STATE OF NEW MEXICO

VILLAGE OF CUBA

BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2024

INDEPENDENT AUDITORS' REPORT

STATE OF NEW MEXICO
VILLAGE OF CUBA
FOR THE YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS **Page**

OFFICIAL ROSTER 1

INDEPENDENT AUDITORS' REPORT 2 - 5

BASIC FINANCIAL STATEMENTS:

Government - Wide Financial Statements:

Statement of Net Position 7 - 8

Statement of Activities 9

Fund Financial Statements:

Major Governmental Funds:

Balance Sheet - Governmental Funds 11

Reconciliation of the Balance Sheet of Government Funds to the Statement of Net Position 12

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds 13

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities 14

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - General Fund 15

Statement of Revenues, Expenditures, and Changes in Fund Balance- Budget (Non-GAAP Basis) and Actual - Fire Protection Fund 16

Proprietary Funds:

Statement of Net Position 18 - 19

Statement of Revenues, Expenditures, and Changes in Net Position" 20

Statement of Cash Flows 21 - 22

Notes to the Financial Statements 24 - 54

STATE OF NEW MEXICO
VILLAGE OF CUBA
FOR THE YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS (CONTINUED) **Page**

REQUIRED SUPPLEMENTARY INFORMATION:

Schedule of Proportionate Share of the Net Pension Liability 56 - 58

Schedule of Village of Cuba's Contributions 59 - 61

Notes to the Required Supplementary Information 63

Supplementary Information:

Non-Major Funds 65

Combining Balance Sheets - Non-Major Funds 66 - 68

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major Funds 69 - 71

OTHER SUPPLEMENTAL INFORMATION

Schedule of Depositories 72

Schedule of Collateral Pledged by Depository for Public Funds 73

Financial Data Schedule 74 - 77

COMPLIANCE:

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 79 - 80

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance 81 - 83

Schedule of Expenditures of Federal Awards 84

Notes to Schedule of Expenditures of Federal Awards 85

Summary of Auditor's Results 86

Schedule of Findings and Questioned Costs 87

Entrance and Exit Conference and Financial Statement Preparation 88

STATE OF NEW MEXICO
VILLAGE OF CUBA
OFFICIAL ROSTER
JUNE 30, 2024

ELECTED OFFICIALS

Denny Herrera	Mayor
Gilbert Dominguez	Mayor Pro-Tem
Kyle S. Sandoval	Council Member
Rebecca L. Salazar	Council Member
Monica A. Olivas	Council Member

ADMINISTRATIVE OFFICIALS

Vandora P. Casados	Clerk-Treasurer (Supervisor)
Pilar Rubio	Accountant

Beasley, Mitchell & Co.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Mr. Joseph Maestas, PE, CFE, New Mexico State Auditor
and the Mayor and Village Trustees of the
Village of Cuba, New Mexico

Opinion
We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information and the budgetary comparison for the General and Major Special Revenue Funds of the Village of Cuba, New Mexico (the "Village"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Village of Cuba's basic financial statements as listed in the table of contents.

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 and the budgetary comparison for the general fund and major special revenue funds of the Village of Cuba, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Cuba, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Cuba, ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Village of Cuba, internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Cuba, ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the 10-year schedules for Pension and OPEB on pages 56 - 61 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis which is required to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Cuba's basic financial statements. The combining and individual nonmajor fund financial statements, the Schedule of Depositories and Pledged Collateral, and the Financial Data Schedule (FDS), and the schedule of expenditure of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, Financial Data Schedule (FDS), and the schedule of expenditure of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated, December 15, 2024 on our consideration of the Village of Cuba'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 solely 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 effectiveness of the Village of Cuba's 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 Village of Cuba's internal control over financial reporting and compliance.

Beasley, Mitchell & Co. LLP

Beasley, Mitchell & Co., LLP
Las Cruces, New Mexico
December 15, 2024

GOVERNMENT - WIDE FINANCIAL STATEMENTS

STATE OF NEW MEXICO
VILLAGE OF CUBA
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS AND DEFERRED OUTFLOWS			
Current assets			
Cash and cash equivalents	$ 1,516,873	$ 199,841	$ 1,716,714
Restricted cash	908	5,726	6,634
Court fines and fees receivable (Note 3)	2,335	-	2,335
Accounts receivable (Note 3)	-	213,131	213,131
Other receivables (Note 3)	-	757	757
Taxes receivable (Note 3)	348,841	-	348,841
Due from other funds	1,213,463	-	1,213,463
Total current assets	3,082,420	419,455	3,501,875
Non-current assets			
Right of use asset (Note 6)	33,199	4,580	37,779
Less accumulated amortization (Note 6)	(11,066)	(1,526)	(12,592)
Capital assets (Note 4)	10,563,428	11,858,603	22,422,031
Less accumulated depreciation (Note 4)	(5,258,447)	(5,304,117)	(10,562,564)
Total non-current assets	5,327,114	6,557,540	11,884,654
Total assets	8,409,534	6,976,995	15,386,529
Deferred outflows			
Deferred outflows, pension related (Note 9)	572,925	176,018	748,943
Total deferred outflows	572,925	176,018	748,943
Total assets and deferred outflows	$ 8,982,459	$ 7,153,013	$ 16,135,472

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF CUBA
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2024

	Governmental Activities	Business-Type Activities	Total
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
Current liabilities			
Accounts payable	$ 438,375	$ 194,405	$ 632,780
Accrued salaries	33,997	9,688	43,685
Insurance payable	153,861	167,684	321,545
Current portion of long-term debt (Note 5)	25,924	55,009	80,933
Due to other funds	-	1,031,640	1,031,640
Current portion of lease liability (Note 7)	5,216	720	5,936
Other liabilities	-	576,733	576,733
Current portion of compensated absences (Note 5)	23,010	9,632	32,642
Total current liabilities	680,383	2,045,511	2,725,894
Non-current liabilities			
Net pension liability (Note 9)	1,609,776	490,166	2,099,942
Customer deposits	-	85,737	85,737
Lease liability, less current maturities (Note 7)	18,901	2,607	21,508
Long-term debt, less current maturities (Note 5)	33,760	755,221	788,981
Total non-current liabilities	1,662,437	1,333,731	2,996,168
Total liabilities	2,342,820	3,379,242	5,722,062
Deferred inflows			
Deferred inflows, pension related (Note 9)	20,018	6,049	26,067
Total deferred inflows	20,018	6,049	26,067
Total liabilities and deferred inflows	2,362,838	3,385,291	5,748,129
NET POSITION			
Net investment in capital assets	5,243,313	5,743,983	10,987,296
Restricted for:			
Debt service	908	-	908
Special revenue funds	403,797	-	403,797
Unrestricted	971,603	(1,976,261)	(1,004,658)
Total net position	6,619,621	3,767,722	10,387,343
Total liabilities, deferred inflows, and net position	$ 8,982,459	$ 7,153,013	$ 16,135,472

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF CUBA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

FUNCTIONAL/PROGRAMS:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position Primary Government: Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	$ 1,429,740	$ -	$ 1,660,577	$ -	$ 230,837	$ -	$ 230,837
Public safety	1,609,422	34,456	-	-	(1,574,966)	-	(1,574,966)
Public works	183,514	-	-	-	(183,514)	-	(183,514)
Culture and recreation	192,763	-	-	-	(192,763)	-	(192,763)
Debt service - interest	701	-	-	-	(701)	-	(701)
Total governmental activities	3,416,140	34,456	1,660,577	-	(1,721,107)	-	(1,721,107)
Business-type activities:							
Water and Sewer	1,298,891	504,557	44,433	-	-	(749,901)	(749,901)
Housing Authority	295,725	-	85,464	-	-	(210,261)	(210,261)
Total business-type activities	1,594,616	504,557	129,897	-	-	(960,162)	(960,162)
Total primary government	$ 5,010,756	$ 539,013	$ 1,790,474	$ -	(1,721,107)	(960,162)	(2,681,269)
General Revenues and Transfers:							
Property taxes					69,737	-	69,737
Other taxes					164,905	-	164,905
Gasoline taxes					146,779	-	146,779
Gross receipts taxes					1,512,251	-	1,512,251
Franchise taxes					45,791	-	45,791
Lodger's taxes					21,670	-	21,670
Motor vehicle registration					25,073	-	25,073
Investment income					763	-	763
Licenses and permits					39,911	-	39,911
Miscellaneous					79,527	136,580	216,107
Total general revenues and transfers					2,106,407	136,580	2,242,987
Changes in net position					385,300	(823,582)	(438,282)
Net position, beginning of year					6,234,321	4,591,304	10,825,625
Net position, beginning of year as restated					6,234,321	4,591,304	10,825,625
Net position, end of year					$ 6,619,621	$ 3,767,722	$ 10,387,343

See independent auditors' report and accompanying notes to financial statements.

GOVERNMENTAL FUND STATEMENTS

STATE OF NEW MEXICO
VILLAGE OF CUBA
BALANCE SHEET - GOVERNMENTAL FUNDS
AS OF JUNE 30, 2024

	General Fund #101	Fire Protection Fund #209	Total Non-Major Funds	Total Governmental Funds
ASSETS				
Assets				
Cash and cash equivalents	$ 813,396	$ 380,287	$ 323,190	$ 1,516,873
Restricted cash	-	-	908	908
Accounts receivable	2,335	-	-	2,335
Tax receivables	343,220	-	5,621	348,841
Due from other funds	1,235,100	41,092	98,973	1,375,165
Total assets	$ 2,394,051	$ 421,379	$ 428,692	$ 3,244,122
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE				
Liabilities				
Accounts payable	$ 68,189	$ 342,812	$ 27,374	$ 438,375
Insurance payable	126,845	27,016	-	153,861
Accrued salaries	33,997	-	-	33,997
Due to other funds	88,765	-	72,937	161,702
Total liabilities	317,796	369,828	100,311	787,935
Deferred inflows				
Deferred - property tax	12,020	-	-	12,020
Total liabilities and deferred inflows	329,816	369,828	100,311	799,955
Fund balances:				
Restricted for;				
General government	2,064,235	-	-	2,064,235
Special revenue	-	51,551	352,246	403,797
Debt service	-	-	908	908
Unassigned	-	-	(24,773)	(24,773)
Total fund balances	2,064,235	51,551	328,381	2,444,167
Total liabilities, deferred inflows, and fund balances	$ 2,394,051	$ 421,379	$ 428,692	$ 3,244,122

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF CUBA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Total fund balances - governmental funds		$ 2,444,167
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds:		
The cost of capital assets	10,563,428	
Accumulated depreciation	(5,258,447)	5,304,981
Deferred outflows - related to net pension liability		572,925
Right of use asset	33,199	
Accumulated amortization	(11,066)	22,133
Other long-term liabilities 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:		
Lease liability	(24,117)	
Net pension liability	(1,609,776)	
Notes payable	(59,684)	
Compensated absences	(23,010)	(1,716,587)
Deferred inflows due to actual non-investment experience that was better than expected and changes in benefits or assumption which result in a decrease to net pension liability:		
Deferred inflows		(20,018)
Long term assets are not available to pay for current - period expenditures and therefore are deferred in the funds:		
Property tax		12,020
Total net position - governmental activities		$ 6,619,621

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF CUBA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund #101	Fire Protection Fund #209	Total Non-Major Funds	Total Governmental Funds
REVENUES				
Motor vehicle registration	$ 25,073	$ -	$ -	$ 25,073
Gross receipts tax	1,512,251	-	-	1,512,251
Property taxes	69,737	-	-	69,737
Franchise taxes	45,791	-	-	45,791
Gasoline tax	146,779	-	-	146,779
Lodger's tax	-	-	21,670	21,670
Small cities assistance	90,000	-	-	90,000
Charges for services	34,456	-	-	34,456
Federal grants	-	850,863	-	850,863
State grants	230,993	156,404	332,317	719,714
Licenses and fees	31,441	-	8,470	39,911
Other taxes	164,905	-	-	164,905
Investment income	-	-	763	763
Miscellaneous	5,777	46,370	27,380	79,527
Total revenues	2,357,203	1,053,637	390,600	3,801,440
EXPENDITURES				
Current				
General government	855,662	-	139,876	995,538
Public safety	893,062	702,065	14,295	1,609,422
Public works	183,514	-	-	183,514
Culture and recreation	192,763	-	-	192,763
Debt service:				
Debt principal	6,745	-	18,590	25,335
Interest	-	-	701	701
Capital outlay	1,042,452	788,819	38,118	1,869,389
Total expenditures	3,174,198	1,490,884	211,580	4,876,662
Excess (deficiency) of revenues over expenditures	(816,995)	(437,247)	179,020	(1,075,222)
Net change in fund balance	(816,995)	(437,247)	179,020	(1,075,222)
Fund balance at beginning of year	2,881,230	488,798	149,361	3,519,389
Fund balance at end of year	$ 2,064,235	$ 51,551	$ 328,381	$ 2,444,167

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF CUBA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Net change in fund balances - total governmental funds		$ (1,075,222)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Capital assets reported as capital outlay expenditures	1,869,389	
Depreciation expense	(379,743)	1,489,646
Change in deferred outflows		209,709
Change in deferred inflows		1,049
Change in net pension liability		(264,178)
Change in right to use asset		(5,533)
Change in lease liability		4,752
Property taxes do not provide current financial resources, made available to pay for current period's expenditures, reported as deferred inflows in funds		4,160
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		25,335
In the Statement of Activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts paid).		(4,418)
Change in net position of governmental activities		$ 385,300

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF CUBA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL ON BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Franchise taxes	$ 40,000	$ 40,000	$ 45,791	$ 5,791
Gross receipts taxes-municipal	1,504,000	1,504,000	1,274,547	(229,453)
Property taxes	49,000	49,000	69,737	20,737
Gas tax	35,000	35,000	146,779	111,779
Motor vehicle registration	38,500	38,500	25,073	(13,427)
Licenses and permits	6,000	6,000	31,441	25,441
Charges for services	19,000	19,000	34,456	15,456
Small cities assistance	877,800	877,800	90,000	(787,800)
State grants	874,000	874,000	230,993	(643,007)
Miscellaneous	53,500	53,500	170,682	117,182
Total revenues	3,496,800	3,496,800	2,119,499	(1,377,301)
EXPENDITURES:				
Current				
General government	1,444,170	1,019,170	826,062	193,108
Public safety	912,550	912,550	893,062	19,488
Public works	321,050	321,050	183,514	137,536
Culture and recreation	308,430	308,430	192,763	115,667
Capital outlay	618,000	1,043,000	1,042,452	548
Debt principal	-	-	6,745	(6,745)
Total expenditures	3,604,200	3,604,200	3,144,598	459,602
Excess (deficiency) of revenues over expenditures	(107,400)	(107,400)	(1,025,099)	(917,699)
OTHER FINANCING SOURCES (USES)				
Transfers in	165,000	165,000	-	(165,000)
Transfers out	(296,840)	(296,840)	-	296,840
Total other financing sources (uses)	(131,840)	(131,840)	-	131,840
Net changes in fund balance Non-GAAP basis	$ (239,240)	$ (239,240)	(1,025,099)	$ (785,859)
Cash fund balance - beginning			1,838,495	
Cash fund balance - ending			$ 813,396	
Reconciliation in fund balance - budgetary basis				
Net change in fund balance - budgetary basis			$ (1,025,099)	
Revenue accrual			237,704	
Expenditure accrual			(29,600)	
Net change in fund balance - GAAP basis			$ (816,995)	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF CUBA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BUDGET AND ACTUAL ON BUDGETARY BASIS
FIRE PROTECTION FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Federal grants	$ 1,053,868	$ 1,053,868	$ 850,050	$ (203,818)
State grants	200,000	200,000	156,404	(43,596)
Miscellaneous	57,307	57,307	46,370	(10,937)
Total revenues	1,311,175	1,311,175	1,052,824	(258,351)
EXPENDITURES:				
Current				
Public safety	369,872	369,872	360,155	9,717
Capital outlay	941,303	941,303	788,819	152,484
Total expenditures	1,311,175	1,311,175	1,148,974	162,201
Excess (deficiency) of revenues over expenditures	-	-	(96,150)	(96,150)
Net change in fund balance Non-GAAP basis	$ -	$ -	(96,150)	$ (96,150)
Cash fund balance at beginning of year			476,437	
Cash fund balance at end of year			$ 380,287	
Reconciliation in fund balance - budgetary basis				
Net change in fund balance - budgetary basis			$ (96,150)	
Revenue accrual			813	
Expenditure accrual			(341,910)	
Excess of revenues over expenditures - GAAP basis			$ (437,247)	

See independent auditors' report and accompanying notes to financial statements.

PROPRIETARY FUNDS

STATE OF NEW MEXICO
VILLAGE OF CUBA
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2024

	Water and Sewer Fund #500	Housing Authority Fund #600	Total Proprietary
ASSETS AND DEFERRED OUTFLOWS			
Current assets			
Cash and cash equivalents	$ 84,041	$ 115,800	$ 199,841
Restricted cash	-	5,726	5,726
Accounts receivable	122,954	90,177	213,131
Other receivable	10	747	757
Total current assets	207,005	212,450	419,455
Non-current assets			
Land	82,841	15,608	98,449
Building & Improvements	2,205,921	2,029,691	4,235,612
Infrastructure	7,096,125	-	7,096,125
Equipment/Furniture	229,209	199,208	428,417
Less accumulated depreciation	(3,975,587)	(1,328,530)	(5,304,117)
Right of use asset	-	4,580	4,580
Less accumulated amortization	-	(1,526)	(1,526)
Total non-current assets	5,638,509	919,031	6,557,540
Total assets	5,845,514	1,131,481	6,976,995
Deferred outflows	113,420	62,598	176,018
Total deferred outflows	113,420	62,598	176,018
Total assets and deferred outflows	$ 5,958,934	$ 1,194,079	$ 7,153,013

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF CUBA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)
JUNE 30, 2024

	Water and Sewer Fund #500	Housing Authority Fund #600	Total Proprietary
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION			
Current liabilities			
Accounts payable	$ 192,776	$ 1,629	$ 194,405
Accrued payroll	6,884	2,804	9,688
Insurance payable	165,718	1,966	167,684
Current portion of long-term debt	55,009	-	55,009
Due to other funds	1,017,366	14,274	1,031,640
Current portion of lease liability	-	720	720
Other liabilities	576,733	-	576,733
Current portion of compensated absences	5,972	3,660	9,632
Total current liabilities	2,020,458	25,053	2,045,511
Non-current liabilities			
Net pension liability	318,015	172,151	490,166
Customer deposits	80,011	5,726	85,737
Lease liability, less current maturities	-	2,607	2,607
Long term debt, less current maturities	755,221	-	755,221
Total non-current liabilities	1,153,247	180,484	1,333,731
Total liabilities	3,173,705	205,537	3,379,242
Deferred inflows	3,948	2,101	6,049
Total deferred inflows	3,948	2,101	6,049
Total liabilities and deferred inflows	3,177,653	207,638	3,385,291
NET POSITION			
Net investment in capital assets	4,828,279	915,704	5,743,983
Unrestricted	(2,046,998)	70,737	(1,976,261)
Total net position	2,781,281	986,441	3,767,722
Total liabilities, deferred inflows, and net position	$ 5,958,934	$ 1,194,079	$ 7,153,013

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF CUBA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Water and Sewer Fund #500	Housing Authority Fund #600	Total Proprietary
OPERATING REVENUES			
Charges for services	$ 504,557	$ -	$ 504,557
Tenant rental revenue	-	126,662	126,662
Grant revenue - State	44,433	-	44,433
Grant revenue - Federal	-	85,464	85,464
Miscellaneous	-	17,358	17,358
Total operating revenues	548,990	229,484	778,474
OPERATING EXPENSES			
Other operating expenses	961,203	249,943	1,211,146
Depreciation expense	337,688	45,019	382,707
Amortization expense	-	763	763
Total operating expenses	1,298,891	295,725	1,594,616
Operating income (loss)	(749,901)	(66,241)	(816,142)
NON-OPERATING REVENUES (EXPENSES)			
Debt Service-interest and fees	(7,440)	-	(7,440)
Total other financing sources (uses)	(7,440)	-	(7,440)
Change in net position	(757,341)	(66,241)	(823,582)
Net position, beginning of year	3,538,622	1,052,682	4,591,304
Net position, end of year	$ 2,781,281	$ 986,441	$ 3,767,722

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF CUBA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Water and Sewer Fund #500	Housing Authority #600	Total Proprietary
Cash flows from operating activities:			
Cash received from agencies and customers	$ 394,858	$ 206,778	$ 601,636
Cash paid to suppliers for goods and services	290,746	50,808	341,554
Cash payments to employees for services	(740,132)	(255,058)	(995,190)
Net cash provided by (used in) operating activities	(54,528)	2,528	(52,000)
Cash flows from non-capital financing activities:			
Changes in due to/from accounts	136,153	14,274	150,427
Net cash used in non-capital activities and related financing activities	136,153	14,274	150,427
Cash flows from capital and related financing activities:			
Loan Proceeds	(7,440)	-	(7,440)
Changes in capital assets	(31,950)	(26,540)	(58,490)
Changes on principal debt	(63,152)	-	(63,152)
Net cash used in capital activities and related financing activities	(102,542)	(26,540)	(129,082)
Net increase (decrease) in cash	(20,917)	(9,738)	(30,655)
CASH, Beginning of year	104,958	131,264	236,222
CASH, End of year	$ 84,041	$ 121,526	$ 205,567

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF CUBA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

Reconciliation of operating income to net cash provided (used in) by operating activities:

	Water and Sewer Fund #500	Housing Authority #600	Total Proprietary
Cash flows from operating activities			
Operating income (loss)	$ (749,901)	$ (66,241)	$ (816,142)
Adjustments to reconcile change in net assets to net cash			
Amortization	-	763	763
Depreciation	337,688	45,019	382,707
Changes in working capital components:			
(Increase) Decrease in:			
Accounts receivables	(14,819)	5,072	(9,747)
Other assets	(98,473)	(27,668)	(126,141)
Increase (Decrease) in:			
Accounts payable	158,414	(1,685)	156,729
Accrued expenses and other liabilities	65,615	(3,554)	62,061
Unapplied credits	-	-	-
Deposits payable	3,593	(110)	3,483
Accrued compensated absences	2,271	(209)	2,062
Net pension liability	241,084	51,797	292,881
Lease liability	-	(656)	(656)
Net cash provided by operating activities	$ (54,528)	$ 2,528	$ (52,000)

See independent auditors' report and accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Cuba (the "Village") was incorporated in 1963 under the laws of the State of New Mexico. The Village operates under a Mayor-Council form of Government and provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, health and social services, culture and recreation, education, public improvements, and general administrative services.

The financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial reporting standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of the Village's accounting policies are described below.

A. Reporting Entity

In evaluating how to define the Village, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB-61.

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

As required by GAAP, the financial statements present the Village and entities for which the Village is considered to be financially accountable. There are no component units for the fiscal year ended June 30, 2024.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation

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 non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers for utility and other services provided, fines and forfeitures from the courts, licenses and permits issued and funds from the small city assistance program. 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular department or function of the Village. 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 proprietary funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major funds.

C. Measurement Focus, Basis of Accounting, and Fund Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements are met. Private-sector standards of accounting and financial reporting, generally are followed in the governmentwide 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, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

Fund Financial Statements - Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Fund Financial Statements (Continued)

accounting. Revenues are recognized as soon as they are both measurable and available. The Village follows the following revenue recognition principles applied to nonexchange transactions, which are in accordance with GASB Statement 33, Accounting and Reporting for Nonexchange Transactions: Derived tax revenues are recognized in the period when the underlying exchange transaction has occurred, and the resource are available.

Derived tax revenues include gross receipts tax, gasoline taxes, and cigarette taxes. *Imposed nonexchange revenues - property taxes* are levied and collected by the Sandoval County treasurer on behalf of the Village. The taxes are levied in November and payable in two installments, November 10, and May 10. The County remits to the Village a percentage of the collections made during the month. Taxes are considered delinquent and subject to lien, penalty, and interest 30 days after the date on which they are due.

Imposed nonexchange revenue other than property taxes are recognized in the period when an enforceable legal claim has arisen, and the resources are available.

Government-mandated nonexchange transactions and voluntary nonexchange transactions are recognized when all applicable eligibility requirements have been met and the resources are available. These include grant revenues, state shared taxes and intergovernmental revenue. Grant revenues are recognized as revenues when the related costs are incurred.

Other revenues susceptible to accrual are investment income and charges for services. All other revenues are recognized when they are received and are not susceptible to accrual because they are usually not measurable until payment is actually received.

The Village reports deferred revenue on its combined balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the Village before it has legal claim to the resources, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Fund Financial Statements (Continued)

The Village reports the following major governmental funds:

General Fund - This is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided through property and other taxes, federal sources, state sources, charges for services, licenses and fees, and other miscellaneous recoveries and revenue. Expenditures include all costs associated with the daily operation of the Village except for items included in other funds.

Fire Protection - To account for the operations and maintenance of the fire department. The operations are financed by an allotment from the annual fire grant from the State of New Mexico. Authority is NMSA 59-A-53-1.

Proprietary Fund - Proprietary funds are accounted for on the flow of economic resources measurement focus (all assets and all liabilities associated with the operation of these funds are included on the balance sheet) and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Village applies all applicable GASB pronouncements in accounting and reporting for its proprietary operations. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The Village reports the following major proprietary funds:

Waste and Sewer - To account for the provision of water and wastewater services 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 billing, and collection.

Housing Authority - To account for all of the financial resources related to public housing.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities and Net Position or Equity

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, money market funds, and certificates of deposit. Cash deposits are reported at carrying amount, which reasonably estimates fair value. All investments are stated at fair value that is determined by using selected bases. Interest income, realized gains, and losses on investment transactions, and amortization of premiums/discounts on investment purchases are included for financial statement purposes as investment income and are allocated to participating funds based on the specific identification of the source of funds for a given investment. The Village does not have an investment policy.

Village funds are invested in accordance with New Mexico State Statute 6-10-36 which provides for the following investments:

1. United States Treasury Securities (Bills, Notes and Bonds) and other securities issued by the United States government or its agencies or instrumentalities that are either direct obligations of the United States of America, the Federal Home Loan Mortgage Corp., the Federal National Mortgage Association, the Federal Farm Credit Bank, or the Student Loan Marketing Association, or are backed by the full faith and credit of the United States government.

2. Insured and/or collateralized (with U.S. Government Securities and/or New Mexico Bonds) certificates of deposit of banks, savings and loan associations, and credit unions, pursuant to State Board of Finance Collateral Policies.

3. Money market funds whose portfolios consist entirely of United States Government Securities or agencies sponsored by the United States government.

4. Investments in the New Mexico State Treasurer external investment pool (Local Government Investment Pool).

Reserve Requirements:

The New Mexico Department of Finance and Administration (DFA) requires New Mexico municipalities to maintain a cash balance in the General Fund of at least 1/12th (8.33%) of the General Fund's budgeted expenditures in order to maintain adequate cash flow until the next significant property tax collection. The Village met and exceeded the State's cash reserve requirements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Capital Assets:

Capital assets, which include land, buildings and improvements, machinery and equipment, and infrastructure assets are reported in the applicable governmental column in the government-wide financial statements.

Capital assets including computer software are defined by the Village 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. Governmental Accounting Standards Board (GASB) 34 Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments allows phase III governments an exemption from the retroactive application of the capitalization requirements to major general infrastructure assets.

The Village has elected not to retroactively record infrastructure assets. Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets received prior to June 15, 2015, are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015, are recorded at acquisition value.
The costs 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. No interest was included as part of the cost of capital assets under construction.
Capital assets of the primary government are depreciated using the straight-line method over their useful lives.

Buildings and improvements	10 - 50 years
Machinery and equipment	5 - 50 Years
Furniture and fixtures	5 - 30 years
Infrastructure	5 - 50 years

Capital assets in proprietary funds are depreciated using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and other improvements	25 - 33 years
Water and sewer system	10 - 50 Years
Machinery and equipment	5 - 10 years

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Capital Assets (continued):

The Audit Act, 12-6-10, NMSA 1978, requires all assets, which cost more than $5,000 and have a life greater than one year to be added to the General Fixed Asset Account Group and a yearly inventory of those assets must be taken.

6. Deferred Inflows:

The Village defers revenue from non-exchange transactions. The amount deferred results from the difference between the receivable recognized on an accrual basis and the related revenue recognized on the modified accrual basis. Revenue is recognized as the receivables are collected.

7. Compensated Absences:

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. Vested or accumulated vacation leave for proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

8. Long-Term Obligations:

In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of position. The face amount of debt issued is reported as other financing sources.

9. Net Position:

Net position represents the difference between assets and liabilities. Net invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvements of those assets. Net invested in capital assets; net of related debt excludes unspent debt proceeds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

9. Net Position (continued)

Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

10. Fund Equity:

Beginning with fiscal year 2011, the Village implemented GASB Statement No. 54, "Fund Balance. Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance - amounts that are not in nonspendable form (such as inventory) or are required to be maintained intact.

Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance - amounts constrained to specific purposes by the Village itself, using its highest level of decision-making authority (i.e., Board of Trustees). To be reported as committed, amounts cannot be used for any other purpose unless the Village takes the same highest-level action to remove or change the constraint. Assigned fund balance - amounts the Village intends to use for a specific purpose. Intent can be expressed by the Board of Trustees or by an official or body to which the Board of Trustees delegates the authority.

Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

10. Fund Equity (continued):

Assigned fund balance is established by the Board of Trustees through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

When expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Village considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Village considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Village Trustees have provided otherwise in its commitment or assignment actions.

11. Inter-Fund Transactions:

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other inter-fund transactions, except quasi-external transactions and reimbursements are reported as transfers. All other inter-fund transfers are reported as operating transfers.

12. 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.

13. Cash Flows:

For purposes of the Statement of Cash Flows, the various enterprise funds consider all liquid assets with a maturity of three months or less when purchased to be cash equivalents.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

14. Pensions:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Mexico Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

15. Budgetary Information:

Actual amounts on the budgetary basis are prepared on the cash basis of accounting which recognizes revenues when received and expenditures when paid. Annual budgets are adopted for the general, special revenue, capital projects, and enterprise funds.

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

1. Prior to June 1, the Village Administrator 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 Administrator 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.

3. Formal budgetary integration is employed as a management control device during the year for the general fund, special revenue funds, capital projects fund and enterprise funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

15. Budgetary Information: (Continued)

4. 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.

E. Implementation of New Accounting Standards

In June 2022, GASB Statement No. 100, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62, was issued. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. GASBS No. 100, Accounting Changes and Error Corrections, has had no impact on the Village Financial Statements.

F. Implementation of Future Accounting Standards

In June 2022, GASB Statement No. 101, Compensated Absences, was issued. The statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. The Village is still evaluating how this pronouncement will affect the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Implementation of Future Accounting Standards (CONTINUED)

In December 2023, GASB Statement No. 102, Certain Risk Disclosures, was issued. State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged. The Village is still evaluating how this pronouncement will affect the financial statements.

In April 2024, GASB Statement No. 103, Financial Reporting Model Improvements, was issued. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. The Village is still evaluating how this pronouncement will affect of the financial statements.

SAS 149, Audits of Group Financial Statements, effective for periods ending on or after 12/15/2026. The objective is to provide a risk-based approach to planning and performing a group audit. Extant AU-C section 600 focused on the identification of significant components at which to perform audit work. In SAS No. 149, the group auditor uses professional judgment in determining the components at which to perform procedures that respond to assessed risks. SAS No. 149 also better aligns the standard with other recently issued SASs and clarifies the interaction between the SAS and other AU-C sections. SAS No. 149 is effective for audits of group financial statements for periods ending on or after December 15, 2026. The Village is still evaluating how this pronouncement will affect the financial statements.

The Uniform Guidance's single audit threshold is increasing from $750,000 to $1,000,000 for audits with periods beginning on or after October 1, 2024. This means that only entities that spend $1 million or more of federal funds in their fiscal year will be subject to a Single Audit.

2. CASH AND DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

Cash and Cash Equivalents - Deposits of funds may be made in interest or non interest-bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the Village. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits, and interest-bearing accounts of a public unit in an institution in the same state will be insured up to $250,000 in aggregate and separate from the $250,000 coverage for public unit demand deposits at the same institution.

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

Depository Account	Bank Balance
FDIC Insured	$ 250,000
Collateralized	
Cash held by Housing Authority	128,745
Uninsured	1,387,233
Total Cash and Investments Per Bank, Primary Government	$ 1,765,978

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, 2024, $1,387,233 of the Village's bank balance of $1,765,978 was exposed to custodial credit risk.

3. ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2024, consist of the following:

Governmental Activities:	General Fund	Non-Major Funds	Total
Taxes:			
Taxes receivables	$ 343,220	$ 5,621	$ 348,841
Accounts receivable	2,335	-	2,335
Total receivables	$ 345,555	$ 5,621	$ 351,176

Business-type activities:	Water and Sewer Fund	Housing Authority Fund	Total
Receivable:			
Accounts receivable	$ 181,629	$ 747	$ 182,376
Allowance for uncollectible accounts	(58,675)	-	(58,675)
Accounts receivable, net of allowance	122,954	747	123,701
Grants receivable	10	90,177	90,187
Total receivables	$ 122,964	$ 90,924	$ 213,888

4. CAPITAL ASSETS

Governmental fund capital asset activity for the year was as follows:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Government activities				
Capital assets not being depreciated:				
Land	$ 86,130	$ -	$ -	$ 86,130
Construction in progress	-	715,805	-	715,805
Total	86,130	715,805	-	801,935
Other capital assets being depreciated				
Building and Improvements	5,141,900	276,407	-	5,418,307
Infrastructure	812,010	97,934	-	909,944
Equipment & other	2,653,999	779,243	-	3,433,242
Total	8,607,909	1,153,584	-	9,761,493
Accumulated depreciation				
Building and Improvements	2,592,884	161,351	-	2,754,235
Infrastructure	172,365	33,883	-	206,248
Machinery and equipment	2,113,455	184,509	-	2,297,964
Total accumulated depreciation	4,878,704	379,743	-	5,258,447
Total capital assets	$ 3,815,335	$ 1,489,646	$ -	$ 5,304,981

Depreciation expense relating to Government Activities for the year-ended June 30, 2024 totaled $379,743.

4. CAPITAL ASSETS (CONTINUED)

Enterprise fund capital asset activity for the year was as follows:

	Balance June 30, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
Business-type activities					
Water and Sewer					
Capital assets not being depreciated					
Land - Water & Sewer	$ 82,841	$ -	$ -	$ -	$ 82,841
Land - Housing Authority	15,608	-	-	-	15,608
Total	98,449	-	-	-	98,449
Capital assets being depreciated					
Water and Sewer					
Building & Improvements	2,205,921	-	-	-	2,205,921
Infrastructure	7,096,125	-	-	-	7,096,125
Equipment and other	197,259	31,950	-	-	229,209
Housing Authority					
Building & Improvements	1,955,831	26,540	-	47,320	2,029,691
Equipment and other	246,528	-	-	(47,320)	199,208
Total	11,701,664	58,490	-	-	11,760,154
Accumulated depreciation					
Water and Sewer	3,637,899	337,688	-	-	3,975,587
Housing Authority	1,283,511	45,019	-	-	1,328,530
Total accumulated depreciation	4,921,410	382,707	-	-	5,304,117
Total capital assets	$ 6,878,703	$ (324,217)	$ -	$ -	$ 6,554,486

Depreciation expense relating to business-like activities for the year-ended June 30, 2024 totaled $337,688 for Water & Sewer, and $45,019 for Housing Authority.

5. LONG TERM DEBT

During the year-end June 30, 2024 the following changes occurred in the liabilities reported in the government-wide statement of net position:

Governmental Funds	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
USDA Loan	$ 27,903	$ -	$ 6,745	$ 21,158	$ 6,897
Loan (#3326-PP)	57,116	-	18,590	38,526	19,027
Compensated absences	18,592	43,921	39,503	23,010	23,010
Total	$ 75,708	$ 43,921	$ 58,093	$ 61,536	$ 42,037

Accrued Compensated Absences. Regular full-time employees receive two weeks of vacation per year after completion of one year of employment with the Village. Part-time and seasonal employees are not entitled to vacation benefits.

Village of Cuba- Police Vehicle USDA Community Facilities Program Loan: The Village entered into a five-year loan agreement in the original amount of $34,500 with interest & admin fee at 2.250%. Principal and interest payments are due annually in April, beginning from April 2023 maturing in April 2027. The debt payments are to be made to U.S. Department of Agriculture Rural Development ("USDA").

The annual requirements to amortize the above loans as of June 30, 2024, including interest payments are as follows:

June 30:	Principal	Interest	Total
2025	$ 6,897	$ 476	$ 7,373
2026	7,052	321	7,373
2027	7,209	162	7,371
	$ 21,158	$ 959	$ 22,117

5. LONG TERM DEBT (CONTINUED)

Village of Cuba- Initial Attack truck NMFA Project # 3326-PP: The Village entered into a ten-year loan agreement in the original amount of $176,323 with interest & admin fee at 2.1693%. Principal and interest payments are due annually in May, beginning from May 2017 maturing in May 2026. The debt payments are to be made to the New Mexico Finance Authority ("NMFA").

The annual requirements to amortize the above loans as of June 30, 2024, including interest payments are as follows:

June 30:	Principal	Interest	Total
2025	$ 19,027	$ 1,022	$ 20,049
2026	19,499	550	20,049
	$ 38,526	$ 1,572	$ 40,098

Proprietary Funds	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Water and Sewer Loan CWSRF 006	$ 233,982	$ -	$ 27,571	$ 206,411	$ 18,005
Water and Sewer Loan CWSRF 061	323,760	-	20,235	303,525	20,235
New Mexico Environment Department (RIP 00012)	271,650	-	12,613	259,037	14,234
Water Loan WPF 4861	43,990	-	2,733	41,257	2,535
Compensated absences Water & Sewer Fund	3,701	8,032	5,761	5,972	5,972
Compensated absences Housing Authority	3,869	4,972	5,181	3,660	3,660
Total	$ 880,952	$ 13,004	$ 74,094	$ 819,862	$ 64,641

5. LONG TERM DEBT (CONTINUED)

Water & Sewer loan CWSRF 006: The Village entered into a twenty-year loan agreement in the original amount of $360,000 with interest & admin fee at 3%. Principal and interest payments are due annually in December, beginning December 2014. The debt payments are to be made to the New Mexico Environmental Department by Sandoval County and the Village will reimburse the County on a regular basis.

The annual requirements to amortize the above loans as of June 30, 2024, including interest payments are as follows:

June 30:	Principal	Interest	Total
2025	$ 18,005	$ 5,293	$ 23,298
2026	18,545	4,831	23,376
2027	19,102	4,356	23,458
2028	19,675	3,866	23,541
2029	20,265	3,362	23,627
2030-2034	110,819	8,693	119,512
	$ 206,411	$ 30,401	$ 236,812

Water & Sewer loan CWSRF 061: The Village entered into a loan agreement with New Mexico Environmental Department for the purpose of obtaining Wastewater Construction Loan. As of June 30, 2021, $404,700 in the loan funds have been disbursed. This is a 0% interest loan and is due to expire on June 30, 2039.

June 30:	Principal	Interest	Total
2025	$ 20,235	$ -	$ 20,235
2026	20,235	-	20,235
2027	20,235	-	20,235
2028	20,235	-	20,235
2029	20,235	-	20,235
2030-2034	101,175	-	101,175
2035-2039	101,175	-	101,175
	$ 303,525	$ -	$ 303,525

5. LONG TERM DEBT (CONTINUED)

Rural Infrastructure Program (RIP) 00012: The Village entered into a twenty-year loan agreement in the original amount of $55,669 with interest & admin fee at 2.375%. Payments to begin on December 14, 2018 and annually thereafter on each succeeding year until the principal and interest are fully paid. Loan maturity will be on December 14, 2037.

The future requirements for notes payable are as follows:

June 30:	Principal	Interest	Total
2025	$ 2,535	$ 986	$ 3,521
2026	2,596	926	3,522
2027	2,657	865	3,522
2027	2,720	801	3,521
2028	2,785	737	3,522
2029-2033	14,949	2,660	17,609
2034-2037	13,015	798	13,813
	$ 41,257	$ 7,773	$ 49,030

NMFA WPF - 4861: The Village entered into a twenty-year loan agreement in the original amount of $288,301 with interest at 0.250%. Payments to begin on June 1, 2022 and annually thereafter on each succeeding year until the principal and interest are fully paid. Loan maturity will be on June 1, 2041.

The future requirements for notes payable are as follows:

June 30:	Principal	Interest	Total
2025	$ 14,234	$ 617	$ 14,851
2026	14,270	582	14,852
2027	14,305	546	14,851
2028	14,341	510	120,988
2029	14,377	474	120,988
2030-2034	72,426	1,831	120,988
2035-2039	73,336	921	74,257
2040-2041	41,748	111	41,859
	$ 259,037	$ 5,592	$ 523,634

6. RIGHT OF USE ASSET

A summary of right to use assets and changes occurring during the year ended June 30, 2024 are as follows:

	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024
Right of use asset:				
Xerox Copiers - Governmental	$ 33,199	$ -	$ -	$ 33,199
Xerox Copiers - Proprietary	4,580	-	-	4,580
Total right of use asset	37,779	-	-	37,779
Less accumulated amortization:				
Xerox Copiers - Governmental	(5,533)	(5,533)	-	(11,066)
Xerox Copiers - Proprietary	(763)	(763)	-	(1,526)
Total accumulated amortization	(6,296)	(6,296)	-	(12,592)
Net right to use asset	$ 31,483	$ (6,296)	$ -	$ 25,187

7. LEASE LIABILITY

A summary of changes in lease liability for the year ended June 30, 2024 was as follows:

	Lease Liability
Lease liability for lease agreements for equipment with an interest rate of 9.75%, and a maturity date of June 30, 2028.	$ 24,117
Lease liability for a lease agreement for equipment with an interest rate of 9.75%, and a maturity date of June 30, 2028.	3,327
Total lease liability	$ 27,444

7. LEASE LIABILITY (CONTINUED)

The following is a summary of the lease's obligations and the activity for the year ended June 30, 2024:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Xerox Copiers - Governmental	$ 28,869	$ -	$ 4,752	$ 24,117	$ 5,216
Xerox Copiers - Proprietary	3,983	-	656	3,327	720
Total lease obligations	$ 32,852	$ -	$ 5,408	$ 27,444	$ 5,936

The annual requirements to amortize the lease of the copiers outstanding as of June 30, 2024, including payments with an interest rate of 9.75% as follows:

Years ending June 30,	Principal	Interest	Total
2025	$ 5,936	$ 2,675	$ 8,611
2026	6,514	2,097	8,611
2027	7,149	1,462	8,611
2028	7,845	672	8,517
	$ 27,444	$ 6,906	$ 34,350

8. PROPERTY TAXES

Sandoval County is responsible for assessing, collecting, and distributing property taxes for the Village. Property taxes are assessed on November 1 of each year based on the assessed value on the prior January 1 and are payable in two equal installments by November 10 of the year in which the tax bill is prepared and by May 10 of the following year. Property taxes are delinquent if not paid by December 10 and June 10. Taxes on real property are liened on January 1 of the year for which the taxes are imposed.

9. PUBLIC EMPLOYEE RETIREMENT ASSOCIATION PENSION PLAN

Plan Description - Public Employees Retirement Fund is a cost-sharing, multiple employers defined benefit pension plan. This fund has six divisions of members, including State General, State Police/Adult Correction Officers, Municipal General, Municipal Police/Detention Officers, Municipal Fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the Public Employees Retirement Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), each employee and elected official of every affiliated public employer is required to be a member in the Public Employees Retirement Fund, unless specifically excluded. PERA issues a publicly available annual comprehensive financial report that can be obtained at nmpera.org.

Benefits provided - Benefits are generally available at age 65 with five or more years of service or after 25 years of service regardless of age for TIER I members. Provisions also exist for retirement between ages 60 and 65, with varying amounts of service required. Certain police and fire members may retire at any age with 20 or more years of service for Tier I members. Generally, the amount of retirement pension is based on final average salary, which is defined under Tier I as the average of salary for the 36 consecutive months of credited service producing the largest average; credited service; and the pension factor of the applicable coverage plan. Monthly benefits vary depending upon the plan under which the member qualifies, ranging from 2% to 3.5% of the member's final average salary per year of service. The maximum benefit that can be paid to a retiree may not exceed a range of 60% to 90% of the final average salary, depending on the division. Benefits for duty and non-duty death and disability and for post-retirement survivors' annuities are also available.

TIER II - The retirement age and service credit requirements for normal retirement for PERA state and municipal general members hired increased effective July 1, 2013 with the passage of Senate Bill 27 in the 2013 Legislative Session. Under the new requirements (Tier II), general members are eligible to retire at any age if the member has at least five years of service credit and the sum of the member's age and service credit equals at least 85 or at age 65 with 5 or more years of service credit.

9. PUBLIC EMPLOYEE RETIREMENT ASSOCIATION PENSION PLAN (CONTINUED)

General members hired on or before June 30, 2013 (Tier I) remain eligible to retire at any age with 25 or more years of service credit. Under Tier II, police, and firefighters in Plans 3, 4 and 5 are eligible to retire at any age with 25 or more years of service credit. State police and adult correctional officers, peace officers and municipal juvenile detention officers will remain in 25-year retirement plans, however, service credit will no longer be enhanced by 20%. All public safety members in Tier II may retire at age 60 with 5 or more years of service credit. Generally, under Tier II pension factors were reduced by .5%, employee Contribution increased 1.5 percent and effective July 1, 2014 employer contributions were raised .05 percent. The computation of final average salary increased as the average of salary for 60 consecutive months.

PERA Contribution Rates and Pension Factors in Effect During FY23						
	Employee Contribution %			Pension Factor per year of Service		
Coverage Plan	Annual Salary less than $20,000	Annual Salary greater than $20,000	Employer Contribution %	TIER I	TIER 2	Pension Maximum as % of the Final Average Salary
STATE PLAN						
State Plan 3	7.42%	10.42%	18.74%	3.00%	2.50%	90.00%
MUNICIPAL PLANS 1-4						
Municipal Plan 1 (plan open to new employers)	7.00%	9.00%	8.15%	2.00%	2.00%	90%
Municipal Plan 2 (plan open to new employers)	9.15%	11.15%	10.30%	2.50%	2.00%	90%
Municipal Plan 3 (plan closed to new employers 6/95)	13.15%	15.65%	10.30%	3.00%	2.50%	90%
Municipal Plan 4 (plan closed to new employers 6/00))	15.65%	17.65%	12.80%	3.00%	2.50%	90%
MUNICIPAL POLICE PLANS 1-5						
MUNICIPAL POLICE PLAN 1	7.00%	9.00%	11.15%	2.00%	2.00%	90%
MUNICIPAL POLICE PLAN 2	7.00%	9.00%	16.15%	2.50%	2.00%	90%
MUNICIPAL POLICE PLAN 3	7.00%	9.00%	19.65%	2.50%	2.00%	90%
MUNICIPAL POLICE PLAN 4	12.35%	14.35%	19.65%	3.00%	2.50%	90%
MUNICIPAL POLICE PLAN 5	16.30%	18.30%	19.65%	3.50%	3.00%	90%
MUNICIPAL FIRE PLANS 1-5						
MUNICIPAL FIRE PLAN 1	8.00%	11.50%	12.15%	2.00%	2.00%	90%
MUNICIPAL FIRE PLAN 2	8.00%	11.50%	18.65%	2.50%	2.00%	90%
MUNICIPAL FIRE PLAN 3	8.00%	11.50%	22.40%	2.50%	2.00%	90%
MUNICIPAL FIRE PLAN 4	12.80%	16.30%	22.40%	3.00%	2.50%	90%
MUNICIPAL FIRE PLAN 5	16.20%	19.70%	22.40%	3.50%	3.00%	90%
MUNICIPAL DETENTION OFFICER PLAN 1						
MUNICIPAL DETENTION OFFICER PLAN 1	16.65%	18.15%	17.30%	3.00%	3.00%	90%
STATE POLICE AND ADULT CORRETIONAL OFFICER PLANS, ETC.						
STATE POLICE AND ADULT CORRECTIONAL OFFICER PLAN 1	7.60%	9.10%	25.50%	3.00%	3.00%	90%
STATE PLAN 3 - PEACE OFFICER	7.42%	10.42%	18.74%	3.00%	3.00%	90%
JUVENILE CORRECTIONAL OFFICER PLAN 2	4.78%	7.78%	27.87%	3.00%	3.00%	90%

9. PUBLIC EMPLOYEE RETIREMENT ASSOCIATION PENSION PLAN (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:
At June 30, 2024, the Village reported a liability of $2,099,942 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2023 using generally accepted actuarial principles. Therefore, the Village's portion was established as of the measurement date of June 30, 2022. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2023. The Village's proportion of the net pension liability was based on a projection of the Village's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2024, the Village's proportion was 0.05222%, which was an increase of 0.0124% from its proportion measured as of June 30, 2023.

For PERA Fund Municipal General Division - For the year ended June 30, 2024, the Village of Cuba recognized PERA Fund Municipal General Division pension expense of $212,219 at June 30, 2024. At June 30, 2024, the Village reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Municipal	
	Deferred outflows of resources	**Deferred inflows of resources**
Differences between expected and actual experience	$ 82,991	$ 13,495
Net difference between projected and actual earnings on pension plan investments	103,966	-
Village of Cuba contributions subsequent to the measurement date	77,737	-
Change in proportion and differences between employer contributions and proportionate share of contributions	172,264	1,577
Total	$ 436,958	$ 15,072

9. PUBLIC EMPLOYEE RETIREMENT ASSOCIATION PENSION PLAN (CONTINUED)

$77,737 reported as deferred outflows of resources related to pensions resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2025	$ 130,615
2026	81,663
2027	122,404
2028	9,467
Total	$ 344,149

For PERA Fund Division Housing Authority - For the year ended June 30, 2024, the Village of Cuba recognized PERA Fund Division Housing Authority pension expense of $38,543 at June 30, 2024. At June 30, 2024, the Village reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows of resources related to pensions from the following**:**

Housing Authority

	Deferred outflows of resources	**Deferred inflows of resources**
Differences between expected and actual experience	$ 12,921	$ 2,101
Net difference between projected and actual earnings on pension plan investments	16,186	-
Village of Cuba contributions subsequent to the measurement date	10,981	-
Change in proportion and differences between employer contributions and proportionate share of contributions	22,510	-
Total	$ 62,598	$ 2,101

9. PUBLIC EMPLOYEE RETIREMENT ASSOCIATION PENSION PLAN (CONTINUED)

$10,981 reported as deferred outflows of resources related to pensions resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2025	$ 20,798
2026	9,370
2027	17,874
2028	1,474
Total	$ 49,516

For PERA Fund Municipal Police Division, For the year ended June 30, 2024, the Village of Cuba recognized PERA Fund Municipal Police Division pension expense of $150,159 of June 30, 2024. At June 30, 2024, the Village reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows of resources related to pensions from the following**:**

Police	**Deferred outflows of resources**	**Deferred inflows of resources**
Differences between expected and actual experience	$ 70,418	$ -
Net difference between projected and actual earnings on pension plan investments	68,273	-
Village of Cuba contributions subsequent to the measurement date	56,455	-
Change in proportion and differences between employer contributions and proportionate share of contributions	54,241	8,894
Total	$ 249,387	$ 8,894

9. PUBLIC EMPLOYEE RETIREMENT ASSOCIATION PENSION PLAN (CONTINUED)

$56,455 reported as deferred outflows of resources related to pensions resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2025	$	81,527
2026		32,320
2027		63,958
2028		6,233
Total	$	184,038

Actuarial assumptions. The total pension liability in the June 30, 2022 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

PERA FUND	
Actuarial valuation date	June 30, 2022
Actuarial cost method	Entry age normal
Amortization method	Level Percentage of Payroll for all divisions except for the Legislative division which is Level Dollar
Amortization period	25 years
Actuarial assumptions:	
-Investment rate of return	7.25% annual rate
-Projected salary increases	3.25% to 13.50% annual rate
-Includes Inflation at	2.50%
-Mortality assumption	The mortality assumptions are based on the RPH-2014 Blue Collar mortality table with female ages set forward one year. Future improvement in mortality rates is assumed using 60% of the MP-2017 projection scale generational. For non-public safety groups, 25% of in-service deaths are assumed to be duty related and 35% are assumed to be duty-related for public safety groups.
-Experience study dates	July 1, 2008 to June 30, 2017 (demographic) and July 1, 2013 through June 30, 2017 (economic)

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2022. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2023. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2022 actuarial valuation.

9. PUBLIC EMPLOYEE RETIREMENT ASSOCIATION PENSION PLAN (CONTINUED)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

ALL FUNDS - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	38.00 %	6.90 %
Risk Reduction & Mitigation	17.00 %	3.90 %
Credit Oriented Fixed Income	19.00 %	6.00 %
Real Assets to Include Real Estate Equity	18.00 %	7.00 %
Multi-Risk Allocation	8.00 %	0.61 %
Total	100.00 %	

Discount rate for the PERA Funds: A single discount rate of 7.25% was used to measure the total pension liability as of June 30, 2023. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.25%, compounded annually, net of expense. Based on the stated assumptions and the projection of cash flows, the plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

The projections of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels.

PERA Fund Sensitivity of the Village of Cuba's proportionate share of the net pension liability to changes in the discount rate. The next page presents the Village's proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the Village's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate.

9. PUBLIC EMPLOYEE RETIREMENT ASSOCIATION PENSION PLAN (CONTINUED)

PERA Fund Municipal General Division

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Village of Cuba's proportionate share of the Net Pension Liability	$ 1,603,170	$ 1,105,748	$ 692,182

PERA Fund Municipal Police Division

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Village of Cuba proportionate share of the Net Pension Liability	$ 1,183,810	$ 822,043	$ 525,918

PERA Fund Division - Housing Authority

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Village of Cuba proportionate share of the Net Pension Liability	$ 249,593	$ 172,151	$ 107,764

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in separately issued financial reports for PERA.

Payables to the pension plan: At June 30, 2024 the Village had no outstanding amount of contributions to the pension plan and therefore, had no payables reported at fiscal year 2023.

10. POST-EMPLOYMENT BENEFITS

The Village of Cuba has elected not to participate in the Retiree Health Care Act (Section 10-7C-1 to 10-7C-16, NMSA 1978), during the fiscal year ending 2024.

11. DEFICIT FUND BALANCE

The following funds had deficit fund balances as of 2024:

Municipal Streets Fund	$ (15,952)
Library	(8,821)
Total	$ (24,773)

The general fund had a short fall of available cash. This is normally transferred to the funds to cover the deficient that occurred during the year ending 2024.

12. 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 and natural disasters for which the government carries commercial insurance. The Village participates in the State of New Mexico Self-Insurers Fund for workers' compensation claims and employers' liability insurance including general, auto, uninsured motorist, law enforcement, and public official's errors and omissions liabilities. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated, the liability for claims and judgments is reported in the General Long-Term Debt Account Group because it is not expected to be liquidated with expendable available financial resources.

13. TAX ABATEMENT

The Village is not aware of any tax abatement disclosures that existed as of June 30, 2024 that would require disclosure under GASB 77.

14. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 15, 2024 the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
VILLAGE OF CUBA
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN
HOUSING AUTHORITY DIVISION
LAST 10 FISCAL YEARS
FOR THE YEAR ENDED JUNE 30, 2024

Municipal General Division	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Village of Cuba's proportion of the net pension liability	0.05090 %	0.04690 %	0.04820 %	0.04570 %	0.03550 %	0.03620 %	0.03630 %	0.03580 %	0.03960 %	0.05222 %
Village of Cuba's proportionate share of the net pension liability	$ 397,075	$ 478,186	$ 770,074	$ 627,957	$ 566,001	$ 626,658	$ 734,069	$ 403,279	$ 702,211	$1,105,748
Village of Cuba's covered-employee payroll	$ 436,544	$ 372,185	$ 335,986	$ 236,564	$ 228,704	$ 240,774	$ 252,222	$ 322,505	$ 495,507	$ 557,287
Village of Cuba's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.91 %	1.28 %	2.29 %	2.65 %	2.47 %	2.60 %	2.91 %	1.25 %	1.42 %	1.98 %
Plan fiduciary net position as a percentage of the total pension liability	81.29 %	76.99 %	69.18 %	73.74 %	71.13 %	70.52 %	66.36 %	77.25 %	69.35 %	67.26 %

* This schedule is presented to illustrate the requirement to show information for 10 years.

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF CUBA
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN
HOUSING AUTHORITY DIVISION
LAST 10 FISCAL YEARS
FOR THE YEAR ENDED JUNE 30, 2024

Housing Authority	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Village of Cuba' proportion of the net pension liability	0.00400 %	0.00450 %	0.00390 %	0.00460 %	0.00190 %	0.00400 %	0.00510 %	0.00640 %	0.00674 %	0.00813 %
Village of Cuba' proportionate share of the net pension liability	$ 31,204	$ 45,881	$ 62,309	$ 63,208	$ 30,293	$ 69,244	$ 103,134	$ 72,005	$ 119,548	$ 172,151
Village of Cuba' covered-employee payroll	$ 36,586	$ 32,896	$ 22,435	$ 22,399	$ 35,020	$ 46,858	$ 58,113	$ 40,280	$ 43,788	$ 78,720
Village of Cuba' proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.85 %	1.39 %	2.78 %	2.82 %	0.87 %	1.48 %	1.77 %	1.79 %	2.73 %	2.19 %
Plan fiduciary net position as a percentage of the total pension liability	81.29 %	76.99 %	69.18 %	73.74 %	71.13 %	70.52 %	66.36 %	77.25 %	69.35 %	67.26 %

* This schedule is presented to illustrate the requirement to show information for 10 years.

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF CUBA
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN
MUNICIPAL POLICE DIVISION
LAST 10 FISCAL YEARS
FOR THE YEAR ENDED JUNE 30, 2024

Municipal Police Division	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Village of Cuba' proportion of the net pension liability	0.07240 %	0.07750 %	0.08350 %	0.08860 %	0.08230 %	0.06820 %	0.06870 %	0.06830 %	0.08690 %	0.08524 %
Village of Cuba' proportionate share of the net pension liability	$ 236,016	$ 372,663	$ 616,088	$ 492,231	$ 561,537	$ 503,772	$ 590,043	$ 353,195	$ 698,389	$ 822,043
Village of Cuba' covered-employee payroll	$ 187,503	$ 262,639	$ 255,655	$ 213,029	$ 235,526	$ 245,577	$ 232,821	$ 212,841	$ 231,229	$ 404,717
Village of Cuba' proportionate share of the net pension liability as a percentage of its covered-employee payroll	1.26 %	1.42 %	2.41 %	2.31 %	2.38 %	2.05 %	2.53 %	1.66 %	3.02 %	2.03 %
Plan fiduciary net position as a percentage of the total pension liability	81.25 %	76.99 %	69.18 %	73.74 %	71.13 %	70.52 %	66.36 %	77.25 %	69.35 %	67.26 %

* This schedule is presented to illustrate the requirement to show information for 10 years.

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF CUBA
SCHEDULE OF VILLAGE OF CUBA'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN
MUNICIPAL GENERAL DIVISION
LAST 10 FISCAL YEARS*
FOR THE YEAR ENDED JUNE 30, 2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	$ 36,979	$ 36,390	$ 40,355	$ 30,702	$ 29,570	$ 31,576	$ 33,506	$ 42,311	$ 64,220	$ 77,737
Contributions in relation to the contractually required contribution	36,979	36,390	40,355	30,702	29,570	31,576	33,506	42,311	64,220	77,737
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
The Village of Cuba' covered-employee payroll	$ 436,544	$ 372,185	$ 335,986	$ 236,564	$ 228,704	$ 240,774	$ 252,222	$ 322,505	$ 495,507	$ 557,287
Contributions as a percentage of covered-employee payroll	8.47 %	9.78 %	12.01 %	12.98 %	12.93 %	13.11 %	13.28 %	13.12 %	12.96 %	13.95 %

* This schedule is presented to illustrate the requirement to show information for 10 years.

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF CUBA
SCHEDULE OF VILLAGE OF CUBA'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN
HOUSING AUTHORITY DIVISION
LAST 10 FISCAL YEARS*
FOR THE YEAR ENDED JUNE 30, 2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	$ 3,566	$ 2,940	$ 3,735	$ 1,532	$ 3,345	$ 3,478	$ 4,726	$ 5,284	$ 5,675	$ 10,981
Contributions in relation to the contractually required contribution	3,566	2,940	3,735	1,532	3,345	3,478	4,726	5,284	5,675	10,981
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
The Village of Cuba' covered-employee payroll	$ 36,586	$ 32,896	$ 22,435	$ 22,399	$ 33,020	$ 46,858	$ 58,113	$ 40,280	$ 43,788	$ 78,720
Contributions as a percentage of covered-employee payroll	9.75 %	8.94 %	16.65 %	6.84 %	10.13 %	7.42 %	8.13 %	13.12 %	12.96 %	13.95 %

* This schedule is presented to illustrate the requirement to show information for 10 years.

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF CUBA
SCHEDULE OF VILLAGE OF CUBA'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN
PERA POLICE DIVISION
LAST 10 FISCAL YEARS*
FOR THE YEAR ENDED JUNE 30, 2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	$ 29,124	$ 34,488	$ 32,159	$ 27,226	$ 30,452	$ 32,981	$ 31,054	$ 31,556	$ 40,538	$ 56,455
Contributions in relation to the contractually required contribution	29,124	34,488	32,159	27,226	30,452	32,981	31,054	31,556	40,538	56,455
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
The Village of Cuba' covered-employee payroll	$ 187,503	$ 262,639	$ 255,655	$ 213,029	$ 235,526	$ 245,577	$ 232,821	$ 212,841	$ 231,229	$ 404,717
Contributions as a percentage of covered-employee payroll	15.53 %	13.13 %	12.58 %	12.78 %	12.93 %	13.43 %	13.34 %	14.83 %	17.53 %	13.95 %

* This schedule is presented to illustrate the requirement to show information for 10 years.

See independent auditors' report and accompanying notes to financial statements.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Changes of benefit terms- The PERA and COLA and retirement eligibility benefits changes in recent years are described in Note 1 of PERA's ACFR nmpera.org.

Assumptions- The Public Employees Retirement Association of New Mexico Annual Actuarial Valuations as of June 30, 2023 report is available at nmpera.org.

SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
VILLAGE OF CUBA
NON-MAJOR GOVERNMENTAL TYPES
JUNE 30, 2024

SPECIAL REVENUE FUNDS

CORRECTIONS FUND - To establish an additional source of funds for municipalities to offset the costs of corrections. The source of funds is a five-dollar fee, which must be paid by all persons violating laws relating to the operation of a motor vehicle. Authority is NMSA 33-9-3.

EMERGENCY MEDICAL SERVICES - To account for funds available for emergency medical equipment and supplies attributable to such services. Financing is provided by the State of New Mexico. Authority is the Emergency Medical Services Fund Act, NMSA 29-13-4.

LAW ENFORCEMENT PROTECTION FUND - State Statutes Section 29-13 provides for the distribution of funds from the State Law Enforcement Protection Fund to municipal and village police and sheriff department for the maintenance and improvement of those departments in order to enhance the efficiency and effectiveness of law enforcement services provided. The fund is used to account for specific law enforcement expenditures not included in the general fund. Financing is provided by a state allocation and can only be used for law enforcement equipment and personnel training (NMSA 29-13-4).

LIBRARY FUND - To account for grant revenues and expenditures relating to the operations of the Village of Cuba public library. Authority is NMAC 4-5-8.

LODGER'S TAX FUND - To account for lodger's tax collections. The tax is to be used for cultural and recreational activities. Authority is NMSA 3-38-14.

MUNICIPAL STREETS - To account for funds used to maintain roads for which the Village is responsible. Funding is provided by the gas tax. Expenditures are restricted to the construction and maintenance of Village roads. Authority is NMSA 7-1-6.27. The Village also receives intergovernmental grants for specific road projects.

RECREATION FUND - To account for revenues and expenditures relating to the Village recreational facilities and programs. Financing is provided by the State. Such revenue provides for payment of all current operating costs and may be used for that purpose only. Authority is NMSA 7-12-15.

DEBT SERVICE - To account for the accumulation of resources for the retirement of debt, and to account for the principal, interest, and fee payments on debt.

STATE OF NEW MEXICO
VILLAGE OF CUBA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL TYPES
JUNE 30, 2024

	SPECIAL REVENUE FUNDS		
	Corrections Fund #201	EMS Fund #206	Law Enforcement Protection Fund #211
ASSETS AND DEFERRED OUTFLOWS			
Assets			
Cash and cash equivalents	$ 50,482	$ 196,564	$ 14,775
Restricted cash	-	-	-
Taxes receivables	1,836	-	-
Due from other funds	22,553	10,981	22,056
Total assets	74,871	207,545	36,831
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	$ 3,900	$ 7,575	$ 15,641
Due to other funds	-	-	-
Total liabilities	3,900	7,575	15,641
Fund balance			
Restricted for special revenue funds	70,971	199,970	21,190
Restricted for debt service	-	-	-
Unrestricted	-	-	-
Total fund balance	70,971	199,970	21,190
Total liabilities and fund balance	$ 74,871	$ 207,545	$ 36,831

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF CUBA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL TYPES
JUNE 30, 2024

	SPECIAL REVENUE FUNDS		
	Library Fund #213	**Lodger's Tax Fund #214**	**Municipal Street Fund #216**
ASSETS AND DEFERRED OUTFLOWS			
Assets			
Cash and cash equivalents	$ 11,396	$ 40,345	$ -
Restricted cash	-	-	-
Taxes receivables	-	3,785	-
Due from other funds	-	2,972	37,026
Total assets	11,396	47,102	37,026
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	$ 258	$ -	$ -
Due to other funds	19,959	-	52,978
Total liabilities	20,217	-	52,978
Fund balance			
Restricted for special revenue funds	-	47,102	-
Restricted for debt service	-	-	-
Unrestricted	(8,821)	-	(15,952)
Total fund balance	(8,821)	47,102	(15,952)
Total liabilities and fund balance	$ 11,396	$ 47,102	$ 37,026

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF CUBA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL TYPES
JUNE 30, 2024

	SPECIAL REVENUE FUNDS		
	Recreation Fund #217	Debt Service Fund #403	Total
ASSETS AND DEFERRED OUTFLOWS			
Assets			
Cash and cash equivalents	$ 9,628	$ -	$ 323,190
Restricted cash	-	908	908
Taxes receivables	-	-	5,621
Due from other funds	3,385	-	98,973
Total assets	13,013	908	428,692
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	$ -	$ -	$ 27,374
Due to other funds	-	-	72,937
Total liabilities	-	-	100,311
Fund balance			
Restricted for special revenue funds	13,013	-	352,246
Restricted for debt service	-	908	908
Unrestricted	-	-	(24,773)
Total fund balance	13,013	908	328,381
Total liabilities and fund balance	$ 13,013	$ 908	$ 428,692

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF CUBA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
NON-MAJOR GOVERNMENTAL TYPES
FOR THE YEAR ENDED JUNE 30, 2024

	SPECIAL REVENUE FUNDS		
	Corrections Fund #201	EMS Fund #206	Law Enforcement Protection Fund #211
REVENUES			
Lodger's tax	$ -	$ -	$ -
State grants	-	192,151	102,500
License and fees	-	-	-
Investment income	-	-	-
Miscellaneous income	8,485	-	18,895
Total revenues	8,485	192,151	121,395
EXPENDITURES			
General government	-	13,698	75,752
Public safety	14,295	-	-
Capital outlay	-	-	38,118
Debt Service			
Principal payment	-	-	-
Interest	-	-	-
Total expenditures	14,295	13,698	113,870
Excess (deficiency) of revenues over (under) expenditures	(5,810)	178,453	7,525
Net change in fund balance	(5,810)	178,453	7,525
Fund balance, beginning of year	76,781	21,517	13,665
Fund balance, end of year	$ 70,971	$ 199,970	$ 21,190

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF CUBA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
NON-MAJOR GOVERNMENTAL TYPES
FOR THE YEAR ENDED JUNE 30, 2024

	SPECIAL REVENUE FUNDS		
	Library Fund #213	**Lodger's Tax Fund #214**	**Municipal Street Fund #216**
REVENUES			
Lodger's tax	$ -	$ 21,670	$ -
State grants	17,977	-	-
License and fees	-	-	-
Investment income	-	-	-
Miscellaneous income	-	-	-
Total revenues	17,977	21,670	-
EXPENDITURES			
General government	10,870	38,071	-
Public safety	-	-	-
Capital outlay	-	-	-
Debt Service			
Principal payment	-	-	-
Interest	-	-	-
Total expenditures	10,870	38,071	-
Excess (deficiency) of revenues over (under) expenditures	7,107	(16,401)	-
Net change in fund balance	7,107	(16,401)	-
Fund balance, beginning of year	(15,928)	63,503	(15,952)
Fund balance, end of year	$ (8,821)	$ 47,102	$ (15,952)

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF CUBA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
NON-MAJOR GOVERNMENTAL TYPES
FOR THE YEAR ENDED JUNE 30, 2024

	SPECIAL REVENUE FUNDS		
	Recreation Fund #217	**Debt Service Fund #403**	**Total**
REVENUES			
Lodger's tax	$ -	$ -	$ 21,670
State grants	-	19,689	332,317
License and fees	8,470	-	8,470
Investment income	-	763	763
Miscellaneous income	-	-	27,380
Total revenues	8,470	20,452	390,600
EXPENDITURES			
General government	728	757	139,876
Public safety	-	-	14,295
Capital outlay	-	-	38,118
Debt Service			
Principal payment	-	18,590	18,590
Interest	-	701	701
Total expenditures	728	20,048	211,580
Excess (deficiency) of revenues over (under) expenditures	7,742	404	179,020
Net change in fund balance	7,742	404	179,020
Fund balance, beginning of year	5,271	504	149,361
Fund balance, end of year	$ 13,013	$ 908	$ 328,381

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF CUBA
SCHEDULE OF DEPOSITORIES
JUNE 30, 2024

	Type	Amount Per Bank	Plus DIT	Outstanding Checks	Balance Per Books
Village of Cuba					
Wells Fargo					
General	CK	$ 822,347	$ 105	$ 11,379	$ 811,073
Corrections /Payroll	CK	50,482	-	-	50,482
EMS	CK	196,564	-	-	196,564
Fire Protection Fund	CK	391,893	-	11,606	380,287
Law Enforcement	CK	14,725	-	-	14,725
Library	CK	12,281	-	885	11,396
Lodger's Tax	CK	55,345	-	15,000	40,345
Juvenile Recreation	CK	9,578	-	-	9,578
Misc Grants	CK	2,271	-	-	2,271
Water/Sewer Deposits	CK	67,140	200	118	67,222
Water/Sewer System	CK	14,607	2,208	91	16,724
Village of Cuba Housing Authority					
Wells Fargo					
Public Housing Development	CK*	123,019	-	7,219	115,800
Security Deposit Account	CK	5,726	-	-	5,726
Total Bank Held Cash		1,765,978	2,513	46,298	1,722,193
NMFA					
Cash Held at NMFA		-	-	-	908
Petty Cash					
General Fund		-	-	-	50
LEPF		-	-	-	50
Recreation		-	-	-	50
Water		-	-	-	97
Total Petty Cash		-	-	-	247
Total deposit and investments		1,765,978	2,513	46,298	1,723,348
Total Cash		$ 1,765,978	$ 2,513	$ 46,298	$ 1,723,348

Type: CK= Checking SV= Savings CD= Certificate of Deposit *=Interest-bearing

Total Cash Per Bank	$ 1,765,978
Less Housing Authority	128,745
Total Deposit	1,637,233
Less FDIC Coverage	250,000
Uninsured Public Funds	1,387,233
50% Collateral Requirements (Section 6-10-17 NMSA-1978)	693,617
Pledged Securities	763,629
Over (Under) Collateralized	$ 70,012

STATE OF NEW MEXICO
VILLAGE OF CUBA
SCHEDULE OF PLEDGED COLLATERAL
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

Description of Pledged Collateral	CUSIP #	Maturity	Market Value
FNMA FNMS 3.0%	3138MDS52	10/1/2042	$ 8,813
FNMA FNMS 3.0%	3140XFSZ5	7/1/2043	10,531
FNMA FNMS 3.0%	31418CDL5	11/1/2046	91,559
FNMA FNMS 2.0%	31418DYR7	4/1/2051	55,792
FNMA FNMS 2.0%	31418DZV7	6/1/2051	184,693
GNMA G2SF 3.5%	36179W7L6	6/20/2052	8,892
GNMA G2SF 2.0%	36179WRZ3	11/20/2051	402,138
GNMA G2SF 4.5%	36179XTB2	1/20/2053	1,211
Total BNY Mellon Bank Pledged Securities			$ 763,629

STATE OF NEW MEXICO
VILLAGE OF CUBA
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2024

Line Item Number	Description	NM071000001
111	Cash - Unrestricted	$ 115,800
113	Cash - Other Restricted	-
114	Cash - Tenant Security Deposits	5,726
100	Total Cash	121,526
122	Accounts Receivable - HUD Other Projects	86,957
125	Accounts Receivable - Miscellaneous	3,220
126	Accounts Receivable - Tenants	747
120	Total Receivables, Net of Allowance for Doubtful Accounts	90,924
150	Total Current Assets	212,450
161	Land	15,608
162	Buildings	1,824,306
163	Furniture, Equipment & Machinery - Dwellings	104,077
164	Furniture, Equipment & Machinery -Administration	95,131
165	Leasehold Improvements	205,385
166	Accumulated Depreciation	(1,328,530)
160	Total Capital Assets, Net of Accumulated Depreciation	915,977
200	Right of Use Asset	4,580
200	Accumulated Amortization	(1,526)
200	Total Right of Use Asset, Net of Accumulated Amortization	3,054
180	Total Non-Current Assets	919,031
190	Total Assets	1,131,481
200	Deferred Outflows of Resources	62,598
290	Total Assets and Deferred Outflow of Resources	$ 1,194,079

STATE OF NEW MEXICO
VILLAGE OF CUBA
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2024

Line Item Number	Description	NM071000001
312	Accounts and Insurance Payable <= 90 Days	$ 3,595
321	Accrued Wage/Payroll Taxes Payable	2,804
322	Accrued Compensated Absences - Current Portion	3,660
341	Tenant Security Deposits	5,726
347	Due to other funds	14,274
400	Current portion of lease liability	720
310	Total Current Liabilities	30,779
357	OPEB Liability	172,151
400	Lease liability, less current maturities	2,607
350	Total Non-Current Liabilities	174,758
300	Total Liabilities	205,537
400	Deferred Inflows of Resources	2,101
508.4	Net investment in capital assets	915,704
512.4	Unrestricted Net Position	70,737
513	Total Equity/Net Position	986,441
600	Total Liabilities and Equity/Net Position	$ 1,194,079

STATE OF NEW MEXICO
VILLAGE OF CUBA
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2024

Line Item Number	Description	NM071000001
70300	Net Tenant Rental Revenue	$ 126,487
70400	Tenant Revenue- Other	175
70500	Total Tenant Revenue	126,662
70600	HUD PHA Operating Grants	65,779
70610	Capital Grants	19,685
71100	Investment Income - Unrestricted	1,279
71500	Other Revenue	16,079
70000	Total Revenue	229,484
91100	Administrative Salaries	59,729
91200	Auditing Fees	6,200
91310	Bookkeeping Fee	12,646
91500	Employee Benefit Contributions - Administrative	34,241
91600	Office Expenses	18,212
91900	Other	4,073
91000	Total Operating - Administrative	135,101
93100	Water	23,916
93200	Electricity	5,232
93300	Gas	669
93400	Fuel	1,015
93000	Total Utilities	30,832
94100	Ordinary Maintenance and Operations - Labor	39,634
94200	Ordinary Maintenance and Operations - Materials	29,548
94300	Ordinary Maintenance and Operations - Contracts	1,645
94500	Employee Benefit Contributions - Ordinary Maintenance	12,366
94000	Total Maintenance	83,193
96120	Liability Insurance	232
96130	Workmen's Compensation	585
96100	Total Insurance Premiums	817
96900	Total Operating Expenses	249,943

STATE OF NEW MEXICO
VILLAGE OF CUBA
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2024

Line Item Number	Description	NM071000001
97000	Excess of Operating Revenue over Operating Expenses	(20,459)
97400	Depreciation Expense	45,019
91900	Amortization Expense	763
90000	Total Expenses	295,725
10000	Excess (deficiency) of Total Revenue Over (under) Total	(66,241)
11030	Beginning Equity	1,052,682
	Net Position at end of year	986,441
11190	Unit Months Available	336
11210	Number of Unit Months Leased	335
11270	Excess Cash	163,547
11650	Leasehold Improvements Purchases	18,687

COMPLIANCE SECTION

Beasley, Mitchell & Co.
Certified Public Accountants

INDEPENDENT AUDITORS' 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. Joseph Maestas, PE, CFE, New Mexico State Auditor
and the Mayor and Village Trustees of the
Village of Cuba, 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, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds of Village of Cuba (the Village), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and the combined and individual funds and related budgetary comparisons presented as supplementary information, and have issued our report thereon dated December 15, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 results 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Beasley, Mitchell & Co. LLP

Beasley, Mitchell & Co., LLP
Las Cruces, New Mexico
December 15, 2024

Beasley, Mitchell & Co.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Mr. Joseph Maestas, PE, CFE, New Mexico State Auditor
and the Mayor and Village Trustees of the
Village of Cuba, New Mexico

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Village of Cuba's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Village of Cuba's major federal programs for the year ended June 30, 2024. Village of Cuba's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Village complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Village of Cuba and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that audit evidence obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Village of Cuba's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Village of Cuba's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Village's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Village's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Village of Cuba's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Village of Cuba's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Village of Cuba's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters
The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exit that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Beasley, Mitchell & Co. LLP

Beasley, Mitchell & Co., LLP
Las Cruces, New Mexico
December 15, 2024

STATE OF NEW MEXICO
VILLAGE OF CUBA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Program or Cluster Title	***Federal Assistance Number***	***Federal Expenditures***
Department of the Treasury		
Coronavirus State and Local Fiscal Recovery Funds		
NM Regional Recreation Centers Quality of Life Program	21.027 *	$ 660,424
Total Department of the Treasury		660,424
United States Department of Agriculture		
Community Facility Loans and Grants	10.766	413,000
Total United States Department of Agriculture		413,000
Department of Housing and Urban Development		
Public Housing Capital Fund (CFP)	14.872	19,685
Public Housing Operating Fund	14.850	65,779
Total Department of Housing and Urban Development		85,464
Total Schedule of Expenditures of Federal Awards		$ 1,158,888

*Indicates major program

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF CUBA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Village of Cuba, under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Village of Cuba, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Village of Cuba.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance.

3. COST RATE

The Village did not use the 10% de minimis cost rate for the current year.

STATE OF NEW MEXICO
VILLAGE OF CUBA
SUMMARY OF AUDIT RESULTS
FOR THE YEAR ENDED JUNE 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness (es) identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	No
• Noncompliance material to financial statements noted?	No

Federal Awards

Type of auditors' report issued:	Unmodified
Internal control over major programs	
• Material weakness (es) identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	No
• Other Non-Compliance identified?	No
Type of auditors' report issued on compliance with major programs:	Unmodified
• Any audit findings disclosed that are required to be reported in accordance with the Uniform Grant Guidance?	No

Identification of Major Programs:

Assistance Listing Number	Name of Federal Program or Cluster
21.027	NM Regional Recreation Centers Quality of Life Program

Dollar threshold used to distinguish between Type A and Type B programs	$ 750,000
Auditee qualified as low-risk auditee	Yes

New Mexico State Requirements

Internal control over state requirements:	
• Other non-compliance?	No
• Other matter?	No

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF CUBA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

Section II -Findings

(1) Federal Award findings and questioned costs required by Uniform Guidance:

PRIOR AUDIT FINDINGS	**Current status**
None	

CURRENT AUDIT FINDINGS	**Current status**
None	

(2) Financial Statement findings required by GAGAS:

PRIOR AUDIT FINDINGS	**Current status**
2023-001 (2022-002) Prior Year Adjustments	Resolved

CURRENT AUDIT FINDINGS	**Current status**
None	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF CUBA
ENTRANCE AND EXIT CONFERENCE AND FINANCIAL STATEMENT PREPARATION
FOR THE YEAR ENDED JUNE 30, 2024

An entrance conference was held on September 11, 2024 in a closed meeting with Beasley, Mitchell & Co., LLP, with the following Village officials:

Denny Herrera	Mayor
Vandora Casados	Clerk-Treasurer (Supervisor)
Pilar Rubio	Accountant
Beasley, Mitchell & Co., LLP	
Cheryl Dailey	Audit and Assurance Accountant II
Carmen Spivey	Audit and Assurance Accountant II
Sarah Randall	Audit and Assurance Accountant I

An exit conference was held on December 11, 2024 in a closed meeting with Beasley, Mitchell & Co., LLP, with the following Village officials:

Denny Herrera	Mayor
Vandora Casados	Clerk-Treasurer (Supervisor)
Pilar Rubio	Accountant
Beasley, Mitchell & Co., LLP	
Cheryl Dailey	Audit and Assurance Accountant II
Carmen Spivey	Audit and Assurance Accountant II

The financial statements presented in this report were compiled with the assistance of the auditors, Beasley, Mitchell & Co., LLP. However, the contents of the financial statements remain the responsibility of management.