Revenues	<u>11,827</u>	<u>11,827</u>	<u>11,826</u>	<u>(1)</u>
Expenditures				
Public Safety				
Operating	16,827	16,827	7,388	9,439
Capital Outlay	0	0	7,500	(7,500)
Total Expenditures	<u>16,827</u>	<u>16,827</u>	<u>14,888</u>	<u>1,939</u>
Excess (Deficiency) of Revenues Over Expenditures	(5,000)	(5,000)	(3,062)	1,938
Other Financing Sources (Uses)				
Transfers Out to General	5,000	5,000	3,522	(1,478)
Total Other Sources (Uses)	<u>5,000</u>	<u>5,000</u>	<u>3,522</u>	<u>(1,478)</u>
Net Change in Cash Balance	0	0	460	460
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>\$ 460</u>	<u>\$ 460</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 460	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 460</u>	

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

STATE OF NEW MEXICO  
**VILLAGE OF DORA**  
SPECIAL REVENUE FUND-AMBULANCE FUND  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Charge for Services	\$ 16,000	\$ 16,000	\$ 19,396	\$ 3,396
Interest Income	150	150	10	(140)
Total Revenues	<u>16,150</u>	<u>16,150</u>	<u>19,406</u>	<u>3,256</u>
<b>Expenditures</b>				
<b>Public Safety</b>				
Operating	16,827	16,827	12,038	4,789
Total Expenditures	<u>16,827</u>	<u>16,827</u>	<u>12,038</u>	<u>4,789</u>
Excess (Deficiency) of Revenues Over Expenditures	(677)	(677)	7,368	8,045
<b>Other Financing Sources (Uses)</b>				
Transfers Out to EMS	5,000	5,000	3,522	(1,478)
Total Other Sources (Uses)	<u>5,000</u>	<u>5,000</u>	<u>3,522</u>	<u>(1,478)</u>
Net Change in Cash Balance	(5,677)	(5,677)	3,846	9,523
Cash Balance Beginning of Year	<u>9,158</u>	<u>9,158</u>	<u>9,158</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 3,481</u>	<u>\$ 3,481</u>	<u>\$ 13,004</u>	<u>\$ 9,523</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 3,846	
Net Change in Receivables			4,940	
Net Change in Accounts Payables			(86)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 8,700</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Gasoline Tax	\$ 0	\$ 0	\$ 510	\$ 510
Interest	0	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>510</u>	<u>510</u>
<b>Expenditures</b>				
<b>Public Works</b>				
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	0	0	510	510
<b>Other Financing Sources (Uses)</b>				
Transfers Out to General	0	0	(50,816)	(50,816)
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(50,816)</u>	<u>(50,816)</u>
Net Change in Cash Balance	0	0	(50,306)	(50,306)
Cash Balance Beginning of Year	<u>50,306</u>	<u>50,306</u>	<u>50,306</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 50,306</u>	<u>\$ 50,306</u>	<u>\$ 0</u>	<u>\$ (50,306)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (50,306)	
Net Change in Taxes Receivable			(510)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (50,816)</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Cigarette Tax	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures</b>				
Culture & Recreation				
Operating Expenses	179	179	179	0
Total Expenditures	<u>179</u>	<u>179</u>	<u>179</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(179)</u>	<u>(179)</u>	<u>(179)</u>	<u>0</u>
Cash Balance Beginning of Year	<u>179</u>	<u>179</u>	<u>179</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(179)</u>	
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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grants	\$ 1,960	\$ 1,960	\$ 1,960	\$ 0
State & Local Grants	7,414	7,414	9,778	(2,364)
Miscellaneous	2,500	2,500	3,320	(820)
<b>Total Revenues</b>	<u>11,874</u>	<u>11,874</u>	<u>15,058</u>	<u>(3,184)</u>
<b>Expenditures</b>				
Culture & Recreation				
Personnel Services	12,754	12,754	1,500	11,254
Miscellaneous	0	0	10,669	(10,669)
<b>Total Expenditures</b>	<u>12,754</u>	<u>12,754</u>	<u>12,169</u>	<u>585</u>
Excess (Deficiency) of Revenues Over Expenditures	(880)	(880)	2,889	3,769
Cash Balance Beginning of Year	<u>880</u>	<u>880</u>	<u>880</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,769</u>	<u>\$ 3,769</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 2,889	
Net Change in Accounts Payables			<u>(754)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 2,135</u>	

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

## STATE OF NEW MEXICO

**VILLAGE OF DORA**

## CAPITAL PROJECTS

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

For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 144,709	\$ 144,709	\$ 57,139	\$ (87,570)
Total Revenues	<u>144,709</u>	<u>144,709</u>	<u>57,139</u>	<u>(87,570)</u>
<b>Expenditures</b>				
Capital Projects	146,209	171,209	85,985	85,224
Total Expenditures	<u>146,209</u>	<u>171,209</u>	<u>85,985</u>	<u>85,224</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,500)</u>	<u>(26,500)</u>	<u>(28,846)</u>	<u>(2,346)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In from General	1,500	26,500	13,961	12,539
Transfers In from Fire	<u>0</u>	<u>0</u>	<u>15,000</u>	<u>(15,000)</u>
Total Other Sources (Uses)	<u>1,500</u>	<u>26,500</u>	<u>28,961</u>	<u>(2,461)</u>
Net Change in Cash Balance	0	0	115	115
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>\$ 115</u>	<u>\$ 115</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>115</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>115</u>	

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

**PROPRIETARY FUND**

**Water & Trash**

To account for the provision of water & trash 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 & TRASH  
 Statement of Revenues, Expenditures, and Changes in Cash Balance -  
 Budget and Actual (Non-GAAP-Budgetary Basis)  
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Sales & Service	\$ 26,000	\$ 23,500	\$ 28,726	\$ 5,226
Interest Income	1,500	3,500	648	(2,852)
Environmental Gross Receipts Tax	800	800	1,050	250
Miscellaneous	1,350	1,710	2,303	593
<b>Total Revenues</b>	<u>29,650</u>	<u>29,510</u>	<u>32,727</u>	<u>3,217</u>
<b>Expenditures</b>				
Personnel Services	2,400	2,400	2,400	0
Operating Expenses	37,040	45,040	39,899	5,141
<b>Total Expenditures</b>	<u>39,440</u>	<u>47,440</u>	<u>42,299</u>	<u>5,141</u>
Excess (Deficiency) of Revenues Over Expenditures	(9,790)	(17,930)	(9,572)	8,358
Cash Balance Beginning of Year	<u>87,592</u>	<u>87,592</u>	<u>87,592</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 77,802</u>	<u>\$ 69,662</u>	<u>\$ 78,020</u>	<u>\$ 8,358</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (9,572)	
Net Change in Accounts Receivables			215	
Depreciation			(18,524)	
Net Change in Accounts Payables			(2,172)	
Net Change in Customer Deposits			545	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (29,508)</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, the aggregate remaining fund information, the budgetary comparisons for the general fund, major special revenue fund, and the combining and individual funds and related budgetary comparisons presented as supplemental information of VILLAGE OF DORA, (Village), as of and for the year ended June 30, 2010, and have issued our report thereon dated July 15, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses listed as 08-1 and 10-1.

### 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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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

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

*De'Ann Willoughby* CPA PC

July 15, 2011



**Prior Year Audit Findings**

	<u>Status</u>
2008-1 SAS 112 Compliance superseded by SAS 115	Repeated

**Current Year Audit Findings**

**08-1 SAS 115 Compliance**

**Condition**

The individuals responsible for the accounting functions for the District lacks the skills and knowledge to apply generally accepted accounting principals in preparing the entity's financial statements. The accounting management has not obtained training to adequately apply the generally accepted accounting principals, which includes GASB 34 and subsequent pronouncements. The Financial statements were prepared by the auditor.

**Criteria**

Statement on Accounting Standards (SAS) 115, 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.

**10-1 Late Audit Report**

**Condition**

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

**Criteria**

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

**Effect**

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

**Cause**

The Auditor submitted the report before the due date of December 1st and takes full responsibility for the late audit report.

**Recommendation**

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

**Response**

We will ask the auditor to submit our audit earlier so required changes to not make our audit late.

**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 July 15, 2011. In attendance were Mickey Burkett-Mayor, Becky Frazee-Clerk and De'Aun Willoughby, CPA.