CITY OF CUBA, MISSOURI

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORTS

YEAR ENDED JUNE 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Aldermen
City of Cuba, Missouri

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cuba, Missouri (the "City") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date.

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

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements 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 May 6, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of law, regulations, contracts, and grant agreements. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Catlett & Associates, LLC

May 6, 2026

Management's Discussion and Analysis
City of Cuba, Missouri
Year Ended June 30, 2024
(Unaudited)

The City of Cuba, Missouri (the City) presents this narrative to help readers review the accompanying annual financial statements for the year ended June 30, 2024. We have prepared the management's discussion and analysis (MD&A) of the City's financial activities to add additional information to the financial schedules and the note disclosures.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the end of the fiscal year by $27,781,641 (net position). Net position is comprised of $20,736,723 net investment in capital assets; $3,530,258 restricted for debt service and other purposes; ($1,847) unrestricted and available for governmental activities; and $3,516,507 unrestricted and available for the City's business-type activities.
- The City's total net position decreased $889,415. Of this amount, $218,605 was a decrease from the City's governmental activities, and $670,810 was a decrease from business-type activities.
- The unassigned fund balance for the General Fund was $328 or 0% of total General Fund expenditures.
- The City's long-term debt (bonds) decreased $135,000 during the current fiscal year. Regular principal payments were made on the waterworks revenue bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

The MD&A is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three major components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplemental information, the budgetary comparisons, to provide additional information that readers can use to analyze the City's finances.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with an overview of the City's finances, presenting all funds in a more simplified format. This section is similar to financial reporting used by commercial entities.

The statement of net position presents information on all the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including long-term debt and capital assets. The difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as transactions occur, regardless of when the related cash flows are reported. Therefore, some revenues and expenses included in this statement may reflect cash flows that actually occur in future periods (e.g., accrued vacation leave).

Government-wide financial statements are separated into two major categories: 1) governmental activities that are principally supported by taxes and intergovernmental revenues and 2) business-type activities that are supported with user fees and charges. Governmental activities include general government, public safety, highways and streets, culture and recreation, economic development, and airport. Business-type activities include electric, waterworks, and natural gas.

FUND FINANCIAL STATEMENTS

Funds are used in governmental accounting to separate resources that are designated for specific programs or activities. The City, like other state and local governments, uses fund accounting to demonstrate compliance with the laws, regulations, and contractual agreements that establish the authority for the City's programs and services. The City has two categories of funds: governmental and proprietary funds.

1) **Governmental Funds**. Governmental funds are used to account for the City's basic services, the same services that are included in the governmental activities on the government-wide financial statements. However, the information in the fund statements is measured differently. Governmental funds focus on current financial resources rather than total economic resources. Therefore, the statements include the short-term resources, such as cash, investments, and receivables that will be collected within 60 days and liabilities that will be retired with these monies. This information is important for assessing the City's current financial resources.

   The reconciliation in the fund statements explains the difference between the governmental funds in the fund statements and the governmental activities found in the government-wide financial statements. This reconciliation will explain the adjustments necessary to compile the long-term resources and liabilities for the government-wide financial statements with the current picture presented in the fund statements.

   The City uses the following governmental funds:

   a. Major Funds: General and Capital Improvement
   b. Nonmajor Funds: Street, Pool, Park, City Transportation Trust, Airport, Convention and Visitor Center

   The larger funds are presented as major funds while the other funds are presented in the combining statements for nonmajor funds. Both major and nonmajor fund statements include a balance sheet and statement of revenues, expenditures, and changes in fund balances.

   The budgetary comparison for the General Fund is included with the required supplemental information. Budgetary comparisons for all other funds are presented with other supplemental information.

2) **Proprietary funds.** The City maintains three separate Enterprise funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses Enterprise Funds to account for its electric, waterworks, and natural gas operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Electric Fund, Waterworks Fund, and Natural Gas Fund.

NOTES TO FINANCIAL STATEMENTS

Notes provide additional information that is essential to a full understanding of the information included in the financial schedules. Notes provide additional details about the balances and transactions in the City's financial statements.

SUPPLEMENTARY INFORMATION

In addition to the basic financial statements and accompanying notes, certain required and other supplemental information can be found after the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The first statement in the government-wide financial statements is the statement of net position. The following table summarizes the statement of net position for the governmental activities and business-type activities as of June 30, 2024, and 2023:

	June 30,					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	$ 3,243,377	$ 3,188,245	$ 6,397,253	$ 7,798,812	$ 9,640,630	$ 10,987,057
Capital assets, net	12,079,151	12,081,301	9,709,572	8,875,224	21,788,723	20,956,525
Total Assets	15,322,528	15,269,546	16,106,825	16,674,036	31,429,353	31,943,582
Deferred Outflows of Resources	772,159	574,387	717,573	549,648	1,489,732	1,124,035
Liabilities						
Current and other liabilities	928,819	527,163	2,016,603	1,770,911	2,945,422	2,298,074
Non-current liabilities	253,484	104,547	1,903,931	1,815,295	2,157,415	1,919,842
Total Liabilities	1,182,303	631,710	3,920,534	3,586,206	5,102,837	4,217,916
Deferred Inflows of Resources	23,564	104,798	11,043	73,847	34,607	178,645
Net Position						
Net investment in capital assets	12,079,151	12,081,301	8,657,572	7,557,224	20,736,723	19,638,525
Restricted	2,811,516	2,911,007	718,742	955,464	3,530,258	3,866,471
Unrestricted	(1,847)	115,117	3,516,507	5,050,943	3,514,660	5,166,060
Total Net Position	$ 14,888,820	$ 15,107,425	$12,892,821	$13,563,631	$ 27,781,641	$ 28,671,056

The statement of net position is an accrual based financial statement. The statement of net position presents the same information as a balance sheet; it assesses the balance of the City's assets, the resources it can use to provide service and operate, against its liabilities, its obligations to turn over resources to other organizations or individuals. The difference between the City's assets, deferred outflows of resources, liabilities, and its deferred inflows of resources is called net position. In other words, this statement quantifies what the City would have remaining after satisfying its liabilities. The bulk of net position is comprised of capital assets which are not liquid assets.

Assets include $5,509,432 in unrestricted cash and investments and $1,219,281 in restricted cash and investments. Total net position decreased by $889,415.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The second statement in the government-wide financial statements is the statement of activities. This schedule summarizes the City's primary programs or governmental activities and business-type activities. The following table outlines the major components of the statement of activities for the years ended June 30, 2024, and 2023:

	June 30,					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues:						
Charges for services	$ 229,013	$ 243,041	$10,075,786	$10,977,927	$ 10,304,799	$ 11,220,968
Operating grants and contributions	152,967	153,162	-	-	152,967	153,162
Capital grants and contributions	126,001	2,005,392	-	335,340	126,001	2,340,732
General revenues:						
Taxes	2,161,820	2,286,135	-	-	2,161,820	2,286,135
Other	131,377	84,122	244,249	148,289	375,626	232,411
Transfers	2,048,208	1,147,000	(2,048,208)	(1,147,000)	-	-
Total Revenues	4,849,386	5,918,852	8,271,827	10,314,556	13,121,213	16,233,408
Expenses						
General government	1,975,959	1,611,103	-	-	1,975,959	1,611,103
Public safety	1,482,506	1,390,620	-	-	1,482,506	1,390,620
Highways and streets	833,398	740,261	-	-	833,398	740,261
Culture and recreation	327,388	345,032	-	-	327,388	345,032
Airport	448,740	214,782	-	-	448,740	214,782
Electric	-	-	6,172,825	5,483,909	6,172,825	5,483,909
Waterworks	-	-	1,277,629	1,363,525	1,277,629	1,363,525
Natural gas	-	-	1,492,183	1,934,440	1,492,183	1,934,440
Total Expenses	5,067,991	4,301,798	8,942,637	8,781,874	14,010,628	13,083,672
Change in Net Position	(218,605)	1,617,054	(670,810)	1,532,682	(889,415)	3,149,736
Net Position, July 1	15,107,425	13,490,371	13,563,631	12,030,949	28,671,056	25,521,320
Net Position, June 30	$ 14,888,820	$ 15,107,425	$12,892,821	$13,563,631	$ 27,781,641	$ 28,671,056

Revenues and expenses are presented by major function or program. The City, like all cities, depends on tax revenues to provide funding for governmental services and activities.

Total revenues decreased by $3,112,195. Governmental activities revenues decreased $1,970,674 mainly due to capital grant funding from a federal airport grant for the airport received during FY23, but not received during FY24. Business-type activities revenues decreased $1,141,521 mainly due to decreased utilities usage. Transfers from business-type activities to governmental activities increased $901,208. Total expenses increased $926,956. Governmental activities expenses increased $766,193, and business-type activities expenses increased $160,763.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of each fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $2,742,711, an increase of $8,339 in comparison with the prior year.

The General Fund is the main operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was $328. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 0%. The fund balance of the General Fund decreased by $46,968 during the current fiscal year due of normal activity of the City.

The Capital Improvement Fund decreased by $62,117.

Changes in net position for the major proprietary funds can be described as follows:

- The Electric Fund increased by $424,685. At June 30, 2024, total net position was $4,412,117.
- The Waterworks Fund decreased by $659,814 to a net position of $6,786,224.
- The Natural Gas Fund decreased by $435,681 to a net position of $1,694,480.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the City approved various budget amendments. Significant differences between the original budget and the final budget can be summarized as follows:

- $110,252 increase to general government budgeted expenditures due to greater than anticipated expenses for contract labor, salaries and benefits, and miscellaneous other expenses;
- $146,250 increase to public safety budgeted expenditures due to greater than anticipated salaries and benefits and capital expenditures;
- $256,937 increase to budgeted transfers in other financing sources.

Total revenues were $150,974 less than the final budgeted amount of $1,196,291. Total expenditures were $539,885 less than the final budgeted amount of $3,910,272. Other financing sources (transfers) were $383,335 less than the final budgeted amount of $2,661,437.

CAPITAL ASSETS

The following table summarizes the capital assets, net of accumulated depreciation, for the governmental and business-type activities as of June 30, 2024, and 2023:

CAPITAL ASSETS (Continued)

	June 30,					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	$ 2,446,834	$ 2,446,834	$ 247,154	$ 247,154	$ 2,693,988	$ 2,693,988
Construction in progress	73,979	2,191,178	-	-	73,979	2,191,178
Buildings	2,565,228	2,486,098	-	-	2,565,228	2,486,098
Improvements	2,562,202	437,598	-	-	2,562,202	437,598
Equipment	533,953	554,953	493,528	396,747	1,027,481	951,700
Infrastructure	3,896,955	3,964,640	8,968,890	8,231,324	12,865,845	12,195,964
Total	$ 12,079,151	$ 12,081,301	$ 9,709,572	$ 8,875,225	$ 21,788,723	$ 20,956,526

Additional information on capital assets can be found in Note C of the financial statements.

LONG-TERM DEBT

The following table summarizes the City's scheduled long-term outstanding debt for the governmental activities and business-type activities as of June 30, 2024, and 2023:

	June 30,					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenue bonds	$ -	$ -	$ 1,052,000	$ 1,187,000	$ 1,052,000	$ 1,187,000
MMMPEP Loan	-	-	490,185	735,278	490,185	735,278
Asset retirement obligation	-	-	193,720	193,720	193,720	193,720
Compensated absences	253,484	209,904	168,026	158,780	421,510	368,684
Total	$ 253,484	$ 209,904	$ 1,903,931	$ 2,274,778	$ 2,157,415	$ 2,484,682

Additional information on long-term debt can be found in Note D of the financial statements.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This MD&A is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. Questions concerning any of the information contained in the MD&A or in the body of the financial report should be addressed to: City Clerk, City of Cuba, 202 N. Smith Street, P.O. Box K, Cuba, MO 65453.

FINANCIAL STATEMENTS
AND RELATED NOTES

City of Cuba, Missouri
Statement of Net Position
June 30, 2024

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	$ 2,636,518	$ 2,872,914	$ 5,509,432
Receivables, net	395,033	1,673,756	2,068,789
Prepaid items	200,427	-	200,427
Inventory	-	642,701	642,701
Restricted cash and investments	11,399	1,207,882	1,219,281
Capital assets:			
Land and construction in progress	2,520,813	247,154	2,767,967
Other capital assets, net of accumulated depreciation	9,558,338	9,462,418	19,020,756
Total Assets	$ 15,322,528	$ 16,106,825	$ 31,429,353
Deferred Outflows of Resources			
Deferred amounts related to pensions	$ 772,159	$ 556,329	$ 1,328,488
Deferred amounts related to asset retirement obligations	-	161,244	161,244
Total Deferred Outflows of Resources	$ 772,159	$ 717,573	$ 1,489,732
Liabilities			
Accounts payable	$ 224,272	$ 816,855	$ 1,041,127
Accrued wages	35,650	39,234	74,884
Accrued liabilities	27,690	72,161	99,851
Accrued interest payable	-	8,416	8,416
Escrow deposit	9,602	-	9,602
Customer deposits payable	3,025	602,533	605,558
Net pension liability	628,580	476,003	1,104,583
Arbitrage rebate liability	-	1,401	1,401
Noncurrent liabilities:			
Due within one year	126,742	468,106	594,848
Due in more than one year	126,742	1,435,825	1,562,567
Total Liabilities	$ 1,182,303	$ 3,920,534	$ 5,102,837
Deferred Inflows of Resources			
Deferred amounts related to pensions	23,564	11,043	34,607
Net Position			
Net investment in capital assets	$ 12,079,151	$ 8,657,572	$ 20,736,723
Restricted for:			
Debt service	-	649,459	649,459
Highways and streets	730,316	-	730,316
Tourism	132,726	-	132,726
Capital improvements	1,352,128	-	1,352,128
Parks and recreation	476,331	-	476,331
Pension	120,015	69,283	189,298
Unrestricted	(1,847)	3,516,507	3,514,660
Total Net Position	$ 14,888,820	$ 12,892,821	$ 27,781,641

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

City of Cuba, Missouri
Statement of Activities
Year ended June 30, 2024

		Program Revenues			Net Revenues (Expenses) And Changes In Net Position — Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs							
Primary Government							
Governmental Activities							
General government	$1,975,959	$ 62,305	$ -	$ -	$ (1,913,654)		$ (1,913,654)
Public safety	1,482,506	19,503	1,167	-	(1,461,836)		(1,461,836)
Highways and streets	833,398	15,569	151,800	-	(666,029)		(666,029)
Culture and recreation	327,388	41,102	-	-	(286,286)		(286,286)
Airport	448,740	90,534	-	126,001	(232,205)		(232,205)
Total Governmental Activities	5,067,991	229,013	152,967	126,001	(4,560,010)		(4,560,010)
Business-type Activities							
Electric	6,172,825	6,883,668	-	-		710,843	710,843
Waterworks	1,277,629	1,578,862	-	-		301,233	301,233
Natural gas	1,492,183	1,613,256	-	-		121,073	121,073
Total Business-type Activities	8,942,637	10,075,786	-	-		1,133,149	1,133,149
Total Primary Government	14,010,628	10,304,799	152,967	126,001	(4,560,010)	1,133,149	(3,426,861)
General Revenues							
Taxes:							
Sales					2,072,128	-	2,072,128
Franchise					19,753	-	19,753
Other					69,939	-	69,939
Investment income					133,590	235,581	369,171
Gain on sale of capital assets					(2,213)	8,668	6,455
Transfers					2,048,208	(2,048,208)	-
Total General Revenues and Transfers					4,341,405	(1,803,959)	2,537,446
Change in Net Position					(218,605)	(670,810)	(889,415)
Net Position, Beginning of Year					15,107,425	13,563,631	28,671,056
Net Position, End of Year					$ 14,888,820	$ 12,892,821	$ 27,781,641

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

City of Cuba, Missouri
Balance Sheet – Governmental Funds
June 30, 2024

	Major Governmental Funds			
	General Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	$ 2,544	$1,271,253	$ 1,362,721	$ 2,636,518
Receivables, net:				
Sales tax	161,748	80,875	135,888	378,511
Grant	-	-	16,522	16,522
Restricted cash	11,399	-	-	11,399
Total Assets	$ 175,691	$1,352,128	$ 1,515,131	$ 3,042,950
Liabilites				
Accounts payable	$ 114,003	$ -	$ 110,269	$ 224,272
Accrued expenses	22,730	-	-	22,730
Wages payable	29,028	-	6,622	35,650
Escrow deposit	9,602	-	-	9,602
Other payables	-	-	4,960	4,960
Customer deposits	-	-	3,025	3,025
Total Liabilities	175,363	-	124,876	300,239
Fund Balances				
Restricted for:				
Highways and streets	-	-	730,316	730,316
Tourism	-	-	132,726	132,726
Capital improvements	-	1,352,128	-	1,352,128
Parks and recreation	-	-	476,331	476,331
Committed for:				
Highways and streets	-	-	30,313	30,313
Airport	-	-	20,569	20,569
Unassigned	328	-	-	328
Total Fund Balances	328	1,352,128	1,390,255	2,742,711
Total Liabilities and Fund Balances	$ 175,691	$1,352,128	$ 1,515,131	$ 3,042,950

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

City of Cuba, Missouri
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2024

Total Fund Balances - Governmental Funds	$ 2,742,711
Amounts reported for govermental activities in the statement of position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is $24,433,009 and the accumulated depreciation is $12,353,858.	12,079,151
Prepaid insurance is reported as an expenditure in the governmental funds but the unused economic benefit is reflected as an asset in the statement of net position.	200,427
Certain amounts are not a use of current financial resources and, therefore, are not reported in the governmental funds. These items consist of:	
Net pension liabilities	(628,580)
Deferred outflows related to pensions	772,159
Deferred inflows related to pensions	(23,564)
Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:	
Accrued compensated absences	(253,484)
Total Net Position of Governmental Activities	$ 14,888,820

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

City of Cuba, Missouri
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year ended June 30, 2024

	Major Governmental Funds			
	General Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 960,587	$ 452,526	$ 914,471	$ 2,327,584
Licenses and permits	9,222	-	-	9,222
Fines and forfeitures	32,064	-	-	32,064
Charges for services	7,364	-	130,072	137,436
Grants and contributions	1,167	-	126,001	127,168
Investment income	1,754	70,494	61,342	133,590
Other	33,159	-	3,168	36,327
Total Revenues	1,045,317	523,020	1,235,054	2,803,391
Expenditures				
Current				
General government	1,772,120	-	-	1,772,120
Public safety	1,331,805	-	-	1,331,805
Highways and streets	-	-	429,429	429,429
Culture and recreation	-	-	126,413	126,413
Airport	-	-	114,014	114,014
Tourism	-	-	54,897	54,897
Capital outlay	266,462	-	748,120	1,014,582
Total Expenditures	3,370,387	-	1,472,873	4,843,260
Revenues Over (Under) Expenditures	(2,325,070)	523,020	(237,819)	(2,039,869)
Other Financing Sources (Uses)				
Transfers in	2,278,102	-	593,360	2,871,462
Transfers out	-	(460,903)	(362,351)	(823,254)
Total Other Financing Sources (Uses)	2,278,102	(460,903)	231,009	2,048,208
Net Change in Fund Balances	(46,968)	62,117	(6,810)	8,339
Fund Balances, Beginning of Year	47,296	1,290,011	1,397,065	2,734,372
Fund Balances, End of Year	$ 328	$ 1,352,128	$ 1,390,255	$ 2,742,711

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

City of Cuba, Missouri
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year ended June 30, 2024

Net Change in Fund Balances - Governmental Funds	$ 8,339
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays over the capitalization threshold ($947,811) over depreciation ($947,747) in the current period.	64
The net effect of various miscellaneous transactions involving capital assets:	
Cost of disposals, net of accumulated depreciation	(2,213)
Governmental funds report expenditures for insurance and similar services extending over more than one accounting period as expenditures in the period of acquisition:	
Prepaid insurance	(1,670)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:	
Accrued compensated absences	(44,391)
Pension expense	(178,734)
Change in Net Position of Governmental Activities	$ (218,605)

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

City of Cuba, Missouri
Statement of Net Position – Proprietary Funds
June 30, 2024

	Business-type Activities - Enterprise Funds			
	Electric	**Waterworks**	**Natural Gas**	**Total**
Assets				
Current Assets				
Cash and investments	$ 1,909,198	$ 237,496	$ 726,220	$ 2,872,914
Receivables, net	1,144,263	309,152	220,341	1,673,756
Inventory	374,233	147,069	121,399	642,701
Total Current Assets	$ 3,427,694	$ 693,717	$ 1,067,960	$ 5,189,371
Noncurrent Assets				
Capital assets:				
Land	$ -	$ 142,936	$ 104,218	$ 247,154
Other capital assets, net of accumulated depreciation	2,088,585	6,585,159	788,674	9,462,418
Restricted cash and investments	357,095	724,185	126,602	1,207,882
Total Noncurrent Assets	2,445,680	7,452,280	1,019,494	10,917,454
Total Assets	$ 5,873,374	$ 8,145,997	$ 2,087,454	$ 16,106,825
Deferred Outflows of Resources				
Deferred amounts related to pensions	$ 211,280	$ 187,512	$ 157,537	556,329
Deferred amounts related to asset retirement obligations	-	161,244	-	161,244
Total Deferred Outflows of Resources	$ 211,280	$ 348,756	$ 157,537	$ 717,573
Liabilities				
Current Liabilities				
Accounts payable	$ 551,267	$ 130,598	$ 134,990	$ 816,855
Wages payable	14,578	17,093	7,563	39,234
Accrued liabilities	7,458	6,175	58,528	72,161
Accrued interest payable	-	8,416	-	8,416
Compensated absences - current	23,878	27,323	32,812	84,013
Debt payable - current	245,093	139,000	-	384,093
Total Current Liabilities	$ 842,274	$ 328,605	$ 233,893	$ 1,404,772
Noncurrent Liabilities				
Customer deposits payable	$ 376,325	$ 80,320	$ 145,888	$ 602,533
Debt payable	-	913,000	-	913,000
Notes payable	245,092	-	-	245,092
Asset retirement obligation	-	193,720	-	193,720
Compensated absences	23,878	27,323	32,812	84,013
Net pension liability	180,774	160,438	134,791	476,003
Arbitrage rebate liability	-	1,401	-	1,401
Total Noncurrent Liabilities	826,069	1,376,202	313,491	2,515,762
Total Liabilities	$ 1,668,343	$ 1,704,807	$ 547,384	$ 3,920,534
Deferred Inflows of Resources				
Deferred amounts related to pensions	$ 4,194	$ 3,722	$ 3,127	$ 11,043
Net Position				
Net investment in capital assets	$ 2,088,585	$ 5,676,095	$ 892,892	$ 8,657,572
Restricted for debt service	-	649,459	-	649,459
Restricted for pension	26,312	23,352	19,619	69,283
Unrestricted	2,297,220	437,318	781,969	3,516,507
Total Net Position	$ 4,412,117	$ 6,786,224	$ 1,694,480	$ 12,892,821

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

City of Cuba, Missouri
Statement of Revenues, Expenses, and Changes in
Fund Net Position – Proprietary Funds
Year ended June 30, 2024

	Business-type Activities - Enterprise Funds			
	Electric	**Waterworks**	**Natural Gas**	**Total**
Operating Revenues				
Charges for services	$ 6,821,903	$ 1,547,194	$ 1,603,966	$ 9,973,063
Other	61,765	31,668	9,290	102,723
Total Operating Revenues	6,883,668	1,578,862	1,613,256	10,075,786
Operating Expenses				
Personnel services	457,553	449,909	340,352	1,247,814
Contracted services	88,388	240,608	33,616	362,612
Utilities	5,238,883	-	975,333	6,214,216
Materials and supplies	108,816	40,232	16,978	166,026
Depreciation	135,743	332,932	87,590	556,265
Other	143,442	197,100	38,314	378,856
Total Operating Expenses	6,172,825	1,260,781	1,492,183	8,925,789
Operating Income (Loss)	710,843	318,081	121,073	1,149,997
Nonoperating Revenues (Expenses)				
Investment income	85,894	91,295	58,392	235,581
Interest expense and fees	-	(16,848)	-	(16,848)
Gain on disposal of assets	-	8,668	-	8,668
Total Nonoperating Revenues (Expenses)	85,894	83,115	58,392	227,401
Income (Loss) Before Transfers	796,737	401,196	179,465	1,377,398
Transfers				
Transfers in	20,549	-	-	20,549
Transfers out	(392,601)	(1,061,010)	(615,146)	(2,068,757)
Total Transfers	(372,052)	(1,061,010)	(615,146)	(2,048,208)
Change in Fund Balances	424,685	(659,814)	(435,681)	(670,810)
Net Position, Beginning of Year	3,987,432	7,446,038	2,130,161	13,563,631
Net Position, End of Year	$ 4,412,117	$ 6,786,224	$ 1,694,480	$ 12,892,821

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

City of Cuba, Missouri
Statement of Cash Flows – Proprietary Funds
Year ended June 30, 2024

	Business-type Activities - Enterprise Funds			
	Electric	**Waterworks**	**Natural Gas**	**Total**
Increase (Decrease) in Cash and Cash Equivalents				
Cash flows from operating activities:				
Receipts from customers and users	$ 6,690,274	$ 1,588,718	$ 1,525,009	$ 9,804,001
Payments to suppliers	(5,579,756)	(402,087)	(968,546)	(6,950,389)
Payments to employees	(404,512)	(393,942)	(300,923)	(1,099,377)
Net cash provided by (used in) operating activities	706,006	792,689	255,540	1,754,235
Cash flows used in noncapital financing activities:				
Advances from other funds	593,330	889,995	494,442	1,977,767
Transfers to other funds	(392,602)	(1,040,460)	(615,146)	(2,048,208)
Net cash provided by (used in) noncapital financing activities	200,728	(150,465)	(120,704)	(70,441)
Cash flows from capital and related financing activities:				
Purchase of capital assets	(643,614)	(749,668)	(6,661)	(1,399,943)
Proceeds from disposal of capital assets	-	17,999	-	17,999
Principal payments on long-term debt	(245,093)	(135,000)	-	(380,093)
Interest paid on long-term debt	-	(18,456)	-	(18,456)
Net cash provided by (used in) capital and related financing activities	(888,707)	(885,125)	(6,661)	(1,780,493)
Cash flows provided by investing activities:				
Investment income	85,894	91,295	58,392	235,581
Net Increase (Decrease) in Cash and Cash Equivalents	103,921	(151,606)	186,567	138,882
Cash and Cash Equivalents, Beginning of Year	2,162,372	1,113,287	666,255	3,941,914
Cash and Cash Equivalents, End of Year	$ 2,266,293	$ 961,681	$ 852,822	$ 4,080,796
Noncash investing, capital, and financing activities:				
Interfund transfer of capital assets:				
Net equipment cost	$ 20,550	$ (20,550)	$ -	$ -

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

City of Cuba, Missouri
Statement of Cash Flows – Proprietary Funds (Continued)
Year ended June 30, 2024

	Business-type Activities - Enterprise Funds			
	Electric	**Waterworks**	**Natural Gas**	**Total**
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities				
Operating income (loss)	$ 710,843	$ 318,081	$ 121,073	$1,149,997
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	135,743	332,932	87,590	556,265
(Increase) decrease in:				
Utility receivables	(202,513)	7,142	(94,587)	(289,958)
Inventory	(88,337)	(39,844)	(19,187)	(147,368)
Deferred outflows related to pensions	(70,125)	(53,598)	(51,797)	(175,520)
Deferred inflows related to asset retirement obligations	-	7,595	-	7,595
Increase (decrease) in:				
Accounts payable	103,435	108,995	63,303	275,733
Accrued wages	1,642	6,766	(1,754)	6,654
Accrued compensated absences	2,901	1,580	4,765	9,246
Accrued expenses	(15,325)	(894)	51,576	35,357
Customer deposits payable	9,120	2,716	6,340	18,176
Net pension liability	141,801	123,465	105,596	370,862
Deferred inflows related to pensions	(23,179)	(22,247)	(17,378)	(62,804)
Total Adjustments	(4,837)	474,608	134,467	604,238
Net Cash Provided By (Used In) Operating Activities	$ 706,006	$ 792,689	$ 255,540	$1,754,235
Reconciliation of Cash and Cash Equivalents to Specific Assets on the Statement of Net Position				
Cash and investments	$ 1,909,198	$ 237,496	$ 726,220	$2,872,914
Restricted cash and investments	357,095	724,185	126,602	1,207,882
Total Cash and Cash Equivalents	$ 2,266,293	$ 961,681	$ 852,822	$4,080,796

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Cuba, Missouri (the "City") was founded in 1884. The City operates under a Mayor – Board of Aldermen form of government. The City provides services to residents in many areas, including law enforcement, fire protection, animal control, electrical, water, wastewater, natural gas, airport, community enrichment and development, recreation, and various social services. The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing government accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

1. **Reporting Entity**

   The financial statements of the City include all financial activities of the City. The City does not currently have any component units.

   Related organizations excluded from the reporting entity: the City's officials are also responsible for appointing the members of the Cuba Industrial Development Authority (the IDA). The City's accountability for this organization does not extend beyond making the appointments. The IDA is excluded from the accompanying financial statements because the IDA is an autonomous corporation over which the City has no accountability for fiscal matters.

2. **Government-Wide and Fund Financial Statements**

   Government-Wide Financial Statements

   The government-wide financial statements (i.e., the statements of net position and the statement of activities) report information on all of the activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

   The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenue. 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, investment income and other miscellaneous revenues not properly included among program revenues are reported instead as general revenues.

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

3. **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

   The government-wide financial statements are reported using the total economic resources measurement focus and the accrual basis of accounting as are the proprietary fund financial statements.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Revenues are recorded when they occur and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds 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 measurable and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City 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, claims, and judgments, are recorded only when payment is due (i.e., matured).

Franchise and sales taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

- **General Fund –** This fund is the primary operating fund of the City. It is used to account for all financial resources except those accounted for in another fund.
- **Capital Improvement Fund –** This fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities.

The City reports the following major enterprise funds:

- **Electric Fund –** This fund is used to account for the acquisition, operation, and maintenance of the City's power and light utility facilities and services.
- **Waterworks Fund –** This fund is used to account for the acquisition, operation, and maintenance of the City's water and wastewater utility facilities and services.
- **Natural Gas Fund –** This fund is used to account for the operations of the City's natural gas services.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's utility funds and various other functions of the City, if any. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the enterprise funds are charges for services. Operating expenses for the enterprise funds include the cost of services, administration expenses, and depreciation and amortization. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

4. Cash, Cash Equivalents, and Investments

The City pools the cash of all funds, except for monies in certain restricted and special funds. The cash and investments balance in each fund represents the fund's equity share of the City's cash and investment pool. Interest income earned on pooled cash and investments is allocated to the various funds based on their respective participation. Interest income on restricted cash and investments is credited directly to the related fund.

For cash flow statement purposes, the City considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. State statutes authorize the City to invest in obligations of the U.S. Treasury, federal agencies, commercial paper, corporate bonds, and repurchase agreements. Investments are reported at fair value.

5. Allowance for Uncollectible Accounts

The allowance for uncollectible receivables is as follows:

	June 30, 2024
Electric Fund	$ 83,862
Waterworks Fund	21,823
Natural Gas Fund	14,744
	$ 120,429

6. Inventory and Prepaid Items

Inventories of the enterprise funds consist of electric, waterworks, and natural gas utility materials. They are stated at cost using the first in/first out (FIFO) method.

Payments made to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid items on the consumption method. Prepaid items are recorded as expenditures when consumed rather than when purchased. Prepaids are recorded only in the government-wide financial statements.

7. Restricted Assets

Certain cash and investments are restricted as to use for court bonds, debt service, bond reserves, and system replacement and extension as provided by bond covenants.

8. Customer Deposits

The City collects a refundable deposit from customers prior to initiating metered utility service. Customer deposits are reported in restricted assets and as liabilities.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. **Interfund Transactions**

The City has the following types of transactions among funds:

Transfers – Transfers of resources from a fund receiving revenue to the fund through which resources are to be expended are recorded as transfers. Such transfers are reported as other financing sources (uses).

Due To/From Other Funds – Current portions of long-term interfund loans receivable/payable are considered "available spendable resources" and are reported as assets and liabilities of the appropriate funds.

10. **Capital Assets**

Capital assets, which include buildings, other improvements, equipment, and infrastructure (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, net of accumulated depreciation. Capital assets are defined by the City as assets with an initial cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition 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. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

The City has determined that all works of art and historical treasures, other than certain sculptures, meet the definition of a collection but has not capitalized these assets due to the difficulty and cost of determining the actual value for such items and because they are viewed as long-term resources for public service, not for economic benefit in the traditional sense. A collection is defined as items which are:

- Held for public exhibition and education;
- Protected, cared for, and preserved; and
- Subject to an organizational policy that requires the proceeds from the sale to be used to acquire other items for the collection.

Depreciation is being computed on the straight-line method, using asset lives as follows:

Assets	**Years**
Buildings	10-50
Improvements	10-20
Equipment	5-15
Infrastructure	10-50

11. **Compensated Absences**

City employees are granted vacation and sick leave in varying amounts, based on length of service. Vacation time cannot be carried forward. Upon departure of employment from the City, an employee is entitled to payment for vacation accrued up to the date of separation. Sick leave can be accumulated at the rate of one day per month, up to 120 days. Upon the employee's retirement, the employee will be compensated for the number of unused sick days.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. Compensated Absences (Continued)

All vacation pay and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements.

12. Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount, if any.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amounts of debt issued are reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

13. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has deferred outflows of resources related to the pension and asset retirement obligations reported on the statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City currently has deferred inflows of resources related to the pension reported on the statement of net position.

14. Fund Balance Policies

The fund balance amounts are reported in the following applicable categories listed from the most restrictive to the least restrictive:

Nonspendable -- The portion of fund balances that is not in a spendable form or is required to be maintained intact.

Restricted -- The portion of fund balance that is subject to external restrictions and constrained to specific purposes imposed by agreement, through constitutional provisions, or by enabling legislation.

Committed -- The portion of fund balance with constraints or limitations by formal action (ordinance) of the Board of Aldermen, the highest level of decision-making authority. Action by the Board of Aldermen must occur prior to year-end.

Assigned -- The portion of fund balance that the City intends to use for a specific purpose, as determined by the applicable designated officials to which the Board of Aldermen has designated authority. Intent can be expressed by the Board of Aldermen in the form of a resolution.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

14. Fund Balance Policies (Continued)

Unassigned -- Amounts that are available for any purpose; these positive amounts are reported only in the General Fund. In governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are reported as nonspendable, restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in these funds.

When an expenditure is incurred in governmental funds which may be paid using either restricted or unrestricted resources, the City's policy is to pay the expenditures from restricted fund balance and then from less restrictive classifications - committed, assigned, and then unassigned fund balances.

The fund balance of the City's General Fund has been accumulated to provide stability and flexibility to respond to unexpected adversity and/or opportunities. The target is to maintain a rolling beginning fund balance of not less than 17% of annual operating expenditures for the current fiscal year.

15. Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires the City to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results could differ from those estimates.

16. Pensions

For purposes of measuring the net pension asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS' fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. LAGERS' investments are reported at fair value.

17. Net Position Classification

Net position is assets plus deferred outflows of resources minus liabilities and deferred inflows of resources and is shown in the entity-wide, proprietary, and fiduciary fund financial statements. Net position is required to be classified into three components – net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

Net investment in capital assets – This component of net position consists of capital and lease assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvements of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

17. Net Position Classification (Continued)

Restricted – This component of net position consists of restricted assets, reduced by liabilities related to those assets, with constraints placed on their use through external parties such as creditors (debt covenants), grantors, contributors, or law or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports $3,530,258 of restricted net position.

Unrestricted – This component consists of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the "restricted" or "net investment in capital assets" components of net position.

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

NOTE B – CASH AND INVESTMENTS

1. Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with the City or trustee institution. The value of the securities must amount to the total of the City's cash not insured by the Federal Deposit Insurance Corporation (FDIC).

As of June 30, 2024, the City's bank balances were entirely secured or collateralized with securities held by the pledging banks agent in the City's name.

2. Investments

Investment Policies

Legally Allowed Investments – The City's investment policy conforms to the investment policy guidelines set forth by the State of Missouri. The City's investment policy authorizes the City to invest in the following instruments: insured or collateralized certificates of deposit, certain collateralized repurchase agreements, direct obligations of any state in the United States and certain Missouri governmental entities (as outlined in the policy) that are rated "AAA" by Standard & Poor's Corporation and/or "Aaa" by Moody's Investor Service at the time of purchase, direct obligations of the United States of America and obligations issued or guaranteed by certain agencies of the United States of America (as outlined in the policy). During the year ended June 30, 2024, the City held no such investments.

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Although the City has no formal investment policy regarding credit risk, the portfolio is diversified to reduce potential losses on individual securities.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City has no formal investment policy regarding interest rate risk, but interest rate risk is minimized by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, therefore avoiding the need to sell securities on the open market prior to maturity and investing primarily in shorter term securities.

NOTE B – CASH AND INVESTMENTS (CONTINUED)

2. **Investments (Continued)**

   Concentration of Credit Risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City has no formal investment policy relating to concentration of credit risk, but concentration of credit risk is minimized by diversifying the investment portfolio.

3. **Fair Value Measurements**

   The City classifies its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are prices quoted in active markets for those securities; Level 2 inputs are significant other observable inputs using a matrix pricing technique; and Level 3 inputs are significant unobservable inputs. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The inputs and methodologies used for valuing investment securities are not necessarily an indication of risk associated with investing in those securities. The City only has money market funds as of June 30, 2024, which are not subject to fair value level classification.

NOTE C – CAPITAL ASSETS

Capital asset activity for governmental activities was as follows:

Governmental Activities	June 30, 2023	Additions	Reductions	June 30, 2024
Capital assets, nondepreciable:				
Land	$ 2,446,834	$ -	$ -	$ 2,446,834
Construction in progress	2,191,178	73,979	(2,191,178)	73,979
Total capital assets, nondepreciable	4,638,012	73,979	(2,191,178)	2,520,813
Capital assets, depreciable:				
Buildings	6,034,969	220,765	-	6,255,734
Improvements	1,313,919	2,412,767	-	3,726,686
Equipment	1,946,042	130,945	(57,887)	2,019,100
Infrastructure	9,610,144	300,532	-	9,910,676
Total capital assets, depreciable	18,905,074	3,065,009	(57,887)	21,912,196
Less accumulated depreciation for:				
Buildings	3,548,871	141,635	-	3,690,506
Improvements	876,321	288,163	-	1,164,484
Equipment	1,391,089	149,732	(55,674)	1,485,147
Infrastructure	5,645,504	368,217	-	6,013,721
Total accumulated depreciation	11,461,785	947,747	(55,674)	12,353,858
Total capital assets, net	$ 12,081,301	$ 2,191,241	$ (2,193,391)	$ 12,079,151

Depreciation expense during the year ended June 30, 2024, was charged to functions/programs of the governmental activities as follows:

NOTE C – CAPITAL ASSETS (CONTINUED)

Governmental Activities		
General government	$	47,873
Public safety		88,504
Highways and streets		361,526
Culture and recreation		112,336
Airport		334,715
Tourism		2,793
	$	947,747

Capital asset activity for business-type activities was as follows:

Business-type Activities	June 30, 2023	Additions	Reductions	June 30, 2024
Capital assets, nondepreciable:				
Land	$ 247,154	$ -	$ -	$ 247,154
Total capital assets, nondepreciable	247,154	-	-	247,154
Capital assets, depreciable:				
Buildings	50,000	-	-	50,000
Equipment	1,734,159	229,946	(139,847)	1,824,258
Infrastructure	24,157,256	1,247,057	(37,328)	25,366,985
Total capital assets, depreciable	25,941,415	1,477,003	(177,175)	27,241,243
Less accumulated depreciation for:				
Buildings	50,000	-	-	50,000
Equipment	1,337,412	112,616	(119,298)	1,330,730
Infrastructure	15,925,932	500,159	(27,996)	16,398,095
Total accumulated depreciation	17,313,344	612,775	(147,294)	17,778,825
Total capital assets, net	$ 8,875,225	$ 864,228	$ (29,881)	$ 9,709,572

Depreciation expense during the year ended June 30, 2024, was charged to business-type activities as follows:

Business-type Activities		
Electric	$	135,743
Waterworks		332,932
Natural gas		87,590
	$	556,265

NOTE D – LONG-TERM DEBT

A summary of long-term debt is as follows:

	Balance July 01, 2023	Additions	Reductions	Balance June 30, 2024	Current Portion
Governmental Activities					
Compensated absences	$ 209,094	$ 44,390	$ -	$ 253,484	$ 126,742
Totals	$ 209,094	$ 44,390	$ -	$ 253,484	$ 126,742
Business-type Activities					
Revenue bonds	$ 1,187,000	$ -	$ 135,000	$ 1,052,000	$ 139,000
MMMPEP loan	735,278	-	245,093	490,185	245,093
Asset retirement obligation	193,720	-	-	193,720	-
Compensated absences	158,780	9,246	-	168,026	84,013
Totals	$ 2,274,778	$ 9,246	$ 380,093	$ 1,903,931	$ 468,106

Compensated absences are generally liquidated within the General Fund and within the appropriate related enterprise fund.

Combined Waterworks and Sewerage System Revenue Bonds, Series 2011

On June 22, 2011, the City issued Combined Waterworks and Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program), Series 2011 (the "Bond") in the aggregate amount of $2,460,000 for the purpose of extending and improving the City's combined waterworks and sewerage system. The issuance of the Bond was authorized pursuant to elections duly held in the City and an ordinance duly passed by the governing body of the City. The Bond is payable in semi-annual installments of principal and interest from July 1, 2012, until January 1, 2031. Annual payments range from $139,960 to $167,000. The annual interest rate totals 1.6% per annum.

The Bond is a special obligation of the City payable solely from and secured as to the payment of principal and interest by a pledge of the net revenues of the City's waterworks and sewerage system. The taxing power of the City is not pledged to the payment of the Bond either as to principal or interest. As such, the Bond does not constitute a general obligation of the City, nor does the Bond constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter provision, limitation or restriction.

Debt service requirements to maturity are as follows:

NOTE D – LONG-TERM DEBT (Continued)

Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 (Continued)

Year Ending June 30,	Principal	Interest	Total
2025	$ 139,000	$ 15,168	$ 154,168
2026	143,000	12,896	155,896
2027	146,000	10,568	156,568
2028	149,000	8,200	157,200
2029	153,000	5,768	158,768
2030 - 2031	322,000	3,952	325,952
	$ 1,052,000	$ 56,552	$ 1,108,552

Interest expense incurred to service the Bonds totaled $16,848 during the year ended June 30, 2024.

MMMPEP Loan

During February 2021, the effects of winter storm Uri drove market demand and significantly increased wholesale electric costs resulting in additional charges of $1,528,733 to the City. In response, Missouri Joint Municipal Electric Utility Commission (the “Energy Pool”) deferred payment of additional charges incurred and approved a payback schedule consisting of monthly payments ranging from $28,871 to $20,424 at 0% interest from March 2021 until June 2026. During February 2022 the Energy Pool resettled additional charges caused by this winter storm resulting in a reduction of $66,439. The MMMPEP Loan is liquidated within the Electric Fund using receipts for electric utility services.

Debt service requirements for the MMMPEP Loan are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 245,093	$ -	$ 245,093
2026	245,092	-	245,092
	$ 490,185	$ -	$ 490,185

NOTE E – EMPLOYEE PENSION PLAN

Plan Description

The City's defined benefit pension plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo 70.600-70.755. As such, it is LAGERS' responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt.

NOTE E – EMPLOYEE PENSION PLAN (Continued)

Plan Description (Continued)

The responsibility for the operations and administration of LAGERS is vested in the LAGERS' Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplemental information. This report may be obtained by accessing the LAGERS' website at www.molagers.org.

Benefits Provided

LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police) and receive a reduced allowance.

	2024 Valuation
Benefit multiplier:	2% for life
Final average salary:	3 years
Member contributions:	Noncontributory for employees

Benefit terms provide for annual post-retirement adjustments to each member’s retirement allowance subsequent to the member’s retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered by Benefit Terms

At June 30, 2024, the City had 39 active employees covered by the benefit terms, 47 inactive employees or beneficiaries currently receiving benefits, and 28 inactive employees entitled to but not yet receiving benefits.

Contributions

The City is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the City do not contribute to the pension plan. The City contribution rates are 22.9% (General), and 18.0% (Police) of annual covered payroll.

Net Pension Liability

The City's net pension liability (asset) was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 29, 2024. The pension liability was then rolled forward to the measurement date of June 30, 2024, utilizing procedures incorporating the actuarial assumptions.

Actuarial Assumptions

The total pension liability in the February 29, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

NOTE E – EMPLOYEE PENSION PLAN (Continued)

Actuarial Assumptions (Continued)

Inflation:	2.75% wage inflation; 2.25% price inflation
Salary increases:	2.75% to 6.75% including wage inflation
Investment rate of return:	7.00%, net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of general groups and 75% of the PubS-2010 Employee Mortality Table for males and females of police, fire, and public safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 29, 2024, valuation were based on the results of an actuarial experience study for the period March 1, 2015, through February 29, 2020.

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

Asset class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed Income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%
Cash/Leverage	-25.00%	-0.29%

Discount Rate

The discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

NOTE E – EMPLOYEE PENSION PLAN (Continued)

Changes in the Net Pension Liability (Asset)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at June 30, 2023	$14,930,652	$ 14,654,672	$ 275,980
Changes in the year:			
Service cost	260,592	-	260,592
Interest on total pension liability	1,026,957	-	1,026,957
Difference between expected and actual experience	593,049	-	593,049
Benefit payments, including refunds	(789,197)	(789,197)	-
Contributions - employer	-	466,245	(466,245)
Contributions - employee	-	-	-
Net investment income	-	731,215	(731,215)
Pension plan administrative expense	-	(14,180)	14,180
Other (net transfer)	-	(131,287)	131,287
Net changes	1,091,401	262,796	828,605
Balances at June 30, 2024	$16,022,053	$ 14,917,468	$ 1,104,585

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the City, calculated using the discount rate of 7.00%, as well as what the City's Net Pension Liability (Asset) would be using a discount rate that is 1 percentage point lower (6.00%) or one percentage point higher (8.00 %) than the current rate.

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Total pension liability (TPL):	$18,181,885	$ 16,022,053	$ 14,240,164
Plan fiduciary net position	14,917,468	14,917,468	14,917,468
Net pension liability (NPL)	$ 3,264,417	$ 1,104,585	$ (677,304)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2024, the City recognized pension expense of $777,517. Reported deferred outflows and inflows of resources are related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows	Net
Differences in experience:	$ 907,888	$ (20,679)	$ 887,209
Changes in assumptions:	-	(13,928)	(13,928)
Net difference between projected and actual earnings on pension plan investments:	420,600	-	420,600
	$ 1,328,488	$ (34,607)	$ 1,293,881

NOTE E – EMPLOYEE PENSION PLAN (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:		
2025	$	295,158
2026		672,334
2027		270,692
2028		55,697
2029		-
Thereafter		-
	$	1,293,881

Payable to the Pension Plan

At June 30, 2024, the City had $38,133 of required contributions payable to the pension plan.

NOTE F – INTERFUND TRANSFERS

Individual interfund transfers during the year ended June 30, 2024, are as follows:

Transfers In	Transfers Out		Amount
General Fund	Electric Fund	$	392,601
General Fund	Water Fund	$	961,329
General Fund	Natural Gas Fund	$	615,146
General Fund	Capital Improvement Fund	$	258,417
General Fund	Parks Fund	$	50,609
Pool Fund	Parks Fund	$	70,104
Pool Fund	Capital Improvement Fund	$	65,010
Street Fund	City Transportation Trust Fund	$	241,638
Parks Fund	Capital Improvement Fund	$	121,626
Airport Fund	Capital Improvement Fund	$	15,850
Airport Fund	Water Fund	$	79,132

Interfund transfers were used to: 1) use revenues collected to finance other funds in accordance with budgetary authorization or 2) move revenues from the fund that ordinance or budget requires to collect them to the fund that ordinance or budget requires to expend them.

NOTE G – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims resulting in these risks have not exceeded coverage in the past three years.

NOTE H – MMMPEP AGREEMENT

The City is a member of the Missouri Electric Commission ("MEC"). The City of Cuba Public Works represents the City with respect to MEC matters. MEC manages a power pool known as Mid-Missouri Municipal Power Energy Pool ("MMMPEP"), of which the City is a member. All MMMPEP members (including the City) have an agreement (the "MMMPEP Agreement") with MEC for the purchase of electric capacity and energy and transmission from MEC. The MMMPEP Agreement requires MEC to supply the full energy requirements of the City under the terms of a long-term agreement. These contracts were set to expire on May 31, 2028, but were amended during November 2022. The amended contracts now do not have an established termination date. Instead, the contracts will remain in effect until cancelled as to all MMMPEP members.

MMMPEP operations are governed by a committee ("Pool Committee") consisting of one representative from each MMMPEP member and is comprised of 14 members. The Pool Committee is charged with determining policy within the scope of the agreement, including setting rates for all services provided by MEC to MMMPEP members. These rates must include recovery of all MEC's costs incurred in connection with acquiring, providing, arranging or financing the provision of full requirements service to MMMPEP members. These rates include capacity and energy charges MEC incurs under supply and transmission agreements and MEC's related administrative costs.

The rates are established to charge each MMMPEP member its proportionate share of all costs associated with MEC's performance under the MMMPEP Agreement. Charges based on such rates are assessed and billed monthly.

To meet the power and energy requirements of the City and the other MMMPEP members, MEC presently obtains power and energy from the following resources: (i) power purchased under long-term energy contracts, unit-contingent energy contracts and interruptible contracts; (ii) spot market purchases; and (iii) MEC owned power generation dedicated to MMMPEP.

In the event an MMMPEP member would cancel or default on the MMMPEP Agreement without first assigning its rights and interest to a new member accepted by MEC, the member would remain responsible for the unavoidable costs owed by MEC under supply and transmission service agreements, including its share of all remaining fixed costs and its share of must-take or minimum-take energy (MTE). If possible, MEC would utilize or sell the member's MTE in exchange for providing the member with credit or offset equal to the fair value of the MTE up to the amount of the member's obligation.

As a result, the member would have a financial obligation after cancellation or default if the fair value of the MTE is less than the member's allocated share of MEC's unavoidable costs with respect to the resource obligations at the time of cancellation or default. Since the amount of the cancelling or defaulting member's obligation would depend on MEC's unavoidable costs after cancellation or default and the fair value of the MTE at such times in the future, the amount of the obligation is not reasonably determinable. Currently, the City has no plans or intentions to begin cancellation proceedings or expects to default on its obligation.

NOTE I – CONTINGENCIES AND COMMITMENTS

The City is subject to various litigation. Although the outcomes of these lawsuits are not presently determinable, the City believes that the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

NOTE J – ASSET RETIREMENT OBLIGATIONS

The City has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon various water wells at the end of their estimated useful lives in accordance with federal, state and/or local requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The estimated remaining useful lives of the water wells ranges from 7 to 90 years. The City had $193,720 in asset retirement obligations and $161,244 in deferred outflows as of June 30, 2024 for the business-type activities.

NOTE K – CUSTOMER REFUND

During the year ended June 30, 2025, the City discovered it had inadvertently overbilled a natural gas customer a total of $92,489 from September 2021 until January 2025, most of which occurred during the year ended June 30, 2024. The amount of the overbilling will be ratably refunded to the customer by crediting monthly charges due from the customers over a forty-one month period, which approximates the period over which the overbilling occurred. At June 30, 2024, the overbilling totaled $54,899 and was reported in accrued liabilities of the Natural Gas Fund.

REQUIRED SUPPLEMENTARY INFORMATION

City of Cuba, Missouri
Schedule of Receipts, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund
Year ended June 30, 2024

	Budgeted Amounts			Over (Under)
	Original	**Final**	**Actual**	**Budget**
Revenues				
Sales tax	$ 977,200	$ 1,032,200	$ 940,834	$ (91,366)
Gross receipts tax	28,800	28,800	19,753	(9,047)
Licenses and permits	23,600	23,600	9,222	(14,378)
Fines and forfeitures	22,800	35,800	32,064	(3,736)
Charges for services	7,800	8,021	7,364	(657)
Grants and contributions	2,000	5,000	1,167	(3,833)
Investment income	9,200	9,200	1,754	(7,446)
Other	28,100	53,670	33,159	(20,511)
Total Revenues	1,099,500	1,196,291	1,045,317	(150,974)
Expenditures				
General Government				
Administration:				
Salaries and benefits	438,650	447,656	486,899	39,243
Contract labor	84,000	94,334	69,974	(24,360)
Supplies and materials	4,900	10,300	7,600	(2,700)
Repairs and maintenance	11,500	11,500	284	(11,216)
Refuse collection	197,700	209,700	171,460	(38,240)
Other	557,100	578,676	432,872	(145,804)
Capital outlay	172,000	173,000	84,120	(88,880)
Total Administration	1,465,850	1,525,166	1,253,209	(271,957)
City Collector:				
Commissions and taxes	17,300	17,300	12,947	(4,353)
Supplies and materials	500	600	451	(149)
Other	400	661	586	(75)
Total City Collector	18,200	18,561	13,984	(4,577)
Code Enforcement:				
Salaries and benefits	16,150	16,150	12,609	(3,541)
Supplies and materials	300	300	-	(300)
Other	-	800	800	-
Total Code Enforcement	16,450	17,250	13,409	(3,841)
Emergency Preparedness:				
Salaries and benefits	7,750	7,750	5,068	(2,682)
Contract labor	-	139	138	(1)
Repairs and maintenance	-	-	538	538
Other	1,200	2,159	2,015	(144)
Capital outlay	5,000	5,000	4,490	(510)
Total Emergency Preparedness	13,950	15,048	12,249	(2,799)

City of Cuba, Missouri
Schedule of Receipts, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund (Continued)
Year ended June 30, 2024

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Budget
Expenditures (Continued)				
General Government (Continued)				
Mechanic Shop:				
Salaries and benefits	75,260	77,607	75,124	(2,483)
Contract labor	-	-	20	20
Supplies and materials	8,000	8,000	5,931	(2,069)
Repairs and maintenance	200	1,000	711	(289)
Other	2,400	5,095	4,066	(1,029)
Capital outlay	10,000	10,000	9,839	(161)
Total Mechanic Shop	95,860	101,702	95,691	(6,011)
Animal Control:				
Salaries and benefits	109,710	111,219	108,109	(3,110)
Contract labor	34,000	37,000	32,783	(4,217)
Supplies and materials	2,000	2,400	2,170	(230)
Repairs and maintenance	900	900	372	(528)
Other	5,500	5,900	3,741	(2,159)
Capital outlay	11,400	11,400	3,424	(7,976)
Total Animal Control	163,510	168,819	150,599	(18,220)
Municipal Division:				
Salaries and benefits	77,210	80,620	78,273	(2,347)
Supplies and materials	900	2,800	1,454	(1,346)
Repairs and maintenance	300	300	-	(300)
Other	1,700	6,320	4,284	(2,036)
Contract Labor	9,200	12,190	7,690	(4,500)
Total Municipal Division	89,310	102,230	91,701	(10,529)
Property Management:				
Salaries and benefits	49,480	49,480	31,234	(18,246)
Contract labor	-	110	110	-
Supplies and materials	-	600	481	(119)
Repairs and maintenance	300	485	283	(202)
Other	-	2,965	1,938	(1,027)
Total Property Management	49,780	53,640	34,046	(19,594)
Inventory Control:				
Contract labor	1,800	3,127	3,255	128
Supplies and materials	8,600	14,041	14,325	284
Repairs and maintenance	2,500	5,500	4,534	(966)
Other	44,300	50,960	31,054	(19,906)
Total Inventory Control	57,200	73,628	53,168	(20,460)

City of Cuba, Missouri
Schedule of Receipts, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund (Continued)
Year ended June 30, 2024

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Budget
Expenditures (Continued)				
General Government (Continued)				
Grounds and Maintenance				
Salaries and benefits	161,890	163,271	144,778	(18,493)
Contract labor	200	200	150	(50)
Supplies and materials	4,100	4,100	1,646	(2,454)
Repairs and maintenance	1,700	2,500	2,674	174
Capital outlay	23,500	24,523	24,523	-
Other	6,300	7,414	6,689	(725)
Total Grounds and Maintenance	197,690	202,008	180,460	(21,548)
Total General Government	2,167,800	2,278,052	1,898,516	(379,536)
Public Safety				
Police Department:				
Salaries and benefits	1,197,170	1,223,401	1,153,550	(69,851)
Contract labor	45,500	57,754	53,900	(3,854)
Supplies and materials	31,600	31,600	25,580	(6,020)
Repairs and maintenance	18,000	18,000	17,567	(433)
Capital outlay	101,700	191,000	140,066	(50,934)
Other	92,000	110,465	81,208	(29,257)
Total Police Department	1,485,970	1,632,220	1,471,871	(160,349)
Total Expenditures	3,653,770	3,910,272	3,370,387	(539,885)
Revenues Under (Over) Expenditures	(2,554,270)	(2,713,981)	(2,325,070)	388,911
Other Financing Sources				
Transfers in	2,404,500	2,661,437	2,278,102	(383,335)
Total Other Financing Sources	2,404,500	2,661,437	2,278,102	(383,335)
Net Change in Fund Balance	$ (149,770)	$ (52,544)	(46,968)	$ 5,576
Fund balance, beginning of year			47,296	
Fund balance, end of year			$ 328	

Budgetary Data

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

a. Prior to July 1, the City Clerk, submits to the Board of Aldermen a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Total actual expenditures may not legally exceed total budgeted expenditures.

b. Public hearings and open Board of Aldermen meetings are held to obtain taxpayer comments.

c. Prior to July 1, the budget is adopted by the Board of Aldermen.

d. Budgets are adopted on a basis generally consistent with accounting principles generally accepted in the United States of America except for the Enterprise Fund, which includes capital outlay but does not include depreciation.

e. Current year budget includes amendments. Budget amendments must be approved by the Board of Aldermen.

f. Unused appropriations lapse at the end of the year.

City of Cuba, Missouri
Schedule of Changes in the Employer's Net Pension Liability (Asset) and Related Ratios
Years ended June 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability:										
Service cost	$ 260,592	$ 248,600	$ 252,324	$ 254,847	$ 232,713	$ 210,509	$ 209,553	$ 196,203	$ 198,557	$ 204,710
Interest on total pension liability	1,026,957	963,083	882,741	920,077	846,572	777,407	761,425	687,370	652,809	630,235
Differences between expected and actual experience of the total pension liability	593,049	488,067	782,244	(332,698)	475,397	503,817	(231,789)	652,712	(132,036)	(70,334)
Changes of assumptions	-	-	-	(278,068)	-	-	-	-	320,086	-
Benefit payments, including refunds of employee contributions	(789,197)	(796,961)	(739,509)	(549,602)	(553,720)	(543,748)	(495,533)	(546,365)	(576,223)	(328,556)
Net change in total pension liability	1,091,401	902,789	1,177,800	14,556	1,000,962	947,985	243,656	989,920	463,193	436,055
Total pension liability, beginning of plan	14,930,652	14,027,863	12,850,063	12,835,507	11,834,545	10,886,560	10,642,904	9,652,984	9,189,791	8,753,736
Total pension liability, end of year	$16,022,053	$14,930,652	$14,027,863	$12,850,063	$12,835,507	$11,834,545	$10,886,560	$10,642,904	$ 9,652,984	$9,189,791
Plan fiduciary net position:										
Contributions - employer	$ 466,245	$ 423,216	$ 390,104	$ 364,983	$ 327,229	$ 300,057	$ 269,047	$ 262,207	$ 256,883	$ 303,865
Net investment income	731,215	526,427	10,466	3,266,357	143,142	739,319	1,268,657	1,103,946	(34,040)	186,566
Benefit payments, including refunds of employee contributions	(789,197)	(796,961)	(739,509)	(549,602)	(553,720)	(543,748)	(495,533)	(546,365)	(576,223)	(328,556)
Pension plan administrative expense	(14,180)	(15,220)	(10,827)	(9,962)	(12,906)	(11,349)	(7,597)	(7,585)	(7,402)	(7,736)
Other (net transfer)	(131,287)	122,580	70,263	228,972	23,007	15,800	(92,490)	691	52,483	36,273
Net change in total pension liability	262,796	260,042	(279,503)	3,300,748	(73,248)	500,079	942,084	812,894	(308,299)	190,412
Plan fiduciary net position, beginning of year	14,654,672	14,394,630	14,674,133	11,373,385	11,446,633	10,946,554	10,004,470	9,191,576	9,499,875	9,309,463
Plan fiduciary net position, end of year	$14,917,468	$14,654,672	$14,394,630	$14,674,133	$11,373,385	$11,446,633	$10,946,554	$10,004,470	$ 9,191,576	$9,499,875
Net pension liability (asset)	$ 1,104,585	$ 275,980	$ (366,767)	$ (1,824,070)	$ 1,462,122	$ 387,912	$ (59,994)	$ 638,434	$ 461,408	$ (310,084)
Plan fiduciary net position as a percentage of the total pension liability	93.11%	98.15%	102.61%	114.20%	88.61%	96.72%	100.55%	94.00%	95.22%	103.37%
Covered employee payroll	$ 1,958,750	$ 1,916,794	$ 1,898,174	$ 1,958,596	$ 1,944,288	$ 1,737,103	$ 1,586,937	$ 1,668,882	$ 1,527,778	$1,635,878
Net pension liability as a percentage of covered employee payroll	56.39%	14.40%	-19.32%	-93.13%	75.20%	22.33%	-3.78%	38.26%	30.20%	-18.96%

City of Cuba, Missouri
Schedule of Employer Pension Contributions
Last Ten Fiscal Years

	2024	2023	2022	2021	2020
Actuarially determined contribution:	$ 534,569	$ 459,714	$ 468,291	$ 420,778	$ 360,586
Contributions in relation to the actuarially determined contribution:	(466,245)	(423,216)	(390,104)	(364,983)	(327,229)
Contribution deficiency (excess)	$ 68,324	$ 36,498	$ 78,187	$ 55,795	$ 33,357

	2019	2018	2017	2016	2015
Actuarially determined contribution:	$ 356,261	$ 269,046	$ 259,675	$ 258,513	$ 305,199
Contributions in relation to the actuarially determined contribution:	(300,057)	(269,046)	(259,675)	(258,513)	(304,768)
Contribution deficiency (excess)	$ 56,204	$ -	$ -	$ -	$ 431

Notes to Schedule of Contributions:

Valuation date: February 29, 2024

Notes: The roll-forward of total pension liability from February 29, 2024 to June 30, 2024 reflects expected service cost and interest reduced by actual benefit payments.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method: Entry Age Normal and Modified Terminal Funding

Amortization method: A level percentage of payroll amortization method is used to amortize the unfunded actuarial accrued liability (UAAL) over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.

Remaining amortization period: Multiple bases from 5 to 15 years (General Division) and 7 to 15 years (Police Division)

Asset valuation method: 5-Year smoothed market: 20% corridor

Inflation: 2.75% wage inflation; 2.25% price inflation

Salary increases: 2.75% to 6.75% including wage inflation

Investment rate of return: 7.00%, net of investment expenses

Retirement age: Experience-based table of rates that are specific to the type of eligibility condition

Mortality: The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

OTHER SUPPLEMENTARY INFORMATION

City of Cuba, Missouri
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds						
	Street Fund	Pool Fund	Park Fund	City Transportation Trust Fund	Airport Fund	Convention and Visitor Center Fund	Total
Assets							
Cash and investments	$ 30,798	$ 183,659	$ 324,283	$ 653,733	$ 35,033	$ 135,215	$ 1,362,721
Receivables, net:							
Sales tax	14,610	-	40,403	80,875	-	-	135,888
Grant	-	-	-	25	16,497	-	16,522
Total Assets	$ 45,408	$ 183,659	$ 364,686	$ 734,633	$ 51,530	$ 135,215	$ 1,515,131
Liabilites							
Accounts payable	$ 5,167	$ 41,304	$ 26,610	$ 4,317	$ 30,961	$ 1,910	$ 110,269
Wages payable	4,968	1,075	-	-	-	579	6,622
Other payables	4,960	-	-	-	-	-	4,960
Customer deposits	-	-	3,025	-	-	-	3,025
Total Liabilities	15,095	42,379	29,635	4,317	30,961	2,489	124,876
Fund Balances							
Restricted for:							
Highways and streets	-	-	-	730,316	-	-	730,316
Tourism	-	-	-	-	-	132,726	132,726
Parks and recreation	-	141,280	335,051	-	-	-	476,331
Committed for:							
Highways and streets	30,313	-	-	-	-	-	30,313
Airport	-	-	-	-	20,569	-	20,569
Total Fund Balances	30,313	141,280	335,051	730,316	20,569	132,726	1,390,255
Total Liabilities and Fund Balances	$ 45,408	$ 183,659	$ 364,686	$ 734,633	$ 51,530	$ 135,215	$ 1,515,131

City of Cuba, Missouri
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds
Year ended June 30, 2024

	Special Revenue Funds						
	Street Fund	Pool Fund	Park Fund	City Transportation Trust Fund	Airport Fund	Convention and Visitor Center Fund	Total
Revenues							
Taxes	$ 165,768	$ -	$ 226,241	$ 452,527	$ -	$ 69,935	$ 914,471
Charges for services	-	27,513	11,448	-	90,536	575	130,072
Grants and contributions	-	-	-	-	126,001	-	126,001
Investment	-	5,095	13,749	36,145	266	6,087	61,342
Miscellaneous	1,601	368	1,199	-	-	-	3,168
Total Revenues	167,369	32,976	252,637	488,672	216,803	76,597	1,235,054
Expenditures							
Current							
Highways and streets	396,553	-	-	32,876	-	-	429,429
Culture and recreation	-	94,891	31,522	-	-	-	126,413
Airport	-	-	-	-	114,014	-	114,014
Tourisim	-	-	-	-	-	54,897	54,897
Capital outlay	280	69,619	138,329	300,534	234,903	4,455	748,120
Total Expenditures	396,833	164,510	169,851	333,410	348,917	59,352	1,472,873
Revenues Over (Under) Expenditures	(229,464)	(131,534)	82,786	155,262	(132,114)	17,245	(237,819)
Other Financing Sources (Uses)							
Transfers in	241,638	135,114	121,626	-	94,982	-	593,360
Transfers out	-	-	(120,713)	(241,638)	-	-	(362,351)
Total Other Financing Sources (Uses)	241,638	135,114	913	(241,638)	94,982	-	231,009
Net Change in Fund Balances	12,174	3,580	83,699	(86,376)	(37,132)	17,245	(6,810)
Fund Balances, Beginning of Year	18,139	137,700	251,352	816,692	57,701	115,481	1,397,065
Fund Balances, End of Year	$ 30,313	$ 141,280	$ 335,051	$ 730,316	$ 20,569	$ 132,726	$ 1,390,255

City of Cuba, Missouri
Schedule of Revenues, Expenditures, and Changes in Fund Balance
– Budget and Actual – Street Fund
Year ended June 30, 2024

	Budgeted Amounts			Over
	Original	Final	Actual	(Under) Budget
Revenues				
Sales tax	$ 158,500	$ 165,870	$ 165,768	$ (102)
Investment	1,200	1,200	-	(1,200)
Miscellaneous	2,700	2,700	1,601	(1,099)
Total Revenues	162,400	169,770	167,369	(2,401)
Expenditures				
Current				
Salaries and benefits	342,390	354,840	346,860	(7,980)
Supplies and materials	19,400	19,400	10,970	(8,430)
Repairs and maintenance	14,300	24,300	17,487	(6,813)
Other	18,200	35,108	21,236	(13,872)
Capital outlay	3,400	3,400	280	(3,120)
Total Expenditures	397,690	437,048	396,833	(40,215)
Revenues Under (Over) Expenditures	(235,290)	(267,278)	(229,464)	37,814
Other Financing Sources				
Transfers in	289,800	289,800	241,638	(48,162)
Total Other Financing Sources	289,800	289,800	241,638	(48,162)
Net Change in Fund Balance	$ 54,510	$ 22,522	12,174	$ (10,348)
Fund balance, beginning of year			18,139	
Fund balance, end of year			$ 30,313	

City of Cuba, Missouri
Schedule of Revenues, Expenditures, and Changes in Fund Balance
– Budget and Actual – Pool Fund
Year ended June 30, 2024

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Budget
Revenues				
Charges for services	$ 19,300	$ 32,303	$ 27,513	$ (4,790)
Investment	1,300	1,300	5,095	3,795
Miscellaneous	-	615	368	(247)
Total Revenues	20,600	34,218	32,976	(1,242)
Expenditures				
Current				
Salaries and benefits	52,900	59,966	51,278	(8,688)
Contract labor	1,500	1,500	1,552	52
Supplies and materials	16,100	24,333	25,583	1,250
Repairs and maintenance	16,800	16,800	5,872	(10,928)
Other	13,600	13,900	10,606	(3,294)
Capital outlay	110,000	110,810	69,619	(41,191)
Total Expenditures	210,900	227,309	164,510	(62,799)
Revenues Under (Over) Expenditures	(190,300)	(193,091)	(131,534)	61,557
Other Financing Sources				
Transfers in	190,300	190,300	135,114	(55,186)
Total Other Financing Sources	190,300	190,300	135,114	(55,186)
Net Change in Fund Balance	$ -	$ (2,791)	3,580	$ 6,371
Fund balance, beginning of year			137,700	
Fund balance, end of year			$ 141,280	

City of Cuba, Missouri
Schedule of Revenues, Expenditures, and Changes in Fund Balance
– Budget and Actual – Park Fund
Year ended June 30, 2024

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Budget
Revenues				
Sales tax	$ 233,900	$ 233,900	$ 226,241	$ (7,659)
Charges for services	9,100	17,400	11,448	(5,952)
Investment	1,100	1,100	13,749	12,649
Miscellaneous	-	1,650	1,199	(451)
Total Revenues	244,100	254,050	252,637	(1,413)
Expenditures				
Current				
Contract labor	4,000	4,500	4,301	(199)
Supplies and materials	10,100	10,100	6,898	(3,202)
Repairs and maintenance	13,400	13,400	2,040	(11,360)
Other	27,800	29,338	18,283	(11,055)
Capital outlay	181,500	181,500	138,329	(43,171)
Total Expenditures	236,800	238,838	169,851	(68,987)
Revenues Under (Over) Expenditures	7,300	15,212	82,786	67,574
Other Financing Sources				
Transfers in	152,000	152,000	121,626	(30,374)
Transfers out	(136,300)	(136,300)	(120,713)	15,587
Total Other Financing Sources	15,700	15,700	913	(14,787)
Net Change in Fund Balance	$ 23,000	$ 30,912	83,699	$ 52,787
Fund balance, beginning of year			251,352	
Fund balance, end of year			$ 335,051	

City of Cuba, Missouri
Schedule of Revenues, Expenditures, and Changes in Fund Balance
– Budget and Actual – City Transportation Trust Fund
Year ended June 30, 2024

	Budgeted Amounts			Over
	Original	Final	Actual	(Under) Budget
Revenues				
Sales tax	$ 468,000	$ 468,000	$ 452,527	$ (15,473)
Investment	8,700	8,700	36,145	27,445
Total Revenues	476,700	476,700	488,672	11,972
Expenditures				
Current				
Repairs and maintenance	50,000	50,000	32,876	(17,124)
Capital outlay	400,500	400,500	300,534	(99,966)
Total Expenditures	450,500	450,500	333,410	(117,090)
Revenues Under (Over) Expenditures	26,200	26,200	155,262	129,062
Other Financing Sources				
Transfers out	(289,800)	(289,800)	(241,638)	48,162
Total Other Financing Sources	(289,800)	(289,800)	(241,638)	48,162
Net Change in Fund Balance	$ (263,600)	$ (263,600)	(86,376)	$ 177,224
Fund balance, beginning of year			816,692	
Fund balance, end of year			$ 730,316	

City of Cuba, Missouri
Schedule of Revenues, Expenditures, and Changes in Fund Balance
– Budget and Actual – Airport Fund
Year ended June 30, 2024

	Budgeted Amounts			Over (Under)
	Original	**Final**	**Actual**	**Budget**
Revenues				
Charges for services	$ 119,700	$ 119,700	$ 90,536	$ (29,164)
Grants and contributions	40,500	172,500	126,001	(46,499)
Investment	-	-	266	266
Total Revenues	160,200	292,200	216,803	(75,397)
Expenditures				
Current				
Contract labor	27,000	27,000	25,194	(1,806)
Supplies and materials	3,000	3,000	634	(2,366)
Repairs and maintenance	3,400	5,344	5,399	55
Other	86,300	95,300	82,787	(12,513)
Capital outlay	133,500	248,500	234,903	(13,597)
Total Expenditures	253,200	379,144	348,917	(30,227)
Revenues Under (Over) Expenditures	(93,000)	(86,944)	(132,114)	(45,170)
Other Financing Sources				
Transfers in	77,000	77,000	94,982	17,982
Total Other Financing Sources	77,000	77,000	94,982	17,982
Net Change in Fund Balance	$ (16,000)	$ (9,944)	(37,132)	$ (27,188)
Fund balance, beginning of year			57,701	
Fund balance, end of year			$ 20,569	

City of Cuba, Missouri
Schedule of Revenues, Expenditures, and Changes in Fund Balance
– Budget and Actual – Convention and Visitor Center Fund
Year ended June 30, 2024

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Budget
Revenues				
Tourism tax	$ 92,600	$ 92,600	$ 69,935	$ (22,665)
Charges for services	600	600	575	(25)
Investment	1,600	1,600	6,087	4,487
Total Revenues	94,800	94,800	76,597	(18,203)
Expenditures				
Current:				
Salaries and benefits	30,230	35,378	32,721	(2,657)
Contract labor	16,800	16,800	9,477	(7,323)
Supplies and materials	900	900	844	(56)
Repairs and maintenance	500	500	815	315
Other	7,600	11,660	11,040	(620)
Capital outlay	-	5,000	4,455	(545)
Total Expenditures	56,030	70,238	59,352	(10,886)
Revenues Under (Over) Expenditures	38,770	24,562	17,245	(7,317)
Net Change in Fund Balance	$ 38,770	$ 24,562	17,245	$ (7,317)
Fund balance, beginning of year			115,481	
Fund balance, end of year			$ 132,726	

City of Cuba, Missouri
Schedule of Revenues, Expenditures, and Changes in Fund Balance
– Budget and Actual – Capital Improvement Fund
Year ended June 30, 2024

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Budget
Revenues				
Sales tax	$ 467,900	$ 495,997	$ 452,526	$ (43,471)
Investment	24,900	24,900	70,494	45,594
Total Revenues	492,800	520,897	523,020	2,123
Expenditures				
Total Expenditures	-	-	-	-
Revenues Under (Over) Expenditures	492,800	520,897	523,020	2,123
Other Financing Sources				
Transfers out	(691,000)	(771,935)	(460,903)	311,032
Total Other Financing Sources	(691,000)	(771,935)	(460,903)	311,032
Net Change in Fund Balance	$ (198,200)	$ (251,038)	62,117	$ 313,155
Fund balance, beginning of year			1,290,011	
Fund balance, end of year			$ 1,352,128	

FEDERAL COMPLIANCE SECTION

Catlett & Associates
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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*

The City Council
City of Cuba
Cuba, Missouri 65453

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Cuba, Missouri (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements which collectively comprise the City of Cuba, Missouri's basic financial statements, and have issued our report thereon dated May 6, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Catlett & Associates, LLC

May 6, 2026

City of Cuba, Missouri
Schedule of Findings and Responses
Year Ended June 30, 2024

2024-001
Criteria: There should be system for tracking additions to and removal of items from inventory using an acceptable method of accounting in accordance with generally accepted accounting principles. Accounting information should then be forwarded to the City's Accountant for entry into the City's accounting system.

Condition: The City's Water/Sewer and Natural Gas Department's accounting policy for inventory costing is to use the first-in/first-out (FIFO) method but there is no real-time system to account for inventory items being added to nor removed from inventory using FIFO. Inventory is counted at year-end and the count is forwarded to the City's Accountant and used to adjust inventory per the general ledger to the count. If the cost of an inventory item is unknown, the current replacement value is used for the cost. The City's Accountant does not receive information during the year about inventory being removed nor for what purpose.

Cause: As mentioned above, the City's Water/Sewer and Natural Gas Department does use a formal inventory tracking system and employees in these departments lack training with regard to acceptable inventory accounting methodologies.

Effect: The cost of inventory in the Water Fund and the Natural Gas Fund could be materially misstated in the City's financial statements.

Recommendation: We noted that the City's Electrical Utility Department uses an inventory program that tracks inventory as it is purchased and used, then reports the value of inventory using the weighted-average cost method of inventory valuation. All City utility departments should use the same inventory program and method of inventory costing.

Response: Management concurs with the finding and has taken steps to migrate all City Utility Departments to the same inventory system and same method of inventory costing.