

STATE OF NEW MEXICO

VILLAGE OF DORA

AUDIT REPORT

***For the Year Ended June 30, 2013
(with Auditor's Report Thereon)***

***RICE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS***

STATE OF NEW MEXICO

VILLAGE OF DORA

AUDIT REPORT

For The Year Ended June 30, 2013

(with Auditor's Report Thereon)

STATE OF NEW MEXICO
VILLAGE OF DORA
Official Roster
Year Ended June 30, 2013

Village Council

<u>Name</u>	<u>Title</u>
Mr. Mickey Burkett	Mayor
Mr. Jack Manis	Trustee
Mr. Lewis Walker	Trustee
Mr. Bill Cathey	Trustee
Mr. Bobbie Victor	Trustee

Village Administration

Ms. Becky Frazee	Clerk/Treasurer
------------------	-----------------

STATE OF NEW MEXICO
VILLAGE OF DORA
TABLE OF CONTENTS
Year Ended June 30, 2013

	<u>Page</u>
Introduction Section	
Official Roster	i
Financial Section	
Independent Auditor's Report	1
<u>Financial Statements</u>	
<u>Statements</u>	
1 Statement of Net Position	3
2 Statement of Activities	5
3 Balance Sheet - Governmental Funds	6
4 Governmental Funds: Reconciliation of the Balance Sheet to the Statement of Net Position	7
5 Governmental Funds: Statement of Revenues, Expenditures and Changes in Fund Balances	8
6 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	9
7 General Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	10
8 Fire Protection Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	11
9 Proprietary Funds: Statement of Net Position	12
10 Proprietary Funds: Statement of Revenues, Expenses and Changes in Fund Net Position	13
11 Proprietary Funds: Statement of Cash Flows	14

Table of Contents (continued)	<u>Page</u>
Notes to Financial Statements	15
Non-Major Funds:	
Non-Major Special Revenue Funds:	
A-1 Combining Balance Sheet	33
A-2 Combining Statement of Revenues, Expenditures and Changes in Fund Balances	34
A-3 EMS Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	35
A-4 Ambulance Fund: Combined Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	36
A-5 Seniors Fund: Combined Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	37
Proprietary Fund Detail:	
Proprietary Funds Budgets:	
B-1 Water Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	38
B-2 Solid Waste Fund: Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)	39
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	40
Status of Comments and Responses	42
Financial Statement Preparation and Exit Conference	51

Rice and Associates, C.P.A.

AUDITING
BOOKKEEPING
(505) 292-8275

CERTIFIED PUBLIC ACCOUNTANTS
11805 Menaul NE
Albuquerque, NM 87112

TAX PLANNING
TAX PREPARATION
FAX (505) 294-8904

INDEPENDENT AUDITOR'S REPORT

Mr. Hector H. Balderas
New Mexico State Auditor
and
Honorable Mayor and Village Council
Village of Dora
Dora, New Mexico

Report on Financial Statements

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 and Fire Protection Funds of the Village of Dora, as of and for the year ended June 30, 2013, and the related notes to the financial statements which collectively comprise the Village of Dora's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Village of Dora's non-major enterprise funds and the budgetary comparisons for the enterprise funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013 as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 of Dora, as of June 30, 2013, and the respective changes in financial position and where applicable, cash flows thereof, and the respective budgetary comparisons for the General and Fire Protection Funds for the year then ended in accordance 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 enterprise fund of the Village of Dora, as of June 30, 2013, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the nonmajor enterprise funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the MD&A which is required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements is required by GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2013 on our consideration of the Village of Dora'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* in considering the Village of Dora's internal control over financial reporting and compliance.



Albuquerque, New Mexico
November 14, 2013

FINANCIAL STATEMENTS

STATE OF NEW MEXICO
 VILLAGE OF DORA
 Statement of Net Position
 June 30, 2013

Statement 1
 Page 1 of 2

	Governmental Activities	Business Type Activities	Total
ASSETS			
Current Assets			
Cash	\$ 471,234	\$ 90,151	\$ 561,385
Accounts receivable (net of uncollectible accounts)	8,586	5,470	14,056
Total current assets	479,820	95,621	575,441
Restricted Assets (Cash)			
Customer meter deposits	-	855	855
Total restricted assets	-	855	855
Capital Assets			
Land	13,519	25,099	38,618
Equipment and vehicles	1,323,807	21,729	1,345,536
Buildings and improvements	601,245	-	601,245
Plant/Infrastructure	247,451	668,795	916,246
Total capital assets	2,186,022	715,623	2,901,645
Less accumulated depreciation	(1,052,184)	(261,033)	(1,313,217)
Total capital assets (net of accumulated depreciation)	1,133,838	454,590	1,588,428
Total assets	\$ 1,613,658	\$ 551,066	\$ 2,164,724

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

STATE OF NEW MEXICO
VILLAGE OF DORA
Statement of Net Position
June 30, 2013

Statement 1
Page 2 of 2

	Governmental Activities	Business Type Activities	Total
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Customer meter deposits (restricted)	-	855	855
NMFA Loan (current portion)	<u>20,711</u>	<u>-</u>	<u>20,711</u>
Total current liabilities	<u>20,711</u>	<u>855</u>	<u>21,566</u>
Non-Current Liabilities			
Compensated absences payable	-	-	-
NMFA Loan payable	<u>180,378</u>	<u>-</u>	<u>180,378</u>
Total non-current liabilities	<u>180,378</u>	<u>-</u>	<u>180,378</u>
Total liabilities	<u>201,089</u>	<u>855</u>	<u>201,944</u>
Net Assets			
Net investment in capital assets	932,749	454,590	1,387,339
Unrestricted	<u>479,820</u>	<u>95,621</u>	<u>575,441</u>
Total net position	<u>1,412,569</u>	<u>550,211</u>	<u>1,962,780</u>
Total liabilities and net position	<u>\$ 1,613,658</u>	<u>\$ 551,066</u>	<u>\$ 2,164,724</u>

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

STATE OF NEW MEXICO
 VILLAGE OF DORA
 Statement of Activities
 Year Ended June 30, 2013

Functions/Programs	Program Revenues				Net (Expenses) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 45,283	\$ 125	\$ 63,759	\$ -	\$ 18,601	\$ -	\$ 18,601
Highways and streets	2,485	-	-	-	(2,485)	-	(2,485)
Public safety	107,166	22,599	175,338	-	90,771	-	90,771
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	17,058	-	28,711	-	11,653	-	11,653
Interest	4,331	-	-	-	(4,331)	-	(4,331)
Depreciation - unallocated	14,068	-	-	-	(14,068)	-	(14,068)
Total governmental activities	190,391	22,724	267,808	-	100,141	-	100,141
Business-type activities:							
Water services	33,187	27,600	300	-	-	(5,287)	(5,287)
Solid waste services	8,897	10,316	-	-	-	1,419	1,419
Total business-type activities	42,084	37,916	300	-	-	(3,868)	(3,868)
Total all activities	\$ 232,475	\$ 60,640	\$ 268,108	\$ -	100,141	(3,868)	96,273
General Revenues:							
Property taxes					1,457		1,457
Gross receipts taxes					49,113		49,113
Gasoline taxes					5,398		5,398
Motor vehicle taxes					314		314
State aid not restricted to special purpose							
General					35,000		35,000
Transfers							
Investment earnings					1,477	465	1,942
Total general revenues					92,759	465	93,224
Change in net position					192,900	(3,403)	189,497
Net position - beginning of year					1,219,669	553,614	1,773,283
Net position - ending					\$ 1,412,569	\$ 550,211	\$ 1,962,780

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

STATE OF NEW MEXICO
VILLAGE OF DORA
Balance Sheet
Governmental Funds
June 30, 2013

Statement 3

	General Fund	Fire Protection Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash on deposit	\$ 385,534	\$ 73,174	\$ 12,526	\$ 471,234
Accounts receivable	5,860	-	2,726	8,586
Due from other funds	13,000	-	-	13,000
Total assets	\$ 404,394	\$ 73,174	\$ 15,252	\$ 492,820
LIABILITIES				
Accounts payable	\$ -	\$ -	-	-
Due to other funds	-	13,000	-	13,000
Total liabilities	-	13,000	-	13,000
FUND BALANCE				
Restricted	57,164	60,174	15,252	132,590
Committed	-	-	-	-
Unassigned	347,230	-	-	347,230
Total fund balance	404,394	60,174	15,252	479,820
Total liabilities and fund balance	\$ 404,394	\$ 73,174	\$ 15,252	\$ 492,820

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

STATE OF NEW MEXICO
 VILLAGE OF DORA
 Reconciliation of the Balance Sheet - Governmental Funds
 to the Statement of Net Position
 June 30, 2013

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

Total fund balances - governmental funds		\$ 479,820
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	2,186,022	
Accumulated depreciation	<u>(1,052,184)</u>	
		1,133,838
Long-term and certain other liabilities, including bonds 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:		
NMFA Loan		<u>(201,089)</u>
Net position of governmental activities		<u><u>\$ 1,412,569</u></u>

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

STATE OF NEW MEXICO
VILLAGE OF DORA
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2013

	General Fund	Fire Protection Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 1,457	\$ -	\$ -	\$ 1,457
Charges for services	-	-	22,599	22,599
Licenses and permits	125	-	-	125
Fines and forfeitures	-	-	-	-
Local sources	63,759	24,036	15	87,810
State sources	36,000	151,287	25,751	213,038
Federal sources	-	-	1,960	1,960
State shared taxes	54,825	-	-	54,825
Earnings from investments	1,150	322	5	1,477
Total revenues	<u>157,316</u>	<u>175,645</u>	<u>50,330</u>	<u>383,291</u>
EXPENDITURES				
Current:				
General government	45,283	-	-	45,283
Highways and streets	2,485	-	-	2,485
Public safety	2,608	79,304	25,254	107,166
Health & welfare	-	-	-	-
Culture and recreation	6,131	-	10,927	17,058
Capital Outlay	83,046	288,102	11,755	382,903
NMFA Principle	-	21,196	-	21,196
NMFA Interest	-	4,331	-	4,331
Total expenditures	<u>139,553</u>	<u>392,933</u>	<u>47,936</u>	<u>580,422</u>
Excess (deficiency) revenues over expenditures	17,763	(217,288)	2,394	(197,131)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	2,000	2,000
Operating transfers out	(2,000)	-	-	(2,000)
Loan proceeds	-	-	-	-
	<u>(2,000)</u>	<u>-</u>	<u>2,000</u>	<u>-</u>
Net change in fund balances	15,763	(217,288)	4,394	(197,131)
Fund balance beginning of year	<u>388,631</u>	<u>277,462</u>	<u>10,858</u>	<u>676,951</u>
Fund balance end of year	<u>\$ 404,394</u>	<u>\$ 60,174</u>	<u>\$ 15,252</u>	<u>\$ 479,820</u>

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

STATE OF NEW MEXICO
VILLAGE OF DORA
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances - Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2013

Net change in fund balances - total governmental funds \$ (197,131)

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
capital outlays exceeds depreciation expense in the period.

Capital Outlays	382,903
Depreciation expense	<u>(14,068)</u>

Excess of capital outlay over depreciation expense	<u>368,835</u>
--	----------------

In the Statement of Activities, certain operating
expenses are measured by the amount incurred
during the year. In the fund financial statements
however, expenditures are measured by the amount
of financial resources used (essentially the amounts
actually paid). The (increase) decrease in the
liabilities for the year were:

Compensated absences payable	<u> </u>
------------------------------	-----------------------------

The issuance of long-term debt provides current
financial resources to governmental funds while
the repayment of the principal of long-term debt
consumes the current financial resources of
governmental funds. Repayment of loans payable
is an expenditure in the governmental funds, but it
reduces long-term liabilities in the statement of net
position and does not affect the Statement of Activities

Loan proceeds	-
Repayment of long-term debt	<u>21,196</u>
	<u>21,196</u>

Change in net position of governmental activities	<u>\$ 192,900</u>
---	-------------------

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

STATE OF NEW MEXICO
VILLAGE OF DORA
General Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ 1,544	\$ 1,544	\$ 1,382	\$ (162)
Charges for services	-	-	-	-
Licenses and permits	150	150	125	(25)
Fines and forfeitures	-	-	-	-
Local sources	13,300	80,300	63,759	(16,541)
State sources	36,000	36,000	36,000	-
Federal sources	-	-	-	-
State shared taxes	31,254	31,254	51,233	19,979
Earnings from investments	2,200	2,200	1,150	(1,050)
Total revenues	<u>\$ 84,448</u>	<u>\$ 151,448</u>	<u>\$ 153,649</u>	<u>\$ 2,201</u>
EXPENDITURES				
Current:				
General government	\$ 67,285	\$ 67,285	\$ 45,283	\$ 22,002
Highways and streets	2,750	2,750	2,485	265
Public safety	7,000	7,000	2,608	4,392
Health and welfare	-	-	-	-
Culture and recreation	9,100	9,100	6,131	2,969
Capital outlay	-	67,000	83,046	(16,046)
Total expenditures	<u>\$ 86,135</u>	<u>\$ 153,135</u>	<u>\$ 139,553</u>	<u>\$ 13,582</u>
OTHER FINANCING SOURCES				
Operating transfers in	\$ -	\$ -	\$ -	\$ -
Operating transfers out	(2,000)	(2,000)	(2,000)	-
Total other financing sources	<u>\$ (2,000)</u>	<u>\$ (2,000)</u>	<u>\$ (2,000)</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>\$ 3,687</u>	<u>\$ 3,687</u>		

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

STATE OF NEW MEXICO
 VILLAGE OF DORA
 Fire Protection Fund
 Statement of Revenues and Expenditures
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local sources	\$ 6,800	\$ 12,398	\$ 24,036	\$ 11,638
State sources	129,500	156,922	151,287	(5,635)
Federal sources	-	-	-	-
Earnings from investments	<u>250</u>	<u>250</u>	<u>322</u>	<u>72</u>
Total revenues	<u>\$ 136,550</u>	<u>\$ 169,570</u>	<u>\$ 175,645</u>	<u>\$ 6,075</u>
EXPENDITURES				
Public safety	<u>\$ 190,275</u>	<u>\$ 225,775</u>	<u>\$ 392,933</u>	<u>\$ (167,158)</u>
Total expenditures	<u>\$ 190,275</u>	<u>\$ 225,775</u>	<u>\$ 392,933</u>	<u>\$ (167,158)</u>
BUDGETED CASH BALANCE	<u>\$ 53,725</u>	<u>\$ 56,205</u>		

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

STATE OF NEW MEXICO
VILLAGE OF DORA
Proprietary Funds
Statement of Net Position
June 30, 2013

Statement 9

	Water Fund	Solid Waste Fund	Total
ASSETS			
Current Assets			
Cash on deposit	\$ 89,850	\$ 301	\$ 90,151
Accounts receivable (net)	3,720	1,750	5,470
Total Current Assets	<u>93,570</u>	<u>2,051</u>	<u>95,621</u>
Non-Current Assets			
Restricted Assets (Cash)			
Customer meter deposits	855	-	855
Total Non-Current Assets	<u>855</u>	<u>-</u>	<u>855</u>
Capital Assets			
Land	25,099	-	25,099
Land improvements	-	-	-
Equipment	21,729	-	21,729
Heavy equipment	-	-	-
Vehicles	-	-	-
Plant/infrastructure	668,795	-	668,795
Accumulated depreciation	(261,033)	-	(261,033)
Total Capital Assets	<u>454,590</u>	<u>-</u>	<u>454,590</u>
Total Assets	<u>\$ 549,015</u>	<u>\$ 2,051</u>	<u>\$ 551,066</u>
LIABILITIES			
Current Liabilities			
Accounts payable	-	-	-
Customer meter deposits payable from Restricted Assets	855	-	855
Total Current Liabilities	<u>855</u>	<u>-</u>	<u>855</u>
Long-Term Liabilities			
Compensated absences payable	-	-	-
Total Long-Term Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>855</u>	<u>-</u>	<u>855</u>
NET POSITION			
Net investment in capital assets	454,590	-	454,590
Unrestricted	93,570	2,051	95,621
Total Net Position	<u>548,160</u>	<u>2,051</u>	<u>550,211</u>
Total Liabilities and Net Position	<u>\$ 549,015</u>	<u>\$ 2,051</u>	<u>\$ 551,066</u>

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

STATE OF NEW MEXICO
 VILLAGE OF DORA
 Proprietary Funds
 Statement of Revenues, Expenses and Changes in Fund Net Position
 For the Year Ended June 30, 2013

	Water Fund	Solid Waste Fund	Total
OPERATING REVENUES			
Sales and services	\$ 27,600	\$ 10,316	\$ 37,916
Local source	300	-	300
State sources	-	-	-
Total operating revenue	<u>27,900</u>	<u>10,316</u>	<u>38,216</u>
OPERATING EXPENSES			
Personal services	2,400	-	2,400
Maintenance and operations	20,501	8,897	29,398
Depreciation	10,286	-	10,286
Total operating expenses	<u>33,187</u>	<u>8,897</u>	<u>42,084</u>
Operating income (loss)	<u>(5,287)</u>	<u>1,419</u>	<u>(3,868)</u>
NON-OPERATING REVENUE (EXPENSE)			
Investment income	465	-	465
Investment expense	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
State grant	-	-	-
Federal grant	-	-	-
Total Non-Operating Revenue (Expense)	<u>465</u>	<u>-</u>	<u>465</u>
Change in Net Position	(4,822)	1,419	(3,403)
Total net position beginning of year	<u>552,982</u>	<u>632</u>	<u>553,614</u>
Total net position, end of year	<u>\$ 548,160</u>	<u>\$ 2,051</u>	<u>\$ 550,211</u>

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

STATE OF NEW MEXICO
VILLAGE OF DORA
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2013

Statement 11

	Water Fund	Solid Waste Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 28,443	\$ 8,578	\$ 37,021
Cash received from local sources	-	-	-
Cash received from state sources	-	-	-
Cash payments to employees and to suppliers for goods and services	(22,901)	(8,897)	(31,798)
	<u>5,542</u>	<u>(319)</u>	<u>5,223</u>
Net cash provided by operating activities			
	<u>5,542</u>	<u>(319)</u>	<u>5,223</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Loan proceeds	-	-	-
Principal paid	-	-	-
Acquisition of capital assets	-	-	-
Investment expense	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities			
	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Cash received from state sources	-	-	-
Cash received from federal sources	-	-	-
Operating transfers from other funds	-	-	-
Operating transfers to other funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities			
	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income	465	-	465
	<u>465</u>	<u>-</u>	<u>465</u>
Net cash provided by investing activities			
	<u>465</u>	<u>-</u>	<u>465</u>
Net increase (decrease) in cash	5,838	(319)	5,519
Cash, beginning of year	84,867	620	85,487
Cash, end of year	<u>\$ 90,705</u>	<u>\$ 301</u>	<u>\$ 91,006</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (5,287)	\$ 1,419	\$ (3,868)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	10,286	-	10,286
Changes in assets and liabilities:			
(Increase) decrease in receivables	543	(1,739)	(1,195)
Increase (decrease) in accounts payable	-	-	-
	<u>10,829</u>	<u>(1,320)</u>	<u>9,509</u>
Net cash provided (used) by operating activities	<u>\$ 5,542</u>	<u>\$ (319)</u>	<u>\$ 5,223</u>

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

Notes to Financial Statements (continued)

The Local Government Investment Pool does not have unit shares. Per Section 6-10-10, 1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing deposited in the fund and the length of time the amounts in the fund were invested. Participation in the local government investment pool is voluntary.

The credit rating of the investment pool at the New Mexico State Treasurer is as follows:

New MexiGrow LGIP AAAM rated \$ 83 60-day WAM

3. ACCOUNTS RECEIVABLES

Receivables as of June 30, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Receivables from customers	\$ 347	\$ 5,470
Less allowance for uncollectible accounts	<u>-</u>	<u>-</u>
Subtotal	347	5,470
Property taxes	84	-
Gross receipts taxes receivable	5,776	-
Intergovernmental	<u>2,379</u>	<u>-</u>
Total	<u>\$ 8,586</u>	<u>\$ 5,470</u>

4. CAPITAL ASSETS

The amount of property, plant and equipment in the Governmental-Type Activities consists of the following:

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
Land	\$ 13,519	\$ -	\$ -	\$ 13,519
Total capital assets not being depreciated	<u>13,519</u>	<u>-</u>	<u>-</u>	<u>13,519</u>
Building and improvements	536,626	64,619	-	601,245
Infrastructure	247,451	-	-	247,451
Equipment	915,318	306,529	-	1,221,847
Vehicles	<u>90,205</u>	<u>11,755</u>	<u>-</u>	<u>101,960</u>
Total capital assets being depreciated for:	<u>1,789,600</u>	<u>382,903</u>	<u>-</u>	<u>2,172,503</u>
Less accumulated depreciation for:				
Building and improvements	(269,613)	(5,022)	-	(274,635)
Infrastructure	(168,514)	(1,714)	-	(170,228)
Equipment	(60,857)	(7,332)	-	(68,189)
Vehicles	<u>(539,132)</u>	<u>-</u>	<u>-</u>	<u>(539,132)</u>
Total accumulated depreciation	<u>(1,038,116)</u>	<u>(14,068)</u>	<u>-</u>	<u>(1,052,184)</u>
Total capital assets being depreciated	<u>751,484</u>	<u>368,835</u>	<u>-</u>	<u>1,120,319</u>
Net capital assets	<u>\$ 765,003</u>	<u>\$ 368,835</u>	<u>\$ -</u>	<u>\$ 1,133,838</u>

STATE OF NEW MEXICO
VILLAGE OF DORA
Notes to Financial Statements
Year Ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Dora is incorporated under Section 3 New Mexico State Statutes Annotated 1978 Compilation operating under a Mayor-Council form of government and provides the following services as authorized: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation and general administrative services.

The financial statements of the Village of Dora have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Reporting Entity

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the Village had no component units.

Notes to Financial Statements (continued)

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities and changes in net position) report information on all of the nonfiduciary activities of the Village. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which is normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are billed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

Notes to Financial Statements (continued)

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

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Fire Protection Fund* (Special Revenue Fund) is to account for the operations and maintenance of the Fire Department. It is financed by a specific allotment from the State Fire Marshall's Office. The authority is NMSA 59A-53-1.

The Village also reports additional Government funds as non-major. They include:

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

The Village reports the following Proprietary Fund types:

Enterprise Fund - Water Fund - To account for the provision of water services to the residents of Dora, New Mexico. All activities necessary to provide these services are accounted for in this fund.

Enterprise Fund - Solid Waste Fund - To account for revenue and expenditures for the maintenance of the solid waste operations. All activities necessary to provide these services are accounted for in this fund.

Notes to Financial Statements (continued)

Private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the Village's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Village's general revenues. Program revenues include: 1) charges for services to taxpayers or applicants who purchase, use or directly benefit from the goods or services provided by the given function 2) program-specific operating grants and contributions and 3) program specific capital grants and contributions including special assessments.

Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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 enterprise fund is charged to customers for sales and services. The enterprise fund also recognized as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. 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. When both restricted and unrestricted resources are available for use it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

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

Notes to Financial Statements (continued)

D. Budgets and Budgetary Accounting

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 1, the Village Clerk-Treasurer submits to the Village Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them based on previous year's history. Public hearings are conducted at the Village Hall to obtain taxpayer comments. Prior to July 1, the budget is legally enacted through passage of an ordinance.
2. The Village Clerk-Treasurer is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any funds must be approved by the Village Council and New Mexico State Department of Finance, Division of Local Governments. The original budget that was adopted in July, 1998 was amended during the fiscal year in a legally permissible manner.
3. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Capital Project Funds.
4. Encumbrances are not reported in the budgets or financial statements.
5. The level of classification detail in which expenditures of expenses may not legally exceed appropriations for each budget is in fund total. Appropriations lapse at year end.
6. Budgets for the General and Special Revenue Funds are adopted on a basis not consistent with generally accepted accounting principals. Throughout the year the accounting records are maintained on the Non-GAAP basis of cash receipts and disbursements. Accordingly, certain revenues and the related assets are recognized when paid rather than when the obligation is incurred. The financial statements are presented on the modified accrual basis of accounting. Budgetary comparisons presented for General and Special Revenue Funds in this report are on the Non-GAAP budgetary basis and actual (cash basis). The budget of the Enterprise Fund is adopted on a Non-GAAP cash basis.

Notes to Financial Statements (continued)

E. Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity of six months from the date acquired by the government. State statutes authorize the government to invest in obligations of the U.S. Treasury, interest bearing accounts with local financial institutions and the State Treasurer Pool.

New Mexico Statutes require that financial institutions with public monies on deposit pledge collateral, to the owners of such monies, in an amount not less than 50% of the public monies held on deposit. Collateral pledged is held in safekeeping by other financial institutions, with safekeeping receipts held by the Village. The pledged securities remain in the name of the financial institution.

F. Inventories

The cost of inventories are recorded as expenditures when purchased rather than when consumed.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. This is an increase from the \$1,000 threshold reported in prior years. This is a change in accounting estimate. All previously reported Capital Assets that do not meet the updated amount will be depreciated currently and in future periods until they are fully depreciated. Donated Capital Assets are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are included as part of the governmental capital assets reported in the government wide statements. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Notes to Financial Statements (continued)

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

<u>Assets</u>	<u>Years</u>
Buildings	30-40
Building improvements	30-40
Public domain infrastructure	30-40
System infrastructure	30-40
Vehicles	5 to 20
Equipment	5 to 20

The Village does not capitalize computer software or software developed for internal use (if applicable) unless it exceeds the \$5,000 threshold.

H. Compensated Absences

The Village does not allow any vacation or sick leave to accrue and carry forward at the end of each fiscal year.

I. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

J. Taxes

Motor Vehicle Registration Fees - Under the provisions of Chapter 66, Article 6, NMSA 1978, the State of New Mexico collects various fees for the registration and regulation of motor vehicles in the state. Of the amount collected, certain specified amounts are distributed to various governmental agencies within the State, including; the Motor Vehicle Division, State Road fund, municipalities, and counties. After certain priority payments, as detailed in 66-6-23 NMSA 2978 have been made, a portion of the remaining fees held in the motor vehicle suspense fund are distributed as required in 66-6-23 B (4) and 66-6-23 B (5). These distributions are commonly referred to as the 10% and 15% motor vehicle tax distributions.

Notes to Financial Statements (continued)

Gasoline Tax - The State of New Mexico, by authority of Chapter 7, Article 13 NMSA 1978, imposed an excise tax on \$0.17 on each gallon of gasoline received in New Mexico. Of the total gasoline taxes received, a portion is distributed to the various municipalities within the State pursuant to Chapter 7, Article 1-6.9 NMSA 1978 and Chapter 7, Article 1-6.27 NMSA 1978.

Municipal Gross Receipts Tax - Under authority of Chapter 7, Articles 19 and 19D, NMSA 1978, the Village adopted gross receipts taxing through ordinance. Said ordinances provide for the imposition of gross receipts taxes on all non-exempt persons engaging in business in the municipality. The tax is collected by the State of New Mexico and remitted to the Village after deducting certain administrative costs.

State Gross Receipts Tax - Under authority of Chapter 7, Article 1, NMSA 1978, the State of New Mexico imposes a gross receipts tax on all businesses within the State. Of the total collected, 1.225% of the taxable gross receipts are distributed to the municipality reporting the taxable receipts.

K. Restricted Assets

Certain long-term assets in the proprietary funds are classified as restricted assets on the balance sheet because their use is limited to payments for debt service or other purpose such as "deposits held in trust for others".

L. Net Position

The governmental activities and business-type activities financial statements utilize a net position presentation. Net position is categorized as follows:

Net investment in capital assets - This category reflects the portion of net assets that are associated with capital assets less outstanding capital asset related debt.

Restricted net position- This category reflects the portion of net assets that have third party limitation on their use.

Unrestricted net position- This category reflects net assets of the Village not restricted for any project or other purposes.

M. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Notes to Financial Statements (continued)

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

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

Enabling legislation authorizes the Village to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Village can be compelled by an external party - such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of the Village Council. Those committed amounts cannot be used for any other purpose unless the Village Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Village Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent

Notes to Financial Statements (continued)

intended uses established by the Village Council or a Village official delegated that authority by the Village Council or ordinance.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts have been restricted, committed, or assigned.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

N. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

O. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village carries commercial insurance for these risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the current fiscal year.

2. DEPOSITORY COLLATERAL

According to the Federal Deposit Insurance Authority, public unit deposits are funds owned by the Village's Time deposits, savings deposits and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate.

Notes to Financial Statements (continued)

The following is the Cash on Deposit at each financial institution.

JP Stone Community Bank	General	Checking	\$ 28,458
JP Stone Community Bank		Savings	84,532
US Bank		Certificate of Deposit	57,523
First Financial CU		Savings	53,371
First Financial CU		Savings	84,548
First Financial CU		Certificate Of Deposit	50,184
First Financial CU		Certificate Of Deposit	32,691
New Mexico Bank & Trust		Certificate Of Deposit	80,000
JP Stone Community Bank		Certificate Of Deposit	98,735
NMFA			<u>3</u>
			<u>\$ 570,045</u>
New Mexico State Treasurer	Investment Pool		<u>\$ 83</u>
	Total amount on deposit		\$ 570,128
	Deposit in transit		1,271
	Petty Cash		53
	Outstanding checks		<u>(9,212)</u>
	Total per financial statements		<u>\$ 562,240</u>

The following schedule details the public money held at each Bank and the pledged collateral provided for the Village follows:

	JP Stone Community Bank	First Financial Credit Union	New Mexico Bank & Trust	US Bank
Cash on deposit at June 30	\$ 211,725	\$ 220,794	\$ 80,000	\$ 57,523
Less FDIC	(211,725)	(220,794)	(80,000)	(57,523)
Uninsured funds	-	-	-	-
Funds needing collateralization at 50% (required by State Law)	-	-	-	-
Pledged collateral at June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Pledged Collateral	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Notes to Financial Statements (continued)

Custodial Credit Risk - Deposits - Custodial Credit Risk is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village does not have a deposit policy for custodial credit risk. As of June 30, \$0 of the Village's bank balance \$570,042 was exposed to custodial credit risk as follows:

A.	Uninsured and Uncollateralized	\$	-
B.	Uninsured and collateralized with securities held by the pledging banks trust department, but not in the Village's name		-
	Total	\$	-

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

The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

The amount held at the New Mexico Finance Authority totaling \$219,000 is collateralized within the NMFA guidelines. This information is not available by individual Agency but the financial statements for the NMFA are available by writing to the New Mexico Finance Authority, 207 Shelby Street, Santa Fe, New Mexico 87501.

The accounts of the State Treasurers Investment Pool are monitored by the State Treasurers Office and the State Treasurer issues separate financial statements which disclose the collateral pledged to secure these deposits.

The investments are valued at fair value based on quoted market prices as of the valuation date. The State Treasurer Local Government Investment Pool is not SEC registered. Section 6-10-10 I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States government or by its departments or agencies and are either direct obligations of the United States or are backed by the full faith and credit of the United States government or are agencies sponsored by the United States Government are not considered to have credit risk.

Notes to Financial Statements (continued)

The amount of property, plant and equipment in the Business-Type Activities consists of the following:

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
Land	\$ 25,099	\$ -	\$ -	\$ 25,099
Total capital assets not being depreciated	<u>25,099</u>	<u>-</u>	<u>-</u>	<u>25,099</u>
Infrastructure	668,795	-	-	668,795
Equipment	<u>132,161</u>	<u>-</u>	<u>(110,432)</u>	<u>21,729</u>
Total capital assets being depreciated	<u>800,956</u>	<u>-</u>	<u>(110,432)</u>	<u>690,524</u>
Less accumulated depreciation for:				
Infrastructure	(331,757)	(10,286)	102,739	(239,304)
Equipment	<u>(29,422)</u>	<u>-</u>	<u>7,693</u>	<u>(21,729)</u>
Total accumulated depreciation	<u>(361,179)</u>	<u>(10,286)</u>	<u>110,432</u>	<u>(261,033)</u>
Total capital assets being depreciated	<u>439,777</u>	<u>(10,286)</u>	<u>-</u>	<u>429,491</u>
Net capital assets	<u>\$ 464,876</u>	<u>\$ (10,286)</u>	<u>\$ -</u>	<u>\$ 454,590</u>

5. LONG-TERM LIABILITIES

A. Changes in Long-Term Liabilities

Governmental Funds

During the year ended June 30, the following changes occurred in the liabilities reported in the Governmental Funds:

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013	Due Within One Year
NMFA Loans	\$ 222,285	\$ -	\$ 21,196	\$ 201,089	\$ 20,711
Total	<u>\$ 222,285</u>	<u>\$ -</u>	<u>\$ 21,196</u>	<u>\$ 201,089</u>	<u>\$ 20,711</u>

The Village entered into a loan agreement with the New Mexico Finance Authority evidencing a special limited obligation of the Village to pay a principal amount of \$222,285 and interest for the purpose of defraying the cost of acquiring a fire station for the Village's fire department. The Village has pledged future State Fire Fund revenues to pay the loan. The yearly payments are to be redirected from the Village's share of the State Fire Fund revenues to the NMFA. Total annual principal and interest payments for the repayment of the loan is expected to require 14% of the yearly State Fire Allotment. The interest rate is 1.130% to 3.500%. The maturity date is May 1, 2022.

Notes to Financial Statements (continued)

<u>Due Year</u> <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 20,711	\$ 4,945	\$ 25,656
2015	20,980	4,676	25,656
2016	21,318	4,338	25,656
2017	21,717	3,939	25,656
2018	22,188	3,468	25,656
2019	22,729	2,926	25,655
2020	23,343	2,314	25,657
2021	24,032	1,624	25,656
2022	24,071	868	24,939
Total	<u>\$ 201,089</u>	<u>\$ 29,098</u>	<u>\$ 230,187</u>

The liability will be liquidated by the Fire Protection Fund.

6. DEPOSITS HELD FOR OTHERS, ENTERPRISE FUND

Deposits in the Water Utility Enterprise Fund consist of the following:

Hydrant Meter deposits	<u>\$ 855</u>
------------------------	---------------

Water meter deposits are charged to new customers and consist of the following:

Residential properties	\$ 100
Commercial properties	\$ 100

7. PROPERTY TAX

Property taxes attach as an enforceable lien on property as of January 1. Property tax rates for the year are set no later than September 1 each year by the Secretary of Finance and Administration. The rates of tax are then used by County Assessors to develop the property tax schedule by October 1. Taxes are payable in equal semi-annual installments by November 10 and April 10 of the subsequent year. Taxes are collected on behalf of the Village by the County Treasurer, and are remitted to the Village in the month following collection. Because the Treasurer for the county in which the Village is located is statutorily required to collect taxes as an intermediary agency for all forms of government, distribution of taxes are made through the applicable County to the Village.

Notes to Financial Statements (continued)

The Village is permitted to levy taxes for general operating purposes based on taxable value for both residential and nonresidential property, taxable value being defined as one-third of the fully assessed value. In addition, the Village is allowed to levy taxes for payments of bond principal and interest in amounts approved by voters of the Village.

The Village accounts for its share of property taxes in the General Fund. Only those collections received are recorded as revenues. The Village has no means of determining the amount of delinquent taxes, and no delinquent taxes are recorded on the Villages financial records.

8. RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS STATEMENTS

<u>Revenues</u>	<u>General Fund</u>	<u>Fire Protection Fund</u>	<u>Non-Major Special Revenue Fund</u>	<u>Proprietary Fund</u>
Accrual basis	\$ 157,316	\$ 175,645	\$ 50,330	\$ 38,681
Budget basis	<u>153,649</u>	<u>175,645</u>	<u>51,250</u>	<u>37,486</u>
Increase (decrease) in receivables/due from grantor/security deposits	<u>\$ 3,667</u>	<u>\$ -</u>	<u>\$ (920)</u>	<u>\$ 1,195</u>
<u>Expenditures</u>				
Accrual basis	\$ 139,533	\$ 392,933	\$ 47,936	\$ 42,084
Budget basis	<u>139,533</u>	<u>392,933</u>	<u>47,936</u>	<u>31,798</u>
Depreciation	-	-	-	(10,286)
Capital outlay	-	-	-	-
(Increase) decrease in compensated absences	-	-	-	-
Increase (decrease) in payables	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

9. RETIREMENT PLAN

The Village has elected not to participate in the New Mexico Public Employees Retirement Association Plan.

10. POST-EMPLOYMENT BENEFITS - STATE RETIREE HEALTH CARE PLAN

The Village has elected not to participate in the New Mexico State Retiree Health Care Plan.

11. TRANSFERS

The composition of interfund transfers for the year are as follows:

Notes to Financial Statements (continued)

13. INTERFUND TRANSACTIONS

The General Fund loaned the Fire Fund \$60,000 to purchase equipment in the June 30, 2008 fiscal year. The Fire Fund paid \$10,000 in 2009 fiscal year leaving a balance of \$39,000. During the current fiscal year ending June 30, 2013 the Fire Fund paid \$13,000 to the General Fund. The current amount owed is \$13,000.

NON-MAJOR FUNDS

STATE OF NEW MEXICO
 VILLAGE OF DORA
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2013

Statement A-1

	EMS Fund	Ambulance Fund	Seniors Fund	Total Governmental Funds
ASSETS				
Cash on deposit	\$ 260	\$ 12,894	\$ (628)	\$ 12,526
Accounts receivable	<u>-</u>	<u>347</u>	<u>2,379</u>	<u>2,726</u>
Total assets	<u>\$ 260</u>	<u>\$ 13,241</u>	<u>\$ 1,751</u>	<u>\$ 15,252</u>
FUND BALANCE				
Restricted	\$ 260	\$ 13,241	\$ 1,751	\$ 15,252
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>\$ 260</u>	<u>\$ 13,241</u>	<u>\$ 1,751</u>	<u>\$ 15,252</u>

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

STATE OF NEW MEXICO
 VILLAGE OF DORA
 Non-Major Governmental Funds
 Combining Statement of Revenues, Expenditures and Changes in
 Fund Balances
 For the Year Ended June 30, 2013

	EMS Fund	Ambulance Fund	Seniors Fund	Total Governmental Total
REVENUES				
Charges for services	\$ -	\$ 22,599	\$ -	\$ 22,599
Fines and forfeitures	-	-	-	-
Local sources	-	15	-	15
State sources	7,192	11,000	7,559	25,751
Federal sources	-	-	1,960	1,960
Earnings from investments	1	4	-	5
	<u>7,193</u>	<u>33,618</u>	<u>9,519</u>	<u>50,330</u>
Total revenues				
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	7,192	18,062	-	25,254
Health and welfare	-	-	-	-
Culture and recreation	-	-	10,927	10,927
Capital outlay	-	11,755	-	11,755
	<u>7,192</u>	<u>29,817</u>	<u>10,927</u>	<u>47,936</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	1	3,801	(1,408)	2,394
OTHER FINANCING SOURCES				
Transfer in	-	-	2,000	2,000
	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>2,000</u>
Total other financing sources				
Net change in fund balance	1	3,801	592	4,394
Fund balance beginning of year	259	9,440	1,159	10,858
Fund balance end of year	<u>\$ 260</u>	<u>\$ 13,241</u>	<u>\$ 1,751</u>	<u>\$ 15,252</u>

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

STATE OF NEW MEXICO
 VILLAGE OF DORA
 Non-Major Special Revenue Fund - EMS Fund
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ 7,192	\$ 7,192	\$ 7,192	\$ -
Earnings from investments	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Total revenues	<u>\$ 7,193</u>	<u>\$ 7,193</u>	<u>\$ 7,193</u>	<u>\$ -</u>
EXPENDITURES				
Public safety	\$ 7,193	\$ 7,193	\$ 7,192	\$ 1
Total expenditures	<u>\$ 7,193</u>	<u>\$ 7,193</u>	<u>\$ 7,192</u>	<u>\$ 1</u>

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

STATE OF NEW MEXICO
 VILLAGE OF DORA
 Non-Major Special Revenue Fund - Ambulance Fund
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for services	\$ 10,000	\$ 15,900	\$ 23,573	\$ 7,673
Local sources	-	-	15	15
State sources	-	11,000	11,000	-
Federal sources	-	-	-	-
Earnings from investments	10	10	4	(6)
Total revenues	<u>\$ 10,010</u>	<u>\$ 26,910</u>	<u>\$ 34,592</u>	<u>\$ 7,682</u>
EXPENDITURES				
Public safety	\$ 16,938	\$ 33,838	\$ 29,817	\$ 4,021
Total expenditures	<u>\$ 16,938</u>	<u>\$ 33,838</u>	<u>\$ 29,817</u>	<u>\$ 4,021</u>
BUDGETED CASH BALANCE	<u>\$ 6,928</u>	<u>\$ 6,928</u>		
REVENUES				
Budgetary basis			\$ 34,592	
(Decrease) in accounts receivable			(974)	
Modified accrual basis			<u>\$ 33,618</u>	

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

STATE OF NEW MEXICO
 VILLAGE OF DORA
 Non-Major Special Revenue Fund - Seniors Fund
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ 9,175	\$ 9,175	\$ 7,505	\$ (1,670)
Federal sources	<u>2,450</u>	<u>2,450</u>	<u>1,960</u>	<u>(490)</u>
Total revenues	<u>\$ 11,625</u>	<u>\$ 11,625</u>	<u>\$ 9,465</u>	<u>\$ (2,160)</u>
EXPENDITURES				
Culture and recreation	\$ 12,459	\$ 12,459	\$ 10,927	\$ 1,532
Total expenditures	<u>\$ 12,459</u>	<u>\$ 12,459</u>	<u>\$ 10,927</u>	<u>\$ 1,532</u>
OTHER FINANCING SOURCES				
Transfer in	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
Total other financing sources	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>\$ -</u>	<u>\$ -</u>		
REVENUES				
Budgetary basis			\$ 9,465	
Increase in accounts receivable			<u>54</u>	
Modified accrual basis			<u>\$ 9,519</u>	

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

PROPRIETARY FUND DETAIL

PROPRIETARY FUNDS BUDGETS

WATER FUND - To account for the provision of water services to the residents of Dora, New Mexico. All activities necessary to provide these services are accounted for in this fund.

SOLID WASTE FUND - To account for revenue and expenditures for the maintenance of the solid waste operations. All activities necessary to provide these services are accounted for in this fund.

STATE OF NEW MEXICO
 VILLAGE OF DORA
 Proprietary Funds
 Water Fund
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Sales and services	\$ 30,500	\$ 30,500	\$ 28,143	\$ (2,357)
Local sources	1,120	1,120	300	(820)
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest income	675	675	465	(210)
Total revenues	<u>\$ 32,295</u>	<u>\$ 32,295</u>	<u>\$ 28,908</u>	<u>\$ (3,387)</u>
EXPENDITURES				
Personal services	\$ 2,400	\$ 2,400	\$ 2,400	\$ -
Maintenance and operations	29,888	29,888	20,501	9,387
Capital outlay	-	-	-	-
Total expenditures	<u>\$ 32,288</u>	<u>\$ 32,288</u>	<u>\$ 22,901</u>	<u>\$ 9,387</u>
BUDGETED CASH BALANCE	<u>\$ -</u>	<u>\$ -</u>		
REVENUES				
Budgetary basis			\$ 28,905	
Decrease in receivables			(543)	
Modified accrual basis			<u>\$ 28,362</u>	
EXPENDITURES				
Budgetary basis			\$ 22,901	
Depreciation			10,286	
(Decrease) in accounts payable			-	
Modified accrual basis			<u>\$ 33,187</u>	

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

STATE OF NEW MEXICO
 VILLAGE OF DORA
 Proprietary Funds
 Solid Waste Fund
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Sales and services	\$ 8,319	\$ 8,319	\$ 8,578	\$ 259
State grant	-	-	-	-
State shared taxes	-	-	-	-
Interest income	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>\$ 8,319</u>	<u>\$ 8,319</u>	<u>\$ 8,578</u>	<u>\$ 259</u>
EXPENDITURES				
Personal services	\$ -	\$ -	\$ -	\$ -
Maintenance and operations	8,319	8,319	8,897	(578)
Capital outlay	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>\$ 8,319</u>	<u>\$ 8,319</u>	<u>\$ 8,897</u>	<u>\$ (578)</u>
BUDGETED CASH BALANCE	<u>\$ -</u>	<u>\$ -</u>		
REVENUES				
Budgetary basis			\$ 8,578	
Increase in receivables			<u>1,738</u>	
Modified accrual basis			<u>\$ 10,316</u>	
EXPENDITURES				
Budgetary basis			\$ 8,897	
Depreciation			-	
Capital outlay			-	
(Decrease) in payables			-	
Increase in compensated absences			<u>-</u>	
Modified accrual basis			<u>\$ 8,897</u>	

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

Rice and Associates, C.P.A.

AUDITING
BOOKKEEPING
(505) 292-8275

CERTIFIED PUBLIC ACCOUNTANTS
11805 Menaul NE
Albuquerque, NM 87112

TAX PLANNING
TAX PREPARATION
FAX (505) 294-8904

**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**

INDEPENDENT AUDITOR'S REPORT

Mr. Hector H. Balderas
New Mexico State Auditor
and
Honorable Mayor and Village Council
Village of Dora
Dora, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, the budgetary comparisons of the General and Fire Protection Funds of the Village of Dora, as of and for the year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the Village of Dora's basic financial statements, and the related budgetary comparison of the enterprise fund, presented as supplemental information, and have issued our report thereon dated November 14, 2013.

Internal Control Over Financial Reporting

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

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.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Dora's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the Status of Comments as W-2 Incorrect (12-04), Solid Waste Ordinance (12-06), Water Ordinance (12-07), Signed/Approved Contract for Solid Waste Removal Missing (12-09), Gross Receipts Taxes on Services Provided Not Submitted Correctly to Taxation and Revenue (12-10), Bank Service Charges (12-13), Payments for Water/Solid Waste not Collected Timely (13-01) and Budget Overruns (13-02).

The Village of Dora's Response to Findings

The Village of Dora's responses to the findings identified in our audit are described in the accompanying Status of Comments. The Village of Dora's responses were not subjected to the auditing procedures applied in the audits of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Dora's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rita A. Casarino, CPA

Albuquerque, New Mexico
November 14, 2013

STATUS OF COMMENTS AND RESPONSES

Prior Year Audit Findings

1. Late Audit Report (12-01) - Resolved
2. Incorrect Department of Labor Reports (12-02) - Resolved
3. Payroll in Excess of Budget (12-03) - Resolved
4. W-2 Incorrect (12-04) - Repeated
5. Social Security Not Withheld (12-05) - Resolved
6. Solid Waste Ordinance (12-06) - Repeated
7. Water Ordinance (12-07) - Repeated
8. Signed/Approved Contract for Water Purchase Missing (12-08) - Resolved
9. Signed/Approved Contract for Solid Waste Removal Missing (12-09) - Repeated
10. Gross Receipts Taxes on Services Provided Not Submitted Correctly to Taxation and Revenue (12-10) - Repeated
11. Incorrect 1099 Forms (12-11) - Resolved
12. Depreciation Policy (12-12) - Resolved
13. Bank Services Charges (12-13) - Repeated
14. Savings Accounts Not Listed on DFA Report (12-14) - Resolved
15. Loss on Investment (12-15) - Resolved
16. Board Meeting Minutes Not Signed (12-16) - Resolved

Current Year Audit Findings

1. Payments for Water/Solid Waste not Collected Timely - (13-01)
2. Budget Overruns - (13-02)

W-2 Incorrect - Other Matter
(12-04)

CONDITION
correctly:

A W-2 for an employee was not prepared

1. It did not include in salaries the retirement paid by the Village (as a benefit).
2. It did not include Medicare tax paid 100% by the Village as Medicare wages.
3. It was \$153 off compared to the supporting payroll records.
4. Medicare wages were \$1,076 short compared to supporting payroll records.

CRITERIA

All wages and compensation must be included on the W-2. These figures are based on the actual amounts paid to the employee.

CAUSE

Management was not aware that the W-2 had been calculated incorrectly.

EFFECT

The W-2 was not submitted correctly. Because of this situation the Village may be liable for penalties and interest on the amount still owed.

RECOMMENDATION

Management should correct and resubmit the W-2 as soon as possible.

RESPONSE

Documents have been purchased by the Village. Once these have been received, management will file the employee W-2 and submit to IRS:

Solid Waste Ordinance - Other Matter
(12-06)

CONDITION The Board approved an increase in Trash charges; however it was not in an Ordinance.

CRITERIA An Ordinance must be passed by the Board to ensure the correct amount is charged for the services provided and can be enforced legally.

CAUSE Management was unaware of this oversight.

EFFECT These charges cannot be enforced legally.

RECOMMENDATION The Board should approve a Solid Waste Ordinance as soon as possible.

RESPONSE The Board has approved and signed a Solid Waste Ordinance in the current fiscal year to resolve this comment for next years audit.

Water Ordinance - Other Matter
(12-07)

CONDITION	The Board has not approved a Water Ordinance.
CRITERIA	An Ordinance must be passed by the Board to ensure the correct amount is charged for the services provided and can be enforced legally.
CAUSE	Management was unaware of this oversight.
EFFECT	These charges cannot be enforced legally.
RECOMMENDATION	The Board should approve a Water Ordinance as soon as possible.
RESPONSE	The Board has approved and signed a Water Ordinance in the current fiscal year to resolve this comment for next years audit.

Signed/Approved Contract for Solid Waste Removal Missing -
Other Matter
(12-09)

CONDITION Management purchases Solid Waste removal from a particular source as the Village does not have a landfill. The Village does not have a signed/approved contract with this Vendor.

CRITERIA A signed/approved contract with any Vendor should be obtained so all requirements, prices, changes or services have been agreed to by both parties and can be legally enforceable.

CAUSE Management has not ensured that a contract was obtained.

EFFECT The Village could pay more than what price was agreed to as there is no legal/binding contract.

RECOMMENDATION A contract should be obtained as soon as possible.

RESPONSE Management will work with the Solid Waste Provider to ensure a contract is obtained and approved in the current fiscal year.

Gross Receipts Taxes on Services Provided
Not Submitted Correctly to Taxation & Revenue -
Other Matter
(12-10)

CONDITION	The gross receipts taxes submitted to the New Mexico Taxation and Revenue Department are based on the services billed/charged each month not on the actual payments received.
CRITERIA	All payments made to the New Mexico Taxation and Revenue for gross receipts taxes are based on cash actually received not on accrual payments (amounts billed/charged).
CAUSE	Management was not aware of this requirement.
EFFECT	The Village is pre-paying the tax on behalf of the Village residents. Thus, decreasing the actual cash balance fo the Water/Solid Waste Funds.
RECOMMENDATION	Management should submit all future GRT taxes on a cash basis not an accrual basis.
RESPONSE	Management will make necessary efforts to ensure Gross Receipts Taxes are calculated correctly prior to submitting to New Mexico Taxation and Revenue Department.

Bank Services Charges - Other Matter
(12-13)

CONDITION The Village was charged over \$500 in bank analysis fees. This charge should be abated as the Village is a non-profit government entity.

CRITERIA Bank analysis fees are waived for most government entities.

CAUSE Management has not tried to collect these amounts back from the bank.

EFFECT The Village is losing over \$500 to charges that it does not have to pay for.

RECOMMENDATION Management should try to obtain abatement of these fees as soon as possible.

RESPONSE The Village of Dora will contact the bank to attempt negotiations of waiving the bank analysis fees currently being charged to the village.

Budget Overruns - Other Matter

(13-02)

CONDITION The Village overspent the final approved budget of the Fire Protection Fund by \$167,158.

CRITERIA NMSA 1978 Section 22-8-11 B requires all funds to be spent within the established guidelines set for budgets.

CAUSE Management did not ensure budget adjustment requests were obtained from DFA by the required deadline.

EFFECT The Village had the adequate cash to pay the overruns but not the required budget authority from DFA.

RECOMMENDATION Management should review its budget quarterly and request all budget adjustments at that time to ensure budget overruns do not occur.

RESPONSE Management will provide approved budget adjustment requests on equipment purchases accordingly to ensure the total funds received are budgeted, rather than only budgeting the portion of the funds used for the down payment of future similar equipment purchases.

Payments for Water/Solid Waste not
Collected Timely - Other Matter
(13-01)

CONDITION	The Village has an extremely high amount of customers that have not paid their Water/Solid Waste bills for several months.
CRITERIA	The Village should have a policy on how many months a user can go without payment and procedures on how to collect that amount.
CAUSE	Management is not ensuring collections of their Water/Solid Waste bills are collected within a reasonable time period.
EFFECT	The Village is not collecting valuable resources on a timely basis.
RECOMMENDATION	The Board should implement a policy concerning slow paying customers.
RESPONSE	Management will make a thorough effort to get customer payments current and received more timely.

FINANCIAL STATEMENT PREPARATION

The combining and individual fund financial statements and notes to the financial statements for the year ended, June 30, 2013 were prepared by Rice & Associates, CPA, based on managements chart of accounts and trial balances including any adjusting, correcting or closing entries approved by management. These services are allowable under SAS 115.

EXIT CONFERENCE

An exit conference was held on November 14, 2013. In attendance were Ms. Becky Frazee, Clerk/Treasurer, Mr. Mickey Burkett, Mayor, Mr. Antonio Lucero and Ms. Pamela A. Rice, CPA, Contract Auditors.