

**STATE OF NEW MEXICO
VILLAGE OF CUBA
ANNUAL FINANCIAL REPORT
JUNE 30, 2014**

**Harshwal & Company LLP
Certified Public Accountants
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INTRODUCTORY SECTION

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VILLAGE OF CUBA
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VILLAGE OF CUBA
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STATE OF NEW MEXICO
VILLAGE OF CUBA
OFFICIAL ROSTER
JUNE 30, 2014

Name	Title
Elected Officials	
Richard R. Velarde	Mayor
Gilbert Dominguez	Mayor Pro-Tern
Cecilia M. Delgado	Councilor
Lee V. Ramirez	Councilor
Administrative Officials	
Vandora P. Casados	Clerk-Treasurer

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Hector H. Balderas
New Mexico State Auditor
The Honorable Mayor and the Village Council
Village of Cuba
Cuba, New Mexico

Report on Financial Statements

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 comparisons for the general fund and major special revenue fund of the Village of Cuba, New Mexico (the "Village"), as of and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise the Village's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Village nonmajor governmental, fiduciary funds and the budgetary comparisons for all nonmajor funds and enterprise funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2014, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of June 30, 2014, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental and fiduciary fund of the Village, as of June 30, 2014, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for all non major funds and enterprise funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the MD&A, which is required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements is required by the Government 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.

Other Information

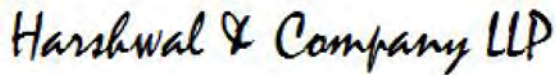
Our audit was conducted for the purpose of forming opinions on the Village's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The other schedules as required by Section 2.2.2 NMAC are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The other schedules required by Section 2.2.2 NMAC are 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement 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 other schedules as required by Section 2.2.2 NMAC 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 November 20, 2014 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Harshwal & Company LLP
Certified Public Accountants

A handwritten signature in black ink that reads "Harshwal & Company LLP". The signature is written in a cursive, slightly slanted style. There is a small yellow mark at the bottom right of the signature.

Albuquerque, New Mexico
November 20, 2014

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

STATE OF NEW MEXICO
VILLAGE OF CUBA
STATEMENT OF NET POSITION
JUNE 30, 2014

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 288,872	\$ 104,727	\$ 393,599
Taxes receivable	200,625		200,625
Other accounts receivable	1,899		1,899
Grant receivable		46,915	46,915
Court fines and fees receivable	6,503		6,503
Accounts receivable, net of allowance		35,423	35,423
Other assets		209	209
Internal balances	324,300	(324,300)	
Noncurrent assets:			
Capital assets	7,087,327	7,503,094	14,590,421
Accumulated depreciation	<u>(2,868,598)</u>	<u>(2,444,626)</u>	<u>(5,313,224)</u>
Total Assets	<u>\$ 5,040,928</u>	<u>\$ 4,921,442</u>	<u>\$ 9,962,370</u>
LIABILITIES			
Accounts payable	\$ 50,596	\$ 25,023	\$ 75,619
Gross receipts tax payable		141,805	141,805
Installment agreement - IRS	25,494		25,494
Accrued salaries and benefits	64,998	43,005	108,003
Accrued payroll		18,435	18,435
Insurance payable	211,070		211,070
Deposit payable		51,780	51,780
Long-term liabilities, due in one year		13,398	13,398
Compensated absences, due in one year	7,445	2,506	9,951
Noncurrent liabilities:			
Long-term liabilities, due in more than one year		<u>346,602</u>	<u>346,602</u>
Total liabilities	<u>359,603</u>	<u>642,554</u>	<u>1,002,157</u>
NET POSITION			
Net Investment in capital assets	4,218,729	4,711,866	8,930,595
Restricted for:			
Special revenue	177,443		177,443
Unrestricted	<u>285,153</u>	<u>(432,978)</u>	<u>(147,825)</u>
Total Net Position	<u>4,681,325</u>	<u>4,278,888</u>	<u>8,960,213</u>
Total Net Position and Liabilities	<u>\$ 5,040,928</u>	<u>\$ 4,921,442</u>	<u>\$ 9,962,370</u>

STATE OF NEW MEXICO
VILLAGE OF CUBA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government				
General government	\$ 692,358	\$ 86,344	\$ 115,837	\$
Public safety	621,269	21,930	106,624	
Highways and streets	90,810		140,000	
Culture and recreation	230,055		53,896	
Public works	110,182			
Debt service - interest	<u>852</u>			
Total governmental activities	<u>1,745,526</u>	<u>108,274</u>	<u>416,357</u>	<u>0</u>
Business-type Activities:				
Water and Sewer	647,051	374,440		235,353
Housing Authority	<u>175,555</u>	<u>59,669</u>		
Total business type activities	<u>822,606</u>	<u>434,109</u>	<u>0</u>	<u>235,353</u>
Total	<u>\$ 2,568,132</u>	<u>\$ 542,383</u>	<u>\$ 416,357</u>	<u>\$ 235,353</u>

General Revenues:

Taxes:
Franchise taxes
Gasoline taxes
Gross receipts taxes
Property taxes
Motor vehicle registrations
Lodger's taxes
Other taxes
Miscellaneous
Total General Revenues and Transfers
Excess (deficiency) of revenues over expenses
Change in net position
Net position, beginning
Net position, ending

STATE OF NEW MEXICO
VILLAGE OF CUBA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

<u>Functions/Programs</u>	Net (Expense) Revenue and Changes in Net Position		
	Government Activities	Business Type Activities	Total
Primary Government			
General government	\$ (490,177)	\$	\$
Public safety	(492,715)		(492,715)
Highways and streets	49,190		49,190
Culture and recreation	(176,159)		(176,159)
Public works	(110,182)		(110,182)
Debt service - interest	<u>(852)</u>	<u> </u>	<u>(852)</u>
Total governmental activities	<u>(1,220,895)</u>	<u>0</u>	<u>(1,220,895)</u>
Business-type Activities:			
Water and Sewer		(37,258)	(37,258)
Housing Authority		<u>(115,886)</u>	<u>(115,886)</u>
Total business type activities	<u>0</u>	<u>(153,144)</u>	<u>0</u>
Total	<u>(1,220,895)</u>	<u>(153,144)</u>	<u>(1,374,039)</u>
General Revenues:			
Taxes:			
Franchise taxes	30,507		30,507
Gasoline taxes	96,022		96,022
Gross receipts taxes	1,043,311		1,043,311
Property taxes	56,301		56,301
Motor vehicle registrations	30,015		30,015
Lodger's taxes	18,430		18,430
Other taxes	2,302		2,302
Miscellaneous	<u>16,139</u>	<u> </u>	<u>16,139</u>
Total General Revenues and Transfers	<u>1,293,027</u>	<u>0</u>	<u>1,293,027</u>
Excess (deficiency) of revenues over expenses	<u>72,132</u>	<u>(153,144)</u>	<u>(81,012)</u>
Change in net position	72,132	(153,144)	(81,012)
Net position, beginning	<u>4,609,193</u>	<u>4,432,032</u>	<u>9,041,225</u>
Net position, ending	<u>\$ 4,681,325</u>	<u>\$ 4,278,888</u>	<u>\$ 8,960,213</u>

FUND FINANCIAL STATEMENTS

STATE OF NEW MEXICO
VILLAGE OF CUBA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2014

	<u>General Funds</u>	<u>Street Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 188,249	\$ 65,090	\$ 35,533	\$ 288,872
Taxes receivable	198,889		1,736	200,625
Court fines and fees receivables			1,899	1,899
Other accounts receivable	4,887		1,616	6,503
Due from other funds	<u>342,489</u>	<u>37,026</u>	<u>91,172</u>	<u>470,687</u>
Total assets	<u>\$ 734,514</u>	<u>\$ 102,116</u>	<u>\$ 131,956</u>	<u>\$ 968,586</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 47,253	\$	\$ 3,343	\$ 50,596
Insurance payable	211,070			211,070
Installment agreement - IRS	25,494			25,494
Accrued salaries and benefits	64,998			64,998
Due to other governments			2,236	2,236
Due to other funds	<u>91,173</u>	<u>52,978</u>	<u> </u>	<u>144,151</u>
Total liabilities	<u>439,988</u>	<u>52,978</u>	<u>5,579</u>	<u>498,545</u>
FUND BALANCES				
Restricted for:				
Special Revenue Funds		49,138	128,305	177,443
Unassigned:				
General Fund	294,526			294,526
Debt service funds	<u> </u>	<u> </u>	<u>(1,928)</u>	<u>(1,928)</u>
Total fund balances	<u>294,526</u>	<u>49,138</u>	<u>126,377</u>	<u>470,041</u>
Total liabilities and fund balances	<u>\$ 734,514</u>	<u>\$ 102,116</u>	<u>\$ 131,956</u>	<u>\$ 968,586</u>

**STATE OF NEW MEXICO
VILLAGE OF CUBA**

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014**

	<u>Governmental fund</u>
Amounts reported for governmental activities in the statement of net position are different because:	
Total fund balance - governmental funds	\$ 470,041
Accrued compensated absences not payable from current revenues.	(7,445)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	<u>4,218,729</u>
Net position - governmental activities	\$ <u><u>4,681,325</u></u>

**STATE OF NEW MEXICO
VILLAGE OF CUBA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	General Funds	Street Fund	Other Governmental Funds	Total
REVENUES:				
<i>Local revenue</i>				
Franchise tax	\$ 30,507	\$	\$	\$ 30,507
Gross receipts tax - local	599,286			599,286
Property taxes	56,301			56,301
Licenses, fines & fees	88,282		21,930	110,212
Miscellaneous charges for services	33,945		20,732	54,677
Interest			83	83
Other miscellaenous	12,447		547	12,994
<i>State revenue</i>				
Gross receipts tax - state shared	444,025			444,025
CFT gas tax	82,942		13,080	96,022
State fire allotment			70,858	70,858
Small cities distribution	90,000			90,000
Grants	25,837	140,000	89,662	255,499
<i>Total revenues</i>	<u>1,463,572</u>	<u>140,000</u>	<u>216,892</u>	<u>1,820,464</u>
EXPENDITURES:				
General government	634,511		21,074	655,585
Public safety	444,582		79,032	523,614
Highways and streets		75,000		75,000
Culture and recreation	131,983		22,641	154,624
Public works	85,293	101	24,788	110,182
Capital outlay			55,742	55,742
Debt service - principal			46,203	46,203
Debt service - interest and fees			852	852
<i>Total expenditures</i>	<u>1,296,369</u>	<u>75,101</u>	<u>250,332</u>	<u>1,621,802</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>167,203</u>	<u>64,899</u>	<u>(33,440)</u>	<u>198,662</u>
OTHER FINANCING SOURCES (USES):				
Transfer in			2,464	2,464
Transfers (Out)	(2,464)			(2,464)
<i>Total other financing sources (uses)</i>	<u>(2,464)</u>	<u>0</u>	<u>2,464</u>	<u>0</u>
Net change in fund balance	164,739	64,899	(30,976)	198,662
Fund balance - beginning of year	129,787	(15,761)	157,353	271,379
Fund balance - end of year	<u>\$ 294,526</u>	<u>\$ 49,138</u>	<u>\$ 126,377</u>	<u>\$ 470,041</u>

**STATE OF NEW MEXICO
VILLAGE OF CUBA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Governmental fund</u>
Amounts reported for governmental activities in the statement of net position are different because:	
Net changes in fund balances - governmental funds	\$ 198,662
Governmental funds report capital outlay 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. This is the amount by which depreciation expense exceeded capital outlay in the current period.	
Depreciation expense	(226,655)
Capital outlay	55,742
The repayment of the principal of capital loans consumes the current financial resources of governmental funds, but has no effect on net position.	46,203
Deferred revenue is recorded as income under the accrual method, and not the modified accrual method.	(2,807)
Accrued compensated absences are expensed under the accrual method, and not the modified accrual method.	<u>987</u>
Change in net position - governmental activities	<u><u>\$ 72,132</u></u>

**STATEMENTS OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MAJOR FUNDS**

**STATE OF NEW MEXICO
VILLAGE OF CUBA**

**STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS) GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES:				
Local revenue:				
Franchise Tax	\$ 26,000	\$ 26,000	\$ 30,507	\$ 4,507
Gross receipts tax - local	158,326	158,326	599,286	440,960
Property taxes	50,103	50,103	56,301	6,198
Licenses, fines & fees	41,500	41,500	88,282	46,782
Miscellaneous charges for services	42,000	42,000	33,945	(8,055)
Other miscellaneous	75,000	75,000	869	(74,131)
State revenue:				
Gross receipts tax - state shared	690,476	690,476	444,025	(246,451)
CFT Gas tax- state shared	60,323	60,323	82,942	22,619
Small cities distribution	35,000	35,000	90,000	55,000
Grants	96,781	96,781	25,837	(70,944)
<i>Total revenues</i>	1,275,509	1,275,509	1,451,994	176,485
EXPENDITURES:				
Current:				
General government	706,553	706,553	634,510	72,043
Public safety	331,344	331,344	430,361	(99,017)
Highways and streets	41,510	41,510		41,510
Culture and recreation	171,001	171,001	131,983	39,018
Public works			85,293	(85,293)
<i>Total expenditures</i>	1,250,408	1,250,408	1,282,147	(31,739)
<i>Excess (deficiency) of revenues over (under) expenditures</i>	25,101	25,101	169,847	144,746
OTHER FINANCING SOURCES (USES):				
Transfers Out			(2,751)	(2,751)
<i>Total other financing sources (uses)</i>	0	0	(2,751)	(2,751)
Net changes in fund balances	25,101	25,101	167,096	141,995
Fund balance - beginning of Year	325,826	325,826	209,941	(115,885)
Fund balance - End of Year	\$ 350,927	\$ 350,927	377,037	\$ 26,110

**STATE OF NEW MEXICO
VILLAGE OF CUBA**

**STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS) GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balances-cash basis			167,096	
Adjustments to revenues			11,578	
Adjustments to expenditures			(13,935)	
Net changes in fund balances-GAAP basis			\$ 164,739	

**STATE OF NEW MEXICO
VILLAGE OF CUBA**

**STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS) STREET FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Local revenue:				
Other miscellaneous	\$ 25,000	\$ 25,000	\$	\$ (25,000)
State revenue:				
Grants	<u>75,000</u>	<u>75,000</u>	<u>140,000</u>	<u>65,000</u>
<i>Total revenues</i>	<u>100,000</u>	<u>100,000</u>	<u>140,000</u>	<u>40,000</u>
EXPENDITURES:				
Current:				
Highways and streets	75,000	75,000	75,000	
Public works	<u>25,000</u>	<u>25,000</u>	<u>103</u>	<u>24,897</u>
<i>Total expenditures</i>	<u>100,000</u>	<u>100,000</u>	<u>75,103</u>	<u>24,897</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	0	0	64,897	64,897
Fund balance - beginning of Year	<u>0</u>	<u>0</u>	<u>9</u>	<u>9</u>
Fund balance - End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>64,906</u>	<u>\$ 64,906</u>
Reconciliation of budgetary basis to GAAP basis:				
Excess (deficiency) of revenues over (under) expenditures-cash basis			64,897	
Adjustments to revenues			0	
Adjustments to expenditures			<u>2</u>	
Excess (deficiency) of revenues over (under) expenditures-GAAP basis			<u>\$ 64,899</u>	

STATE OF NEW MEXICO
VILLAGE OF CUBA
PROPRIETARY FUNDS - STATEMENT OF NET POSITION
JUNE 30, 2014

	<u>Water and Sewer</u>	<u>Housing Authority</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 37,592	\$ 67,135	\$ 104,727
Accounts receivable, net of allowance	35,155	268	35,423
Grants receivable		46,915	46,915
Other assets		209	209
Total current assets	<u>72,747</u>	<u>114,527</u>	<u>187,274</u>
Capital assets:			
Land and water rights	2,112	15,608	17,720
Construction in process	83,115		83,115
Buildings, improvements, and equipment	5,430,627	1,971,632	7,402,259
Accumulated depreciation	<u>(1,547,678)</u>	<u>(896,948)</u>	<u>(2,444,626)</u>
Total capital assets, net of accumulated depreciation	<u>3,968,176</u>	<u>1,090,292</u>	<u>5,058,468</u>
Total assets	<u>\$ 4,040,923</u>	<u>\$ 1,204,819</u>	<u>\$ 5,245,742</u>
LIABILITIES AND NET POSITION			
Current liabilities:			
Accounts payable	\$ 14,966	\$ 10,057	\$ 25,023
Gross receipts tax payable	141,805		141,805
Insurance payable	29,134	13,871	43,005
Accrued compensated absences	2,321	185	2,506
Accrued payroll	12,037	6,398	18,435
Long-term liabilities, due in one year	13,398		13,398
Deposits payable	47,348	4,432	51,780
Due to other funds	<u>324,300</u>		<u>324,300</u>
Total current liabilities	<u>585,309</u>	<u>34,943</u>	<u>620,252</u>
Long-term liabilities:			
Note payable	<u>346,602</u>		<u>346,602</u>
Total liabilities	<u>931,911</u>	<u>34,943</u>	<u>966,854</u>
NET POSITION			
Net Investment in capital assets	3,968,176	1,090,292	5,058,468
Unrestricted	<u>(859,164)</u>	<u>79,584</u>	<u>(779,580)</u>
Total Net position	<u>3,109,012</u>	<u>1,169,876</u>	<u>4,278,888</u>
Total Net position and liabilities	<u>\$ 4,040,923</u>	<u>\$ 1,204,819</u>	<u>\$ 5,245,742</u>

**STATE OF NEW MEXICO
VILLAGE OF CUBA**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	Water and Sewer	Housing Authority	Total
<i>Operating revenues:</i>			
Sales and services	\$ 374,440	\$	\$ 374,440
Facilities rentals		57,293	57,293
Miscellaneous/Other		2,376	2,376
<i>Total Operating revenues</i>	<u>374,440</u>	<u>59,669</u>	<u>434,109</u>
Operating expenses	464,022	122,723	586,745
Depreciation	<u>183,029</u>	<u>52,832</u>	<u>235,861</u>
<i>Total operating expenses</i>	<u>647,051</u>	<u>175,555</u>	<u>822,606</u>
<i>Operating income (loss)</i>	<u>(272,611)</u>	<u>(115,886)</u>	<u>(388,497)</u>
<i>Non-operating revenues (expenses):</i>			
Intergovernmental capital grant	<u>110,454</u>	<u>124,899</u>	<u>235,353</u>
<i>Total non-operating revenues (expenses)</i>	<u>110,454</u>	<u>124,899</u>	<u>235,353</u>
Change in net position	(162,157)	9,013	(153,144)
Total net position, beginning of year	<u>3,271,169</u>	<u>1,160,863</u>	<u>4,432,032</u>
Total net position, end of year	<u>\$ 3,109,012</u>	<u>\$ 1,169,876</u>	<u>\$ 4,278,888</u>

STATE OF NEW MEXICO
VILLAGE OF CUBA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Water and Sewer</u>	<u>Housing Authority</u>	<u>Total</u>
<i>Cash flows from operating activities:</i>			
Cash received from customers and grantors	\$ 376,700	\$ 149,173	\$ 525,873
Cash payments to vendors and employees	<u>(468,554)</u>	<u>(167,390)</u>	<u>(635,944)</u>
<i>Net cash provided (used) by operating activities</i>	<u>(91,854)</u>	<u>(18,217)</u>	<u>(110,071)</u>
<i>Cash flows from non-capital and related financing activities:</i>			
Change in due to/due from accounts	<u>45,488</u>	<u> </u>	<u>45,488</u>
<i>Net cash (used) provided by noncapital financing activities</i>	<u>45,488</u>	<u>0</u>	<u>45,488</u>
<i>Cash flows from capital and related financing activities:</i>			
Capital grant received	110,454	124,899	235,353
Purchase of capital assets	<u>(69,020)</u>	<u>(47,288)</u>	<u>(116,308)</u>
<i>Net cash used by capital and related financing activities:</i>	<u>41,434</u>	<u>77,611</u>	<u>119,045</u>
<i>Net change in cash</i>	(4,932)	59,394	54,462
<i>Cash and cash equivalents, beginning of year</i>	<u>42,524</u>	<u>7,741</u>	<u>50,265</u>
<i>Cash and cash equivalents, end of year</i>	<u><u>\$ 37,592</u></u>	<u><u>\$ 67,135</u></u>	<u><u>\$ 104,727</u></u>
<i>Reconciliation of operating loss to cash provided by operating activities:</i>			
Operating income (loss)	\$ (272,611)	\$ (115,886)	\$ (388,497)
<i>Adjustments to reconcile operating income to net cash flows:</i>			
Depreciation expense	183,029	52,832	235,861
Changes in assets and liabilities:			
Accounts receivable	2,260	1,305	3,565
Operating grants receivable		88,199	88,199
Accounts payable	(45,009)	(50,258)	(95,267)
Gross receipts tax payable	14,869		14,869
Accrued compensation and benefits	29,134	374	29,508
Accrued compensated absences	(1,246)	(948)	(2,194)
Accrued payroll	(2,430)	6,398	3,968
Deposits payable	<u>150</u>	<u>(233)</u>	<u>(83)</u>
<i>Net cash provided (used) by operating activities</i>	<u><u>\$ (91,854)</u></u>	<u><u>\$ (18,217)</u></u>	<u><u>\$ (110,071)</u></u>

STATE OF NEW MEXICO
VILLAGE OF CUBA
STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUNDS
JUNE 30, 2014

	<u>Agency Fund</u>
ASSETS	
Cash and cash equivalents	\$ <u>10,820</u>
Total assets	<u>10,820</u>
LIABILITIES	
Due to other taxing units	<u>10,820</u>
Total liabilities	\$ <u><u>10,820</u></u>

STATE OF NEW MEXICO
VILLAGE OF CUBA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Entity: The Village of Cuba (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 as applied to governmental entities.

A. Financial 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 Statements No. 61. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. 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. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. 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, 2014.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the Village. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which 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.

STATE OF NEW MEXICO
VILLAGE OF CUBA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Financial Reporting Entity (Continued)

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 or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and enterprise funds. Major individual governmental funds are reported as separate columns in the 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Private-sector standards of accounting and financial reporting issued prior to December 01, 1989, generally are followed in the government-wide 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.

Enterprise funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary fund's principle ongoing operations.

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

Governmental financial statements are reported using the *current financial* resources measurement focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is made.

STATE OF NEW MEXICO
VILLAGE OF CUBA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Financial Reporting Entity (Continued)

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 as revenue in the period when the underlying exchange transaction has occurred and the resources 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 Valencia 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.

The Village reports the following major governmental funds:

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

Street Fund. 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.

STATE OF NEW MEXICO
VILLAGE OF CUBA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Financial Reporting Entity (Continued)

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 waste water 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.

The Village reports the following fund types:

General Fund is the general operating fund of the Village. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. Many of the more important functions of the Village, including the Village's general services and administration, are accounted for in this fund.

Special Revenue Funds are used to account for revenues derived from specific sources, which are usually required by law or regulation to be accounted for in separate funds.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those constructed for proprietary funds.

Agency Funds are used to account for monies held by the Village in a custodial capacity on behalf of third parties or other agencies.

STATE OF NEW MEXICO
VILLAGE OF CUBA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. 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).

C. Capital Assets

Capital assets, which include software, library books, property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Governmental Accounting Standards Board (GASB) 34 *Basic Financial Statements and Managements 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 are recorded at estimated fair market value at the date of donation. 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.

STATE OF NEW MEXICO
VILLAGE OF CUBA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Capital Assets (Continued)

Capital assets are depreciated using the straight-line method over the following estimated 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

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.

D. Accrued Employee Benefits

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. No expenditure is reported for these amounts. Vested or accumulated vacation leave for proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

E. 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.

STATE OF NEW MEXICO
VILLAGE OF CUBA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Fund Equity (Continued)

- 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). 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.

F. 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. Net position are 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.

G. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for 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. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

STATE OF NEW MEXICO
VILLAGE OF CUBA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. 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.

I. 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.
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.

J. Use of 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

STATE OF NEW MEXICO
VILLAGE OF CUBA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2. 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 NOW 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.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Village does not have a deposit policy for custodial credit risk. At June 30, 2014, \$160,118 of the Village's deposits of 525,201 was exposed to custodial credit risk and the same was uninsured and uncollateralized. As of June 30, 2014, the carrying amount of these deposits was \$404,419.

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

The schedule listed below will meet the State of New Mexico, Office of the State Auditor's requirements in reporting the insured portion of the deposits.

	<u>Wells Fargo Bank</u>	<u>Cuba Credit Union</u>	<u>Bank of Albuquerque</u>	<u>Total</u>
Total amounts of deposits	\$ 514,601	\$ 10,292	\$ 308	\$ 525,201
Less: FDIC coverage	<u>250,000</u>	<u>10,292</u>	<u>308</u>	<u>260,600</u>
Total uninsured public funds	<u>264,601</u>	<u>0</u>	<u>0</u>	<u>264,601</u>
50% Collateral requirement	132,301			132,301
Pledged securities	<u>104,483</u>			<u>104,483</u>
(Over)/Under collateralized	<u>\$ 27,818</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 27,818</u>

Reconciliation of Cash and cash equivalents

Cash and cash equivalents per Statement of Net Position	\$ 393,599
Cash per Statement of Fiduciary Net Position	10,820
Add outstanding checks and other reconciling items	<u>120,782</u>
Bank balance of deposits	<u><u>\$ 525,201</u></u>

STATE OF NEW MEXICO
VILLAGE OF CUBA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

<u>Custodial Credit Risk-Deposits</u>	<u>Bank Balance</u>
Depository account:	
Account Balance	\$ <u>525,201</u>
FDIC Insured	260,600
Collateralized:	
Uninsured and collateralized with securities held by the pledging bank but not in Village's name	104,483
Uninsured and uncollateralized	<u>160,118</u>
Total deposits	<u>\$ 525,201</u>

NOTE 3. RECEIVABLES

Receivables as of June 30, 2014, are as follows:

<u>Governmental activities:</u>	<u>General Fund</u>	<u>Non-Major funds</u>	<u>Total</u>
Taxes:			
Gross receipts	\$ 198,889	\$	\$ 198,889
Lodgers		1,736	1,736
Court fines and fees		1,899	1,899
Others	<u>4,887</u>	<u>1,616</u>	<u>6,503</u>
Total receivables	<u>\$ 203,776</u>	<u>\$ 5,251</u>	<u>\$ 209,027</u>

<u>Business-type activities:</u>	<u>Water and Sewer</u>	<u>Housing Authority</u>	<u>Total</u>
Receivables:			
Accounts	\$ 63,905	\$ 268	\$ 64,173
Allowance for uncollectible accounts	<u>(28,750)</u>	<u></u>	<u>(28,750)</u>
Total receivables	<u>\$ 35,155</u>	<u>\$ 268</u>	<u>\$ 35,423</u>

STATE OF NEW MEXICO
VILLAGE OF CUBA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 4. CAPITAL ASSETS

Governmental fund capital asset activity for the year ending June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfer</u>	<u>Ending Balance</u>
<u>Governmental Activities:</u>				
Capital assets, not depreciated:				
Land	\$ 86,130	\$	\$	\$ 86,130
Constructions in progress	<u>1,172,755</u>	<u></u>	<u>(1,172,755)</u>	<u></u>
Total, not depreciated	<u>1,258,885</u>	<u>0</u>	<u>(1,172,755)</u>	<u>86,130</u>
Capital assets, depreciated:				
Buildings and improvements	3,610,760		1,172,755	4,783,515
Equipment and other	2,025,027	28,000		2,053,027
Infrastructure	<u>136,913</u>	<u>27,742</u>	<u></u>	<u>164,655</u>
Total, depreciated	<u>5,772,700</u>	<u>55,742</u>	<u>1,172,755</u>	<u>7,001,197</u>
Accumulated depreciation for:				
Buildings and improvements	1,201,889	134,156		1,336,045
Equipment and other	1,424,941	85,256		1,510,197
Infrastructure	<u>15,113</u>	<u>7,243</u>	<u></u>	<u>22,356</u>
Total accumulated depreciation	<u>2,641,943</u>	<u>226,655</u>	<u>0</u>	<u>2,868,598</u>
Total capital assets, depreciated, net	<u>3,130,757</u>	<u>(170,913)</u>	<u>1,172,755</u>	<u>4,132,599</u>
Total capital assets, net	<u>\$ 4,389,642</u>	<u>\$ (170,913)</u>	<u>\$ 0</u>	<u>\$ 4,218,729</u>

Depreciation expense was charged to functions/programs of the government as follows:

Governmental activities:	
General government	\$ 37,759
Public safety	97,655
Highways and streets	15,810
Culture and recreation	<u>75,431</u>
Total depreciation expense	<u>\$ 226,655</u>

STATE OF NEW MEXICO
VILLAGE OF CUBA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 4. CAPITAL ASSETS (CONTINUED)

Enterprise fund capital asset activity for the year ending June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
<u>Business-type Activities:</u>					
Capital assets, not depreciated:					
Land- Water and Waste Water	\$ 2,112	\$	\$	\$	\$ 2,112
Land- Housing Authority	15,608				15,608
Construction in progress	2,270,062	69,020		(2,255,967)	83,115
Construction in progress-Housing Authority	<u>14,272</u>	<u></u>	<u></u>	<u>(14,272)</u>	<u></u>
Total, not depreciated	<u>2,302,054</u>	<u>69,020</u>	<u>0</u>	<u>(2,270,239)</u>	<u>100,835</u>
Capital assets, depreciated:					
Water and Waste Water:					
Plant and equipment	2,158,700				2,158,700
Infrastructure	956,142			2,255,967	3,212,109
Equipment and other	331,079		(200,000)	(71,261)	59,818
Housing Authority:					
Buildings and improvements	1,795,585	47,288		14,272	1,857,145
Equipment and other	<u>114,487</u>	<u></u>	<u></u>	<u></u>	<u>114,487</u>
Total, depreciated	<u>5,355,993</u>	<u>47,288</u>	<u>(200,000)</u>	<u>2,198,978</u>	<u>7,402,259</u>
Accumulated depreciation for:					
Water and Waste Water	1,635,910	183,029	(200,000)	(71,261)	1,547,678
Housing Authority	<u>844,116</u>	<u>52,832</u>	<u></u>	<u></u>	<u>896,948</u>
Total accumulated depreciation	<u>2,480,026</u>	<u>235,861</u>	<u>(200,000)</u>	<u>(71,261)</u>	<u>2,444,626</u>
Total capital assets, depreciated, net	<u>2,875,967</u>	<u>(188,573)</u>	<u>0</u>	<u>2,270,239</u>	<u>4,957,633</u>
Total capital assets, net	<u>\$ 5,178,021</u>	<u>\$ (119,553)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,058,468</u>

STATE OF NEW MEXICO
VILLAGE OF CUBA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 5. LONG-TERM OBLIGATIONS - GOVERNMENTAL FUNDS

During the year ended June 30, 2014, the following changes occurred:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Governmental activities:					
Loans payable	\$ 46,203	\$	\$ 46,203	\$	\$
Compensated absences	<u>8,432</u>	<u>5,988</u>	<u>6,975</u>	<u>7,445</u>	<u>7,445</u>
Total	<u>\$ 54,635</u>	<u>\$ 5,988</u>	<u>\$ 53,178</u>	<u>\$ 7,445</u>	<u>\$ 7,445</u>

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. Vacation balances are payable upon termination but may not be carried over to the next year. Balances are reset at each employee's anniversary date.

NOTE 6. LONG-TERM DEBT - ENTERPRISE FUNDS

During the year ended June 30, 2014, the following changes occurred:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Business-type activities:					
Compensated absences	\$ 4,700	\$ 4,439	\$ 6,633	\$ 2,506	\$ 2,506
Water & Sewer loan CWSRF 006	<u>\$ 360,000</u>	<u>\$</u>	<u>\$</u>	<u>\$ 360,000</u>	<u>\$ 13,398</u>

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 on 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 future requirements for notes payable are as follows:

Year Ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	13,398	10,800	24,198
2016	13,800	10,398	24,198
2017	14,214	9,984	24,198
2018	14,640	9,558	24,198
2019-2023	80,057	40,931	120,988
2024-2028	92,808	28,180	120,988
2029-2033	<u>131,083</u>	<u>14,102</u>	<u>145,185</u>
	<u>\$ 360,000</u>	<u>\$123,953</u>	<u>\$483,953</u>

**STATE OF NEW MEXICO
VILLAGE OF CUBA**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 7. 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.

NOTE 8. INTERFUND BALANCES

Interfund balances at June 30, 2014 consisted of the following amounts:

<u>Interfund Receivable</u>	<u>Amount</u>	<u>Interfund Payable</u>	<u>Amount</u>
Major governmental Funds:		Major governmental Funds:	
General Fund	\$ 342,489	General Fund	\$ 91,173
Street Fund	<u>37,026</u>	Street Fund	<u>52,978</u>
Total Major Governmental Funds	<u>379,515</u>	Total Major Governmental Funds	<u>144,151</u>
Nonmajor Governmental Funds:		Nonmajor Governmental Funds:	
Corrections Fund	22,553	Debt Service	2,236
EMS Fund	10,981		
Fire Protection Fund	39,506		
LEPF Fund	11,774		
Lodgers Fund	2,973		
Recreation Fund	<u>3,385</u>		
Total Nonmajor Governmental Funds	<u>91,172</u>	Total Nonmajor Governmental Funds	<u>2,236</u>
		Proprietary Funds:	
		Water and Sewer Fund	<u>324,300</u>
		Total Proprietary Funds	<u>324,300</u>
Grand Total	<u><u>\$ 470,687</u></u>	Grand Total	<u><u>\$ 470,687</u></u>

NOTE 9. INTERFUND OPERATING TRANSFERS

The Village interfund transfers during the year ended June 30, 2014 consisted of the following:

<u>Transfers in</u>	<u>Amount</u>	<u>Transfers out</u>	<u>Amount</u>
Capital Project Fund	\$ <u>2,464</u>	General Fund	\$ <u>2,464</u>
Total	<u><u>\$ 2,464</u></u>	Total	<u><u>\$ 2,464</u></u>

STATE OF NEW MEXICO
VILLAGE OF CUBA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 10. PERA PENSION PLAN

Plan Description. Substantially all of the Village's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11 NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, PO Box 2123, Santa Fe, New Mexico 87504-2123, the report is also available on PERA's website at www.pera.state.nm.us.

Funding Policy. Plan members are required to contribute 9.15%, for regular members, and 16.30%, for police personnel, of their gross salary. The Village is required to contribute 9.15% for regular members, and 18.50% for police personnel, of the gross covered salary. The contribution requirements of plan members and the Village are established in State statute under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the Legislature. The Village's contributions to PERA for the fiscal years ending June 30, 2014, 2013 and 2012 were \$66,198, \$65,306 and \$63,168, respectively which equal the amount of the required contributions for each fiscal year.

NOTE 11. POST-EMPLOYMENT BENEFITS — STATE RETIREE HEALTH CARE PLAN

The Village has elected not to participate in the Retiree Health Care Act (Section 10-7C-1 to 10-7C-16, NMSA 1978).

NOTE 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.

STATE OF NEW MEXICO
VILLAGE OF CUBA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 13. DEFICIT FUND BALANCE AND EXCESS OF EXPENDITURES OVER BUDGET

Generally Accepted Accounting Principles require disclosures of certain information concerning individual funds including:

A. Deficit fund balances of individual funds are the following:

<u>Fund Name</u>	<u>Amount</u>
Debt Service	\$ (1,928)

B. Excess of expenditures over appropriations:

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 31,739
Fire Protection Fund	\$ 25,615
Law Enforcement Protection Fund	\$ 1,488
Lodgers Tax Fund	\$ 2,684
Housing Authority Enterprise Fund	\$ 3,656

NOTE 14. SUBSEQUENT EVENTS

The Village has evaluated subsequent events through November 20, 2014, the date the financial statements were available to be issued. There were no material subsequent events.

NOTE 15. SUBSEQUENT ACCOUNTING STANDARD PRONOUNCEMENTS

In June 2012, Statement No. 68 *Accounting and Financial Reporting for Pensions—an amendment of GASB Statements No. 27*, which is effective for financial statements for periods beginning after June 15, 2014. Earlier application is encouraged. The standard will be implemented during fiscal year June 30, 2016.

In January 2013, GASB Statement No. 69 *Government Combinations and Disposals of Government Operations*, which is effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013. Earlier application is encouraged. The provisions of this Statement generally are required to be applied prospectively.

SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
VILLAGE OF CUBA
NONMAJOR FUNDS DESCRIPTION
JUNE 30, 2014

Corrections - 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 24- 10A.

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.

Law Enforcement Protection - To account for the expenditures from the State of New Mexico for training, equipment and capital outlay. Authority is NMSA 29-13-4.

Library - To account for grant revenues and expenses related to operations of the Village of Cuba public library. Authority is NMAC 4-5-8.

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

Recreation - To account for revenues and expenditures relating to 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.

Capital Projects - To account for revenues and expenses related to capital projects. Authority is by Village Ordinance.

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 - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014**

	Corrections Fund	EMS	Fire Protection	LEPF
ASSETS				
Cash and cash equivalents	\$ 3,429	\$ 710	\$ 3,990	\$ 1,627
Taxes Receivable				
Court fines and fees receivable	1,899			
Other accounts receivable	1,616			
Due from other funds	22,553	10,981	39,506	11,774
Total assets	\$ 29,497	\$ 11,691	\$ 43,496	\$ 13,401
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 2,948	\$	\$ 95	\$ 300
Due to other funds				
Total liabilities	2,948	0	95	300
FUND BALANCES				
Restricted for:				
Special Revenue Funds	26,549	11,691	43,401	13,101
Unassigned:				
Debt Service Funds				
Total fund balances	26,549	11,691	43,401	13,101
Total liabilities and fund balances	\$ 29,497	\$ 11,691	\$ 43,496	\$ 13,401

**STATE OF NEW MEXICO
VILLAGE OF CUBA**

**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014**

	Library	Lodgers Tax	Recreation	Capital Project
ASSETS				
Cash and cash equivalents	\$	\$ 25,119	\$ 350	\$
Taxes Receivable		1,736		
Court fines and fees receivable				
Other accounts receivable				
Due from other funds		2,973	3,385	
Total assets	\$ 0	\$ 29,828	\$ 3,735	\$ 0
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$	\$	\$	\$
Due to other funds				
Total liabilities	0	0	0	0
FUND BALANCES				
Restricted for:				
Special Revenue Funds		29,828	3,735	
Unassigned:				
Debt Service Funds				
Total fund balances	0	29,828	3,735	0
Total liabilities and fund balances	\$ 0	\$ 29,828	\$ 3,735	\$ 0

**STATE OF NEW MEXICO
VILLAGE OF CUBA**

**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014**

	<u>Debt Service</u>	<u>Total</u>	
ASSETS			
Cash and cash equivalents	\$ 308	\$ 35,533	
Taxes Receivable		1,736	
Court fines and fees receivable		1,899	
Other accounts receivable		1,616	
Due from other funds		<u>91,172</u>	
Total assets	<u>\$ 308</u>	<u>\$ 131,956</u>	
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$	\$ 3,343	
Due to other funds	<u>2,236</u>	<u>2,236</u>	
Total liabilities	<u>2,236</u>	<u>5,579</u>	
FUND BALANCES			
Restricted for:			
Special Revenue Funds		128,305	
Unassigned:			
Debt Service Funds	<u>(1,928)</u>	<u>(1,928)</u>	
Total fund balances	<u>(1,928)</u>	<u>126,377</u>	
Total liabilities and fund balances	<u>\$ 308</u>	<u>\$ 131,956</u>	

**STATE OF NEW MEXICO
VILLAGE OF CUBA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Corrections Fund</u>	<u>EMS</u>	<u>Fire Protection</u>
REVENUES:			
<i>Local revenue</i>			
Licenses, fines & fees	21,930		
Miscellaneous charges for services			
Interest			
Other miscellaneous			
<i>State revenue</i>			
CFT gas tax			
State fire allotment			67,280
Grants		12,766	
	<u>21,930</u>	<u>12,766</u>	<u>67,280</u>
<i>Total revenues</i>			
EXPENDITURES:			
Current:			
General Governmental	21,074		
Public Safety		12,056	66,976
Culture and Recreation			
Public works			
Debt Service:			
Principal			
Interest and fees			
Capital Outlay			
	<u>21,074</u>	<u>12,056</u>	<u>66,976</u>
<i>Total expenditures</i>			
<i>Excess (deficiency) of revenues over expenditures</i>	<u>856</u>	<u>710</u>	<u>304</u>
OTHER FINANCING SOURCES (USES):			
Transfer in			
	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total other financing sources (uses)</i>			
Net change in fund balance	856	710	304
Fund balance - beginning of year	<u>25,693</u>	<u>10,981</u>	<u>43,097</u>
Fund balance - end of year	<u>\$ 26,549</u>	<u>\$ 11,691</u>	<u>\$ 43,401</u>

**STATE OF NEW MEXICO
VILLAGE OF CUBA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>LEPF</u>	<u>Library</u>	<u>Lodgers Tax</u>
REVENUES:			
<i>Local revenue</i>			
Licenses, fines & fees			
Miscellaneous charges for services			18,430
Interest			
Other miscellaneous		547	
<i>State revenue</i>			
CFT gas tax			
State fire allotment			
Grants	<u>23,000</u>	<u>53,896</u>	<u> </u>
<i>Total revenues</i>	<u>23,000</u>	<u>54,443</u>	<u>18,430</u>
EXPENDITURES:			
Current:			
General Governmental			
Public Safety			
Culture and Recreation		5,767	13,184
Public works	24,788		
Debt Service:			
Principal			
Interest and fees			
Capital Outlay	<u> </u>	<u>55,742</u>	<u> </u>
<i>Total expenditures</i>	<u>24,788</u>	<u>61,509</u>	<u>13,184</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,788)</u>	<u>(7,066)</u>	<u>5,246</u>
OTHER FINANCING SOURCES (USES):			
Transfer in	<u> </u>	<u> </u>	<u> </u>
<i>Total other financing sources (uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	(1,788)	(7,066)	5,246
Fund balance - beginning of year	<u>14,889</u>	<u>7,066</u>	<u>24,582</u>
Fund balance - end of year	<u>\$ 13,101</u>	<u>\$ 0</u>	<u>\$ 29,828</u>

**STATE OF NEW MEXICO
VILLAGE OF CUBA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Recreation</u>	<u>Capital Project</u>	<u>Debt Service</u>	<u>Total</u>
REVENUES:				
<i>Local revenue</i>				
Licenses, fines & fees				21,930
Miscellaneous charges for services	2,302			20,732
Interest			83	83
Other miscellaneous				547
<i>State revenue</i>				
CFT gas tax			13,080	13,080
State fire allotment			3,578	70,858
Grants				89,662
<i>Total revenues</i>	<u>2,302</u>	<u>0</u>	<u>16,741</u>	<u>216,892</u>
EXPENDITURES:				
<i>Current:</i>				
General Governmental				21,074
Public Safety				79,032
Culture and Recreation	3,690			22,641
Public works				24,788
<i>Debt Service:</i>				
Principal			46,203	46,203
Interest and fees			852	852
Capital Outlay				55,742
<i>Total expenditures</i>	<u>3,690</u>	<u>0</u>	<u>47,055</u>	<u>250,332</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,388)</u>	<u>0</u>	<u>(30,314)</u>	<u>(33,440)</u>
OTHER FINANCING SOURCES (USES):				
Transfer in		2,464		2,464
<i>Total other financing sources (uses)</i>	<u>0</u>	<u>2,464</u>	<u>0</u>	<u>2,464</u>
Net change in fund balance	(1,388)	2,464	(30,314)	(30,976)
Fund balance - beginning of year	<u>5,123</u>	<u>(2,464)</u>	<u>28,386</u>	<u>157,353</u>
Fund balance - end of year	<u>\$ 3,735</u>	<u>\$ 0</u>	<u>\$ (1,928)</u>	<u>\$ 126,377</u>

**STATEMENTS OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR REMAINING FUNDS**

**STATE OF NEW MEXICO
VILLAGE OF CUBA**

**STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS) CORRECTIONS FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Local revenue:				
Licenses, fines & fees	\$ <u>50,000</u>	\$ <u>50,000</u>	\$ <u>21,930</u>	\$ <u>(28,070)</u>
<i>Total revenues</i>	<u>50,000</u>	<u>50,000</u>	<u>21,930</u>	<u>(28,070)</u>
EXPENDITURES:				
Current:				
General government	<u>50,000</u>	<u>50,000</u>	<u>21,074</u>	<u>28,926</u>
<i>Total expenditures</i>	<u>50,000</u>	<u>50,000</u>	<u>21,074</u>	<u>28,926</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	0	0	856	856
Fund balance - beginning of Year	<u>38,535</u>	<u>38,535</u>	<u>25,693</u>	<u>(12,842)</u>
Fund balance - End of Year	<u><u>\$ 38,535</u></u>	<u><u>\$ 38,535</u></u>	<u><u>26,549</u></u>	<u><u>\$ (11,986)</u></u>
Reconciliation of budgetary basis to GAAP basis:				
Excess (deficiency) of revenues over (under) expenditures-cash basis			856	
Adjustments to revenues			0	
Adjustments to expenditures			<u>0</u>	
Excess (deficiency) of revenues over (under) expenditures-GAAP basis			<u><u>\$ 856</u></u>	

**STATE OF NEW MEXICO
VILLAGE OF CUBA**

**STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
EMERGENCY MEDICAL SERVICES FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget- Positive (Negative)</u>
REVENUES:				
Local revenue:				
Other miscellaneous	\$ 75,000	\$ 75,000	\$	\$ (75,000)
State revenue:				
Grants	<u>26,200</u>	<u>26,200</u>	<u>12,766</u>	<u>(13,434)</u>
<i>Total revenues</i>	<u>101,200</u>	<u>101,200</u>	<u>12,766</u>	<u>(88,434)</u>
EXPENDITURES:				
Current:				
Public safety	<u>101,200</u>	<u>101,200</u>	<u>12,056</u>	<u>89,144</u>
<i>Total expenditures</i>	<u>101,200</u>	<u>101,200</u>	<u>12,056</u>	<u>89,144</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	0	0	710	710
Fund balance - beginning of Year	<u>10,981</u>	<u>10,981</u>	<u>10,981</u>	<u>0</u>
Fund balance - End of Year	<u><u>\$ 10,981</u></u>	<u><u>\$ 10,981</u></u>	<u><u>11,691</u></u>	<u><u>\$ 710</u></u>
Reconciliation of budgetary basis to GAAP basis:				
Excess (deficiency) of revenues over (under) expenditures-cash basis			710	
Adjustments to revenues			0	
Adjustments to expenditures			<u>0</u>	
Excess (deficiency) of revenues over (under) expenditures-GAAP basis			<u><u>\$ 710</u></u>	

**STATE OF NEW MEXICO
VILLAGE OF CUBA**

**STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS) FIRE PROTECTION FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES:				
State revenue:				
State fire allotment	\$ 41,362	\$ 41,362	\$ 67,280	\$ 25,918
<i>Total revenues</i>	<u>41,362</u>	<u>41,362</u>	<u>67,280</u>	<u>25,918</u>
EXPENDITURES:				
Current:				
Public safety	41,362	41,362	66,977	(25,615)
<i>Total expenditures</i>	<u>41,362</u>	<u>41,362</u>	<u>66,977</u>	<u>(25,615)</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	0	0	303	303
Fund balance - beginning of Year	<u>36,333</u>	<u>36,333</u>	<u>48,559</u>	<u>12,226</u>
Fund balance - End of Year	<u>\$ 36,333</u>	<u>\$ 36,333</u>	<u>48,862</u>	<u>\$ 12,529</u>
Reconciliation of budgetary basis to GAAP basis:				
Excess (deficiency) of revenues over (under) expenditures-cash basis			303	
Adjustments to revenues			0	
Adjustments to expenditures			1	
Excess (deficiency) of revenues over (under) expenditures-GAAP basis			<u>\$ 304</u>	

**STATE OF NEW MEXICO
VILLAGE OF CUBA**

**STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
LAW ENFORCEMENT PROTECTION FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
State revenue:				
Grants	\$ <u>23,000</u>	\$ <u>23,000</u>	\$ <u>23,000</u>	\$ _____
<i>Total revenues</i>	<u>23,000</u>	<u>23,000</u>	<u>23,000</u>	<u>0</u>
EXPENDITURES:				
Current:				
Public works	<u>23,000</u>	<u>23,000</u>	<u>24,488</u>	<u>(1,488)</u>
<i>Total expenditures</i>	<u>23,000</u>	<u>23,000</u>	<u>24,488</u>	<u>(1,488)</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	0	0	(1,488)	(1,488)
Fund balance - beginning of Year	<u>11,824</u>	<u>11,824</u>	<u>14,857</u>	<u>3,033</u>
Fund balance - End of Year	<u><u>\$ 11,824</u></u>	<u><u>\$ 11,824</u></u>	<u>13,369</u>	<u><u>\$ 1,545</u></u>
Reconciliation of budgetary basis to GAAP basis:				
Excess (deficiency) of revenues over (under) expenditures-cash basis			(1,488)	
Adjustments to revenues			0	
Adjustments to expenditures			<u>(300)</u>	
Excess (deficiency) of revenues over (under) expenditures-GAAP basis			<u><u>\$ (1,788)</u></u>	

**STATE OF NEW MEXICO
VILLAGE OF CUBA**

**STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS) LODGERS TAX FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Local revenue:				
Miscellaneous charges for services	\$ <u>12,500</u>	\$ <u>12,500</u>	\$ <u>18,430</u>	\$ <u>5,930</u>
<i>Total revenues</i>	<u>12,500</u>	<u>12,500</u>	<u>18,430</u>	<u>5,930</u>
EXPENDITURES:				
Current:				
Culture and recreation	<u>10,500</u>	<u>10,500</u>	<u>13,184</u>	<u>(2,684)</u>
<i>Total expenditures</i>	<u>10,500</u>	<u>10,500</u>	<u>13,184</u>	<u>(2,684)</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	2,000	2,000	5,246	3,246
Fund balance - beginning of Year	<u>15,926</u>	<u>15,926</u>	<u>8,597</u>	<u>(7,329)</u>
Fund balance - End of Year	\$ <u><u>17,926</u></u>	\$ <u><u>17,926</u></u>	<u>13,843</u>	\$ <u><u>(4,083)</u></u>
Reconciliation of budgetary basis to GAAP basis:				
Excess (deficiency) of revenues over (under) expenditures-cash basis			5,246	
Adjustments to revenues			0	
Adjustments to expenditures			<u>0</u>	
Excess (deficiency) of revenues over (under) expenditures-GAAP basis			\$ <u><u>5,246</u></u>	

**STATE OF NEW MEXICO
VILLAGE OF CUBA**

**STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS) RECREATION FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Local revenue:				
Miscellaneous charges for services	\$ <u>9,000</u>	\$ <u>9,000</u>	\$ <u>2,302</u>	\$ <u>(6,698)</u>
<i>Total revenues</i>	<u>9,000</u>	<u>9,000</u>	<u>2,302</u>	<u>(6,698)</u>
EXPENDITURES:				
Current:				
Culture and recreation	<u>9,000</u>	<u>9,000</u>	<u>3,689</u>	<u>5,311</u>
<i>Total expenditures</i>	<u>9,000</u>	<u>9,000</u>	<u>3,689</u>	<u>5,311</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	0	0	(1,387)	(1,387)
Fund balance - beginning of Year	<u>7,825</u>	<u>7,825</u>	<u>3,261</u>	<u>(4,564)</u>
Fund balance - End of Year	\$ <u><u>7,825</u></u>	\$ <u><u>7,825</u></u>	<u>1,874</u>	\$ <u><u>(5,951)</u></u>
Reconciliation of budgetary basis to GAAP basis:				
Excess (deficiency) of revenues over (under) expenditures-cash basis			(1,387)	
Adjustments to revenues			0	
Adjustments to expenditures			<u>(1)</u>	
Excess (deficiency) of revenues over (under) expenditures-GAAP basis			\$ <u><u>(1,388)</u></u>	

**STATE OF NEW MEXICO
VILLAGE OF CUBA**

**STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS) CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
State revenue:				
Grants	\$ <u>400,600</u>	\$ <u>400,600</u>	\$ _____	\$ <u>(400,600)</u>
<i>Total revenues</i>	<u>400,600</u>	<u>400,600</u>	<u>0</u>	<u>(400,600)</u>
EXPENDITURES:				
Current:				
Highways and streets	<u>400,600</u>	<u>400,600</u>	_____	<u>400,600</u>
<i>Total expenditures</i>	<u>400,600</u>	<u>400,600</u>	<u>0</u>	<u>400,600</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	0	0	0	0
Fund balance - beginning of Year	<u>0</u>	<u>0</u>	<u>(2,464)</u>	<u>(2,464)</u>
Fund balance - End of Year	<u><u>0</u></u>	<u><u>0</u></u>	<u>(2,464)</u>	<u><u>(2,464)</u></u>
Reconciliation of budgetary basis to GAAP basis:				
Excess (deficiency) of revenues over (under) expenditures-cash basis			0	
Adjustments to revenues			2,464	
Adjustments to expenditures			<u>0</u>	
Excess (deficiency) of revenues over (under) expenditures-GAAP basis			<u><u>2,464</u></u>	

**STATE OF NEW MEXICO
VILLAGE OF CUBA**

**STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS) DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Local revenue:				
Property taxes	\$ 65,339	\$ 65,339	\$	\$ (65,339)
Interest			83	83
Other miscellaneous	29,927	29,927		(29,927)
State revenue:				
CFT Gas tax- state shared			13,080	13,080
State fire allotment			<u>3,578</u>	<u>3,578</u>
<i>Total revenues</i>	<u>95,266</u>	<u>95,266</u>	<u>16,741</u>	<u>(78,525)</u>
EXPENDITURES:				
Debt Service:				
Principal	95,266	95,266	46,203	49,063
Interest & fees			<u>852</u>	<u>(852)</u>
<i>Total expenditures</i>	<u>95,266</u>	<u>95,266</u>	<u>47,055</u>	<u>48,211</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	0	0	(30,314)	(30,314)
Fund balance - beginning of Year	<u>29,063</u>	<u>29,063</u>	<u>31,003</u>	<u>1,940</u>
Fund balance - End of Year	<u>\$ 29,063</u>	<u>\$ 29,063</u>	<u>689</u>	<u>\$ (28,374)</u>
Reconciliation of budgetary basis to GAAP basis:				
Excess (deficiency) of revenues over (under) expenditures-cash basis			(30,314)	
Adjustments to revenues			0	
Adjustments to expenditures			<u>0</u>	
Excess (deficiency) of revenues over (under) expenditures-GAAP basis			<u>\$ (30,314)</u>	

**STATE OF NEW MEXICO
VILLAGE OF CUBA**

**STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
WATER AND SEWER ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Sales and services	\$ <u>483,000</u>	\$ <u>483,000</u>	\$ <u>374,440</u>	\$ <u>(108,560)</u>
<i>Total revenues</i>	<u>483,000</u>	<u>483,000</u>	<u>374,440</u>	<u>(108,560)</u>
EXPENDITURES:				
Operating expenses	<u>483,000</u>	<u>483,000</u>	<u>465,467</u>	<u>17,533</u>
<i>Total expenditures</i>	<u>483,000</u>	<u>483,000</u>	<u>465,467</u>	<u>17,533</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>0</u>	<u>0</u>	<u>(91,027)</u>	<u>(91,027)</u>
OTHER FINANCING SOURCES (USES):				
Intergovernmental Capital grants	<u>0</u>	<u>0</u>	<u>110,454</u>	<u>110,454</u>
<i>Total other financing sources (uses)</i>	<u>0</u>	<u>0</u>	<u>110,454</u>	<u>110,454</u>
Changes in net position	0	0	19,427	19,427
Net position - Beginning of Year	<u>1,713,004</u>	<u>1,713,004</u>	<u>3,422,787</u>	<u>1,709,783</u>
Net position - End of Year	<u>\$ 1,713,004</u>	<u>\$ 1,713,004</u>	<u>3,442,214</u>	<u>\$ 1,729,210</u>
Reconciliation of budgetary basis to GAAP basis:				
Changes in net position-cash basis			19,427	
Adjustments to revenues			0	
Adjustments to expenditures			1,445	
Depreciation			<u>(183,029)</u>	
Change in net position - GAAP basis			<u>\$ (162,157)</u>	

**STATE OF NEW MEXICO
VILLAGE OF CUBA**

**STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
HOUSING AUTHORITY ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Facilities rentals	\$ 52,800	\$ 52,800	\$ 57,293	\$ 4,493
Miscellaneous/Other	<u>540</u>	<u>540</u>	<u>2,376</u>	<u>1,836</u>
<i>Total revenues</i>	<u>53,340</u>	<u>53,340</u>	<u>59,669</u>	<u>6,329</u>
EXPENDITURES:				
Operating expenses	<u>118,699</u>	<u>118,699</u>	<u>122,355</u>	<u>(3,656)</u>
<i>Total expenditures</i>	<u>118,699</u>	<u>118,699</u>	<u>122,355</u>	<u>(3,656)</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(65,359)</u>	<u>(65,359)</u>	<u>(62,686)</u>	<u>2,673</u>
OTHER FINANCING SOURCES (USES):				
Intergovernmental capital grant	<u> </u>	<u> </u>	<u>124,899</u>	<u>124,899</u>
<i>Total other financing sources (uses)</i>	<u>0</u>	<u>0</u>	<u>124,899</u>	<u>124,899</u>
Changes in net position	(65,359)	(65,359)	62,213	127,572
Net position - Beginning of Year	<u>989,005</u>	<u>989,005</u>	<u>1,132,639</u>	<u>143,634</u>
Net position - End of Year	<u>\$ 923,646</u>	<u>\$ 923,646</u>	<u>1,194,852</u>	<u>\$ 271,206</u>
Reconciliation of budgetary basis to GAAP basis:				
Change in net position-cash basis			62,213	
Adjustments to revenues			0	
Adjustments to expenditures			(368)	
Depreciation			<u>(52,832)</u>	
Change in net position-GAAP basis			<u>\$ 9,013</u>	

STATE OF NEW MEXICO
VILLAGE OF CUBA
AGENCY FUNDS DESCRIPTION
JUNE 30, 2014

Motor Vehicle Fund - To account for motor vehicle fees collected by the Village on behalf of the State of New Mexico.

Municipal Court Fund - To account for the receipt and disbursement of money collected through the Municipal Judicial System and held for payment to various other state and local governmental agencies.

Municipal Judge's Bond Fund - To account for the receipt and disbursement of bond funds collected through the Municipal Judicial System and held for refund or conversion to pay fines and fees,

**STATE OF NEW MEXICO
VILLAGE OF CUBA**

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
JUNE 30, 2014

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<i>MOTOR VEHICLE FUND:</i>				
ASSETS				
Cash	\$ 200	\$ 40	\$	\$ 240
Total assets	<u>200</u>	<u>40</u>	<u>0</u>	<u>240</u>
LIABILITIES				
Due to other entities	<u>200</u>	<u>40</u>	<u></u>	<u>240</u>
Total liabilities	<u>200</u>	<u>40</u>	<u>0</u>	<u>240</u>
<i>MUNICIPAL COURT FUND:</i>				
ASSETS				
Cash	<u>4,634</u>	<u>38,409</u>	<u>37,486</u>	<u>5,557</u>
Total assets	<u>4,634</u>	<u>38,409</u>	<u>37,486</u>	<u>5,557</u>
LIABILITIES				
Due to other entities	<u>4,634</u>	<u>38,409</u>	<u>37,486</u>	<u>5,557</u>
Total liabilities	<u>4,634</u>	<u>38,409</u>	<u>37,486</u>	<u>5,557</u>
<i>MUNICIPAL JUDGE'S BOND FUND:</i>				
ASSETS				
Cash	<u>4,784</u>	<u>239</u>	<u></u>	<u>5,023</u>
Total assets	<u>4,784</u>	<u>239</u>	<u>0</u>	<u>5,023</u>
LIABILITIES				
Due to other entities	<u>4,784</u>	<u>239</u>	<u></u>	<u>5,023</u>
Total liabilities	<u>4,784</u>	<u>239</u>	<u>0</u>	<u>5,023</u>
ASSETS (TOTAL)				
CASH	<u>9,618</u>	<u>38,688</u>	<u>37,486</u>	<u>10,820</u>
TOTAL ASSETS	<u>9,618</u>	<u>38,688</u>	<u>37,486</u>	<u>10,820</u>
LIABILITIES (TOTAL)				
DUE TO OTHER ENTITIES	<u>9,618</u>	<u>38,688</u>	<u>37,486</u>	<u>10,820</u>
TOTAL LIABILITIES	<u>\$ 9,618</u>	<u>\$ 38,688</u>	<u>\$ 37,486</u>	<u>\$ 10,820</u>

STATE OF NEW MEXICO
VILLAGE OF CUBA
COLLATERAL PLEDGED BY DEPOSITORY FOR PUBLIC FUNDS
YEAR ENDED JUNE 30, 2014

<u>Description of Pledged Collateral</u>	<u>Maturity</u>	<u>CUSIP No.</u>	Market or Par Value June 30, 2014
FN AR1117 3.000% 02/01/2043	2/1/2043	3138NXG35	\$ 73,991
FN AU4290 4.000% 09/01/2043	9/1/2043	3138X3XU1	25,434
FN MA1688 3.500%	12/1/2033	31418A2W7	<u>5,058</u>
Total Wells Fargo Bank Pledged Securities			<u>\$ 104,483</u>

STATE OF NEW MEXICO
VILLAGE OF CUBA
SCHEDULE OF DEPOSIT ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2014

Depository	Account Name	Type	Depository Balance	Reconciled Balance
Wells Fargo	General	Checking	\$ 290,955	\$ 188,037
Wells Fargo	Juvenile Fund	Checking	300	300
Wells Fargo	Fire Protection	Checking	3,990	3,990
Wells Fargo	Law Enforcement Protection	Checking	1,577	1,577
Wells Fargo	Lodgers Tax	Checking	25,119	25,119
Wells Fargo	Streets	Checking	65,090	65,090
Wells Fargo	Water and Sewer System	Checking	8,546	(4,452)
Wells Fargo	Water and Sewer Improvements	Checking	5,823	5,823
Wells Fargo	W/S Deposits	Checking	36,130	36,124
Wells Fargo	Public Housing Deposits	Checking	66,355	62,703
Wells Fargo	Security Deposit Account	Checking	4,432	4,432
Wells Fargo	Local Govt Corrections Fund	Checking	5,104	3,429
Wells Fargo	EMS	Checking	1,180	710
Bank of Albuquerque	Debt Service Reserve	Checking	308	308
Cuba Credit Union	Regular Share Account	Savings	212	212
Cash and cash equivalents			<u>515,121</u>	<u>393,402</u>
Petty cash	Petty cash - LEPF	Petty Cash		50
Petty cash	Petty cash - Recreation	Petty Cash		50
Petty cash	Petty cash - water	Petty Cash		97
Petty cash			<u>0</u>	<u>197</u>
Total deposit and investment accounts			<u>515,121</u>	<u>393,599</u>
Total deposit and investment accounts- non-agency			<u>515,121</u>	<u>393,599</u>
Agency funds cash accounts:				
Petty cash	MVD Cash Drawer	Petty Cash		240
Cuba Credit Union	Municipal Court	Checking	5,057	5,557
Cuba Credit Union	Municipal Judge's Bonds	Checking	5,023	5,023
Total cash - agency funds			<u>10,080</u>	<u>10,820</u>
Total depository accounts			<u>\$ 525,201</u>	<u>\$ 404,419</u>

STATE OF NEW MEXICO
VILLAGE OF CUBA
SCHEDULE OF JOINT POWERS AGREEMENTS
JUNE 30, 2014

Joint Power Agreement	Participants	Responsible Party	Description	Beginning and Ending Dates	Total estimated project amount and amount applicable to Village	Amount contributed by Village during fiscal year	Audit Responsibility	Fiscal agent and responsible reporting entity
Emergency 911 Regional Emergency Communications Center	County of Sandoval Village of Cuba	Sandoval County	Provision of enhanced emergency 911 services	Indefinite	The Village agrees to pay Sandoval County negotiated amount	\$	Sandoval County	Sandoval County
Prisoner Housing	County of Sandoval Village of Cuba	Sandoval County	To provide housing of municipal prisoners arrested by the village and confined in the Sandoval County Detention Center.	Indefinite	\$64 per inmate per day	25,192	Sandoval County	Sandoval County
Wildland fire protection and suppression	Energy, Minerals and Natural Resources Department (EMNRD) Forestry Division Village of Cuba	EMNRD	Mutual wildland fire suppression and management assistance and cooperation	Indefinite	Payments are on a reimbursement basis		EMNRD	EMNRD
Mutual and/or automatic aid for fire protection and EMS	County of Sandoval Village of Cuba 18 other counties and municipalities	Sandoval County	The cooperators provide mutual assistance to each other in extinguishing fires and in preserving life and property	5/27/09 - 5/26/14	No compensation		Sandoval County	Sandoval County

STATE OF NEW MEXICO
VILLAGE OF CUBA
HOUSING AUTHORITY - FINANCIAL DATA SCHEDULE
JUNE 30, 2014

FDS Line #	Accounts Description	Low Rent Housing Project (LRH)	Capital Funds Program (CFP)	Total
ASSETS:				
111	Cash - Unrestricted	\$ 62,703	\$	\$ 62,703
114	Cash - Tenant Security Deposits	4,432		4,432
100	Total Cash	<u>67,135</u>	<u>0</u>	<u>67,135</u>
121	Accounts Receivable -PHA Projects	46,915		46,915
125	Accounts Receivable -Miscellaneous	135		135
126	Accounts Receivable - Tenants	268		268
120	Total Receivables, net of allowances for doubtful accounts	<u>47,318</u>	<u>0</u>	<u>47,318</u>
142	Prepaid Expenses and other Assets	74		74
150	Total Current Assets	<u>114,527</u>	<u>0</u>	<u>114,527</u>
161	Land	15,608		15,608
162	Buildings	1,754,085		1,754,085
163	Furniture, Equipment & Machinery - Dwelling	42,798		42,798
164	Furniture, Equipment & Machinery - Administration	71,689		71,689
165	Leasehold Improvements	103,060		103,060
166	Accumulated Depreciation	(896,948)		(896,948)
160	Total Capital Assets, Net of Accumulated Depreciation	<u>1,090,292</u>	<u>0</u>	<u>1,090,292</u>
180	Total Non-Current Assets	<u>1,090,292</u>	<u>0</u>	<u>1,090,292</u>
190	Total Assets	<u>\$ 1,204,819</u>	<u>\$ 0</u>	<u>\$ 1,204,819</u>
LIABILITIES:				
312	Accounts payable < 90 days	\$ 13,872	\$ 7,140	\$ 21,012
321	Accrued wage/payroll taxes payable	6,247	151	6,398
322	Accrued Compensated Absences - Current	185		185
341	Tenant Security Deposits	4,432		4,432
345	Other Current Liabilities	2,916		2,916
310	Total Current Liabilities	<u>27,652</u>	<u>7,291</u>	<u>34,943</u>
353	Non-current Liabilities - Other			
350	Total Noncurrent Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
300	Total Liabilities	<u>27,652</u>	<u>7,291</u>	<u>34,943</u>
508	Net Investment in capital assets	1,090,292		1,090,292
511	Total Reserved Fund Balance	<u>1,090,292</u>	<u>0</u>	<u>1,090,292</u>
512	Unrestricted Net Position	86,875	(7,291)	79,584
513	Total Equity/Net Position	<u>1,177,167</u>	<u>(7,291)</u>	<u>1,169,876</u>
600	Total Liabilities and Equity/Net Position	<u>\$ 1,204,819</u>	<u>\$ 0</u>	<u>\$ 1,204,819</u>

STATE OF NEW MEXICO
VILLAGE OF CUBA
HOUSING AUTHORITY - FINANCIAL DATA SCHEDULE
JUNE 30, 2014

FDS Line #	Accounts Description	Low Rent Housing Project (LRH)	Capital Funds Program (CFP)	Total
REVENUE:				
70300	Net Tenant Rental Revenue	\$ 57,293	\$	\$ 57,293
70400	Tenant Revenue - Other	<u>2,376</u>		<u>2,376</u>
70500	Total Tenant Revenue	59,669	0	59,669
70600	HUD PHA Operating Grants	80,708	224	80,932
70610	Capital Grants		<u>43,967</u>	<u>43,967</u>
70000	Total Revenue	<u>140,377</u>	<u>44,191</u>	<u>184,568</u>
EXPENSES:				
91100	Administrative Salaries	35,598		35,598
91310	Book-keeping Fee	7,624		7,624
91400	Advertising and Marketing	55		55
91500	Employee Benefit Contributions - Admin.	15,573		15,573
91600	Office Expenses	6,062		6,062
91800	Travel	1,384		1,384
91900	Other	<u>7,148</u>		<u>7,148</u>
91000	Total Operating - Administrative	<u>73,444</u>	<u>0</u>	<u>73,444</u>
93100	Water	14,601		14,601
93200	Electricity	3,840		3,840
93300	Gas	582		582
93400	Fuel	1,554		1,554
93800	Other Utilities Expense	<u>247</u>		<u>247</u>
93000	Total Utilities	<u>20,824</u>	<u>0</u>	<u>20,824</u>
94100	Ordinary Maintenance and Operations-Labor	8,537		8,537
94200	Ordinary Maintenance and Operations-Materials and Other	4,694		4,694
94300	Ordinary Maintenance and Operations-Contracts	3,214		3,214
94500	Employee Benefit Contributions-Ordinary Maintenance	<u>1,638</u>		<u>1,638</u>
94000	Total Maintenance	<u>18,083</u>	<u>0</u>	<u>18,083</u>
96110	Property Insurance	3,429		3,429
96120	Liability Insurance	2,773		2,773
96130	Workmen's Compensation	<u>987</u>		<u>987</u>
96100	Total Insurance Premiums	<u>7,189</u>	<u>0</u>	<u>7,189</u>
96400	Bad debt -Tenant Rents	<u>2,674</u>		<u>2,674</u>
96900	Total Operating Expenses	<u>122,214</u>	<u>0</u>	<u>122,214</u>
97000	Excess Operating Revenue over Operating Expenses	<u>18,163</u>	<u>44,191</u>	<u>62,354</u>
97100	Extraordinary Maintenance	510		510
97400	Depreciation Expense	<u>52,831</u>		<u>52,831</u>
90000	Total Expenses	<u>\$ 175,555</u>	<u>\$ 0</u>	<u>\$ 175,555</u>

STATE OF NEW MEXICO
VILLAGE OF CUBA
HOUSING AUTHORITY - FINANCIAL DATA SCHEDULE
JUNE 30, 2014

FDS Line #	Accounts Description	Low Rent Housing Project (LRH)	Capital Funds Program (CFP)	Total
	OTHER FINANCING SOURCES (USES):			
1001	Operating Transfers In	\$ 144,295	\$	\$ 144,295
1002	Operating Transfers Out	<u> </u>	<u>(144,295)</u>	<u>(144,295)</u>
1010	Total Other Financing Sources (Uses)	<u>144,295</u>	<u>(144,295)</u>	<u>0</u>
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	109,117	(100,104)	9,013
1103	Beginning Equity	<u>1,068,050</u>	<u>92,813</u>	<u>1,160,863</u>
	Ending Equity	<u>\$ 1,177,167</u>	<u>\$ (7,291)</u>	<u>\$ 1,169,876</u>
1119	Unit Months Available	336		336
1121	Number of Unit Months Leased	332		332

COMPLIANCE SECTION

INDEPENDENT AUDITOR'S 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

Hector H. Balderas
New Mexico State Auditor
The Honorable Mayor and the Village Council
Village of Cuba
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, the business-type activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue fund of the Village of Cuba, New Mexico (Village) as of and for the year ended June 30, 2014, and related notes to the financial statements, which collectively comprise the Village's basic financial statements, and the combining and individual funds and related budgetary comparisons of the Village's, presented as supplemental information, and have issued our report thereon dated November 20, 2014.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2014-001 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as items 2008-005 to be significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2007-005, 2008-002, 2008-006 and 2013-001.

The Village's Response to Findings

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

Purpose of this Report

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

Harshwal & Company LLP
Certified Public Accountants

Harshwal & Company LLP

Albuquerque, New Mexico
November 20, 2014

STATE OF NEW MEXICO
VILLAGE OF CUBA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2014

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements:

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
• Material weakness identified?	Yes
• Significant deficiencies identified not considered to be material weaknesses?	Yes
• Noncompliance material to financial statements noted?	Yes

STATE OF NEW MEXICO
VILLAGE OF CUBA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2014

SECTION II - AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS

2007-005 (2007-05) Excess of Expenditures Over Authorized Budget (Non Compliance and Other)

Condition

The Village's expenditures exceeded the authorized budget in the following funds:

<u>Funds</u>	<u>Amount</u>
General Fund	\$ 31,739
Lodgers Tax Fund	\$ 2,684
Fire Protection Fund	\$ 25,615
Law Enforcement Protection Fund	\$ 1,488
Housing Authority Enterprise Fund	\$ 3,656

Criteria

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

Effect

The Village may not have precise information for planning the activities and cash flows in the funds that are over budget

Cause

Insufficient budget tracking procedures. Also, the detail used to create the budget figures are insufficient to know if the budget is realistic.

Recommendation

The Village should develop a process to ensure that funds do not exceed their budgets.

Management Response

The Village of Cuba has developed a process to ensure that departments do not exceed their budgets. The Village has upgraded the accounting software as of July 1, 2014. Monthly Budget Reports will be distributed to all departments to keep the expenditures within the budget amount to track precise information for planning the activities and cash flows.

STATE OF NEW MEXICO
VILLAGE OF CUBA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2014

SECTION II - AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS
(CONTINUED)

2008-002 (2008-02) Disaster Recovery Plan and Information Technology General Controls (Non Compliance and Other)

Condition

The disaster recovery plan in place is inadequate for the size and operations of the Village. We reviewed the information technology general controls and found the following:

- There are no operational policies for the information technology function of the Village.
- System backups are not taken offsite. This is inadequate for the amount of data being processed by the Village

Criteria

Section 12-6-5, NMSA 1978, requires the annual financial and compliance audit of agencies to detail any violation of law or good accounting practices found by the audit. An adequate disaster recovery plan is a requirement for continuing operations after a disaster. A disaster recovery plan should be a map for reestablishing operations after a disaster. This map should include details of, at minimum, the following: (1) What hardware and software are in place and which vendors may be used to replace the hardware and software, (2) Potential off-site locations for running operations, (3) Names and telephone numbers of critical operations personnel that should be contacted during a disaster, (4) Backup and recovery procedures for data, (5) The location of the offsite data backups, (6) A detailed list of instructions to be followed in order to reestablish operations.

Effect

The Village may not be able to continue operations in the event of a disaster.

Cause

The Village has not developed a detailed disaster recovery plan or adequate information technology general controls.

Recommendation

We recommend that the Village prepare a detailed disaster recovery plan. We further recommend that the Village consider taking the backups offsite at least once a week. The Village should consider developing policies and procedures governing the information technology function.

Management Response

The Village is in the process of developing operational policies for a Disaster Recovery Plan, Resolution No. 07-01-13 has been passed and approved by the Governing Body. The Village will collaborate with State, County, Local Law Enforcement and Emergency Medical Services to set the operational policies. System backups will be taken offsite for each department;

STATE OF NEW MEXICO
VILLAGE OF CUBA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2014

SECTION II - AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS
(CONTINUED)

2008-002 (2008-02) Disaster Recovery Plan and Information Technology General Controls (Non Compliance and Other) (Continued)

Management Response (Continued)

- a. Financial Data is submitted to the office of a Certified Public Accountant in Albuquerque and Financial Data is sent electronically to the Department of Finance and Administration. The Village will participate with New Mexico Self Insurer's Fund Agility Recovery Program and retain a hard copy to an offsite facility, a thumb drive or participate in an on-line back-up program.
- b. Payroll Data is submitted with a Payroll Pprocessing Company in Albuquerque, New Mexico.
- c. Motor Vehicle Cuba 29N Data is submitted in Santa Fe, New Mexico with the Motor Vehicle Division Office.
- d. Cuba Municipal Court Data is submitted in Santa Fe with New Mexico at the Office of the Courts.
- e. Cuba Public Library Data is submitted with a consulting firm in Albuquerque and the New Mexico State Library.
- f. Cuba Water & Sewer Data is submitted with a utility billing system of Jonesboro, Arkansas.
- g. Cuba Volunteer Fire Department Data is submitted with the State Fire Marshals' Office in Santa Fe, New Mexico.
- h. Cuba Housing Authority Data is submitted with the Housing & Urban Development Office in Albuquerque, New Mexico.
- i. Cuba Police Department Data is submitted with the Department of Public Safety Office in Santa Fe, New Mexico.
- j. The Village of Cuba has budgeted and ordered a new server with back up and data storage, to replace the old infrastructure that was installed in 2003. With new technology functions the Village will be able to operate in the event of a disaster and complete a detailed disaster plan with policies and procedures. The cost for new equipment with power protection is \$8,698.24. Equipment company is contracted with the State of NM, Contract; # 40-000-13-00020.

STATE OF NEW MEXICO
VILLAGE OF CUBA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2014

SECTION II - AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS
(CONTINUED)

2008-005 (2008-05) Payroll Disbursements (Significant Deficiency)

Condition

During our test work of 19 employees' personnel files and timesheet, we noted the following

- For one employee, time sheet was not approved by the employee's supervisor
- For one employee, application documentation could not be located within the personnel file.

Criteria

NMAC 6.20.2.18 states the local board shall establish written payroll policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP.

Segregation of duties in payroll, the existence of an appropriate pay rate schedule, a review of employee timesheets, a review of payroll reports, and proper authorization and approval for wages, as indicated in NMSA 1978 Section 6-6-3 are required to be maintained in order to have proper and sufficient internal controls to reduce the risk of fraudulent activities. Management should establish and implement sound internal control procedures to maintain personnel records on a periodic basis.

Cause

Departmental supervisors are not following village policies and procedures that requires for authorization and approving all timesheets. The Village's document retention and payroll policies were not adequately enforced.

Effect

The village is not in compliance with New Mexico State Statutes and the federal requirements. The village could be subject to penalties or possibly legal action. Inaccurate processing of payroll transactions and inadequately kept payroll records increases risk for unauthorized or erroneous payroll transactions to occur during the fiscal year.

Recommendation

It is recommended that all Departments follow the village's policies and procedures relating to the approval of timesheets and make a process to review and retain all documents related to Personnel and payroll.

Management Response

The Village will take corrective measures to assure that time sheets from the police department are signed by the employee's supervisor. The Village Clerk will conduct another personnel audit to assure that application documents are filed accordingly in the employee personnel file. The Village will enforce document retention and payroll policies. The Village procured a Payroll Company to process payroll to meet State and Federal Regulations.

STATE OF NEW MEXICO
VILLAGE OF CUBA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2014

SECTION II - AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS
(CONTINUED)

2008-006 (2008-06) Compliance with Travel and Per Diem (Non Compliance and Other)

Condition

During our audit procedure related to travel and per diem disbursements, we noted that per diem rate was paid 100% in advance of travel amounting to \$255 for 1 out of 15 disbursements tested. In addition the reimbursement was made twice - once at 100% and once at 80%.

Criteria

Section 2.42.2.10, NMAC, Section A, states upon written request accompanied by a travel voucher, agency heads and governing boards of local public bodies or their authorized designees may approve a public officer's or employee's request to be advanced up to 80 percent of per diem rates and mileage cost or for the actual cost of lodging and meals.

Effect

The Village is not in compliance with the Travel and Per Diem Act. The Village may have overpaid employees for travel and per diem.

Cause

The Village did not implement policies and procedures to ensure that expenditures related to travel and per diem were paid according to State Statutes.

Auditor's Recommendation

The Village should establish and implement policies and procedure for the payment of travel and per diem expenditures and ensure compliance with State Statutes.

The Village should consider reviewing travel and per diem processing more thoroughly to ensure that supporting documentation is sufficient to determine that disbursements are in accordance with the Travel and Per Diem Act.

Management Response

The Village issued check number 14565 in the amount of \$255.00 for overnight lodging at the request of an elected official. The elected official was issued 80.0% Per Diem with check number 14526 in the amount of \$204.00. The Village will consider reviewing the travel and per diem processing more thoroughly to ensure that supporting documentation is sufficient to determine that disbursements are in accordance with the Travel and Per Diem Act.

STATE OF NEW MEXICO
VILLAGE OF CUBA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2014

SECTION II - AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS
(CONTINUED)

2013-001 Compliance with Pledged Collateral Requirement (Non Compliance and Other)

Condition

During the year ended June 30, 2014, the Village maintained and utilized deposits with financial institutions which were not covered by 50% of pledged collateral as required by State of New Mexico Statutes. As of June 30, 2014 the under collateralization at the institutions totaled \$27,818 at Wells Fargo Bank.

Criteria

Section 6-10-17, NMSA 1978 requires that pledged collateral for deposits in banks, savings and loan associations, or credit unions be at least one half of the amount of public money in each account. No security is required for the deposit of money that is insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Share Insurance.

Effect

Lack of proper collateralization may result in non-compliance with state statutes and increase potential liability and exposure to the loss of the Village's public funds in the event of bank closure.

Cause

The Village maintained Deposit accounts with Wells Fargo Bank in amounts in excess of FDIC Coverage without properly holding pledged collateral for the Authority.

Recommendation

The Village should ensure all cash balances are collateralized as required by State Statutes. An individual could be assigned the responsibilities of reviewing the monthly collateral reports, investigating differences, and resolving discrepancies.

Management Response

The Pledged Collateral Agreement was executed on September 4, 2013, therefore resulting in no reports for July, August and September 2013. This agreement is construed in accordance with the laws of the State. The Village will ensure all cash balances are collateralized as required by State Statute.

STATE OF NEW MEXICO
VILLAGE OF CUBA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2014

SECTION II - AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS
(CONTINUED)

2014-001 Internal Control over Cash Disbursement (Material Weakness)

Condition

During our testwork of cash disbursements, out of 40 items tested, we noted the following deficiencies:

- For six disbursements totalling \$298, invoices were not properly authorized.
- For nine disbursements totalling \$65,867, sufficient supporting evidences were not provided.
- For two disbursement totalling \$74, purchase order was subsequent to the invoice date. Further, purchase order was approved by the same person who requested the items.
- For two disbursement totalling \$50,00 expenditure was not properly accounted.

Criteria

Good accounting and internal control practices requires that all disbursements must originate with authorizing document and be supported by properly approved documents such as purchase orders, bill, petty cash reimbursement forms, payroll and time records, leases, contracts, or other supporting.

In addition, according to NMSA 1978 Section 6-6-3, the Village is expected to conform to the rules and regulations that they have adopted relating to internal controls.

Effect

The Village's internal control over authorizations and payments limit management's ability to monitor the accuracy of transactions and provide assurance with respect to funds. Also, when purchases are made without proper authorization, items could be procured that are inappropriate and/or unallowed and the risk of misappropriation is increased.

Cause

There is a lack of internal control structure over cash Disbursements. The Village Purchasing Policy is not adequately safeguarding the Village's assets by allowing the purchasing policy to be bypassed.

Auditors' Recommendation

We recommend the Village to train employees on the purchasing procedure and implement new procedures to properly review and approve the expenditures.

Management Response

The Village will assure that the employees are trained on the purchasing procedure. The Village has upgraded the accounting software to implement new procedures. The Village will review and approve the expenditures for all departments. The employees will attach all supporting to the Purchase Order Requisitions. The Village will process the payment for an expenditure once an Original Invoice is received by the vendor.

STATE OF NEW MEXICO
VILLAGE OF CUBA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2014

SECTION III - SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

2007-05 Excess of Expenditures Over Authorized Budget - Modified and repeated

2007-08 Preparation of Financial Statements - Resolved

2008-002(2008-02) Disaster Recovery Plan and Information Technology General Controls - Repeated

2008-005(2008-05) Payroll Disbursements - Modified and repeated

2008-006(2008-06) Compliance with Travel and Per Diem - Modified and repeated

2008-07 Joint Utility Billing Revenue and Taxes Payable - Resolved

2010-01 Recording of Capital Assets - Resolved

2012-002 Cash Reconciliations - Resolved

2013-001 Compliance with Pledged Collateral Requirement - Modified and repeated

2013-002 Late Submission of IPA Recommendation Form and Audit Contract - Resolved

STATE OF NEW MEXICO
VILLAGE OF CUBA
EXIT CONFERENCE
FOR THE YEAR ENDED JUNE 30, 2014

An exit conference was held on November 25, 2014, and attended by the following:

Village of Cuba, New Mexico

Gilbert Dominguez, Mayor Pro-Tern

Vandora P. Casados, Clerk-Treasurer

Harshwal & Company LLP

Sanwar Harshwal, CPA, Managing Partner

Deepa Adhikari, Senior Auditor