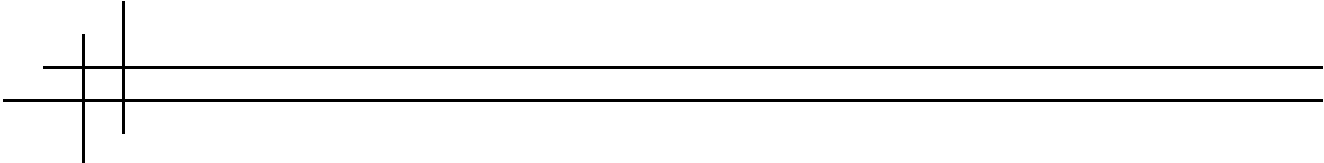




STATE OF NEW MEXICO
VILLAGE OF DORA

ANNUAL FINANCIAL REPORT
June 30, 2011

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



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VILLAGE OF DORA
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STATE OF NEW MEXICO
VILLAGE OF DORA
Official Roster
June 30, 2011

BOARD OF TRUSTEES

Mickey Burkett	Mayor
Jack Manis	Trustee
Lewis Walker	Trustee
Bill Cathey	Trustee
Bobbie Victor	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, 2011, which collectively comprise the Village's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Village's nonmajor governmental funds and the budgetary comparisons for all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2011, 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, 2011, 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 fund of the Village as of June 30, 2011, 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 November 3, 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.

De'Ann Willoughby CPA PC

November 3, 2011

FINANCIAL SECTION

STATE OF NEW MEXICO
VILLAGE OF DORA
 Government-Wide Statement of Net Assets
 June 30, 2011

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 432,483	\$ 80,279	\$ 512,762
Investment	655	0	655
Taxes Receivable	2,201	0	2,201
Accounts Receivable	1,119	1,121	2,240
Total Current Assets	<u>436,458</u>	<u>81,400</u>	<u>517,858</u>
Noncurrent Assets			
Restricted Cash	0	895	895
Capital Assets	1,837,885	826,055	2,663,940
Less: Accumulated Depreciation	(985,972)	(336,514)	(1,322,486)
Total Noncurrent Assets	<u>851,913</u>	<u>490,436</u>	<u>1,342,349</u>
Total Assets	<u>1,288,371</u>	<u>571,836</u>	<u>1,860,207</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	31,568	2,711	34,279
Accrued Payroll	3,340	0	3,340
Current Portion of Long Term Debt	12,959	0	12,959
Total Current Liabilities	<u>47,867</u>	<u>2,711</u>	<u>50,578</u>
Noncurrent Liabilities			
Customer Deposits	0	895	895
Non Current Portion of Long Term Debt	57,279	0	57,279
Total Noncurrent Liabilities	<u>57,279</u>	<u>895</u>	<u>58,174</u>
Total Liabilities	<u>105,146</u>	<u>3,606</u>	<u>108,752</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	781,675	490,436	1,272,111
Unrestricted	401,550	77,794	479,344
Total Net Assets	<u>\$ 1,183,225</u>	<u>\$ 568,230</u>	<u>\$ 1,751,455</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, 2011

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	\$ 64,437	\$ 125	\$ 35,000	\$ 0	\$ (29,312)	\$ 0	\$ (29,312)
Public Safety	259,339	10,224	247,232	0	(1,883)	0	(1,883)
Public Works	13,545	0	0	0	(13,545)	0	(13,545)
Culture & Recreation	29,153	0	9,374	0	(19,779)	0	(19,779)
Economic Development	2,500	0	0	0	(2,500)	0	(2,500)
Interest on Long-Term Obligations	3,575	0	0	0	(3,575)	0	(3,575)
Total Governmental Activities	\$ 372,549	\$ 10,349	\$ 291,606	\$ 0	(70,594)	0	(70,594)
Business-type Activities							
Water	\$ 51,791	\$ 29,081	\$ 0	\$ 0	0	(22,710)	(22,710)
Solid Waste	6,717	6,378	0	0	0	(339)	(339)
Total Business-type Activities	\$ 58,508	\$ 35,459	\$ 0	\$ 0	0	(23,049)	(23,049)
General Revenues							
Taxes							
Property					1,272	0	1,272
Gross Receipts					16,915	0	16,915
Gasoline					5,826	0	5,826
Motor Vehicle					326	0	326
Interest Income					2,676	746	3,422
Miscellaneous					9,047	119	9,166
Total General Revenues and Transfers					36,062	865	36,927
Change in Net Assets					(34,532)	(22,184)	(56,716)
Net Assets - beginning					1,217,757	590,414	1,808,171
Net Assets - ending					\$ 1,183,225	\$ 568,230	\$ 1,751,455

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, 2011

	General Fund	Fire Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 353,437	\$ 66,419	\$ 12,627	\$ 432,483
Investment	655	0	0	655
Receivables				
Taxes	2,201	0	0	2,201
Accounts	0	0	1,119	1,119
Interfund Balance	39,000	0	0	39,000
Total Assets	<u>\$ 395,293</u>	<u>\$ 66,419</u>	<u>\$ 13,746</u>	<u>\$ 475,458</u>
LIABILITIES AND FUND BALANCE				
Liabilities				
Current Liabilities				
Accounts Payable	\$ 5,472	\$ 26,096	\$ 0	\$ 31,568
Accrued Payroll	1,232	0	2,108	3,340
Interfund Balance	0	39,000	0	39,000
Total Liabilities	<u>6,704</u>	<u>65,096</u>	<u>2,108</u>	<u>73,908</u>
Fund Balances				
Restricted, reported in				
Special Revenue Fund	0	1,323	11,638	12,961
Unassigned, reported in:				
General Fund	388,589	0	0	388,589
Total Fund Balances	<u>388,589</u>	<u>1,323</u>	<u>11,638</u>	<u>401,550</u>
Total Liabilities and Fund Balances	<u>\$ 395,293</u>	<u>\$ 66,419</u>	<u>\$ 13,746</u>	<u>\$ 475,458</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, 2011

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

Total Fund Balance - Governmental Funds	\$	401,550
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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	\$	1,837,885	
Accumulated depreciation		<u>(985,972)</u>	851,913

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>(70,238)</u>
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Total net assets - governmental activities	\$	<u><u>1,183,225</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, 2011

	General Fund	Fire Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues				
Taxes				
Property	\$ 1,272	\$ 0	\$ 0	\$ 1,272
Gross Receipts	16,915	0	0	16,915
Gasoline	5,826	0	0	5,826
Motor Vehicle	326	0	0	326
Charge for Services	0	0	10,224	10,224
Federal Grants	0	67,165	1,960	69,125
State & Local Grants	35,000	164,013	16,768	215,781
County Subsidy	0	6,700	0	6,700
Interest Income	2,477	196	3	2,676
Licenses, Fees, & Fines	125	0	0	125
Miscellaneous	433	8,569	45	9,047
Total Revenues	<u>62,374</u>	<u>246,643</u>	<u>29,000</u>	<u>338,017</u>
Expenditures				
Current				
General	61,243	0	0	61,243
Public Safety	4,620	184,314	22,614	211,548
Public Works	2,246	0	0	2,246
Culture & Recreation	8,115	0	10,483	18,598
Economic Development	2,500	0	0	2,500
Capital Outlay	0	4,700	7,157	11,857
Debt Service				
Principal	0	12,031	0	12,031
Interest	0	3,575	0	3,575
Total Expenditures	<u>78,724</u>	<u>204,620</u>	<u>40,254</u>	<u>323,598</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(16,350)</u>	<u>42,023</u>	<u>(11,254)</u>	<u>14,419</u>
Other Financing Sources (Uses)				
Transfers In/(Out)	<u>3,500</u>	<u>(6,000)</u>	<u>2,500</u>	<u>0</u>
Total Other Sources (Uses)	<u>3,500</u>	<u>(6,000)</u>	<u>2,500</u>	<u>0</u>
Net Change in Fund Balance	(12,850)	36,023	(8,754)	14,419
Fund Balance at Beginning of year	<u>401,439</u>	<u>(34,700)</u>	<u>20,392</u>	<u>387,131</u>
Fund Balance End of Year	<u>\$ 388,589</u>	<u>\$ 1,323</u>	<u>\$ 11,638</u>	<u>\$ 401,550</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, 2011

Net Change in Fund Balance	\$	14,419
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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.

Depreciation expense	\$	(72,839)	
Capital Outlays		11,857	(60,982)

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

	12,031
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Changes in Net Assets of Governmental Activities	\$	(34,532)
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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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Taxes				
Gross Receipts	\$ 16,100	\$ 16,100	\$ 16,211	\$ 111
Property	1,438	1,438	1,226	(212)
Gasoline	5,600	5,600	5,807	207
Motor Vehicle	290	290	298	8
Licenses, Fines, & Forfeitures	200	200	125	(75)
Small Cities Assistance	36,000	36,000	35,000	(1,000)
Interest Income	5,000	5,000	2,477	(2,523)
Miscellaneous	350	350	433	83
Total Revenues	<u>64,978</u>	<u>64,978</u>	<u>61,577</u>	<u>(3,401)</u>
Expenditures				
Financial Department				
Personnel Services	63,645	63,645	28,251	35,394
Benefits	0	0	10,801	(10,801)
Operating Expenses	0	0	19,922	(19,922)
Total Financial Department	<u>63,645</u>	<u>63,645</u>	<u>58,974</u>	<u>4,671</u>
Public Safety				
Operating Expenses	8,000	8,000	4,215	3,785
Total Public Safety	<u>8,000</u>	<u>8,000</u>	<u>4,215</u>	<u>3,785</u>
Highways & Streets				
Operating Expenses	3,800	3,800	2,600	1,200
Total Highways & Streets	<u>3,800</u>	<u>3,800</u>	<u>2,600</u>	<u>1,200</u>
Senior Citizens				
Operating Expenses	2,500	2,500	2,500	0
Total Senior Citizens	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>0</u>
Economic Development				
Operating Expenses	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>
Culture & Recreation				
Operating Expenses	14,700	14,700	5,928	8,772
Total Culture & Recreation	<u>14,700</u>	<u>14,700</u>	<u>5,928</u>	<u>8,772</u>
Total Expenditures	<u>95,145</u>	<u>95,145</u>	<u>76,717</u>	<u>18,428</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ <u>(30,167)</u>	\$ <u>(30,167)</u>	\$ <u>(15,140)</u>	\$ <u>15,027</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Other Financing Sources (Uses)				
Transfers Out to Senior Citizens	\$ 0	\$ 0	\$ (2,500)	\$ 2,500
Transfers In from Fire	0	0	6,000	(6,000)
Loan Payment from Fire	0	0	10,000	(10,000)
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>13,500</u>	<u>(13,500)</u>
Net Change in Cash Balance	(30,167)	(30,167)	(1,640)	28,527
Cash Balance Beginning of Year	<u>355,732</u>	<u>355,732</u>	<u>355,732</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 325,565</u>	<u>\$ 325,565</u>	<u>\$ 354,092</u>	<u>\$ 28,527</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,640)	
Net Change in Taxes Receivables			798	
Net Change in Accounts Payables			(1,900)	
Net Change in Accrued Payroll			(108)	
Loan repayment from Fire Fund			<u>(10,000)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (12,850)</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Fire Allotment	\$ 120,000	\$ 120,000	\$ 150,990	\$ 30,990
State Fire Suppression	14,000	14,000	13,022	(978)
Federal Grant	67,165	67,165	67,165	0
County Subsidy	6,700	6,700	6,700	0
Interest Income	0	0	196	196
Miscellaneous	15,567	15,567	8,570	(6,997)
Total Revenues	<u>223,432</u>	<u>223,432</u>	<u>246,643</u>	<u>23,211</u>
Expenditures				
Public Safety				
Operating	210,462	210,462	160,888	49,574
Capital Purchases	0	0	4,700	(4,700)
Lease Purchase				
Principal	15,606	15,606	12,031	3,575
Interest	0	0	3,575	(3,575)
Total Expenditures	<u>226,068</u>	<u>226,068</u>	<u>181,194</u>	<u>44,874</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,636)</u>	<u>(2,636)</u>	<u>65,449</u>	<u>68,085</u>
Other Financing Sources (Uses)				
Transfers Out to General	0	0	(6,000)	6,000
Loan Payment to General	0	0	(10,000)	10,000
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(16,000)</u>	<u>16,000</u>
Net Change in Cash Balance	(2,636)	(2,636)	49,449	52,085
Cash Balance Beginning of Year	<u>16,970</u>	<u>16,970</u>	<u>16,970</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 14,334</u>	<u>\$ 14,334</u>	<u>\$ 66,419</u>	<u>\$ 52,085</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 49,449	
Net Change in Accounts Payables			(23,426)	
Loan Payment to General Fund			10,000	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 36,023</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, 2011

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 80,279
Receivables (net of allowance for uncollectible accounts)	
Accounts	1,121
Total Current Assets	<u>81,400</u>

Noncurrent Assets

Restricted Cash	895
Capital Assets	826,055
Less Accumulated Depreciation	<u>(336,514)</u>
Total Noncurrent Assets	<u>490,436</u>

Total Assets	<u>571,836</u>
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LIABILITIES

Current Liabilities

Accounts Payable	<u>2,711</u>
Total Current Liabilities	<u>2,711</u>

Noncurrent Liabilities

Customer Deposits	<u>895</u>
Total Noncurrent Liabilities	<u>895</u>

Total Liabilities	<u>3,606</u>
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NET ASSETS

Invested in Capital Assets	490,436
Unrestricted	<u>77,794</u>
Total Net Assets	<u>\$ 568,230</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, 2011

Operating Revenues	
Sales & Service	\$ 35,459
Miscellaneous	120
Total Operating Revenues	<u>35,579</u>
Operating Expenses	
Salaries & Benefits	2,400
Operating Costs	31,444
Depreciation	24,665
Total Operating Expenses	<u>58,509</u>
Operating Income (Loss)	<u>(22,930)</u>
Nonoperating Revenue (Expenses)	
Interest Income	746
Total Nonoperating Revenue (Expenses)	<u>746</u>
Change in Net Assets	(22,184)
Total Net Assets - Beginning	<u>590,414</u>
Total Net Assets - Ending	<u>\$ 568,230</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, 2011

Cash Flows from Operating Activities	
Cash Received From Customers	\$ 35,459
Cash Paid to Suppliers and Employees	(33,052)
Net Cash Provided by Operating Activities	<u>2,407</u>
Cash Flows from Investing Activities	
Interest Received	746
Net Cash Provided by Investing Activities	<u>746</u>
Net Increase (Decrease) in Cash	3,153
Cash, Beginning of Year	<u>78,021</u>
Cash, End of Year	<u><u>\$ 81,174</u></u>
Cash Reconciliation	
Cash and Cash Equivalents	80,279
Restricted Cash	895
	<u>81,174</u>
Reconciliation of Net Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ (22,930)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
Depreciation	24,665
Change in Assets and Liabilities	
(Increase) Decrease in Accounts Receivable	(167)
Increase (Decrease) in Accounts Payable	539
Increase (Decrease) in Customer Deposits	300
Net Cash Provided by Operating Activities	<u><u>\$ 2,407</u></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 Village'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 the Village 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 programs.

2. Internal Service Fund (ISF). An ISF accounts for financing goods or services provided by an organizational unit of the Village to other units of the Village, on a self-liquidating, fee-for-service basis. The Village of 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.

STATE OF NEW MEXICO
VILLAGE OF DORA
 Notes to the Financial Statements
 June 30, 2011

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	Balance Per Bank 6/30/11	Reconciled Balance	Type
<u>Name of Account</u>	<u> </u>	<u> </u>	
Village of Dora CD	\$ 98,735	\$ 98,735	Saving
TOTAL Deposited	<u>98,735</u>	<u>\$ 98,735</u>	
Less: FDIC Coverage	<u>(98,735)</u>		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	<u>0</u>		
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.

STATE OF NEW MEXICO
VILLAGE OF DORA
Notes to the Financial Statements
June 30, 2011

Wells Fargo Bank

<u>Name of Account</u>	Balance Per Bank 6/30/11	Reconciled Balance	Type
Village of Dora	\$ 74,093	\$ 74,093	Savings
Village of Dora	3,000	3,000	Savings
Village of Dora	63,958	32,963	Checking
TOTAL Deposited	<u>141,051</u>	<u>\$ 110,056</u>	
Less: FDIC Coverage	<u>(141,051)</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.

New Mexico Bank & Trust

<u>Name of Account</u>	Balance Per Bank 6/30/11	Reconciled Balance	Type
Village of Dora CD	\$ 80,000	\$ 80,000	Saving
TOTAL Deposited	<u>80,000</u>	<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 6/30/11	Reconciled Balance	Type
Village of Dora CD	\$ 2,592	\$ 2,592	Saving
Village of Dora CD	82,256	82,256	Saving
Village of Dora CD	32,255	32,255	Saving
Village of Dora CD	50,184	50,184	Saving
TOTAL Deposited	<u>167,287</u>	<u>\$ 167,287</u>	
Less: FDIC Coverage	<u>(167,287)</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, 2011

First Community Bank

<u>Name of Account</u>	Balance Per Bank 6/30/11	Reconciled Balance	Type
Village of Dora CD	\$ 57,523	\$ 57,523	Saving
TOTAL Deposited	<u>57,523</u>	<u>57,523</u>	
Less: FDIC Coverage	<u>(57,523)</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	\$ 544,596
Collateralized:	
Collateral held by the pledging bank in Village's name	0
Uninsured and uncollateralized	0
Total Deposits	<u>\$ 544,596</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, 2011 none of the Village's bank balance of \$544,596 was exposed to custodial credit risk.

The cash balance includes \$56 cash on hand.

State Treasurer

<u>Name of Account</u>	Balance 6/30/11	Type
LGIP Fund-4101	\$ 159	Investment
Reserve Contingencies Fund-4102	<u>496</u>	Investment
TOTAL Deposited	<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.

STATE OF NEW MEXICO
VILLAGE OF DORA
Notes to the Financial Statements
June 30, 2011

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. As of June 30, 2011, the LGIP WAM is 50 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 \$895 in restricted cash in the Water Fund for customer deposits.

NOTE E: CAPITAL ASSETS

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

	Beginning Balance 6/30/10	Increases	Decreases	Ending Balance 6/30/11
Governmental Activities				
Capital Assets, not being Depreciated				
Land	\$ 13,519	\$ 0	\$ 0	\$ 13,519
Construction in Progress	0			0
Total Capital Assets, not being Depreciated	13,519	0	0	13,519
Capital Assets, being Depreciated				
Buildings & Improvements	522,312	7,157	0	529,469
Infrastructure	254,493		0	254,493
Equipment & Vehicles	1,035,704	4,700	0	1,040,404
Total Capital Assets, being Depreciated	1,812,509	11,857	0	1,824,366
Total Capital Assets	1,826,028	11,857	0	1,837,885
Less Accumulated Depreciation				
Buildings & Improvements	221,620	14,388	0	236,008
Infrastructure	167,766	9,052	0	176,818
Equipment & Vehicles	523,748	49,398	0	573,146
Total Accumulated Depreciation	913,134	72,838	0	985,972
Capital Assets, net	\$ 912,894	\$ (60,981)	\$ 0	\$ 851,913

STATE OF NEW MEXICO
VILLAGE OF DORA
Notes to the Financial Statements
June 30, 2011

Depreciation expense was charged to governmental activities as follows:

General	\$	3,192
Public Safety		47,791
Public Works		11,299
Culture & Recreation		10,556
Total depreciation expenses	\$	<u>72,838</u>

	Beginning Balance 6/30/10	Increases	Decreases	Ending Balance 6/30/11
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	\$ 295,800	\$ 17,979	0	313,779
Equipment	16,048	6,687	0	22,735
Total Accumulated Depreciation	<u>311,848</u>	<u>24,666</u>	<u>\$ 0</u>	<u>\$ 336,514</u>
Capital Assets, net	<u>\$ 514,207</u>	<u>\$ (24,666)</u>	<u>\$ 0</u>	<u>\$ 489,541</u>

NOTE F: LONG TERM DEBT

Notes Payable

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

	Beginning Balance 6/30/10	Additions	Reductions	Ending Balance 6/30/11	Amounts Due Within One Year
Governmental Activities					
Notes Payable					
NMFA-Fire Truck	\$ 82,269	\$ 0	\$ 12,031	\$ 70,238	\$ 12,959
Total Notes Payable	<u>\$ 82,269</u>	<u>\$ 0</u>	<u>\$ 12,031</u>	<u>\$ 70,238</u>	<u>\$ 12,959</u>

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.

STATE OF NEW MEXICO
VILLAGE OF DORA
Notes to the Financial Statements
June 30, 2011

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

	Principal	Interest	Total
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	15,168	660	15,828
	<u>\$ 70,238</u>	<u>\$ 9,151</u>	<u>\$ 79,389</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, 2011, were as follows:

<u>Receivables</u>	<u>General</u>	<u>Non-Major</u>	<u>Water</u>
Taxes			
Property	\$ 54	\$ 0	\$ 0
Gross Receipts	1,623	0	0
Gasoline	496	0	0
MVD	28	0	0
Accounts	0	1,119	1,121
	<u>\$ 2,201</u>	<u>\$ 1,119</u>	<u>\$ 1,121</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 \$10,000 this year towards that loan leaving a balance of \$39,000. The General Fund transferred \$2,500 to the Senior Citizens for local support, the Fire Fund transferred \$6,000 to the General Fund and the Ambulance Fund transferred \$5,000 to the Capital Projects Fund to complete the construction project.

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 O: RELATED PARTY

The Village purchased \$2,000.00 in welding services from Bill's Welding for the fiscal year. Village 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 FUNDS
 Combining Balance Sheet
 June 30, 2011

	Special Revenue		
	EMS Fund	Ambulance Fund	Senior Citizens Fund
ASSETS			
Cash and Cash Equivalents	\$ 432	\$ 7,121	\$ 5,074
Receivables			
Accounts Receivable	0	1,119	0
Total Assets	<u>\$ 432</u>	<u>\$ 8,240</u>	<u>\$ 5,074</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 1,485	\$ 623
Total Liabilities	<u>0</u>	<u>1,485</u>	<u>623</u>
Fund Balance			
Restricted, reported in			
Special Revenue Fund	432	6,755	4,451
Capital Projects	0	0	0
Total Fund Balance	<u>432</u>	<u>6,755</u>	<u>4,451</u>
Total Liabilities and Fund Balance	<u>\$ 432</u>	<u>\$ 8,240</u>	<u>\$ 5,074</u>

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

STATE OF NEW MEXICO
VILLAGE OF DORA
 NONMAJOR FUNDS
 Combining Balance Sheet
 June 30, 2011

	Capital Projects Fund	Total
	<u> </u>	<u> </u>
ASSETS		
Cash and Cash Equivalents	\$ 0	\$ 12,627
Receivables		
Accounts Receivable	<u>0</u>	<u>1,119</u>
Total Assets	<u>\$ 0</u>	<u>\$ 13,746</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts Payable	<u>\$ 0</u>	<u>\$ 2,108</u>
Total Liabilities	<u>0</u>	<u>2,108</u>
Fund Balance		
Restricted, reported in		
Special Revenue Fund	0	11,638
Capital Projects	<u>0</u>	<u>0</u>
Total Fund Balance	<u>0</u>	<u>11,638</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 13,746</u>

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

STATE OF NEW MEXICO
VILLAGE OF DORA
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue		
	EMS Fund	Ambulance Fund	Senior Citizens Fund
Revenues			
Charge for Services	0	10,224	0
Federal Grants	0	0	1,960
State Grants	7,312	0	7,414
Interest Income	0	3	0
Miscellaneous	0	0	45
Total Revenues	<u>7,312</u>	<u>10,227</u>	<u>9,419</u>
Expenditures			
Current			
Public Safety	7,340	15,274	0
Culture & Recreation	0	0	10,483
Capital Outlay	0	0	0
Total Expenditures	<u>7,340</u>	<u>15,274</u>	<u>10,483</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(28)</u>	<u>(5,047)</u>	<u>(1,064)</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	0	(5,000)	2,500
Total Other Sources (Uses)	<u>0</u>	<u>(5,000)</u>	<u>2,500</u>
Net Change in Fund Balance	(28)	(10,047)	1,436
Fund Balances at Beginning of Year	<u>460</u>	<u>16,802</u>	<u>3,015</u>
Fund Balance End of Year	<u>\$ 432</u>	<u>\$ 6,755</u>	<u>\$ 4,451</u>

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

STATE OF NEW MEXICO
VILLAGE OF DORA
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Capital Projects Fund	Total
	<u> </u>	<u> </u>
Revenues		
Charge for Services	0	10,224
Federal Grants	0	1,960
State Grants	2,042	16,768
Interest Income	0	3
Miscellaneous	0	45
Total Revenues	<u>2,042</u>	<u>29,000</u>
Expenditures		
Current		
Public Safety	0	22,614
Culture & Recreation	0	10,483
Capital Outlay	<u>7,157</u>	<u>7,157</u>
Total Expenditures	<u>7,157</u>	<u>40,254</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(5,115)</u>	<u>(11,254)</u>
Other Financing Sources (Uses)		
Transfers In/(Out)	<u>5,000</u>	<u>2,500</u>
Total Other Sources (Uses)	<u>5,000</u>	<u>2,500</u>
Net Change in Fund Balance	(115)	(8,754)
Fund Balances at Beginning of Year	<u>115</u>	<u>20,392</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 11,638</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 7,339	\$ 7,339	\$ 7,312	\$ (27)
Interest Income	2	2	1	(1)
Total Revenues	<u>7,341</u>	<u>7,341</u>	<u>7,313</u>	<u>(28)</u>
Expenditures				
Public Safety				
Operating	7,341	7,341	7,341	0
Total Expenditures	<u>7,341</u>	<u>7,341</u>	<u>7,341</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(28)	(28)
Cash Balance Beginning of Year	<u>460</u>	<u>460</u>	<u>460</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 460</u>	<u>\$ 460</u>	<u>\$ 432</u>	<u>\$ (28)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ (28)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (28)</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Charge for Services	\$ 20,000	\$ 20,000	\$ 14,045	\$ (5,955)
Interest Income	0	0	3	3
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>14,048</u>	<u>(5,952)</u>
Expenditures				
Public Safety				
Operating	15,000	15,000	14,931	69
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>14,931</u>	<u>69</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>5,000</u>	<u>5,000</u>	<u>(883)</u>	<u>(5,883)</u>
Other Financing Sources (Uses)				
Transfers Out to Capital Projects	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>0</u>
Total Other Sources (Uses)	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>0</u>
Net Change in Cash Balance	10,000	10,000	(5,883)	(15,883)
Cash Balance Beginning of Year	<u>13,004</u>	<u>13,004</u>	<u>13,004</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 23,004</u>	<u>\$ 23,004</u>	<u>\$ 7,121</u>	<u>\$ (15,883)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ (5,883)	
Net Change in Receivables			(3,821)	
Net Change in Accounts Payables			(343)	
Net Change in Fund Balance Balance			<u>\$ (10,047)</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State & Local Grants	\$ 7,414	\$ 7,414	\$ 7,414	\$ 0
Federal Grants	4,960	1,960	1,960	0
Miscellaneous	0	0	45	(45)
Total Revenues	<u>12,374</u>	<u>9,374</u>	<u>9,419</u>	<u>(45)</u>
Expenditures				
Culture & Recreation				
Personnel Services	1,500	1,500	1,500	0
Miscellaneous	12,339	12,339	9,114	3,225
Total Expenditures	<u>13,839</u>	<u>13,839</u>	<u>10,614</u>	<u>3,225</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,465)</u>	<u>(4,465)</u>	<u>(1,195)</u>	<u>3,270</u>
Other Financing Sources (Uses)				
Transfers In From General	2,500	2,500	2,500	0
Total Other Sources (Uses)	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>0</u>
Net Change in Cash Balance	1,035	(1,965)	1,305	3,270
Cash Balance Beginning of Year	<u>3,769</u>	<u>3,769</u>	<u>3,769</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 4,804</u>	<u>\$ 1,804</u>	<u>\$ 5,074</u>	<u>\$ 3,270</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ 1,305	
Net Change in Accounts Payables			131	
Net Change in Fund Balance			<u>\$ 1,436</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State & Local Grants	\$ 2,041	\$ 2,041	\$ 2,041	\$ 0
Total Revenues	<u>2,041</u>	<u>2,041</u>	<u>2,041</u>	<u>0</u>
Expenditures				
Capital Projects	<u>7,156</u>	<u>7,156</u>	<u>7,156</u>	<u>0</u>
Total Expenditures	<u>7,156</u>	<u>7,156</u>	<u>7,156</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(5,115)</u>	<u>(5,115)</u>	<u>(5,115)</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfers In from Ambulance	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Total Other Sources (Uses)	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Net Change in Cash Balance	(115)	(115)	(115)	0
Cash Balance Beginning of Year	<u>115</u>	<u>115</u>	<u>115</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ <u>(115)</u>	
Net Change in Fund Balance			\$ <u>(115)</u>	

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

PROPRIETARY 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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Sales & Service	\$ 35,925	\$ 35,925	\$ 35,593	\$ (332)
Interest Income	750	750	746	(4)
Miscellaneous	6,050	6,050	120	(5,930)
Total Revenues	<u>42,725</u>	<u>42,725</u>	<u>36,459</u>	<u>(6,266)</u>
Expenditures				
Personnel Services	2,400	2,400	2,400	0
Operating Expenses	39,008	39,008	30,905	8,103
Total Expenditures	<u>41,408</u>	<u>41,408</u>	<u>33,305</u>	<u>8,103</u>
Excess (Deficiency) of Revenues Over Expenditures	1,317	1,317	3,154	1,837
Cash Balance Beginning of Year	<u>78,020</u>	<u>78,020</u>	<u>78,020</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 79,337</u>	<u>\$ 79,337</u>	<u>\$ 81,174</u>	<u>\$ 1,837</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 3,154	
Depreciation			(24,665)	
Net Change in Accounts Receivables			167	
Net Change in Accounts Payables			(540)	
Net Change in Customer Deposits			(300)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (22,184)</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, 2011, and have issued our report thereon dated November 3, 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.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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. However, we identified deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency in internal control over financial reporting; 08-1, 11-1, 11-2, 11-3, and 11-4. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 is describe in the accompanying schedule of findings and responses as item 08-1, 11-1, 11-2, 11-3, and 11-4.

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

November 3, 2011

Prior Year Audit Findings

		<u>Status</u>
2008-1	SAS 112 Compliance superseded by SAS 115	Repeated
10-1	Late Audit Report	Resolved

Current Year Audit Findings

08-1 SAS 115 Compliance-Compliance and Internal Control-Significant Deficiency

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.

Cause

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

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.

11-1 Payroll-Compliance and Internal Control-Significant Deficiency

Condition

The 6/30/11 payroll report was missing a payroll dated 6/17/11 which totaled \$1,278.00 in wages. This error caused the 941 and state unemployment reports to be inaccurate. State unemployment reports were not being completed correctly There were no excess wages reported on the 2010 3rd and 4th quarter reports. The state unemployment report reported \$3,746.62 more than was recorded in the general ledger in gross wages.

Criteria

Good internal controls and sound business practice requires that the Village provide adequate control over payroll. Also the governing body is charged with the responsibility of ensuring the proper oversight and expenditures of funds.

Cause

The Village is very small. Even compensating controls are difficult because there is only one employee and the board only meets once a month.

Effect

The Village clerk has the opportunity to pay for her own compensation incorrectly.

Recommendation

We recommend that the Village designate the clerk's position a salaried position with set hours that the village office is open. There should be at least one board member available to review all payroll related items.

Response

Internal Control will be changed to resolve these issues.

11-2 W-2's-Compliance and Internal Control-Significant Deficiency

Condition

We noted that the Village did not issue W-2's for the firefighters and EMS volunteers.

Criteria

IRS Publication 15-B.

Cause

The Village did not know they were to issue W-2's for volunteer firefighters and EMS. They were under the impression that they were to issue 1099's only if the volunteer received \$600 or more for the calendar year.

Effect

The Village could be subjected to penalties and fines.

Recommendation

We recommend that the Village review the IRS Publication 15-B periodically to insure they are in compliance.

Response

We will issue W-2s to the volunteers.

11-3 Reconciling of Bank Statements-Compliance and Internal Control-Significant

Condition

Bank Reconciliations are not being performed at year end date.

Criteria

Good accounting practices include reconciling bank statements to the general ledger at month and year end to agree to reports issued on those dates.

Cause

The Clerk reconciles at various time during the month but not necessary at the end of the month or year. There was not a bank reconciliation dated June 30, 2011.

Effect

It was difficult to work backwards from the reconciliation date to year end although we did arrive at the reconciled balance. This process could lead to errors occurring and not being caught because reconciliations do not correspond to month or year end dates.

Recommendation

The Village must reconcile the bank statements to the general ledger at month end and year end. It is acceptable to reconcile during the month but the process must occur at month and year end also.

Response

We will reconcile at month end and year end.

11-4 Expenditures-Compliance and Internal Control-Significant Deficiency**Condition**

During our fieldwork we noted that out of 125 expenditures sampled 7 were lacking invoices, 1 was paid from a quote instead of a bill, 2 credit card statements had no receipts to support the charges and 1 was paid from the wrong fund.

Criteria

NMAC 6.20.2.17 states that each municipality shall establish and implement written policies and procedures for purchasing, which shall be in compliance with the procurement code section 13-1-21, NMSA 1978.

Cause

The procurement procedures are not being followed and the council is not requiring them to do so.

Effect

The proper maintenance of supporting documentation relating to financial transaction is necessary to provide evidence that the purchase was proper, approved and classified correctly.

Recommendation

We recommend the council enforce policies and procedures in place to document expenditures and approval of the expenditures.

Response

We will be more demanding of those who have receipts to turn them in to the clerk.

Financial Statement Preparation

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

Exit Conference

An exit conference was held on November 3, 2011. In attendance were Mickey Burkett-Mayor, Becky Frazee-Clerk and De'Aun Willoughby, CPA.