



Village of Los Lunas

Annual Financial Report



For the Year
Ended June 30, 2021



**STATE OF NEW MEXICO
Village of Los Lunas
ANNUAL FINANCIAL REPORT**

FOR THE YEAR ENDED JUNE 30, 2021

**Prepared by:
Village of Los Lunas
Administration Department**

STATE OF NEW MEXICO
Village of Los Lunas

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**STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS**

Official Roster

June 30, 2021

Charles Griego
Christopher Ortiz
Cruz Muñoz
Gino Romero
Phillip Jaramillo
Gregory Martin
Rebekah Klein

Mayor
Mayor Pro-Tem
Councilor
Councilor
Councilor
Village Administrator
Finance Director



Independent Auditors' Report

To Brian S. Colón, Esq.
New Mexico State Auditor
The Village of Los Lunas Council
Village of Los Lunas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the Village of Los Lunas (the "Village") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinions

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Village, as of June 30, 2021, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of A Matter

As discussed in Note 19. To the financial statements, during the year ended June 30, 2021, the Village adopted new accounting guidance, Government Accounting Standards Statement 84, Fiduciary Activities. The beginning balance of net position has been restated due to the implementation. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the Village's Proportionate Share of the Net Pension Liability, Schedule of Village Contributions, the Schedule of Changes in Net OPEB Liability and Related Ratios, and the Schedule of Village OPEB Contributions on pages 71-77 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the Village's financial statements that collectively comprise the Village's basic financial statements. The 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. The Schedule of Expenditures of Federal awards as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and*

Audit Requirements for Federal Awards and the other supplemental information as required by 2.2.2 NMAC as noted in the table of contents are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, Schedule of Expenditures of Federal Awards and other supplemental information required by 2.2.2 NMAC as noted in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial 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, Schedule of Expenditures of Federal Awards and the other supplemental information required by 2.2.2 NMAC as noted in the table of contents, are fairly stated, in all material respects, in related to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2021 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Pattillo, Brown & Hill, LLP

Pattillo, Brown & Hill, L.L.P.
Albuquerque, New Mexico
December 9, 2021

**STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021**

The State of New Mexico Village of Los Lunas (the Village) discussion and analysis is designed to assist the reader in focusing on significant financial issues, provide an overview of the Village's financial activity, identify changes in the Village's financial position (ability to address future year challenges), identify any material deviations from the financial plan, and identify any fund issues of concern.

Management's Discussion and Analysis

The Management's Discussion and Analysis (MD&A) is designed to focus on the past year's activities, resulting changes and currently known facts; please read it in conjunction with Village's financial statements and notes which follow this section.

The MD&A should provide an objective and easily readable analysis of the Village's financial activities based on currently known facts, decisions or conditions. It should provide an analysis of the Village's overall financial position and results of operations to assist users in assessing whether the financial position has improved as a result of the year's activities. Additionally, it should provide an analysis of significant changes that occur in funds and significant budget variances.

Using This Annual Report

The focus of this report is on both the Village (government-wide) and the major individual funds. Both perspectives (government-wide and major funds) allow the user to address relevant questions, broaden a basis for comparison and enhance accountability. Although the Village is one of several agencies within the State of New Mexico Government, the primary government focus in this financial report is the Village and not the State of New Mexico as a whole.

Financial Highlights

- The assets and deferred outflows of the Village exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$142,972,704. The unrestricted net position, which represents the amounts available to meet the Village's ongoing obligations to citizens and creditors, was \$20,694,290.
- The Village's total net position increased \$20,334,258 which was due to limiting governmental expenditures due to the uncertainty presented by the coronavirus pandemic and an unanticipated increase in sales tax revenue.
- At the close of the current fiscal year, the Village's governmental funds reported combined fund balances of \$49,767,139, an increase of \$11,598,168 in comparison with the prior year. Of this amount \$44,214,350, or 89% is available for spending at government's discretion.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information, including budgetary comparison information, in addition to the basic financial statements themselves.

**STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021**

Government-wide Financial Statements

The government-wide financial statements include a combined balance sheet with all government funds and account types. In addition, a combined statement of revenues and expenditures for government activities and business activities is included.

The combined balance sheet contains the underlying information needed for the statement of net assets, which reports all financial and capital resources. The statement of net position presents information on all of the Village's assets and liabilities using the accrual basis of accounting, with the difference between the two reported as net position. Over time, increases or decreases in assets may determine whether the financial position of the Village is improving or deteriorating.

The combined statement of revenues and expenses illustrates the statement of activities for the Village. The statement of activities presents information that illustrates how the Village's net assets changed during the most recent fiscal year. Again, revenues and expenses are recorded using the accrual basis of accounting. The statement of activities includes revenue from governmental activities as well as business-type activities.

The Village of Los Lunas (the primary government) is predominantly financed through taxes, intergovernmental revenues and other non-exchange revenues. More specifically, these governmental activities include general government, public safety, streets, vehicle maintenance and culture and recreation. These governmental activities are classified and reported in governmental funds and special revenue funds. The business-type activities are financed primarily from user fees charged to external parties for goods or services. These activities are reported in enterprise funds in the financial statements. The Village's business-type activities include water and sewer systems, refuse, and transportation services.

The government-wide financial statements can be found on pages 14 through 15 of this report.

Fund Financial Statements

The Village accounts for its finances through several distinct fiscal and accounting entities called funds. Like other state and local governments, the Village uses fund accounting to comply with state statutes regarding all finance-related transactions.

The Village has created its respective funds to establish a measure of flow from financial resources and/or to determine net income or net loss. These funds allow the Village to manage its finances more effectively and more efficiently. The Village maintains the following categories of fund types: governmental funds, proprietary funds and fiduciary funds.

**STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021**

Governmental Funds

Most of the Village's services are included in governmental funds, which focus on (a) how cash and other financial assets that can be readily converted to cash flow in and out, and (b) the balances left at year-end that are available for spending. The governmental fund statements provide a detailed short-term view of the Village's general government operations and the basic services it provides. This financial information is useful in determining whether or not there are sufficient financial assets to provide funding for the Village's current programs. Since this information does not include the additional long-term focus of the government-wide statements, reconciliation between the government-wide statements and the fund financial statements is provided for governmental-type activities. The governmental funds for the Village include General Fund, Special Revenue Funds, Debt Services Funds and Capital Projects Funds.

Proprietary Funds

Proprietary or enterprise funds are used to account for activities similar to those in the private sector, and focus on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are reported in the same manner that all activities are reported in the Statement of Net Position the Statement of Activities. In fact, the Village's enterprise funds are the same as the business-type activities that are reported in the government-wide statements; however, the financial statements for the Proprietary funds provide more details with regard to cash flows of proprietary funds. The Village's intent is that costs of providing the goods or services to the general public on a continuing basis will be financed or recovered through use charges. The Village has the following enterprise funds: Water and Sewer Fund and Solid Waste Fund.

Fiduciary Funds

Fiduciary funds reporting focuses on assets and liabilities that are held in a trustee or agency capacity for other government agencies; and therefore, they cannot be used to support the Village's own programs. Consequently, the fiduciary funds are not reflected in the government-wide financial statement for the reason that their resources are not available to the Village. Fiduciary funds are accounted for using the modified accrual basis of accounting. The basic fiduciary fund financial statements can be found in this report.

Notes to the Financial Statements

The notes to the financial statements consist of notes that provide information that is essential to user's understanding of the basic financial statements.

**STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021**

**Village of Los Lunas
Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Current and other assets	\$ 54,288,562	44,563,423	7,187,143	8,431,056	61,475,705	52,994,479
Capital and non-current assets	75,905,549	69,862,551	70,281,383	75,008,376	146,186,932	189,434,350
Total assets	130,194,111	114,425,974	77,468,526	75,008,376	207,662,637	189,434,350
 Total deferred outflows of resources	 10,738,970	 5,741,758	 1,292,279	 282,100	 12,031,249	 6,023,858
 Current liabilities	 5,524,352	 7,387,130	 3,665,326	 2,557,376	 9,189,678	 9,944,506
Long-term liabilities	42,948,933	46,783,404	23,916,968	24,652,560	66,865,901	71,435,964
Total liabilities	48,473,285	46,783,404	27,582,294	24,652,560	76,055,579	71,435,964
 Total deferred inflows of resources	 662,238	 1,360,391	 3,365	 23,407	 665,603	 1,383,798
 Net Position						
Net investment in capital assets	63,471,979	56,646,732	48,972,135	44,918,174	112,444,114	101,554,906
Restricted	9,408,874	17,698,727	425,426	292,237	9,834,300	17,990,964
Unrestricted	18,916,705	(2,321,518)	1,777,585	5,414,098	20,694,290	3,092,580
Total net position	\$ 91,797,558	72,023,937	51,175,146	50,614,509	142,972,704	122,638,446

The Village's total assets which consist of cash, investments, receivables, inventories, and capital assets increased by \$18.2 million from the prior year. The Village's cash balance increased from comparison to the prior year because the Village reduced its governmental expenditures due to the uncertainty presented by the coronavirus pandemic and the Village received an unanticipated increase in sales tax revenue.

The Village's total liabilities which consist of short-term payables, customer deposits, compensated absences, and postemployment benefit obligations increased by \$4.6 million from the prior year. The Village's net pension liability increased due to the increase in the Village's proportionate share of the State's net pension liability.

The Village's net position consists of its net investment in capital assets, resources that are restricted by an external restriction, and unrestricted resources that are available for use at government's discretion. The largest portion of the Village's net position reflects its investment in capital assets (e.g. land, buildings, machinery, equipment, vehicles, and infrastructure), net of accumulated depreciation and less any related outstanding debt that was used to acquire those assets. The Village uses these capital assets to provide a variety of services to its citizens. As such, these assets are not available for future spending. Although the Village's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021**

**Village of Los Lunas
Statement of Activities**

	Governmental Activities		Business-Type Activities		Total	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Revenues						
Program revenues						
Charges for services	\$ 2,498,456	2,348,162	14,720,685	13,228,713	17,219,141	15,576,875
Operating grants and contributions	3,085,544	2,300,677	-	-	3,085,544	2,300,677
Capital grants and contributions	850,971	838,564	-	-	850,971	838,564
General revenues						
Sales taxes	27,707,398	22,970,715	-	-	27,707,398	22,970,715
Property taxes	3,679,314	3,034,583	-	-	3,679,314	3,034,583
Franchise taxes	1,016,002	840,166	-	-	1,016,002	840,166
Other taxes	605,205	576,823	-	-	605,205	1,483,689
Legislative appropriations	228,927	1,876,393	-	-	228,927	1,876,393
Payments in lieu of taxes	298,000	66,700	-	-	298,000	66,700
Loan proceeds	-	-	-	884,394	-	884,394
Unrestricted investment earnings	7,976	26,201	7,379	9,428	15,355	35,629
Miscellaneous	3,019,857	695,727	478,119	145,474	3,497,976	841,474
Total revenues	42,997,650	35,574,711	15,206,183	14,268,009	58,203,833	49,842,720
Expenses						
General government	2,935,454	7,089,223	-	-	2,935,454	7,089,223
Public safety	9,109,239	9,252,647	-	-	9,109,239	9,252,647
Public works	-	2,153,960	-	-	-	2,153,960
Highways and streets	5,319,370	-	-	-	5,319,370	-
Sanitation	94,171	-	-	-	94,171	-
Health and welfare	-	1,851,613	-	-	-	1,851,613
Culture and recreation	5,842,265	3,702,427	-	-	5,842,265	3,702,427
Capital outlay	-	133,604	-	-	-	133,604
Interest on long-term debt	336,319	368,502	-	-	336,319	368,502
Water/sewer	-	-	9,766,138	8,236,697	9,766,138	8,236,697
Solid waste	-	-	3,337,201	2,763,343	3,337,201	2,763,343
Transfers	(412,789)	(406,790)	1,542,207	366,489	1,129,418	(40,301)
Total expenses	23,224,029	24,145,186	14,645,546	11,366,529	37,869,575	35,511,715
Change in net position	19,773,621	11,429,525	560,637	2,901,480	20,334,258	14,331,005
Net position, beginning	72,023,937	58,276,533	50,614,509	47,713,029	122,638,446	105,989,562
Prior period restatement	-	2,317,879	-	-	-	2,317,879
Net position, beginning as restated	72,023,937	60,594,412	50,614,509	47,713,029	122,638,446	108,307,441
Net position, ending	\$ 91,797,558	72,023,937	51,175,146	50,614,509	142,972,704	122,638,446

**STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021**

Governmental Activities

During the current fiscal year, net position for governmental activities increased \$19,773,621 from the prior fiscal year for an ending balance of \$91,797,558.

Sales taxes remain the largest source of revenue at \$27.7 million in the current fiscal year, an increase of \$4.7 million from the prior year. The State of New Mexico decreased the amount of legislative appropriations awarded to local governments as a result of budget reductions in response to the uncertainty presented by the coronavirus pandemic. As a result, there was a reduction in legislative appropriations of \$1.6 million from the prior year.

Expenditures decreased by \$0.9 million from the prior year due to budget reductions in response to the uncertainty presented by the coronavirus pandemic. The Village continues to invest in infrastructure and quality of life improvements for its residents.

Business-Type Activities

During the current fiscal year, net position for business-type activities increased \$560,637 from the prior year for an ending balance of \$51,175,146.

Charges for services remain the largest source of revenue at \$14.7 million in the current fiscal year, an increase of \$1.4 million from the prior year as a result of increased water consumption within Village limits.

Financial Analysis of Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Village itself, or a group of individuals that has been delegated authority to assign resources for use for particular purposes by the Village's Council.

At June 30, 2021, the Village's governmental funds reported combined fund balances of \$49,767,139, an increase of \$11,598,168 in comparison with the prior year. Of this amount, \$44,214,350, or 89%, constitutes unassigned fund balances, which is available for spending at the government's discretion. The remainder of the fund balance is restricted to indicate its restricted for particular purposes. The Village has restricted \$1.7 million in accordance with New Mexico State Statutes which requires the Village to reserve 1/12th of the general funds budgeted expenditures for subsequent year expenditures. In addition, the Village has restricted \$3.5 million for employee benefit activity and \$0.2 million for future debt payments.

The general fund is the chief operating fund of the Village. At the end of the current fiscal year, unassigned fund balance of the general fund was \$29,923,336, which total fund balance was \$35,476,125. 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 general fund expenditures. Unassigned fund balance represents 84% of the total general fund balance.

**STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021**

The fund balance of the Village's general fund increased by \$13,235,424 during the current year. As mentioned previously, this increase is due to an increase in unanticipated sales tax revenue and from a reduction in expenditures in response to uncertainty presented by the coronavirus pandemic.

The fund balance of the local LEDA fund increased by \$2,544,772 during the current year bringing the ending fund balance to \$4,939,680. The increase in fund balance was an investment from the general fund to utilize for future approved local LEDA projects.

The fund balance of the state LEDA fund decreased by \$3,885,732 during the current year bringing the ending fund balance to \$3,035,764. The large decrease in fund balance was caused mainly by the spending of resources obtained through the state LEDA agreement in fiscal years 2017 and 2018.

The fund balance of the infrastructure fund increased by \$516,097 during the current year bringing the ending fund balance to \$3,512,438. The increase in fund balance was due to unanticipated sales tax revenue received.

The Village's proprietary funds provide the same type of information found in the business-type activities portion of the government-wide financial statements, but in more detail.

General Fund Budgetary Highlights

Original Budget Compared to Final Budget

While developing the fiscal year 2021 budget, there was much uncertainty concerning the Village's largest reoccurring revenue source, sales taxes, amid the coronavirus pandemic. There was a need to make an amendment to the budgeted revenues for sales taxes during the year.

Final Budget Compared to Actual Results

The most significant differences between estimate revenues and actual revenues were as follows:

Revenue Source		Estimated Revenues	Actual Revenues	Difference
Sales taxes	\$	22,854,882	19,498,007	(3,356,875)

For the General Fund budget, total revenues budgeted were \$22,822,136 and actual revenues received were \$22,567,205 (cash basis). In addition, the total General Fund expenditures budget was \$20,586,111 and actual expenditures were \$18,072,160, which is a positive variance of \$2,513,951.

Capital Assets and Debt Administration

Capital Assets

The Village's investment in capital assets for its governmental and business-type activities as of June 30, 2021, amounts to \$146,186,932 (net of accumulated depreciation/amortization). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, roads, highways, bridges, intangibles, and the water treatment plant. The total increase in capital assets for the current fiscal year was 7.1%.

**STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021**

**Village of Los Lunas
Capital Assets (net of depreciation/amortization)**

	Governmental Activities		Business-Type Activities		Total	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Land	\$ 5,872,097	5,872,097	1,070,403	1,207,227	6,942,500	7,079,324
Construction in progress	13,858,507	5,777,183	15,252,288	12,621,104	29,110,795	18,398,287
Water rights	-	-	5,690,349	5,586,898	5,690,349	5,586,898
Land improvements	5,146,315	4,736,446	123,142	-	5,269,457	4,736,446
Buildings and improvements	18,821,189	19,512,912	15,915,015	14,164,234	34,736,204	33,677,146
Vehicles	1,513,623	1,835,346	1,485,421	1,485,237	2,999,044	3,320,583
Machinery and equipment	3,068,425	2,690,181	1,263,977	828,395	4,332,402	3,518,576
Infrastructure	27,625,393	29,438,386	-	-	27,625,393	29,438,386
Water/sewer plant	-	-	29,480,788	30,684,228	29,480,788	30,684,228
Total	\$ 75,905,549	69,862,551	70,281,383	66,577,323	146,186,932	136,439,874

Major capital asset events during the current fiscal year included the following:

- I-25 East West Corridor with construction costs of \$1,441,753.
- Huning Ranch Loop East sewer interceptor line with construction costs of \$1,328,299.
- North NM 314 pedestrian improvements with construction costs of \$1,950,965.
- Well No. 3 with construction costs of \$1,411,716.
- Well No. 7 with construction costs of \$2,875,976.
- North water line with construction costs of \$3,044,972.

Additional information on the Village's capital assets can be found in Note 5 of this report.

Long-term Debt

At the end of the current fiscal year, the Village had total of \$33,742,818 in outstanding debt. Of this amount, \$8,275,000 relates to bonds outstanding. The remainder of the Village's long-term obligations is comprised of notes payable.

**Village of Los Lunas
Outstanding Debt**

	Governmental Activities		Business-Type Activities		Total	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
General obligation bonds	\$ 4,445,000	4,795,000	-	-	4,445,000	4,795,000
GRT revenue bonds	3,830,000	3,970,000	-	-	3,830,000	3,970,000
Notes payable	4,158,570	4,450,819	21,309,248	21,669,145	25,467,818	26,119,965
Total	\$ 12,433,570	13,215,819	21,309,248	21,669,145	33,742,818	34,884,965

**STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021**

The Village's total debt decreased by 3.3% during the current fiscal year as a result of payments on current long-term debt.

The Village entered into a loan agreement with the New Mexico Environment Department Construction Programs Bureau to borrow up to \$7,718,406 to construct a new sludge handling building equipped with one belt filter press to dewater sludge for landfill disposal. During the current year, the Village incurred construction costs of \$791,905 for this project, bringing the total amount expended to \$7,221,088. The loan will be amortized over a 25-year term with principal and interest payments to begin one year after completion of the project and will be paid in annual installments.

In addition, the Village entered into a loan agreement with the New Mexico Environment Department Construction Programs Bureau to borrow \$582,600 for the engineering and construction to replace the existing effluent pipeline. During the current year, the Village incurred construction costs of \$360,961 for this project, bringing the total amount expended to \$582,600. The loan will be amortized over a 20-year term with principal and interest payments to begin one year after completion of the project and will be paid in annual installments.

The Village maintained "AA" ratings from Standard & Poor's for its general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue up to 4% of the total assessed property value. The current debt limitation for the Village is \$16,285,541, which is significantly in excess of the Village's outstanding general obligation debt.

Additional information on the Village's long-term debt can be found in Note 6 of this report.

Economic Factors and Next Year's Budget and Rates

- The Village's overall gross receipts tax rate is 8.675% (2.175% imposed gross receipts tax within the Village of Los Lunas limits, plus 1.375% imposed gross receipts tax within Valencia County, plus 5.125% State rate).
- Several new revenues sources were state and federal grants awarded to help mitigate expenditures incurred in response to the coronavirus pandemic.
- Expenditures are expected to increase for health insurance premiums as well as pension and other employee benefit costs.
- Departmental budget reductions were implemented in recognition of the decline in revenues as a result of the coronavirus pandemic.

Requests for Information

This financial report is designed to provide a general overview of the Village's financial position for all those interested in our government finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Village of Los Lunas
Administration Department
P.O. Box 1209
Los Lunas, New Mexico 87031

BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Statement of Net Position
June 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 43,916,724	5,769,108	49,685,832
Restricted Cash	3,856,085	107,020	3,963,105
Investments	460,728	440,000	900,728
Accounts receivable	-	798,642	798,642
Receivables from other governments	5,956,835	-	5,956,835
Other receivables	98,190	-	98,190
Inventories	-	72,373	72,373
Total current assets	54,288,562	7,187,143	61,475,705
Noncurrent Assets:			
Capital assets, net of depreciation	75,905,549	70,281,383	146,186,932
Total noncurrent assets	75,905,549	70,281,383	146,186,932
Total assets	130,194,111	77,468,526	207,662,637
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	7,938,699	1,292,279	9,230,978
OPEB related	2,800,271	-	2,800,271
Total deferred outflows of resources	10,738,970	1,292,279	12,031,249
LIABILITIES			
Current Liabilities:			
Accounts payable	3,863,873	1,480,929	5,344,802
Accrued payroll liabilities	516,170	111,205	627,375
Customer deposits	-	318,406	318,406
Interest payable	92,290	93,619	185,909
Due within one year:			
Compensated absences	255,372	68,824	324,196
Bonds, notes and loans	796,647	1,592,343	2,388,990
Total current liabilities	5,524,352	3,665,326	9,189,678
Noncurrent Liabilities:			
Compensated absences	284,867	59,492	344,359
Post-closure landfill costs	-	484,079	484,079
Bonds, notes, and loans	11,636,923	19,716,905	31,353,828
Net pension liability	22,592,551	3,656,492	26,249,043
Net OPEB liability	8,434,592	-	8,434,592
Total noncurrent liabilities	42,948,933	23,916,968	66,865,901
Total liabilities	48,473,285	27,582,294	76,055,579
DEFERRED INFLOWS OF RESOURCES			
Pension related	20,792	3,365	24,157
OPEB related	641,446	-	641,446
Total deferred inflows of resources	662,238	3,365	665,603
NET POSITION			
Net investment in capital assets	63,471,979	48,972,135	112,444,114
Restricted:			
Special projects and statutory requirements	5,552,789	-	5,552,789
Debt service	3,856,085	107,020	3,963,105
Customer deposits	-	318,406	318,406
Unrestricted	18,916,705	1,777,585	20,694,290
Total net position	\$ 91,797,558	51,175,146	142,972,704

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Statement of Activities
Year Ended June 30, 2021

Functions/Programs					Net (Expense) Revenue and Changes in Net Position		
	Expenses	Program Revenues			Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 2,935,454	1,239,052	-	389,225	(1,307,177)	-	(1,307,177)
Public safety	9,109,239	80,000	888,137	274,512	(7,866,590)	-	(7,866,590)
Highways and streets	5,319,370	243,675	2,156,772	187,234	(2,731,689)	-	(2,731,689)
Sanitation	94,171	-	-	-	(94,171)	-	(94,171)
Culture and recreation	5,842,265	935,729	40,635	-	(4,865,901)	-	(4,865,901)
Interest on long-term debt	336,319	-	-	-	(336,319)	(202,000)	(538,319)
Total governmental activities	23,636,818	2,498,456	3,085,544	850,971	(17,201,847)	(202,000)	(17,403,847)
Business-type activities:							
Water/Sewer	9,564,138	10,769,156	-	-	-	1,205,018	1,205,018
Solid waste	3,337,201	3,951,529	-	-	-	614,328	614,328
Total business-type activities	12,901,339	14,720,685	-	-	-	1,819,346	1,819,346
Total primary government	\$ 36,538,157	17,219,141	3,085,544	850,971			
General revenues:							
Taxes:							
Sales taxes					27,707,398	-	27,707,398
Property taxes					3,679,314	-	3,679,314
Franchise taxes					1,016,002	-	1,016,002
Other taxes					605,205	-	605,205
Unrestricted investment earnings					7,976	7,379	15,355
Payments in lieu of taxes					298,000	-	298,000
Legislative appropriations					228,927	-	228,927
Insurance recoveries					26,848	-	26,848
Gain on sale of capital assets					9,892	-	9,892
Miscellaneous					2,983,117	478,119	3,461,236
Transfers in					2,983,243	60,610	3,043,853
Transfers out					(2,570,454)	(1,602,817)	(4,173,271)
Total general revenues, special items, and transfers					36,975,468	(1,056,709)	35,918,759
Change in net position					19,773,621	560,637	20,334,258
Net position, beginning					<u>72,023,937</u>	<u>50,614,509</u>	<u>122,638,446</u>
Net position, ending	\$				<u><u>91,797,558</u></u>	<u><u>51,175,146</u></u>	<u><u>142,972,704</u></u>

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Balance Sheet - Governmental Funds
June 30, 2021

	General Fund	Local LEDA Fund	State LEDA Fund	Infrastructure Fund	Non Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 27,535,181	5,591,082	4,877,859	2,987,978	2,924,624	43,916,724
Restricted Cash	3,845,886	-	-	-	10,199	3,856,085
Investments	460,728	-	-	-	-	460,728
Due from other funds	169,231	-	-	-	-	169,231
Receivable from other governments	4,518,532	-	-	1,090,174	348,129	5,956,835
Other receivables	98,190	-	-	-	-	98,190
Total assets	\$ 36,627,748	5,591,082	4,877,859	4,078,152	3,282,952	54,457,793
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 529,153	651,402	1,842,095	565,714	275,509	3,863,873
Due to other funds	-	-	-	-	169,231	169,231
Accrued payroll liabilities	499,262	-	-	-	16,908	516,170
Total liabilities	1,028,415	651,402	1,842,095	565,714	461,648	4,549,274
DEFERRED INFLOWS OF RESOURCES						
Property taxes	123,208	-	-	-	18,172	141,380
Total deferred inflows of resources	123,208	-	-	-	18,172	141,380
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	5,552,789	4,939,680	3,035,764	3,512,438	2,803,132	19,843,803
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	29,923,336	-	-	-	-	29,923,336
Total fund balances	35,476,125	4,939,680	3,035,764	3,512,438	2,803,132	49,767,139
Total liabilities, deferred inflows of resources and fund balances	\$ 36,627,748	5,591,082	4,877,859	4,078,152	3,282,952	54,457,793

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Reconciliation of the Balance Sheet of
Governmental Funds to the Statement of Net Position
June 30, 2021

Amounts reported for government activities in the statement of net position are different because:

Total fund balances - governmental funds		\$	49,767,139
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Cost of capital assets	163,554,672		
Accumulated depreciation	<u>(87,649,123)</u>		
Total capital assets			75,905,549
Some revenues will not be available to pay for current period expenditures and, therefore are not reported in the funds.			141,380
Defined benefit pension plan and OPEB deferred outflows are not financial resources and, therefore, are not reported in the funds.			10,738,970
Defined benefit pension plan and OPEB deferred inflows are not due and payable in the current period, and therefore, are not reported in the funds.			(662,238)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.			
Accrued interest	(92,290)		
Bonds, notes, and loans payable	(12,433,570)		
Compensated absences	(540,239)		
Net pension liability	(22,592,551)		
Net OPEB liability	<u>(8,434,592)</u>		
Total long-term and other liabilities			<u>(44,093,242)</u>
Net position of governmental activities		\$	<u><u>91,797,558</u></u>

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2021

	General Fund	Local LEDA Fund	State LEDA Fund	Infrastructure Fund	Non Major Governmental Funds	Total Governmental Funds
REVENUES						
Sales taxes	\$ 23,653,607	-	-	4,053,791	-	27,707,398
Property taxes	3,243,999	-	-	-	467,426	3,711,425
Franchise taxes	1,016,002	-	-	-	-	1,016,002
Other taxes	137,268	-	-	-	467,937	605,205
Licenses and permits	265,486	-	-	-	-	265,486
Federal grants	158,657	-	-	130,272	562,042	850,971
State grants	64,975	-	-	1,058,357	1,962,212	3,085,544
Charges for services	2,055,045	-	-	-	151,790	2,206,835
Fines and forfeitures	26,135	-	-	-	-	26,135
Investment earnings	7,945	-	-	-	31	7,976
Payments in lieu of taxes	298,000	-	-	-	-	298,000
Miscellaneous	284,462	2,630,223	-	-	68,432	2,983,117
Total revenues	31,211,581	2,630,223	-	5,242,420	3,679,870	42,764,094
EXPENDITURES						
Current:						
General government	3,453,610	-	-	-	389,225	3,842,835
Public safety	7,256,318	-	-	-	826,473	8,082,791
Highways and streets	1,097,303	-	-	926,028	16,585	2,039,916
Sanitation	-	-	5,363	-	-	5,363
Culture and recreation	3,996,207	-	-	-	125,034	4,121,241
Debt service:						
Principal	87,158	-	-	-	695,091	782,249
Interest and other charges	91,708	-	-	-	249,880	341,588
Capital outlay	1,195,009	1,772,208	3,880,369	3,692,002	2,101,753	12,641,341
Total expenditures	17,177,313	1,772,208	3,885,732	4,618,030	4,404,041	31,857,324
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	14,034,268	858,015	(3,885,732)	624,390	(724,171)	10,906,770
OTHER FINANCING SOURCES (USES)						
Legislative appropriation	24,995	-	-	9,706	194,226	228,927
Proceeds from issuance of debt	-	-	-	-	-	-
Insurance recoveries	16,139	-	-	10,709	-	26,848
Proceeds on sale of capital assets	22,834	-	-	-	-	22,834
Transfers in	1,128,794	1,686,757	-	-	167,692	2,983,243
Transfers out	(1,991,606)	-	-	(128,708)	(450,140)	(2,570,454)
Total other financing sources (uses)	(798,844)	1,686,757	-	(108,293)	(88,222)	691,398
Net change in fund balances	13,235,424	2,544,772	(3,885,732)	516,097	(812,393)	11,598,168
Fund balances, beginning of year	22,240,701	2,394,908	6,921,496	2,996,341	3,615,525	38,168,971
Fund balances, end of year	\$ 35,476,125	4,939,680	3,035,764	3,512,438	2,803,132	49,767,139

See Notes to Financial Statements

STATE OF NEW MEXICO**VILLAGE OF LOS LUNAS****Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
June 30, 2021**

Amounts reported for government activities in the statement of activities are different because:

Net change in fund balances - governmental funds	\$ 11,598,168
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Capital outlay	12,676,142	
Depreciation expense	<u>(6,620,201)</u>	
		6,055,941

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase net position.

Gain on sale of assets	<u>(12,942)</u>	
		(12,942)

Revenues in the governmental funds that provide current financial resources are not included in the Statement of Activities because they were recognized in a prior period.

Property taxes		(32,111)
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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 governmental funds.

Change in bonds, notes and loans	782,249	
Change in compensated absences	(47,241)	
Accrued interest	5,268	
Change in net pension and OPEB liability	<u>1,424,289</u>	
		<u>2,164,565</u>

Change in net position of governmental funds	\$ <u>19,773,621</u>
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See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Statement of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual
General Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales taxes	\$ 13,278,043	22,854,882	19,498,007	(3,356,875)
Property taxes	3,071,694	3,234,932	3,030,958	(203,974)
Franchise taxes	617,351	1,021,674	940,670	(81,004)
Other taxes	103,627	127,765	125,480	(2,285)
Licenses and permits	263,500	291,477	265,486	(25,991)
Federal grants	139,866	179,866	128,041	(51,825)
State grants	108,048	67,791	32,820	(34,971)
Charges for services	1,684,130	2,035,623	2,055,045	19,422
Fines and forfeitures	79,290	23,451	26,135	2,684
Investment earnings	16,192	16,192	7,945	(8,247)
Payments in lieu of taxes	126,700	298,000	298,000	-
Miscellaneous	218,585	236,684	186,272	(50,412)
Total revenues	19,707,026	30,388,337	26,594,859	(3,793,478)
EXPENDITURES				
Current:				
General government	3,883,718	3,929,161	2,425,195	1,503,966
Public safety	7,858,244	8,094,039	7,256,318	837,721
Highways and streets	1,064,620	1,064,620	1,097,303	(32,683)
Sanitation	-	-	-	-
Culture and recreation	4,668,225	4,770,147	3,996,207	773,940
Debt service:				
Principal	87,158	87,158	87,158	-
Interest and other charges	91,433	91,433	91,708	(275)
Capital outlay	41,000	2,446,281	1,195,009	1,251,272
Total expenditures	17,694,398	20,482,839	16,148,898	4,333,941
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	2,012,628	9,905,498	10,445,961	(8,127,419)
OTHER FINANCING SOURCES (USES)				
Legislative appropriation	-	-	24,995	24,995
Insurance recoveries	-	2,260	16,139	13,879
Proceeds on sale of capital assets	-	-	22,834	22,834
Transfers in	1,153,790	1,153,790	1,128,794	(24,996)
Transfers out	(2,714,072)	(5,291,372)	(1,991,606)	3,299,766
Total other financing sources (uses)	(1,560,282)	(4,135,322)	(798,844)	3,336,478
Net change in fund balances	\$ 452,346	5,770,176	9,647,117	(4,790,941)
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			4,616,722	
Adjustment to expenditures			(1,028,415)	
Net change in fund balance (GAAP)			\$ 13,235,424	

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Statement of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual
Local LEDA Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales taxes	\$ -	-	-	-
Property taxes	-	-	-	-
Franchise taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Payments in lieu of taxes	-	-	-	-
Miscellaneous	-	-	2,630,223	2,630,223
Total revenues	-	-	2,630,223	2,630,223
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	7,067,828	7,067,828	1,120,806	5,947,022
Total expenditures	7,067,828	7,067,828	1,120,806	5,947,022
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(7,067,828)	(7,067,828)	1,509,417	(3,316,799)
OTHER FINANCING SOURCES (USES)				
Legislative appropriation	-	-	-	-
Insurance recoveries	-	-	-	-
Proceeds on sale of capital assets	-	-	-	-
Transfers in	1,753,668	4,316,980	1,686,757	(2,630,223)
Transfers out	-	-	-	-
Total other financing sources (uses)	1,753,668	4,316,980	1,686,757	(2,630,223)
Net change in fund balances	\$ (5,314,160)	(2,750,848)	3,196,174	(5,947,022)
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustment to expenditures			(651,402)	
Net change in fund balance (GAAP)			\$ 2,544,772	

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Statement of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual
State LEDA Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales taxes	\$ -	-	-	-
Property taxes	-	-	-	-
Franchise taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Payments in lieu of taxes	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Sanitation	30,000	30,000	5,363	24,637
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	6,567,000	6,567,000	2,038,274	4,528,726
Total expenditures	6,597,000	6,597,000	2,043,637	4,553,363
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(6,597,000)	(6,597,000)	(2,043,637)	(4,553,363)
OTHER FINANCING SOURCES (USES)				
Legislative appropriation	-	-	-	-
Insurance recoveries	-	-	-	-
Proceeds on sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	\$ (6,597,000)	(6,597,000)	(2,043,637)	(4,553,363)
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustment to expenditures			(1,842,095)	
Net change in fund balance (GAAP)			\$ (3,885,732)	

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Statement of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual
Infrastructure Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales taxes	\$ 2,902,463	3,398,634	2,963,617	(435,017)
Property taxes	-	-	-	-
Franchise taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	1,291,840	1,291,840	130,272	(1,161,568)
State grants	1,780,066	1,780,066	1,058,357	(721,709)
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Payments in lieu of taxes	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	5,974,369	6,470,540	4,152,246	(2,318,294)
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	400,000	400,000	926,028	(526,028)
Sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	5,920,328	5,934,621	3,126,288	2,808,333
Total expenditures	6,320,328	6,334,621	4,052,316	2,282,305
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(345,959)	135,919	99,930	(4,600,599)
OTHER FINANCING SOURCES (USES)				
Legislative appropriation	-	-	9,706	9,706
Insurance recoveries	-	-	10,709	10,709
Proceeds on sale of capital assets	-	-	-	-
Transfers in	(257,650)	(257,650)	-	257,650
Transfers out	-	-	(128,708)	(128,708)
Total other financing sources (uses)	(257,650)	(257,650)	(108,293)	149,357
Net change in fund balances	\$ (603,609)	(121,731)	(8,363)	(4,451,242)
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			1,090,174	
Adjustment to expenditures			(565,714)	
Net change in fund balance (GAAP)			\$ 516,097	

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Statement of Net Position - Proprietary Funds
June 30, 2021

	Business-Type Activities		
	Enterprise Funds		
	Water/Sewer Fund	Solid Waste Fund	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 1,943,387	3,825,721	5,769,108
Restricted Cash	107,020	-	107,020
Investments	240,000	200,000	440,000
Accounts receivable	594,328	204,314	798,642
Inventories	72,373	-	72,373
Total current assets	\$ 2,957,108	4,230,035	7,187,143
Noncurrent Assets:			
Capital assets, net of depreciation	66,123,081	4,158,302	70,281,383
Total noncurrent assets	66,123,081	4,158,302	70,281,383
Total assets	69,080,189	8,388,337	77,468,526
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	821,030	471,249	1,292,279
Total deferred outflows of resources	821,030	471,249	1,292,279
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 1,428,254	52,675	1,480,929
Accrued payroll liabilities	70,341	40,864	111,205
Customer deposits	318,406	-	318,406
Interest payable	93,619	-	93,619
Due within one year:			
Compensated absences - current	40,535	28,289	68,824
Bonds, notes, and loans - current	1,592,343	-	1,592,343
Total current liabilities	3,543,498	121,828	3,665,326
Noncurrent Liabilities:			
Compensated absences	37,942	21,550	59,492
Post-closure landfill costs	-	484,079	484,079
Bonds, notes, and loans	19,716,905	-	19,716,905
Net pension liability	2,338,790	1,317,702	3,656,492
Total noncurrent liabilities	22,093,637	1,823,331	23,916,968
Total liabilities	25,637,135	1,945,159	27,582,294
DEFERRED INFLOWS OF RESOURCES			
Pension related	2,152	1,213	3,365
Total deferred inflows of resources	2,152	1,213	3,365
NET POSITION			
Net investment in capital assets	44,813,833	4,158,302	48,972,135
Restricted:			
Debt service	107,020	-	107,020
Customer deposits	318,406	-	318,406
Unrestricted	(977,327)	2,754,912	1,777,585
Total net position	\$ 44,261,932	6,913,214	51,175,146

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
**Statement of Revenues, Expenses, and Changes
in Fund Net Position - Proprietary Funds**
Year Ended June 30, 2021

	Business-Type Activities Enterprise Funds		
	Water/Sewer Fund	Solid Waste Fund	Total
Operating Revenues:			
Charges for services	\$ 10,769,156	3,951,529	14,720,685
Miscellaneous	(106,490)	584,609	478,119
Total operating revenues	10,662,666	4,536,138	15,198,804
Operating Expenses:			
Personnel services	1,645,338	1,001,164	2,646,502
Materials and supplies	4,934,919	1,698,531	6,633,450
Contractual services	194,519	10,326	204,845
Depreciation	2,789,362	627,180	3,416,542
Total operating expenses	9,564,138	3,337,201	12,901,339
Operating income (loss)	1,098,528	1,198,937	2,297,465
Nonoperating Revenues (Expenses)			
Interest and investment revenue	7,069	310	7,379
Loss on disposition of assets	-	-	-
Interest expense	(202,000)	-	(202,000)
Total nonoperating revenues (expenses)	(194,931)	310	(194,621)
Income before contributions and transfers	903,597	1,199,247	2,102,844
Transfers in	60,610	-	60,610
Transfers out	(404,456)	(1,198,361)	(1,602,817)
Total transfers	(343,846)	(1,198,361)	(1,542,207)
Change in net position	559,751	886	560,637
Net position, beginning of year	43,702,181	6,912,328	50,614,509
Net position, end of year	44,261,932	6,913,214	51,175,146

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2021

	Water/Sewer Fund	Solid Waste Fund	Total
Cash Flows from Operating Activities:			
Cash received from customers and others	\$ 10,756,018	4,521,904	15,277,922
Cash paid for goods and services	(4,085,850)	(1,723,869)	(5,809,719)
Cash paid to employees	(814,567)	(528,941)	(1,343,508)
Net cash provided (used) by operating activities	5,855,601	2,269,094	8,124,695
Cash Flows from Investing Activities:			
Gain (loss) on disposition of assets	81,787	-	81,787
Interest received	7,069	310	7,379
Net cash provided (used) by investing activities	88,856	310	89,166
Cash Flows from Non-Capital Financing Activities:			
Operating transfers, net	(343,846)	(1,198,361)	(1,542,207)
Net cash provided (used) by non-capital financing activities	(343,846)	(1,198,361)	(1,542,207)
Cash Flows from Capital and Related Financing Activities:			
Purchases of capital assets	(6,685,750)	(516,642)	(7,202,392)
Loan proceeds	1,152,866	-	1,152,866
Debt payment	(1,512,765)	-	(1,512,765)
Interest paid	(202,000)	-	(202,000)
Net cash provided (used) by capital and related financing activities	(7,247,649)	(516,642)	(7,764,291)
Net increase (decrease) in cash and cash equivalents	(1,647,038)	554,401	(1,092,637)
Cash and restricted cash and cash equivalents, beginning of year	3,697,445	3,271,320	6,968,765
Cash and restricted cash and equivalents, end of year	\$ 2,050,407	3,825,721	5,876,128
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Operating income (loss)	\$ 1,098,528	1,198,937	2,297,465
Adjustments to operating income (loss) to net cash provided by operating activities:			
Depreciation expense	2,789,362	627,180	3,416,542
Change in net pension liability	808,065	453,941	1,262,006
Change in assets and liabilities:			
Accounts receivable	93,352	(14,234)	79,118
Inventory	72,160	-	72,160
Accounts payable	962,909	(36,594)	926,315
Customer deposits	26,169	-	26,169
Accrued liabilities	(5,847)	8,295	2,448
Compensated absences	10,903	9,987	20,890
Post closure landfill liability	-	21,582	21,582
Net cash provided by operating activities	\$ 5,855,601	2,269,094	8,124,695

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2021

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 740,825
Receivables	<u>672,844</u>
Total assets	<u>\$ 1,413,669</u>
LIABILITIES	
Accounts payable	\$ 29,343
Accrued payroll liabilities	<u>70,230</u>
Total liabilities	<u>99,573</u>
NET POSITION	
Restricted for:	
Individuals and organizations	1,266,021
Other governments	<u>48,075</u>
Total net position	<u><u>1,314,096</u></u>

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2021

	Total Custodial Funds
ADDITIONS:	
Contributions:	
Private contributions	\$ 2,896,489
Total contributions	<u>2,896,489</u>
Total additions	<u>\$ 2,896,489</u>
DEDUCTIONS	
Refunds and transfers to other systems	\$ 1,224,745
Administrative expense	<u>2,024,696</u>
Total deductions	<u>3,249,441</u>
Net increase (decrease) in fiduciary net position	(352,952)
Net position, beginning of year	-
Prior period adjustment (Note 19)	<u>1,667,048</u>
Net position, end of year as restated	<u><u>\$ 1,314,096</u></u>

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to the Financial Statements
June 30, 2021

NOTE 1. NATURE OF ORGANIZATION

The Village of Los Lunas, State of New Mexico, was incorporated under the provisions of Article II, Chapter 3, New Mexico statutes annotated 1978, codification and amendments thereto. The Village operates under a mayor-council form of government and provides public safety, highway and streets, sanitation, health and social services, culture and recreation, public improvements, planning and zoning and general administration services, as authorized by its charter.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Reporting Entity

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only criterion for including a potential unit within the reporting entity is the government body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service.

Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. The Village has no component units.

The financial statements of the funds of the Village include those administered programs that are controlled by or dependent on the Village. Control by or dependence on the Village is determined on the basis of budget adoption, the Village's obligation to finance any deficits that may occur, and fiscal management.

B. Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the Village as a whole) and fund financial statements. The reporting model focus is on either the Village as a whole or major individual fund (within the fund financial statements). Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business type. The Village's police and fire protection, road maintenance, culture and recreation, and administration are classified as governmental activities. The Village's utilities (water and sewer and solid waste) are classified as business activities. In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis by column, and is reflected on a full accrual, economic resources basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

**STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to the Financial Statements
June 30, 2021**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements (Continued)

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. 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 government-wide Statement of Activities reflects both the gross and net cost per functional category, which are otherwise being supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. The program revenues must be directly associated with the function.

Inter-fund balances have been eliminated in the government-wide financial statements.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and/or delivery of goods for the Funds' ongoing operation.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statement. Major individual enterprise funds are reported as separate columns in the fund financial statements.

The governmental fund statements are presented on a current financial resource and modified accrual basis of accounting. This presentation is deemed appropriate to (a) demonstrate legal compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the Village's actual experience conforms to the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented on the page following each statement, which briefly explains the adjustment necessary to transform the fund based financial statements into the governmental column on the government- wide presentation.

C. Basis of Presentation - Fund Accounting

The accounts of the Village are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, expenditures or expenses and other financing sources or uses. Government resources are allocated to, and accounted for, in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the accompanying financial statements. The various funds are reported by generic classification within the financial statements.

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to the Financial Statements
June 30, 2021

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Fund Accounting (Continued)

GASB No. 34 sets forth minimum criteria for the determination of major funds based on a percentage of the assets, deferred outflows, liabilities, deferred inflows, revenues or expenditures/expenses of either fund category or governmental and enterprise combined.

The following fund types and account groups are used by the Village:

Governmental Fund Types - All governmental fund types are accounted for on a spending or financial flow measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current position) is considered a measure of available spendable resources. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current position. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period. Due to their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current position, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. However, they are reported as liabilities in the general long-term debt account group.

The Village reports the following major governmental funds:

General Fund – The general fund is the Village's primary operating fund, it is used to account for financial resources for public safety, infrastructure, parks, recreation, library, and community development. All financial resources are accounted for in the general fund except those required to be in another fund.

Local LEDA Fund – The local LEDA fund is a special revenue fund that accounts for local appropriation of funds and expend 75% of all gross receipts tax revenues general from distributions attributable to the development and operation of the Facebook Data Center campus and related facilities as a result of contribution and other activities related to the operation each month for 20 years. The local LEDA fund was established by Village Ordinance 416.

State LEDA Fund – The State LEDA fund is a special revenue fund that is used to manage the state LEDA funds received by the Village as the fiscal agent and project manager pursuant to the Local Economic Development Act (LEDA) and Intergovernmental Agreement between the Village and the State of New Mexico Economic Development Department. The state LEDA fund may be used for water and sewer infrastructure improvements and water rights acquisition in support of the Facebook Data Center construction project in Los Lunas. The State LEDA fund was established by Village Ordinance 416.

Infrastructure Fund - The Infrastructure Fund is a special revenue fund that receives a 0.0625% Special Municipal Gross Receipts Tax (without referendum), effective July 1996 through the adoption of Ordinance 181, a 0.0625% Special Municipal Gross Receipts Tax (without referendum), effective July 1996 through the adoption of Ordinance 182, and a 0.1250% Special Municipal Gross Receipts Tax (without referendum), effective January 2002 through the adoption of Ordinance 274 and has dedicated those revenues to this fund. The Infrastructure Fund accounts for the repair and replacement of sanitary sewer lines, storm sewers and other drainage improvements, streets and alleys and acquisition of rights-of-ways, and related facilities.

**STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to the Financial Statements
June 30, 2021**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation - Fund Accounting (Continued)

The Village reports the following major proprietary (enterprise) funds:

Water/Sewer Fund – The water/sewer fund is used to account for the provisions of water and sewer services to Village residents and businesses. The water/sewer fund was established by Village Ordinance 88.

Solid Waste Fund – The solid waste fund is used to account for the collection and disposal of solid waste of Village residents and businesses. The solid waste fund was established by Village Ordinance 139.

In addition, the government reports the following fund types:

Special Revenue Funds - Special revenue funds are used to account for the accumulation and disbursement of restricted resources: Lodgers Tax, Municipal Street Improvements, Fire, Recreation, Police Program, Intergovernmental Grants, Local Government Correction, Law Enforcement Protection, Emergency Medical Services and Local DWI.

Capital Project Funds - Capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities: Daniel Fernandez Park Improvements, Museum of Heritage and Arts Improvements, Sports Complex Improvements, and I-25 Interchange.

Debt Service Funds - Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term obligation bond principal, interest and related costs: GRT Revenue Bond 2016 and G.O. Bond 2016.

Fiduciary Funds - Assets held by the Village in an agency capacity for individuals, other governmental units and/or other funds: Court Trust Fund, Central Solid Waste Authority, Regional Dispatch, Municipal Court and Bond.

D. Measurement Focus and Basis of Accounting

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include gross receipts taxes, grants and appropriations. Revenue and receivables from gross receipts taxes are recognized when the underlying exchange transaction occurs.

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 program revenues. Likewise, general revenues include all taxes.

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to the Financial Statements
June 30, 2021

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Governmental fund types follow the current financial resources measurement focus and modified accrual basis of accounting for financial statement purposes. Under the modified accrual basis of accounting, revenues and other governmental fund financial resource increments are recognized in the accounting period in which they become susceptible to accrual - that is, when they become both measurable and available to finance expenditures of the fiscal period (available meaning collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, and amounts collected within 60 days after year end).

Revenues from grants that are restricted for specific uses are recognized as revenues and as receivable when the related costs are incurred. Interest earned is accrued currently by the appropriate funds. Contributions, gross receipts tax and other monies held by other state and local agencies are recorded as a receivable at the time the money is made available to the specific fund. All other revenues are recognized when received and are not susceptible to accrual.

Expenditures, other than vacation, compensatory, and sick pay, are recorded when they are incurred.

Expenditures charged to federal programs are recorded utilizing the cost principles prescribed or permitted by the various funding sources.

When both restricted and unrestricted net position is available for expenses, restricted funds are applied first.

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, deferred outflows of resources, 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. Also, 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, deferred inflows of resources, 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. Deferred inflows are reported in the governmental funds regarding property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

E. Budgetary Information

Budgets are adopted on a non-GAAP budgetary basis, except for the proprietary funds. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level, or a cash balance must be available to cover the current year deficit. All appropriations lapse at year end.

- For the 2021 budget year, the County Assessor sent to the Village an assessed valuation of all taxable property with the Village's boundaries.
- The Village Administrator submitted to the Council a recommended budget which detailed the necessary property taxes needed, along with other available revenues to meet the Village's operating requirements.

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to the Financial Statements
June 30, 2021

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgetary Information (Continued)

- A public hearing was held for the budget, the Council certified to the County Commissioners a levy rate that derived the necessary property taxes in the proposed budget, and the Council adopted the proposed budget and an appropriation resolution that legally appropriated expenditures for the upcoming year.
- After adoption of the budget resolution, the Village may make the following changes: a) transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2019 were collected in 2020, and taxes certified in 2020 will be collected in 2021. Taxes are due on July 1 in the year of collection; however, they may be paid in either one installment (no later than April 30) or two equal installments (not later than February 28 and June 15) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve a portion of the applicable appropriation, is not employed by the Village because it is at present considered not necessary to assure effective budgetary control or to facilitate effective cash planning and control.

F. Cash, Restricted Cash and Cash Equivalents

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty, and investments with maturities of three months or less. Restricted cash consists of cash held by the New Mexico Finance Authority and cash held for employee benefit activity.

G. Investments

The Village considers all liquid investments with a maturity date of three months or less as cash equivalents. Investments consist of certificates of deposit and are stated at fair value. The Village categorizes the fair value measurements of its investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset into three levels:

Level 1: inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can assess at the measurement date (June 30th of that year).

Level 2: inputs, other than quoted prices included within level 1, that are observable for an asset or liability, either directly or indirectly.

Level 3: unobservable inputs for an asset or liability. The Village measures level 3 inputs using other valuation techniques that attempts to maximize the use of relevant observable inputs and maximizes the use of unobservable inputs.

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to the Financial Statements
June 30, 2021

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Receivables

Receivables are reported net of an allowance for uncollectible accounts, if applicable. Based upon management's estimate, all receivables are deemed fully collectible.

I. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental units until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded as a receivable and as a deferred inflow of resources.

J. Interfund Receivables and Payables

Balances at year-end between funds are reported as "due to/from other funds" in the fund financial statements. Any residual balances not eliminated between the governmental and business-type activities are reported as "internal balances" in the government-wide financial statements.

K. Inventory

Inventory consists of supplies for the Village's use and is carried at cost using the first-in, first-out method.

L. Capital Assets

Capital assets are recorded at historical cost and depreciated over their estimated useful lives (with no salvage value). Donated capital assets are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays exceeding \$5,000, per Section 12-6-10 NMSA 1978 that significantly extend the useful life of an asset are capitalized. In addition, furniture and equipment with lives of one year or less, and repairs and maintenance that do not extend the useful lives of premises and equipment are expensed as incurred.

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the assets constructed in the business-type activities.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands.

Straight-line depreciation is used based on the following estimated useful lives in years:

Buildings and building improvements	33
Land Improvements	10
Vehicles	5
Machinery and equipment	10
Water/Sewer Plant	33
Infrastructure	20

M. Compensated Absences

Earned but unused vacation benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability is recognized in the governmental fund financial statements only if the liability is required to be paid out within 60 days of year-end. In the government-wide financial statements, a liability is created for all of the employee's vacation benefits accrued. In addition, a liability is created for all accrued sick leave that exceeds 576 hours at seventy-five percent of the employee's hourly rate.

**STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to the Financial Statements
June 30, 2021**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Long-term Debt Obligations

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

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of fund net position. 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.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is 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 expenditures.

O. Pensions

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

P. Postemployment Benefits Other Than Pensions (OPEB)

For the purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Village of Los Lunas Retiree Medical Insurance Plan (the "Plan") and additions to and deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

**STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to the Financial Statements
June 30, 2021**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Fund Balance

In the fund level financial statements, fund balance reserves represent those portions of fund equity not available for appropriation or expenditure or legally segregated for a specific future use. In accordance with GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54), The Village classifies governmental fund balances as follows:

- Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as grantors or amounts constrained due to enabling legislation.
- Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority (The Village of Los Lunas Village Council) and does not lapse at year-end.
- Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the management.
- Unassigned - includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available for use, it is the Village's policy to use restricted resources first and then unrestricted resources. Any residual balances are classified using the default policy for unrestricted fund balance: committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts.

R. Net Position

In the government-wide financial statements, net position represents the difference between assets and liabilities. Net position invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislations adopted by the Village or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

S. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported period. Actual results could differ from those estimates.

T. Fund Balance for Subsequent Years Expenditures

According to New Mexico State Statute and the New Mexico Department of Finance and Administration (DFA), the Village is required to reserve 1/12th of the general funds budgeted expenditures for subsequent year expenditures.

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to the Financial Statements
June 30, 2021

NOTE 3. DEPOSITS AND INVESTMENTS

A. Cash and Investments

As of June 30, 2021, the Village had the following cash deposits with financial institutions:

Demand deposits	\$	54,389,762
Certificates of deposit		900,728
Total		<u>55,290,490</u>
Governmental funds		48,233,537
Proprietary funds		6,316,128
Fiduciary funds		740,825
Total	\$	<u>55,290,490</u>

State Statue Section 6-10-10(f), NMSA 1978 authorized the Village to invest in United States Treasury certificates, United States Treasury bonds or negotiable securities of the United States. The Section also authorizes investments in bonds or negotiable securities of the State of New Mexico or of any county, municipality or school district with the consent of Village Council. The Village's investment policy requires to maximize investment returns while minimizing risk and to maintain a sufficiently liquid investment portfolio to ensure that Village has adequate cash to meet reasonable anticipate operation requirements.

At June 30, 2021, investments measured and reported at fair value are classified according to the hierarchy, in accordance with GASB Statement No. 72 – Fair Value Measurement and Application:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
	Quoted Prices in Active Markets for Identical Assets	Observable Inputs	Unobservable Inputs	Total
Certificates of deposit	\$ 900,728	-	-	900,728
	\$ 900,728	-	-	<u>900,728</u>

B. Interest Rate Risk

The Village's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

C. Credit Risk

The Village's investments shall be in accordance with State Law, 6-10-10 and 6-10-10.1 NMSA 1978, including but not limited to the following: Treasury Bills, Notes, Bonds, Strips, and U.S. Government securities which are backed by the full faith and credit of the U.S. Government. Negotiable securities of the State of New Mexico or any county, municipality or school district with the advice and consent of the Board of Finance per 6-10-44 NMSA 1978, 6-10-10F NMSA 1978, 6-10-10 NMSA 1978.

D. Concentration of Credit Risk

The Village's investment policy places no limit on the amount the Village may invest in any one issuer.

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to the Financial Statements
June 30, 2021

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

E. Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2021, \$0 of the Village's bank balance of \$55,290,688 was exposed to custodial credit risk because it was uninsured and uncollateralized. See pledged collateral statement on pages 94 and 95. The remaining balances are fully collateralized, and the collateral is held in the Village's name. A full reconciliation of cash and investments for the Village is on pages 96 and 97.

The Village is required to obtain from each bank that is a depository for public funds, pledged collateral in an aggregate amount equal to one half of the public money in each account (Section 6-10-17 NMSA 1978). The pledged collateral is stated at market value as of June 30, 2021.

NOTE 4. RECEIVABLES

Receivables as of June 30, 2021 consisted of the following. All receivables as of June 30, 2021 were deemed to be fully collectible.

	General Fund	Infrastructure Fund	Other Governmental Funds	Enterprise Funds	Total
Receivables:					
Sales taxes	\$ 4,155,600	701,340	-	88,798	4,945,738
Property taxes	176,185	-	25,944	-	202,129
Franchise taxes	75,332	-	-	4,770	80,102
Other taxes	11,788	-	54,108	-	65,896
Licenses and permits	37,069	-	-	-	37,069
Grants	62,771	388,834	268,077	68,789	788,471
Trade accounts	-	-	-	632,505	632,505
Water plant investment fees	-	-	-	3,780	3,780
Other receivables	97,977	-	-	-	97,977
Total receivables	\$ 4,616,722	1,090,174	348,129	798,642	6,853,667

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to the Financial Statements
June 30, 2021

NOTE 5. CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance June 30, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
<i>Governmental Activities:</i>					
Capital assets not being depreciated:					
Land	\$ 5,872,097	-	-	-	5,872,097
Construction in progress	5,777,183	9,277,467	-	(1,196,143)	13,858,507
Total capital assets not being depreciated	11,649,280	9,277,467	-	(1,196,143)	19,730,604
Capital assets being depreciated:					
Land improvements	12,612,380	594,189	(8,781)	741,582	13,939,370
Building and improvements	28,954,684	249,722	(12,610)	(21,632)	29,170,164
Vehicles	7,583,912	411,571	(253,502)	-	7,741,981
Machinery and equipment	6,328,290	732,728	(339,419)	178,354	6,899,953
Capital leases	406,000	-	-	-	406,000
Infrastructure	83,958,296	1,410,465	-	297,839	85,666,600
Total capital assets being depreciated	139,843,562	3,398,675	(614,312)	1,196,143	143,824,068
Total capital assets	151,492,842	12,676,142	(614,312)	-	163,554,672
Less accumulated depreciation for:					
Land improvements	(7,875,934)	(1,167,679)	8,781	241,777	(8,793,055)
Building and improvements	(9,441,774)	(1,088,426)	12,610	168,615	(10,348,975)
Vehicles	(5,748,565)	(720,353)	240,560	-	(6,228,358)
Machinery and equipment	(3,638,107)	(461,149)	339,419	(71,692)	(3,831,529)
Capital leases	(406,000)	-	-	-	(406,000)
Infrastructure	(54,519,912)	(3,182,594)	-	(338,700)	(58,041,206)
Total accumulated depreciation	(81,630,292)	(6,620,201)	601,370	-	(87,649,123)
Total capital assets being depreciated, net	58,213,270	(3,221,526)	(12,942)	1,196,143	56,174,945
Governmental activities capital assets, net	\$ 69,862,550	6,055,941	(12,942)	-	75,905,549

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to the Financial Statements
June 30, 2021

NOTE 5. CAPITAL ASSETS (CONTINUED)

A summary of changes in capital assets follows:

	Balance June 30, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
<i>Business-Type Activities:</i>					
Capital assets not being depreciated:					
Land	\$ 1,207,227	-	-	(136,825)	1,070,402
Construction in progress	12,621,104	4,545,322	-	(1,914,138)	15,252,288
Water rights	5,586,898	103,451	-	-	5,690,349
Total capital assets not being depreciated	19,415,229	4,648,773	-	(2,050,963)	22,013,039
Capital assets being depreciated:					
Land improvements	11,671	-	-	136,825	148,496
Building and improvements	20,114,563	519,935	-	1,914,138	22,548,636
Vehicles	6,968,189	889,598	(623,607)	-	7,234,180
Machinery and equipment	1,520,494	612,192	(51,691)	-	2,080,995
Water/sewer plant	64,846,461	531,890	-	-	65,378,351
Total capital assets being depreciated	93,461,378	2,553,615	(675,298)	2,050,963	97,390,658
Total capital assets	112,876,607	7,202,388	(675,298)	-	119,403,697
Less accumulated depreciation for:					
Land improvements	(11,671)	(13,682)	-	-	(25,353)
Building and improvements	(5,950,328)	(683,292)	-	-	(6,663,620)
Vehicles	(5,482,952)	(807,627)	541,820	-	(5,748,759)
Machinery and equipment	(692,099)	(176,610)	51,691	-	(817,018)
Water/sewer plant	(34,162,233)	(1,735,331)	-	-	(35,897,564)
Total accumulated depreciation	(46,299,283)	(3,416,542)	593,511	-	(49,122,314)
Total capital assets being depreciated, net	47,162,095	(862,927)	(81,787)	2,050,963	48,268,344
Business-type activities capital assets, net	\$ 66,577,324	3,785,846	(81,787)	-	70,281,383

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to the Financial Statements
June 30, 2021

NOTE 5. CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:		Business-type Activities:	
General government	\$ 510,188	Water/sewer	\$ 2,789,362
Public safety	1,023,159	Solid waste	627,180
Highways and streets	3,272,885		\$ 3,416,542
Sanitation	88,808		
Culture and recreation	1,725,161		
	<u>\$ 6,620,201</u>		

NOTE 6. LONG-TERM DEBT

The Village entered into a loan agreement with the New Mexico Finance Authority to borrow \$3,838,278 for the drinking water project. The loan was amortized over a 20-year term with principal payments due annual and interest payments due semi-annually. The loan will be repaid utilizing funds pledged from the Water/Sewer fund. The loan accrued interest at 2.77% and matured on May 1, 2021. As of June 30, 2021, the loan was paid in full.

The Village entered into a loan agreement with the New Mexico Finance Authority to borrow \$406,000 to purchase a new fire truck. The loan will be amortized over a 12-year term with principal payments due annual and interest payments due semi-annually. The loan will be repaid utilizing funds pledged from the Fire fund. The loan will accrue interest at 3.012% and will mature on May 1, 2023. As of June 30, 2021, the Village, has an outstanding balance of \$77,300.

The Village entered into a refinance loan agreement with the New Mexico Environment Department Construction Programs Bureau to borrow \$1,605,848 to acquire, design, construct, modify and otherwise improve the wastewater facilities of the Village's joint water and sewer system. The loan will be amortized over a 20-year term with principal and interest payments due annually. The loan will be repaid utilizing funds pledged from security interest by dedicating net revenues from the Municipal Street Improvement fund. The loan will accrue interest at 1.20% and will mature on March 28, 2026. As of June 30, 2021, the Village, has an outstanding balance of \$910,296.

The Village entered into a refinance loan agreement with the New Mexico Environment Department Construction Programs Bureau to borrow \$1,715,393 to acquire, construct, modify, and otherwise improve the storm drainage facilities of the Village's street storm drainage system. The loan will be amortized over a 20-year term with principal and interest payments due annually. The loan will be repaid utilizing funds pledged from security interest by dedicating net revenues from the Municipal Street Improvement fund. The loan will accrue interest at 1.20% and will mature on March 2, 2027. As of June 30, 2020, the Village has an outstanding balance of \$1,053,686.

The Village entered into a loan agreement with the New Mexico Finance Authority to borrow \$4,053,053 for planning, design, and construction of a treatment system for the abatement of arsenic at the water supply wells. The loan will be amortized over a 20-year term with principal payments due annually and interest payments due semi-annually. The loan will be repaid utilizing funds pledged from the Water/Sewer fund. The loan will accrue interest at 1.75% and will mature on May 1, 2030. As of June 30, 2021, the Village has an outstanding balance of \$2,064,011.

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to the Financial Statements
June 30, 2021

NOTE 6. LONG-TERM DEBT (CONTINUED)

The Village entered into a refinance loan agreement with the New Mexico Environment Department Construction Programs Bureau to borrow \$11,384,090 to acquire, design, construct, modify, and otherwise improve the wastewater facilities on the Village's joint water and sewer system. The loan will be amortized over a 20-year term with principal and interest payments due annually. The loan will be repaid utilizing funds pledged from security interest by dedicating net revenues of the operation of the joint water and wastewater system. The loan will accrue interest at 0.742% and will mature on September 13, 2030. As of June 30, 2021, the Village has an outstanding balance of \$8,900,872.

The Village issued a general obligation bond for \$5,795,000 to purchase a fire protection apparatus, equipment, and facilities. The bond will be amortized over a 15-year term with principal payments due annually and interest payments due semi-annually. The principal amount of bonds represents the entire series of general obligation bonds approved by the qualified electors of the Village at an election held on March 1, 2016. The bond will accrue interest at 2.00% and will mature on August 1, 2031. As of June 30, 2021, the Village has an outstanding balance of \$4,445,000.

The Village entered into a loan agreement with the New Mexico Finance Authority to borrow \$141,200 for the installation of a new water line river crossing pipeline. The loan will be amortized over a 20-year term with principal and interest payments due annually. The loan will be repaid utilizing funds pledged from the Water/Sewer fund. The loan will accrue interest at 0.25% and will mature on June 30, 2032. As of June 30, 2021, the Village has an outstanding balance of \$78,532.

The Village entered into a loan agreement with the New Mexico Finance Authority to borrow \$1,618,460 for the acquisition, design, construction, improvement, expansion repair and rehabilitation of drinking water supply facilities. The loan will be amortized over a 20-year term with principal payments due annually and interest payments due semi-annually. The loan will be repaid utilizing funds pledged from the Water/Sewer fund. The loan will accrue interest at 2.00% and will mature on May 1, 2040. As of June 30, 2021, the Village has an outstanding balance of \$1,551,850.

The Village entered into a loan agreement with the New Mexico Environment Department Construction Programs Bureau to borrow \$582,600 for the engineering and construction to replace the existing effluent pipeline. The loan will be amortized over a 20-year term with principal and interest payments to begin one year after completion of the project and will be paid in annual installments. The loan will be repaid utilizing funds pledged from the Water/Sewer fund. The loan will accrue interest at 0.032% and mature on January 11, 2041. As of June 30, 2021, the Village has an outstanding balance of \$582,600.

The Village issued a bond for \$4,180,000 to acquire, purchase, and improve land for governmental purposes. The bond will be amortized over a 25-year term with principal payments due annually and interest payments due semi-annually. The bond will be repaid utilizing funds pledged from gross receipts taxes. The bond will accrue interest at 3.00% and will mature on April 1, 2041. As of June 30, 2021, the Village has an outstanding balance of \$3,830,000.

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to the Financial Statements
June 30, 2021

NOTE 6. LONG-TERM DEBT (CONTINUED)

The Village entered into a loan agreement with the New Mexico Environment Department Construction Programs Bureau to borrow up to \$3,478,955 for the engineering and construction to replace the existing water line. The loan will be amortized over a 20-year term with principal and interest payments to begin one year after completion of the project and will be paid in annual installments. The loan will be repaid utilizing funds pledged from the Water/Sewer fund. The loan will accrue interest at 1.00%. As of June 30, 2021, the Village has not drawn down any funds from this loan.

The Village entered into a loan agreement with the New Mexico Environment Department Construction Programs Bureau to borrow up to \$7,718,406 to construct a new sludge handling building equipped with one belt filter press to dewater sludge for landfill disposal. The loan will be amortized over a 25-year term with principal and interest payments to begin one year after completion of the project and will be paid in annual installments. The loan will be repaid utilizing funds pledged from the Water/Sewer fund. The loan will accrue interest at 2.00%. As of June 30, 2021, the Village has drawn down a total of \$7,221,088.

The Village entered into a loan agreement with the New Mexico Finance Authority to borrow \$3,403,856 to build and equip a new emergency call center. The loan will be amortized over a 30-year term with principal payments due annually and interest payments due semi-annually. The loan will be repaid utilizing funds pledged from gross receipts taxes. The loan will accrue interest at 1.27% and will mature on May 1, 2046. As of June 30, 2021, the Village has an outstanding balance of \$3,027,584.

Government Bonds Payable

Fiscal Year Ending June 30,		Principal	Interest
2022	\$	500,000	219,863
2023		510,000	209,763
2024		520,000	196,213
2025		535,000	180,463
2026		555,000	164,188
2027-2031		3,000,000	590,044
2032-2036		1,475,000	276,288
2037-2041		1,180,000	108,450
Total	\$	<u>8,275,000</u>	<u>1,945,272</u>

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to the Financial Statements
June 30, 2021

NOTE 6. LONG-TERM DEBT (CONTINUED)

Government Notes Payable

Fiscal Year Ending June 30,		Principal	Interest
2022	\$	296,647	105,540
2023		301,292	100,894
2024		265,421	95,968
2025		269,070	92,320
2026		272,900	88,490
2027-2031		685,118	389,577
2032-2036		581,765	309,866
2037-2041		681,312	210,319
2042-2046		805,045	86,586
Total	\$	<u>4,158,570</u>	<u>1,479,560</u>

Enterprise Notes Payable

Fiscal Year Ending June 30,		Principal	Interest
2022	\$	1,592,343	284,237
2023		1,605,746	271,927
2024		1,629,050	253,416
2025		1,652,718	234,600
2026		1,673,488	215,473
2027-2031		7,512,474	802,393
2032-2036		2,144,883	474,574
2037-2041		2,249,542	272,299
2042-2045		1,249,004	76,013
Total	\$	<u>21,309,248</u>	<u>2,884,932</u>

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to the Financial Statements
June 30, 2021

NOTE 6. LONG-TERM DEBT (CONTINUED)

A summary of changes in capital assets follows:

	Interest Rate	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Amounts Due Within One Year
<i>Governmental Activities:</i>						
2016 General Obligation Bond	2.00%	\$ 4,795,000	-	(350,000)	4,445,000	355,000
2016 GRT Revenue Bond	3.00%	3,970,000	-	(140,000)	3,830,000	145,000
NMED Luna Hills Loan	1.20%	1,222,084	-	(168,398)	1,053,686	170,419
NMFA Fire Truck Loan	3.012%	113,993	-	(36,693)	77,300	37,963
NMFA Emergency Call Center	1.27%	3,114,742	-	(87,158)	3,027,584	88,265
Compensated absences		492,998	307,297	(260,056)	540,239	255,372
Total Governmental Activities		13,708,817	307,297	(1,042,305)	12,973,809	1,052,019
<i>Business-Type Activities:</i>						
<i>Water/Sewer Fund:</i>						
Drinking Water Revolving Loan	2.77%	207,783	-	(207,783)	-	-
Clean Water Revolving Loan	1.20%	1,089,603	-	(179,307)	910,296	178,380
Clean Water Revolving Loan	0.742%	9,745,512	-	(844,640)	8,900,872	853,859
NMFA Drinking Water Loan	1.75%	2,271,402	-	(207,391)	2,064,011	211,550
NMFA River Crossing Loan	0.25%	85,565	-	(7,033)	78,532	7,050
NMFA Drinking Water Loan	2.00%	1,618,460	-	(66,610)	1,551,850	67,943
Clean Water Revolving Loan	0.032%	221,639	360,961	-	582,600	27,770
Clean Water Revolving Loan	2.00%	6,429,182	791,905	-	7,221,087	245,791
Compensated absences		67,574	51,438	(40,535)	78,477	40,535
Total Water/Sewer Fund		21,736,720	1,204,304	(1,553,299)	21,387,725	1,632,878
<i>Solid Waste Fund:</i>						
Compensated absences		39,852	38,276	(28,289)	49,839	28,289
Total Solid Waste Fund		39,852	38,276	(28,289)	49,839	28,289
Total Business-Type Activities		21,776,572	1,242,580	(1,581,588)	21,437,564	1,661,167
Total Long-term Debt		35,485,389	1,549,877	(2,623,893)	34,411,373	2,713,186

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to the Financial Statements
June 30, 2021

NOTE 7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Internal balances have primarily been recorded when funds overdraw their share of pooled cash. The composition of interfund balances as of June 30, 2021 is as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General fund	\$ 169,231	-
Sports Complex Improvements Fund	-	169,231
Total	\$ <u>169,231</u>	<u>169,231</u>

General Fund transfers to other funds were for debt service and employee benefit payments and for the operations of the enterprise funds. Infrastructure transfers and other governmental funds transfers were for debt service liabilities. The transfers from the Water Sewer Fund, Solid Waste Fund, and Central Dispatch were for were for employee benefit payments.

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
General Fund	\$ 1,128,794	1,991,606
Local LEDA Fund	1,686,757	-
Infrastructure Fund	-	128,708
Municipal Street Improvement Fund	-	60,610
Local DWI Fund	-	10,848
Daniel Fernandez Park Imprv. Fund	6,043	-
Museum of Heritage & Arts Fund	7,945	-
Sports Complex Improvements Fund	24,996	378,682
GRT Revenue Bond 2016 Fund	128,708	-
Enterprise Funds:		
Water/Sewer Fund	60,610	404,456
Solid Waste Fund	-	1,198,361
Custodial Funds:		
Central Solid Waste Authority Fund	1,171,187	-
Regional Dispatch Fund	-	41,769
Total	\$ <u>4,215,040</u>	<u>4,215,040</u>

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to the Financial Statements
June 30, 2021

NOTE 8. RISK MANAGEMENT

The Village is exposed to various risks of loss from torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the Village carries insurance through the New Mexico Self-Insurers' Fund. The following is a summary of some of the more significant insurance coverage information related to the Village.

Coverage provided to the Village through the New Mexico Self-Insurers' Fund included tort liability limits for casualty coverage (general, automobile, civil rights and public officials' liability) on a "claims made" basis. Property is subject to a limit of \$300,000 per occurrence. Law enforcement liability, public officials' errors and omissions, and foreign jurisdiction are all individually subject to \$1,000,000 per occurrence / \$2,000,000 aggregate.

NOTE 9. LANDFILL CLOSURE AND POST-CLOSURE CARE

The Village stopped accepting solid waste at its landfill in 1997. State and federal laws and regulations require the Village to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. There is a liability of \$484,079 reported in the Solid Waste fund as an estimate of the landfill post-closure care costs. However, due to changes in technology, laws or regulations, these costs may change in the future.

NOTE 10. PENSION PLAN- PUBLIC EMPLOYEES RETIREMENT ACT

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

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

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
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NOTE 10. PENSION PLAN- PUBLIC EMPLOYEES RETIREMENT ACT (CONTINUED)

Tier II. The retirement age and service credit requirements for normal retirement for PERA state and municipal general members hired increased effective July 1, 2013 with the passage of Senate Bill 27 in the 2013 Legislative Session. Under the new requirements (Tier II), general members are eligible to retire at any age if the member has at least eight years of service credit and the sum of the member's age and service credit equals at least 85 or at age 67 with 8 or more years of service credit. General members hired on or before June 30, 2013 (Tier I) remain eligible to retire at any age with 25 or more years of service credit. Under Tier II, police and firefighters in Plans 3, 4 and 5 are eligible to retire at any age with 25 or more years of service credit. State police and adult correctional officers, peace officers and municipal juvenile detention officers will remain in 25-year retirement plans, however, service credit will no longer be enhanced by 20%. All public safety members in Tier II may retire at age 60 with 6 or more years of service credit. Generally, under Tier II pension factors were reduced by .5%, employee Contribution increased 1.5 percent and effective July 1, 2014 employer contributions were raised .05 percent. The computation of final average salary increased as the average of salary for 60 consecutive months.

Contributions. See PERA's Annual Comprehensive Financial Report for more in-depth detail of the pension funds administered by PERA at <http://www.nmpera.org>

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NOTE 10. PENSION PLAN- PUBLIC EMPLOYEES RETIREMENT ACT (CONTINUED)

PERA Fund Contribution Rates and Pension Factors in Effect During FY20						
Coverage Plan	Employee Contribution Percentage		Employer Contribution Percentage	Pension Factor per Year of Service		Pension Maximum as a Percentage of the Final Average Salary
	Annual Salary less than \$20,000	Annual Salary greater than \$20,000		TIER 1	TIER 2	
STATE PLAN						
State Plan 3	7.42%	8.92%	17.24%	3.00%	2.50%	90.00%
MUNICIPAL PLANS 1 - 4						
Municipal Plan 1 (plan open to new employers)	7.00%	8.50%	7.65%	2.00%	2.00%	90.00%
Municipal Plan 2 (plan open to new employers)	9.15%	10.65%	9.80%	2.50%	2.00%	90.00%
Municipal Plan 3 (plan closed to new employers 6/95)	13.15%	14.65%	9.80%	3.00%	2.50%	90.00%
Municipal Plan 4 (plan closed to new employers 6/00)	15.65%	17.15%	12.30%	3.00%	2.50%	90.00%
MUNICIPAL POLICE PLANS 1 - 5						
Municipal Police Plan 1	7.00%	8.50%	10.70%	2.00%	2.00%	90.00%
Municipal Police Plan 2	7.00%	8.50%	15.70%	2.50%	2.00%	90.00%
Municipal Police Plan 3	7.00%	8.50%	19.20%	2.50%	2.00%	90.00%
Municipal Police Plan 4	12.35%	13.85%	19.20%	3.00%	2.50%	90.00%
Municipal Police Plan 5	16.30%	17.80%	19.20%	3.50%	3.00%	90.00%
MUNICIPAL FIRE PLANS 1 - 5						
Municipal Fire Plan 1	8.00%	9.50%	11.65%	2.00%	2.00%	90.00%
Municipal Fire Plan 2	8.00%	9.50%	18.15%	2.50%	2.00%	90.00%
Municipal Fire Plan 3	8.00%	9.50%	21.90%	2.50%	2.00%	90.00%
Municipal Fire Plan 4	12.80%	14.30%	21.90%	3.00%	2.50%	90.00%
Municipal Fire Plan 5	16.20%	17.70%	21.90%	3.50%	3.00%	90.00%
MUNICIPAL DETENTION OFFICER PLAN 1						
Municipal Detention Officer Plan 1	16.65%	18.15%	17.30%	3.00%	3.00%	90.00%
STATE POLICE AND ADULT CORRECTIONAL OFFICER PLANS, ETC.						
State Police and Adult Correctional Officer Plan 1	7.60%	9.10%	25.50%	3.00%	3.00%	90.00%
State Plan 3 – Peace Officer	7.42%	8.92%	17.24%	3.00%	3.00%	90.00%
Juvenile Correctional Officer Plan 2	4.78%	6.28%	26.37%	3.00%	3.00%	90.00%

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NOTE 10. PENSION PLAN- PUBLIC EMPLOYEES RETIREMENT ACT (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2021, the Village reported a liability of \$26,249,043 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2020 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2020. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2020. The Village's proportion of the net pension liability was based on a projection of the Village's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined.

For PERA Fund Division Municipal Plan 3, At June 30, 2020, the Village's proportion was 0.6289% percent, which was increased by 0.0208% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Village recognized PERA Fund Division Municipal Plan 3 pension expense of \$897,463. At June 30, 2020, the Village reported PERA Fund Division Municipal Plan 3 deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 352,440	-
Changes in assumptions	235,305	-
Net difference between projected and actual earnings on pension plan investments	2,325,702	-
Changes in proportion and differences between Village's contributions and proportionate share of contributions	446,365	24,157
Village's contributions at measurement date	1,171,938	-
Total	\$ 4,531,750	24,157

The amount of \$1,171,938 reported as deferred outflows of resources related to pensions resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending	
June 30,	
2022	\$ 1,145,669
2023	876,362
2024	742,971
2025	570,653
2026	-
Thereafter	-

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NOTE 10. PENSION PLAN- PUBLIC EMPLOYEES RETIREMENT ACT (CONTINUED)

For PERA Fund Division Municipal Police Plan 5, At June 30, 2020, the Village's proportion was 0.9362% percent, which was an increase of 0.0024% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Village recognized PERA Fund Division Municipal Police Plan 5 pension expense of \$272,412. At June 30, 2021, the Village reported PERA Fund Division Municipal Police Plan 5 deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	467,255	-
Changes in assumptions		190,410	-
Net difference between projected and actual earnings on pension plan investments		1,380,130	-
Changes in proportion and differences between Village's contributions and proportionate share of contributions		201,213	-
Village's contributions at measurement date		718,741	-
Total	\$	<u>2,957,749</u>	<u>-</u>

The amount of \$718,741 reported as deferred outflows of resources related to pensions resulting from the Village's contributions subsequent to the measurement date June 30, 2020 will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending	
June 30,	
2022	\$ 801,275
2023	606,262
2024	492,635
2025	338,836
2026	-
Thereafter	-

STATE OF NEW MEXICO
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NOTE 10. PENSION PLAN- PUBLIC EMPLOYEES RETIREMENT ACT (CONTINUED)

For PERA Fund Division Municipal Fire Plan 5, At June 30, 2020, the Village's proportion was 0.67259% percent, which an increase of 0.0731% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Village recognized PERA Fund Division Municipal Fire Plan 5 pension expense of \$530,574. At June 30, 2021, the Village reported PERA Fund Division Municipal Fire Plan 5 deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	121,725	-
Changes in assumptions		65,800	-
Net difference between projected and actual earnings on pension plan investments		508,166	-
Changes in proportion and differences between Village's contributions and proportionate share of contributions		667,109	-
Village's contributions at measurement date		378,679	-
Total	\$	<u>1,741,479</u>	<u>-</u>

The amount of \$378,679 reported as deferred outflows of resources related to pensions resulting from the Village's contributions subsequent to the measurement date June 30, 2019 will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending	
June 30,	
2022	\$ 573,405
2023	406,154
2024	258,469
2025	124,772
2026	-
Thereafter	-

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to the Financial Statements
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NOTE 10. PENSION PLAN- PUBLIC EMPLOYEES RETIREMENT ACT (CONTINUED)

Actuarial assumptions: The total pension liability in the June 30, 2020 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement.

Actuarial valuation date	June 30, 2019
Actuarial cost method	Entry age normal
Amortization period	Level Percentage of Pay
Asset valuation method	Solved for based on statutory rates
Actuarial assumptions	
Investment rate of return	7.25% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll growth	3.00%
Projected salary increases	3.25% to 13.50% annual rate
Includes inflation at	2.50%
Mortality assumption	The mortality assumptions are based on the RPH-2014 Blue Collar mortality table with female ages set forward one year. Future improvement in mortality rates is assumed using 60% of the MP-2017 projection scale generationally. For non-public safety groups, 25% of in-service deaths are assumed to be duty related and 35% are assumed to be duty-related for public safety groups.
Experience study dates	July 1, 2008 to June 30, 2017 (demographic) and July 1, 2013 through June 30, 2017 (economic)

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2019. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2020. These assumptions were adopted by the Board use in the June 30, 2019 actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target 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	Long-Term Expected Real Rate of Return
Global Equity	35.50%	5.90%
Risk Reduction & Mitigation	19.50%	1.00%
Credit Oriented Fixed Income	15.00%	4.20%
Real Assets to Include Real Estate Equity	20.00%	6.00%
Multi-Risk Allocation	10.00%	6.40%
Total	100.0%	

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to the Financial Statements
June 30, 2021

NOTE 10. PENSION PLAN- PUBLIC EMPLOYEES RETIREMENT ACT (CONTINUED)

Discount rate: A single discount rate of 7.25% was used to measure the total pension liability as of June 30, 2020. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.25%, compounded annually, net of expense. Based on the stated assumptions and the projection of cash flows, the plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

PERA Fund Division Municipal Plan 3

		1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Village's proportionate share of the net pension liability	\$	18,208,563	12,717,788	8,164,829

PERA Fund Division Municipal Police Plan 5

		1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Village's proportionate share of the net pension liability	\$	11,539,234	8,040,738	5,177,406

PERA Fund Division Municipal Fire Plan 5

		1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Village's proportionate share of the net pension liability	\$	7,105,446	5,490,517	4,163,171

Payables to the pension plan: The Village accrued \$109,906 in PERA benefits at June 30, 2021.

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
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NOTE 11. POSTEMPLOYMENT HEALTH CARE PLAN

General Information about the OPEB Plan

Plan Description. The Village's defined benefit OPEB plan, the Village of Los Lunas Retiree Medical Insurance Plan (Plan), provides retiree medical program coverage to current and future retirees of the Village who qualify for retirement based on the Public Employees Retirement Association of New Mexico (PERA) guidelines. Members who terminate prior to retirement eligibility are not eligible to participate in the program.

Benefits provided. The Village sponsors a fully insured medical and prescription drug benefit program for all eligible active and retired Village employees and their dependents. The program is intended to offer comprehensive coverage for most preventive, major medical and prescription drug benefits from retirement until age 65. As the employer and plan sponsor, the Village shares in the cost for the benefit coverage under this program. The Village will pay 50% of the premium, and the retiree will pay 50% of the premium for the retiree and dependents not yet eligible for Medicare based on current rates. Retirees age 65 or older are not eligible for continued coverage under the Village's group medical insurance plan. At age 65 retirees are transferred to a Senior Plan that is not paid for by the Village.

Employees covered by benefit terms. At July 1, 2019, the Plan's measurement date, the following employees were covered by the benefit terms:

Plan membership	
Active	209
Retired Members	13
Spouse of Eligible Retirees	5
Beneficiaries/Spouses of Ineligible Retirees	4
Total Plan Membership	<u>231</u>
Active membership	
Regular Employees	143
Fire	25
Police	41
Total Active Membership	<u>209</u>

Contributions. Employer and employee contributions are deposited into an irrevocable trust, dedicated to providing benefits to retirees and their beneficiaries in accordance with the terms of the plan.

The contribution requirements of plan members and the Village are established and may be amended. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually. The current funding policy is for employees to contribute 0.65% of base salary per payroll (bi-weekly) and for the Village to contribute 3.00% of annual base salary, posted bi-weekly. This policy is summarized in Ordinance No. 306 of the Village of Los Lunas. Retirees contribute 50% of the premium amount based on the plan elected at retirement.

For fiscal year 2021, the Village contributed \$415,108 to the Plan. Plan members receiving benefits contributed \$151,894 through their required contribution of 0.65% per pay period.

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to the Financial Statements
June 30, 2021

NOTE 11. POSTEMPLOYMENT HEALTH CARE PLAN (CONTINUED)

Net OPEB Liability

The Village's net OPEB liability was measured as of July 1, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2019.

Total OPEB Liability	\$	11,625,964
Fiduciary net position		3,191,372
Net OPEB Liability	\$	8,434,592
Fiduciary net position as a % of total OPEB liability		27.45%
Covered Payroll		10,167,003
Total OPEB liability as a % of covered payroll		82.96%

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date:

Discount Rate

Discount Rate	2.21%
Long-term expected rate of return, net of investment expenses	2.00%
20 Year Tax-Exempt Municipal Bond Yield	2.21%

Other Key Actuarial Assumptions and Methods

Valuation date	July 1, 2019
Measurement date	June 30, 2020
Inflation	2.50%
Salary increases	3.25%
Withdrawal and retirement rates	June 30, 2019 New Mexico PERA Valuation
Election rates	100% of eligible employees
Actuarial cost method	Entry Age Normal

Claims Cost. Using a blended premium rate for active employees and retirees is a common practice. Medical costs generally increase with age, resulting in a blended premium rate that is higher than the true underlying cost for actives and lower than the true underlying costs for retirees. GASB 75 addresses this practice by requiring the plan sponsor to determine the liabilities and costs for retiree benefits after removing the effect of any implicit rate subsidies. The net cost of the plan is equal to the true underlying cost minus the portion of the cost paid by the retiree.

STATE OF NEW MEXICO
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NOTE 11. POSTEMPLOYMENT HEALTH CARE PLAN (CONTINUED)

The valuation used the premium rates and the *Milliman Health Cost Guidelines*[™] (*Guidelines*) to estimate the true underlying cost of the medical plans and used these estimated costs to calculate the GASB 75 liabilities and costs. Claims administrative expenses are part of the premiums used to develop the claims costs for all health benefits.

Plan members have the option of obtaining pre-Medicare medical coverage under either the Blue Cross Blue Shield of New Mexico Blue Net 500 EPO (Core Plan) or the Blue Cross Blue Shield of New Mexico HMO Blue Alternatives Plan 30 (Buy Up). All medical options include prescription drug coverage. The valuation used the actual enrollment in each option and the *Guidelines* to develop age-related costs separately for each option. The Valuation developed the costs separately for males and females. Claims for pre-65 retirees include a morbidity adjustment, representing the likelihood that early retirement may be due to poorer health.

Healthcare Cost Trend Rates. The valuation assumes medical costs and premiums will continue to increase according to the health cost trend table shown below. This includes a healthcare cost trend increase of 1.8% in the first year, 4.8% in the second year, grading to 4.0% over 55 years. Retiree premiums are assumed to increase at the same trend as the assumed claim's costs.

The present value of future health care benefits depends upon the relationship between the assumed annual trend in health care cost increases and the discount rate. Because costs are based on present value calculations, the expense calculations are affected by both of these assumptions. The level of benefits paid out each year also depends on the annual trend assumption.

The health care cost trends are based on the Society of Actuaries (SOA) periodically updated report on long-term medical trend. That report includes detailed research performed by a committee of economists and actuaries and proposes the use of the "Gretzen Model". The research and the model are believed to be fundamentally and technically sound and advance the body of knowledge available to actuaries to more accurately project long-term medical trends.

The model produces long-range trend assumptions build on assumed long-term relationships between certain key economic factors. The trend developed for the July 1, 2017 valuation included an adjustment to estimate the impact of the Affordable Care Act excise tax on high cost health plans. As this excise tax was repealed in December 2019, the July 1, 2019 trend assumption no longer includes this adjustment.

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to the Financial Statements
June 30, 2021

NOTE 11. POSTEMPLOYMENT HEALTH CARE PLAN (CONTINUED)

Fiscal Year Ending June 30,	Medical Trend
2020	1.8%
2021	4.8%
2022	5.3%
2023-2024	4.9%
2025-2026	4.8%
2027-2035	4.7%
2036-2043	4.8%
2044-2050	4.9%
2051-2054	4.8%
2055	4.7%
2065	4.6%
2074 and later	4.0%

Future retiree premiums are assumed to increase with the same trend rates as the health care claims costs. These trend rates assume that over time, deductibles and out-of-pocket maximums will be regularly increased in line with health care trend increases.

The basic relationships between the economic factors assumed are subject to variation. Their absolute levels could also vary significantly from those assumed. However, since it is the relationship between the trend and the discount rate that affects the GASB calculations, varying their absolute values while keeping the same spread would not produce dramatic changes in the general patterns produced by these assumptions.

Mortality Rates. General: Pub-2010 Healthy Employee and Retiree Mortality Tables for General Employees projected generationally using scale MP2019.

Police and Fire: Pub-2010 Healthy Employee and Retiree Mortality Tables for Safety Employees projected generationally using scale MP2019.

The size of the Plan's population is not large enough to have a statistically credible independent study of retiree mortality. As such, the valuation relies on a standard published table that is appropriate to the Plan's population.

Long-term Rate of Return. The investment return assumption was selected based on the Plan's asset allocation and capital market assumption from several sources, including published studies summarizing the expectations of various investment experts. This information was then used to develop forward looking long-term expected returns, producing a range of reasonable expectations according to industry experts. Based on the resulting range of potential assumptions, the selected investment return assumption is reasonable and is not expected to have any significant bias. Employer and Employee contributions are deposited into an irrevocable trust, dedicated to providing benefits to retirees and their beneficiaries in accordance with the terms of the plan. The fund is a cash account, and the market value of assets as of June 30, 2021 is \$3,191,372.

STATE OF NEW MEXICO
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NOTE 11. POSTEMPLOYMENT HEALTH CARE PLAN (CONTINUED)

Discount Rate. Under GASB 75, for funded plans the discount rate should be the single rate that reflects the long-term expected rate of return on OPEB plan investments that are expected to be used to finance the payment of benefits, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the 20-year tax-exempt municipal bond yield or index rate to the extent that it is not.

The assets of the plan are fully invested in a money market account, with a long-term expected rate of return of 2.00%. The assumed real rate of return is based on the expected geometric return from Milliman's long-term capital market outlook model for the Plan's asset class. Since the long-term expected return is less than the municipal bond rate, the municipal bond rate has been used for discounting payments in all years and no depletion date calculation was performed.

The assumptions in this report reflect the Bond Buyer 20-Year General Obligation Bond Index. The discount rate in effect on the June 30, 2019 measurement date (used for the June 30, 2021 reporting date) is 3.50% and the discount rate in effect for the June 30, 2020 measurement date (used for the June 30, 2021 reporting date) is 2.21%.

We assumed 100% of eligible future retirees will elect retiree health care coverage, and 100% of current retired participants will continue coverage. We also assumed that 50% of future retirees who opt for health care coverage would cover a spouse at retirement. Current retirees' spousal coverage was based upon their current coverage status.

Changes in Net OPEB Liability

	Total OPEB Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Liability (a)-(b)
Balance as of June 30, 2020	\$ 9,137,050	2,767,954	6,369,096
Changes for the year:			
Service Cost	550,510	-	550,510
Interest on total OPEB liability	336,124	-	336,124
Effect of changes to benefit terms	-	-	-
Effect of economic/demographic gains or losses	(20,639)	-	(20,639)
Effect of assumptions changes or inputs	1,792,430	-	1,792,430
Benefit payments	(169,511)	(169,511)	-
Employer Contributions	-	431,174	(431,174)
Member Contributions	-	136,612	(136,612)
Net investment income	-	25,143	(25,143)
Administrative expenses	-	-	-
Balance as of June 30, 2021	\$ 11,625,964	3,191,372	8,434,592

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VILLAGE OF LOS LUNAS
Notes to the Financial Statements
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NOTE 11. POSTEMPLOYMENT HEALTH CARE PLAN (CONTINUED)

Sensitivity of the net OPEB liability to changes in the discount rate and health-care cost trend rates. The following presents the net OPEB liability of the Plan, calculated using the disclosure discount rate as well as what the Plan's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

		1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability	\$	13,284,299	11,625,964	13,802,925
Fiduciary Net Position		3,191,372	3,191,372	3,191,372
Net OPEB Liability	\$	10,092,927	8,434,592	7,014,538

The following presents the net OPEB liability of the Plan, as well as what the Plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

		1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability	\$	9,849,862	11,625,964	13,802,925
Fiduciary Net Position		3,191,372	3,191,372	3,191,372
Net OPEB Liability	\$	6,658,490	8,434,592	10,611,553

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Plan financial report.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the Village recognized OPEB expense of \$921,893. At June 30, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	302,517	33,971
Changes in assumptions		1,978,854	607,475
Net difference between projected and actual earnings on OPEB plan investments		103,792	-
Village's contributions at subsequent to measurement date		415,108	-
Total	\$	2,800,271	641,446

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to the Financial Statements
June 30, 2021

NOTE 11. POSTEMPLOYMENT HEALTH CARE PLAN (CONTINUED)

Other amounts currently reported as deferred outflows of resources and deferred (inflows) of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

Fiscal Year Ending		
June 30,		
2022	\$	231,191
2023		219,274
2024		206,001
2025		193,338
2026		213,859
Thereafter		680,054
Total	\$	<u>1,743,717</u>

Payables changes in the net OPEB liability. At June 30, 2021, the Village accrued \$2,224 in payables for OPEB.

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to the Financial Statements
June 30, 2021

NOTE 12. CONDUIT DEBT OBLIGATIONS

The Village issued \$50,000,000 of taxable Industrial Revenue Bonds to provide financing for the acquisition and construction and equipping of an industrial revenue project. The bonds are secured by the property financed and are payable solely from payment received on the underlying mortgage loans. For a separate project, the Village approved to issue \$80,000,000 of taxable Industrial Revenue Bonds to provide financing acquisition, contraction and installation of an industrial revenue project in 2005. Neither the Village nor any political subdivision of the State is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. In October 1998, the Village approved the issuance of Variable Rate Demand Limited Obligation Industrial Revenue Bonds in the amount of \$5,000,000. Neither the Village nor any political subdivision of the State is obligated in any manner for repayment of the bonds.

NOTE 13. TAX ABATEMENTS

As of June 30, 2021, the Village adopted GASB Statement No. 77 *Tax Abatement Disclosures*. While the statements require only material abatements to be disclosed within the notes to the financial statements, the Village has disclosed information related to the abatement's as follows:

Abating Agency Name	Village of Los Lunas
Abating Agency Type	Local Government
Tax Abatement Agreement Name	Industrial Revenue Bond Project Agreement
Name of agency affected by abatement agreement (Affected Agency)	Los Lunas Schools
Agency number of Affected Agency	7053
Agency type of Affected Agency	School District
Recipient(s) of tax abatement	Property Tax
Tax abatement program (name and brief description)	Industrial Revenue Bonds - Greater Kudu LLC Project, Series 2016; \$5,000,000,000
Specific Tax(es) Being Abated	Property Tax
Authority under which abated tax would have been paid to Affected Agency	Sections 3-32-1 to 3-32-16 New Mexico Statutes Annotated, 1978 Compilation
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	Under construction
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	N/A
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to the Financial Statements
June 30, 2021

NOTE 13. TAX ABATEMENTS (CONTINUED)

Abating Agency Name	Village of Los Lunas
Abating Agency Type	Local Government
Tax Abatement Agreement Name	Industrial Revenue Bond Project Agreement
Name of agency affected by abatement agreement (Affected Agency)	Los Lunas Schools
Agency number of Affected Agency	7053
Agency type of Affected Agency	School District
Recipient(s) of tax abatement	Property Tax
Tax abatement program (name and brief description)	Industrial Revenue Bonds - Wal-Mart Stores East, Inc. Project-Series 1997; \$50,000,000
Specific Tax(es) Being Abated	Property Tax
Authority under which abated tax would have been paid to Affected Agency	Sections 3-32-1 to 3-32-16 New Mexico Statutes Annotated, 1978 Compilation
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$50,000
For any Payments in Lieu of Taxes (PILTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	None
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to the Financial Statements
June 30, 2021

NOTE 13. TAX ABATEMENTS (CONTINUED)

Abating Agency Name	Village of Los Lunas
Abating Agency Type	Local Government
Tax Abatement Agreement Name	Industrial Revenue Bond Project Agreement
Name of agency affected by abatement agreement (Affected Agency)	New Mexico Taxation & Revenue Department
Agency number of Affected Agency	333
Agency type of Affected Agency	State
Recipient(s) of tax abatement	Property Tax
Tax abatement program (name and brief description)	Industrial Revenue Bonds - Greater Kudu LLC Project, Series 2016; not to exceed \$5,000,000,000
Specific Tax(es) Being Abated	Property Tax
Authority under which abated tax would have been paid to Affected Agency	Sections 3-32-1 to 3-32-16 New Mexico Statutes Annotated, 1978 Compilation
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	Under construction
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	N/A
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to the Financial Statements
June 30, 2021

NOTE 13. TAX ABATEMENTS (CONTINUED)

Abating Agency Name	Village of Los Lunas
Abating Agency Type	Local Government
Tax Abatement Agreement Name	Industrial Revenue Bond Project Agreement
Name of agency affected by abatement agreement (Affected Agency)	New Mexico Taxation & Revenue Department
Agency number of Affected Agency	333
Agency type of Affected Agency	State
Recipient(s) of tax abatement	Property Tax
Tax abatement program (name and brief description)	Industrial Revenue Bonds - Wal-Mart Stores East, Inc. Project-Series 1997; \$50,000,000
Specific Tax(es) Being Abated	Property Tax
Authority under which abated tax would have been paid to Affected Agency	Sections 3-32-1 to 3-32-16 New Mexico Statutes Annotated, 1978 Compilation
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$50,000
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	None
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to the Financial Statements
June 30, 2021

NOTE 13. TAX ABATEMENTS (CONTINUED)

Abating Agency Name	Village of Los Lunas
Abating Agency Type	Local Government
Tax Abatement Agreement Name	Industrial Revenue Bond Project Agreement
Name of agency affected by abatement agreement (Affected Agency)	Valencia County
Agency number of Affected Agency	5032
Agency type of Affected Agency	County
Recipient(s) of tax abatement	Property Tax
Tax abatement program (name and brief description)	Industrial Revenue Bonds - Greater Kudu LLC Project, Series 2016; not to exceed \$5,000,000,000
Specific Tax(es) Being Abated	Property Tax
Authority under which abated tax would have been paid to Affected Agency	Sections 3-32-1 to 3-32-16 New Mexico Statutes Annotated, 1978 Compilation
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	Under construction
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	N/A
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to the Financial Statements
June 30, 2021

NOTE 13. TAX ABATEMENTS (CONTINUED)

Abating Agency Name	Village of Los Lunas
Abating Agency Type	Local Government
Tax Abatement Agreement Name	Industrial Revenue Bond Project Agreement
Name of agency affected by abatement agreement (Affected Agency)	Valencia County
Agency number of Affected Agency	5032
Agency type of Affected Agency	County
Recipient(s) of tax abatement	Property Tax
Tax abatement program (name and brief description)	Industrial Revenue Bonds - Wal-Mart Stores East, Inc. Project-Series 1997; \$50,000,000
Specific Tax(es) Being Abated	Property Tax
Authority under which abated tax would have been paid to Affected Agency	Sections 3-32-1 to 3-32-16 New Mexico Statutes Annotated, 1978 Compilation
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$50,000
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	None
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to the Financial Statements
June 30, 2021

NOTE 14. RECENT ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* was issued May 2020 and is effective immediately. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are schedule to become effective for periods beginning after June 15, 2018 and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

GASB Statement No. 84, *Fiduciary Activities*

GASB Statement No. 90, *Majority Equity Interests (Amendment of GASB Statement No. 14 and Statement No. 61)*

The effective date of GASB Statement No. 87, *Leases*, is postponed by 18 months.

NOTE 15. NEW ACCOUNTING PRONOUNCEMENTS

The following GASB pronouncements have been issued, but are not yet effective at June 30, 2021.

GASB Statement No. 87, *Leases*

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*.

GASB Statement No. 91, *Conduit Debt Obligations*.

GASB Statement No. 92, *Omnibus 2020*

GASB Statement No. 93, *Replacement of Interbank Offered Rates*

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*

GASB Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*

GASB Statement No. 98, *The Annual Comprehensive Financial Report*

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to the Financial Statements
June 30, 2021

NOTE 15. NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

The Village will implement the new GASB pronouncements in the fiscal year no later than the required effective date. The Village believes that the above listed new GASB pronouncements will not have a significant financial impact to the Village or in issuing its financial statements.

NOTE 16. SUBSEQUENT EVENTS

Events subsequent to June 30, 2021 have been evaluated by management through December 9, 2021, the date the financial statements were available for issuance.

NOTE 18. COVID-19

In early March 2020, the COVID-19 virus was declared a global pandemic, and it continues to cause market fluctuations. Business continuity and financial markets, including supply chains and consumer demand across a broad range of industries and countries, could be severely impacted for months or more, as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and evaluating its options during this time.

NOTE 19. PRIOR PERIOD ADJUSTMENT

In the implementation of GASB Statement No. 84 relating to the presentation of fiduciary activities, the Village adjusted the beginning net position of the custodial funds. The beginning balance of the custodial funds was established to be \$1,667,048, being presented as a prior period adjustment in the Statement of Changes in Fiduciary Net Position.

REQUIRED SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Schedule of the Village's Proportionate Share of the Net Pension Liability
June 30, 2021

Pension Liability
For Last 10 Fiscal Years*
General, Police and Fire Divisions Combined Summary
(Dollars in Thousands)

	June 30,						
Fiscal Year	2021	2020	2019	2018	2017	2016	2015
Measurement Date	2020	2019	2018	2017	2016	2015	2014
Village's Proportion of the Net Pension Liability (Asset)	0.336%	0.336%	0.320%	0.288%	0.283%	0.270%	0.270%
Village's Proportionate Share of Net Pension Liability (Asset)	26,249	21,751	19,746	15,158	17,428	11,699	9,126
Village's Covered Employee Payroll	9,414	9,111	8,113	8,059	7,080	6,245	7,269
Village's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	278.83%	238.73%	243.39%	188.09%	246.16%	160.95%	146.13%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.36%	70.52%	71.13%	73.74%	69.18%	76.99%	81.29%

* Governmental Account Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the Village is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Schedule of Village Pension Contributions
June 30, 2021

For Last 10 Fiscal Years*
General, Police and Fire Divisions Combined Summary
(Dollars in Thousands)

	2021	2020	2019	2018	2017	2016	2015
Statutory Required	\$ 997	1,126	1,058	1,049	1,112	828	818
Contributions in Relation to the Statutory Required	2,070	2,193	1,985	1,843	1,112	828	1,580
Annual Contribution Deficiency (Excess) *	\$ (1,073)	(1,067)	(927)	(794)	-	-	(762)

* Governmental Account Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the Village is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Schedule of Village Pension Contributions
Municipal General Division
June 30, 2021

For Last 10 Fiscal Years*
General Division
(Dollars in Thousands)

	2021	2020	2019	2018	2017	2016	2015
Statutory Required	\$ 599	535	509	505	689	417	387
Contributions in Relation to the Statutory Required	1,199	1,102	955	888	689	417	850
Annual Contribution Deficiency (Excess) *	\$ (600)	(567)	(446)	(383)	-	-	(463)

* Governmental Account Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the Village is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Schedule of Village Pension Contributions
Municipal Police Division
June 30, 2021

For Last 10 Fiscal Years*
Police Division
(Dollars in Thousands)

	2021	2020	2019	2018	2017	2016	2015
Statutory Required	\$ 270	388	368	375	315	286	300
Contributions in Relation to the Statutory Required	705	747	690	658	315	286	517
Annual Contribution Deficiency (Excess) *	\$ (435)	(359)	(322)	(283)	-	-	(217)

* Governmental Account Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the Village is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Schedule of Village Pension Contributions
Municipal Fire Division
June 30, 2021

For Last 10 Fiscal Years*
Fire Division
(Dollars in Thousands)

	2021	2020	2019	2018	2017	2016	2015
Statutory Required	\$ 128	203	181	169	108	125	131
Contributions in Relation to the Statutory Required	166	344	340	297	108	125	213
Annual Contribution Deficiency (Excess) *	\$ (38)	(141)	(159)	(128)	-	-	(82)

* Governmental Account Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the Village is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Schedule of Changes in Net OPEB Liability and Related Ratios
June 30, 2021

	Last 10 Years *				
	2021	2020	2019	2018	2017
Total OPEB Liability					
Service Cost	\$ 550,510	418,116	432,967	498,192	N/A
Interest on total OPEB liability	336,124	309,725	277,148	227,852	N/A
Effect of changes to benefit terms	-	-	-	-	N/A
Effect of economic/demographic (gains) or losses	(20,639)	385,993	9,602	(29,120)	N/A
Effect of assumption changes or inputs	1,792,430	514,496	(297,100)	(764,162)	N/A
Benefit payments	(169,511)	(151,393)	(141,003)	(101,020)	N/A
Net change in total OPEB liability	2,488,914	1,476,937	281,614	(168,258)	N/A
Total OPEB liability, beginning	9,137,050	7,660,113	7,378,499	7,546,757	N/A
Total OPEB liability, ending	11,625,964	9,137,050	7,660,113	7,378,499	7,546,757
Fiduciary Net Position					
Employer contributions	431,174	306,286	278,610	243,744	N/A
Member contributions	136,612	113,950	97,366	107,282	N/A
Net investment income	25,143	10,127	-	-	N/A
Benefit payments	(169,511)	(151,393)	(141,003)	(101,020)	N/A
Administrative expenses	-	-	-	-	N/A
Net change in plan fiduciary net position	423,418	278,970	234,973	250,006	N/A
Fiduciary net position, beginning	2,767,954	2,488,984	2,254,011	2,004,005	N/A
Fiduciary net position, ending	3,191,372	2,767,954	2,488,984	2,254,011	2,004,005
Net OPEB liability	8,434,592	6,369,096	5,171,129	5,124,488	5,542,752
Fiduciary net position as a % of total OPEB payroll	27.45%	30.29%	32.49%	30.55%	26.55%
Covered payroll	10,167,003	9,441,043	8,699,101	7,731,219	7,593,399
Net OPEB liability as a % of covered payroll	82.96%	67.46%	59.44%	66.28%	72.99%

* Governmental Account Standards Board Statement No. 75 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the Village is not available prior to fiscal year 2017, the year the statement's requirements became effective.

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Schedule of Village OPEB Contributions
June 30, 2021

	2021	2020	2019	2018	2017
Contractually Required Contribution	\$ 415,108	420,236	375,976	351,026	-
Contributions in Relation to the Contractually Required	415,108	528,585	352,979	351,026	-
Annual Contribution Deficiency (Excess) *	\$ -	(108,349)	22,997	-	-

* Governmental Account Standards Board Statement No. 75 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the Village is not available prior to fiscal year 2017, the year the statement's requirements became effective.

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to Required Supplementary Information
June 30, 2021

Changes of Benefit Terms. The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA's CFAR. <https://www.saonm.org>

Assumptions: The Public Employees Retirement Association of New Mexico Annual Actuarial Valuations as of June 2020 report is available at: <http://www.nmpera.org/>

Assumption Changes Since the June 30, 2020 Disclosure:

- Claims and premiums were updated based on experience.
- The trend assumption was updated based on the current Milliman Adjusted Getzen trend model. The trend developed for the July 1, 2017 valuation included an adjustment to estimate the impact of the Affordable Care Act excise tax on high cost health plans. As this excise tax was repealed in December 2019, the July 1, 2019 trend assumption no longer includes this adjustment.
- The mortality assumption was updated to the Pub-2010 Retiree and Employee Tables for General/Safety Employees, projected generational using Mortality Improvement Scale MP2019, to better reflect anticipated plan experience.
- The long-term rate of return was changed from 2.80% to 2.00% effective July 1, 2019, to better reflect anticipated plan experience.
- The discount rate was updated based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index at the measurement date.

SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Non-Major Funds
June 30, 2021**

Special Revenue Funds

Lodgers Tax Fund (16)

Utilize lodgers tax revenues collected from area lodging facilities for the purpose of advertising, publicizing and promoting tourist-related attractions and events within the Village. The Village has created the Lodgers Tax Advisory Board to advise the Governing Body on ways to spend lodgers tax funds for advertising, publicizing and promoting tourist-related attractions and events. The Lodgers Tax Fund was established by Village Ordinance 183 and amended by Village Ordinance 240.

Municipal Street Improvement Fund (17)

Gasoline tax revenues are collected and used for construction, reconstruction, resurfacing or other improvement or maintenance of public roads and streets, including right-of-way materials acquisition. These revenues can be designated for projects subject to cooperative agreements entered into with the state highway and transportation department. The Municipal Street Improvement Fund was established by Village Ordinance 48.

Fire Fund (21)

Provide fire protection and life safety for the Village of Los Lunas. The Fire Department is responsible for the preservation of human life due to fire or rescue services, as needed. To make the public aware of fire safety of all types and make available all fire prevention information. State fire money is generated through homeowner's insurance and the State of New Mexico. The Fire Fund was created in accordance with Section 3-18-11 NMSA 1978.

Recreation Fund (22)

Provide recreation and entertainment to the citizens of Los Lunas and Valencia County and surrounding areas. The Recreation Fund helps pay for annual holiday festivities such as the Fourth of July and Christmas, and sports leagues. The Recreation Fund was established by Village Ordinance 76.

Police Program Fund (23)

Account for revenues and expenditures associated with the Cops for Kids and Kids Winter Ball programs and activities, as well as the Police Athletic League (PAL) program. The Police Program Fund was established by Village Resolution 10-13.

Intergovernmental Grant Fund (24)

Account for various sources of revenue from local, state and federal governments. The Intergovernmental Grant Fund was established by Village Resolution 20-28.

**STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Non-Major Funds
June 30, 2021**

Special Revenue Funds (Continued)

Local Government Correction Fund (26)

The Local Government Correction Fund tracks fees assessed and expenditures incurred for the care of prisoners. Any person convicted of violating any municipal ordinance that carries a jail sentence must pay a \$20 corrections fee to the Municipal Court to support the care and housing of adults and juveniles, per New Mexico Statutory requirements. The Local Government Correction Fund was established by Village Ordinance 151 and amended by Village Ordinance 303.

Law Enforcement Protection Fund (27)

The New Mexico Enforcement Protection Fund (LEPF) is a legislative established fund that accumulates fees generated from insurance corporations in New Mexico and annually distributes the funds to New Mexico law enforcement agencies annually to assist in police equipment/training cost. LEPF funds are distributed under a formula for jurisdictional population and number of certified police officers in the law enforcement agency serving that jurisdiction. The Law Enforcement Protection Fund was created in accordance with Section 29-13-2 NMSA 1978.

Local DWI Fund (29)

Account for the operation of the DWI Program that serves Valencia County. Funding for this fund is provided by the LDWI grant and State distribution. The Local LDWI Fund was created in accordance with Section 11-6A-3 NMSA 1978.

Emergency Medical Service Fund (39)

To provide funds for the use in the establishment and enhancement of local emergency medical services, statewide emergency medical services, and trauma services, in order to reduce injury and loss of life. The Emergency Medical Service Fund was created in accordance with Section 24-10A-2 NMSA 1978.

Capital Project Funds

Daniel Fernandez Park Improvements Fund (31)

Track revenues and expenditures related to improvements to Daniel Fernandez Memorial Park in Los Lunas. The Daniel Fernandez Park Improvements Fund was established by Village Resolution 19-15.

Museum of Heritage and Arts Improvements Fund (37)

Track revenues and expenditures related to improvements to Museum of Heritage and Arts in Los Lunas. The Museum of Heritage and Arts Improvements Fund was established by Village Resolution 19-15.

Sports Complex Improvements Fund (40)

Track revenues and expenditures related to improvements to the Sports Complex in Los Lunas. The Sports Complex Improvements Fund was established by Village Resolution 19-15.

**STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Non-Major Funds
June 30, 2021**

Capital Project Funds (Continued)

I-25 Interchange Fund (42)

Track revenues and expenditures related to construction of a new I-25 Interchange in Los Lunas. The I-25 Interchange Fund was established by Village Resolution 19-15.

Debt Service Funds

GRT Revenue Bond 2016 Fund (34)

The GRT Improvement Revenue Bonds, Series 2016 were issued for the purpose of acquiring, purchasing, improving, and rehabilitating land for governmental purposes, specially, the purchase of the Monte Vista/El Molino property for the School of Dreams Academy (SODA) project and cover all costs incidental to the foregoing and incidental to the issuance of bonds. Payment of the bonds will be solely from the State Shared Gross Receipts Tax and Municipal Share Gross Receipts Tax revenues. The GRT Revenue Bond 2016 Fund was established by Village Ordinance 405.

G.O. Bond 2016 Fund (36)

The Village of Los Lunas issued General Obligation Bonds for the purpose of providing fire protection including purchasing, providing, enlarging, and improving fire protection apparatus, equipment, facilities and paying costs of issuance of the bonds. The bonds are paid from ad valorem taxes which may be levied against all taxable property within Village limits. The G.O. Bond 2016 Fund was established by Village Ordinance 412.

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Combining Balance Sheet - Non Major Governmental Funds
June 30, 2021

	Special Revenue Funds					
	Lodgers Tax Fund	Municipal Street Improvement Fund	Fire Fund	Recreation Fund	Police Program Fund	Intergovernmental Grant Fund
ASSETS						
Cash and cash equivalents	\$ 243,067	229,336	246,811	495,816	52,953	10,625
Restricted Cash	-	-	10,199	-	-	-
Investments	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Receivable from other governments	10,551	43,557	-	-	-	-
Other receivables	-	-	-	-	-	-
Total assets	\$ 253,618	272,893	257,010	495,816	52,953	10,625
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 497	-	57,941	3,587	970	-
Due to other funds	-	-	-	-	-	-
Accrued payroll expenditures	-	-	-	-	-	-
Total liabilities	497	-	57,941	3,587	970	-
DEFERRED INFLOWS OF RESOURCES						
Property taxes	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	253,121	272,893	199,069	492,229	51,983	10,625
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	253,121	272,893	199,069	492,229	51,983	10,625
Total liabilities, deferred inflows of resources and fund balances	\$ 253,618	272,893	257,010	495,816	52,953	10,625

See Notes to Financial Statements

Special Revenue Funds (Continued)				
Local Government Correction Fund	Law Enforcement Protection Fund	Local DWI Fund	Emergency Medical Service Fund	Total Special Revenue Funds
148,204	2,835	83,031	5,028	1,517,706
-	-	-	-	10,199
-	-	-	-	-
-	-	-	-	-
-	-	73,851	-	127,959
-	-	-	-	-
148,204	2,835	156,882	5,028	1,655,864
11,068	-	73,307	5,028	152,398
-	-	-	-	-
-	-	16,908	-	16,908
11,068	-	90,215	5,028	169,306
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
137,136	2,835	66,667	-	1,486,558
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
137,136	2,835	66,667	-	1,486,558
148,204	2,835	156,882	5,028	1,655,864

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Combining Balance Sheet - Non Major Governmental Funds
June 30, 2021

	Capital Projects Funds				Total Capital Projects Funds
	Daniel Fernandez Park Imprv. Fund	Museum of Heritage & Arts Fund	Sports Complex Improvements Fund	I-25 Interchange Fund	
ASSETS					
Cash and cash equivalents	\$ -	-	-	943,379	943,379
Restricted Cash	-	-	-	-	-
Investments	-	-	-	-	-
Due from other funds	-	-	-	-	-
Receivable from other governments	-	-	194,226	-	194,226
Other receivables	-	-	-	-	-
Total assets	\$ -	-	194,226	943,379	1,137,605
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	-	24,995	98,116	123,111
Due to other funds	-	-	169,231	-	169,231
Accrued payroll expenditures	-	-	-	-	-
Total liabilities	-	-	194,226	98,116	292,342
DEFERRED INFLOWS OF RESOURCES					
Property taxes	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	845,263	845,263
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	-	-	-	845,263	845,263
Total liabilities, deferred inflows of resources and fund balances	\$ -	-	194,226	943,379	1,137,605

See Notes to Financial Statements

Debt Service Funds			Total Non Major
GRT Revenue Bond 2016 Fund	G.O. Bond 2016 Fund	Total Debt Service Funds	Governmental Funds
-	463,539	463,539	2,924,624
-	-	-	10,199
-	-	-	-
-	-	-	-
-	25,944	25,944	348,129
-	-	-	-
-	489,483	489,483	3,282,952
-	-	-	275,509
-	-	-	169,231
-	-	-	16,908
-	-	-	461,648
-	18,172	18,172	18,172
-	18,172	18,172	18,172
-	-	-	-
-	471,311	471,311	2,803,132
-	-	-	-
-	-	-	-
-	-	-	-
-	471,311	471,311	2,803,132
-	489,483	489,483	3,282,952

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2021

	Special Revenue Funds					
	Lodgers Tax Fund	Municipal Street Improvement Fund	Fire Fund	Recreation Fund	Police Program Fund	Intergovernmental Grant Fund
REVENUES						
Sales taxes	\$ -	-	-	-	-	-
Property taxes	-	-	-	-	-	-
Franchise taxes	-	-	-	-	-	-
Other taxes	89,304	378,633	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Federal grants	-	-	-	-	-	389,225
State grants	-	-	293,721	-	-	10,625
Charges for services	-	-	-	118,248	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment earnings	-	28	3	-	-	-
Payments in lieu of taxes	-	-	-	-	-	-
Miscellaneous	-	-	-	100	68,332	-
Total revenues	89,304	378,661	293,724	118,348	68,332	399,850
EXPENDITURES						
Current:						
General government	-	-	-	-	-	389,225
Public safety	-	-	94,129	-	32,513	-
Highways and streets	-	16,585	-	-	-	-
Sanitation	-	-	-	-	-	-
Culture and recreation	74,251	-	-	50,783	-	-
Debt service:						
Principal	-	168,398	36,693	-	-	-
Interest and other charges	-	14,665	4,103	-	-	-
Capital outlay	-	186,176	148,309	-	-	-
Total expenditures	74,251	385,824	283,234	50,783	32,513	389,225
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	15,053	(7,163)	10,490	67,565	35,819	10,625
OTHER FINANCING SOURCES (USES)						
Legislative appropriation	-	-	-	-	-	-
Proceeds from issuance of debt	-	-	-	-	-	-
Insurance recoveries	-	-	-	-	-	-
Proceeds on sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	(60,610)	-	-	-	-
Total other financing sources (uses)	-	(60,610)	-	-	-	-
Net change in fund balances	15,053	(67,773)	10,490	67,565	35,819	10,625
Fund balances, beginning of year	238,068	340,666	188,579	424,664	16,164	-
Fund balances, end of year	\$ 253,121	272,893	199,069	492,229	51,983	10,625

See Notes to Financial Statements

Special Revenue Funds (Continued)				
Local Government Correction Fund	Law Enforcement Protection Fund	Local DWI Fund	Emergency Medical Service Fund	Total Special Revenue Funds
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	467,937
-	-	-	-	-
-	-	115,855	-	505,080
-	43,400	501,052	15,000	863,798
22,940	-	10,602	-	151,790
-	-	-	-	-
-	-	-	-	31
-	-	-	-	-
-	-	-	-	68,432
<hr/>				
22,940	43,400	627,509	15,000	2,057,068
<hr/>				
-	-	-	-	389,225
29,329	41,904	612,742	15,856	826,473
-	-	-	-	16,585
-	-	-	-	-
-	-	-	-	125,034
-	-	-	-	205,091
-	-	-	-	18,768
-	-	-	-	334,485
<hr/>				
29,329	41,904	612,742	15,856	1,915,661
<hr/>				
(6,389)	1,496	14,767	(856)	141,407
<hr/>				
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	(10,848)	-	(71,458)
<hr/>				
-	-	(10,848)	-	(71,458)
<hr/>				
(6,389)	1,496	3,919	(856)	69,949
143,525	1,339	62,748	856	1,416,609
137,136	2,835	66,667	-	1,486,558
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STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2021

	Capital Projects Funds				Total Capital Projects Funds
	Daniel Fernandez Park Imprv. Fund	Museum of Heritage & Arts Fund	Sports Complex Improvements Fund	I-25 Interchange Fund	
REVENUES					
Sales taxes	\$ -	-	-	-	-
Property taxes	-	-	-	-	-
Franchise taxes	-	-	-	-	-
Other taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	-	-	56,962	56,962
State grants	-	-	-	1,098,414	1,098,414
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment earnings	-	-	-	-	-
Payments in lieu of taxes	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	-	-	-	1,155,376	1,155,376
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	-	106,295	219,222	1,441,751	1,767,268
Total expenditures	-	106,295	219,222	1,441,751	1,767,268
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	-	(106,295)	(219,222)	(286,375)	(611,892)
OTHER FINANCING SOURCES (USES)					
Legislative appropriation	-	-	194,226	-	194,226
Proceeds from issuance of debt	-	-	-	-	-
Insurance recoveries	-	-	-	-	-
Proceeds on sale of capital assets	-	-	-	-	-
Transfers in	6,043	7,945	24,996	-	38,984
Transfers out	-	-	(378,682)	-	(378,682)
Total other financing sources (uses)	6,043	7,945	(159,460)	-	(145,472)
Net change in fund balances	6,043	(98,350)	(378,682)	(286,375)	(757,364)
Fund balances, beginning of year	(6,043)	98,350	378,682	1,131,638	1,602,627
Fund balances, end of year	\$ -	-	-	845,263	845,263

See Notes to Financial Statements

Debt Service Funds		Total Non Major	
GRT Revenue Bond 2016 Fund	G.O. Bond 2016 Fund	Total Debt Service Funds	Governmental Funds
-	-	-	-
-	467,426	467,426	467,426
-	-	-	-
-	-	-	467,937
-	-	-	-
-	-	-	562,042
-	-	-	1,962,212
-	-	-	151,790
-	-	-	-
-	-	-	31
-	-	-	-
-	-	-	68,432
-	467,426	467,426	3,679,870
-	-	-	389,225
-	-	-	826,473
-	-	-	16,585
-	-	-	-
-	-	-	125,034
-	-	-	-
140,000	350,000	490,000	695,091
117,650	113,462	231,112	249,880
-	-	-	2,101,753
257,650	463,462	721,112	4,404,041
(257,650)	3,964	(253,686)	(724,171)
-	-	-	194,226
-	-	-	-
-	-	-	-
-	-	-	-
128,708	-	128,708	167,692
-	-	-	(450,140)
128,708	-	128,708	(88,222)
(128,942)	3,964	(124,978)	(812,393)
128,942	467,347	596,289	3,615,525
-	471,311	471,311	2,803,132

**STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Fiduciary Funds
June 30, 2021**

Fiduciary Funds

Court Trust Fund (28)

Any person convicted of violating any municipal ordinance that carries a jail sentence must pay a \$3 judicial education fee to the Municipal Court to be used for education and training, including production of bench books and other written materials for municipal judges and other municipal court personnel. The Court Trust Fund was established by Village Ordinance 205 and amended by Village Ordinance 362.

Central Solid Waste Authority (44)

The Central Solid Waste Authority (CSWA) consists of the Village of Los Lunas, City of Belen, Socorro County, City of Socorro and the Village of Magdalena. The CSWA has received both grant funding and loan funding to assist CSWA members with their individual solid waste operations. The Village of Los Lunas, through joint powers agreement, is the fiscal agent for the Authority. As fiscal agent, the Village is to ensure that the available funds are spent according to state law and regulations. The Village is also responsible to collect the environmental gross receipts tax from participating members to retire the existing debt.

Regional Dispatch Fund (45)

Track funds incurred for operating, administering and maintaining a joint enhanced 911 Regional Communications Center in Valencia County. The Valencia County Regional Emergency Communications Center (VRECC) was established by a Joint Powers Agreement between the City of Belen, the Village of Los Lunas, the Village of Bosque Farms, and Valencia County on June 6, 2006, and revised on June 19, 2016, to include partnerships with the Town of Peralta, the City of Rio Communities and American Medical Response (AMR) ambulance service.

Municipal Court Bond Fund (63)

Track revenues for payments of bonds issued by municipal court and subsequent reimbursement of bonds, after established criteria has been met.

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Combining Statement of Fiduciary Net Position -
Fiduciary Funds
June 30, 2021

	Custodial Funds				Total Custodial Funds
	Court Trust Fund	Central Solid Waste Authority	Regional Dispatch	Municipal Court Bond	
ASSETS					
Cash and cash equivalents	\$ -	-	692,453	48,372	740,825
Receivables	-	-	672,844	-	672,844
Due from other funds	-	-	198	-	198
Total assets	\$ -	-	1,365,495	48,372	1,413,867
LIABILITIES					
Accounts payable	\$ 99	-	29,244	-	29,343
Due to other funds	198	-	-	-	198
Accrued payroll liabilities	-	-	70,230	-	70,230
Total liabilities	297	-	99,474	-	99,771
NET POSITION					
Restricted for:					
Individuals and organizations	-	-	1,266,021	-	1,266,021
Other governments	(297)	-	-	48,372	48,075
Total net position	\$ (297)	-	1,266,021	48,372	1,314,096

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2021

	Custodial Funds				Total Custodial Funds
	Court Trust Fund	Central Solid Waste Authority	Regional Dispatch	Municipal Court Bond	
ADDITIONS:					
Contributions:					
Private contributions	\$ 10,522	-	2,869,277	16,690	2,896,489
Total contributions	10,522	-	2,869,277	16,690	2,896,489
Total additions	\$ 10,522	-	2,869,277	16,690	2,896,489
DEDUCTIONS					
Refunds and transfers to other systems	\$ 11,789	1,171,187	41,769	-	1,224,745
Administrative expense	-	-	2,024,696	-	2,024,696
Total deductions	11,789	1,171,187	2,066,465	-	3,249,441
Net increase (decrease) in fiduciary net position	(1,267)	(1,171,187)	802,812	16,690	(352,952)
Net position, beginning of year	-	-	-	-	-
Prior period adjustment	970	1,171,187	463,209	31,682	1,667,048
Net position, end of year as restated	\$ (297)	-	1,266,021	48,372	1,314,096

See Notes to Financial Statements

OTHER SUPPLEMENTAL SCHEDULES

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Supplemental Schedule of Pledged Collateral
Year Ended June 30, 2021

	Wells Fargo	US Bank	Bank of the West	New Mexico Finance Authority
Deposits in Bank of Savings and Loans				
Money market	\$ -	3,867,830	3,602,641	364,374
Bank deposits	46,519,003	48,372	-	-
Certificates of deposit	-	-	300,000	-
Total bank balance	46,519,003	3,916,202	3,902,641	364,374
Less: FDIC insurance	250,000	250,000	250,000	250,000
Total uninsured public funds	\$ 46,269,003	3,666,202	3,652,641	-
Collateral requirement	23,134,502	1,833,101	1,826,321	-
Total required collateralization	23,134,502	1,833,101	1,826,321	-
Pledges and securities				
FMAC, FEPC CUSIP #3131XJKU5, 3.50%, due 04/01/2042	8,053,113	-	-	-
FMAC, FEPC CUSIP #31334X5A3, 3.00%, due 08/01/2049	1,165,792	-	-	-
FNMA, FNMS CUSIP #3138WJXP8, 3.50%, due 02/01/2047	17,717,499	-	-	-
FNMA, FNMS CUSIP #3140FPAV1, 4.00%, due 05/01/2047	5,424,196	-	-	-
FNMA, FNMS CUSIP #31417DDA8, 3.00%, due 10/01/2042	19,943,907	-	-	-
Federal Home Loan Bank of Cincinnati, LOC No.:552061, Issued 10/1/2020	-	3,700,000	-	-
FH K103 A2 FIX CUSIP #3137FQKN2, 2.651%, due 11/25/2029	-	-	272,056	-
FHMS K107 A2 CUSIP #3137FRZA2, 1.639%, due 02/25/2030	-	-	173,422	-
FH K105 A2 FIX CUSIP #3137FRUJ8, 1.872%, due 01/25/2030	-	-	257,815	-
GN 2125H G FIX CUSIP #38382NTL1, 1.25%, due 02/20/2051	-	-	201,572	-
GNMA2 SINGLE FAMILY 30 YR CUSIP #36179MSV3, 2.50%, due 11/20/2042	-	-	44,125	-
GNMA2 SINGLE FAMILY 30 YR CUSIP #36179NM96, 3.00%, due 09/20/2043	-	-	9,828	-
FNMA CONV 30 YR SF CUSIP #3138MAKS6, 3.00%, due 09/01/2042	-	-	30,161	-
G2SF MA2677 CUSIP #36179Q6N6, 3.00%, due 03/20/2045	-	-	114,399	-
G2SF MA3662 CUSIP #36179SB71, 3.00%, due 05/20/2046	-	-	46,928	-
G2SF MA3802 CUSIP #36179SGK7, 3.00%, due 07/20/2046	-	-	468,958	-
G2SF MA3596 CUSIP #36179R7H6, 3.00%, due 04/20/2046	-	-	187	-
FNCL AS7582 CUSIP #3138WHM82, 3.00%, due 07/01/2046	-	-	399,299	-
FNMA CONV 30 YR SF CUSIP #3138M8J61, 3.00%, due 09/01/2042	-	-	93,323	-
G2SF MA3596 CUSIP #36179R7H6, 3.00%, due 04/20/2046	-	-	14,663	-
Louisiana State Gas & Fuels Tax Revenue Bonds CUSIP #546475SL9, 5.00%, due 05/01/2040	-	-	-	-
Total pledged securities	52,304,507	3,700,000	2,126,736	-
Excess (deficiency)	\$ 29,170,005	1,866,899	300,415	-

Safekeeping locations for the above securities are as follows:

Wells Fargo: Bank of New York Mellon

US Bank: Federal Home Loan Bank of Dallas, Texas (Dallas, TX)

Bank of the West: Bank of the West (Omaha, NE)

New Mexico Bank & Trust: Raymond James & Associates, Inc. (Memphis, TN)

New Mexico Bank & Trust	Xpress Bill Pay	Nusenda Credit Union	State Employees Credit Union	Bank of Albuquerque	United Business Bank	Total
-	-	-	-	-	-	7,834,845
-	171,289	-	-	-	-	46,738,664
200,000	-	100,728	100,000	100,000	100,000	900,728
200,000	171,289	100,728	100,000	100,000	100,000	55,474,237
200,000	171,289	100,728	100,000	100,000	100,000	1,772,017
-	-	-	-	-	-	53,587,846
-	-	-	-	-	-	26,793,924
-	-	-	-	-	-	26,793,924
-	-	-	-	-	-	8,053,113
-	-	-	-	-	-	1,165,792
-	-	-	-	-	-	17,717,499
-	-	-	-	-	-	5,424,196
-	-	-	-	-	-	19,943,907
-	-	-	-	-	-	3,700,000
-	-	-	-	-	-	272,056
-	-	-	-	-	-	173,422
-	-	-	-	-	-	257,815
-	-	-	-	-	-	201,572
-	-	-	-	-	-	44,125
-	-	-	-	-	-	9,828
-	-	-	-	-	-	30,161
-	-	-	-	-	-	114,399
-	-	-	-	-	-	46,928
-	-	-	-	-	-	468,958
-	-	-	-	-	-	187
-	-	-	-	-	-	399,299
-	-	-	-	-	-	93,323
-	-	-	-	-	-	14,663
418,550	-	-	-	-	-	418,550
418,550	-	-	-	-	-	58,549,793
418,550	-	-	-	-	-	31,755,869

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Schedule of Cash and Temporary Investment Accounts
Year Ended June 30, 2021

	Wells Fargo	US Bank	Bank of the West	New Mexico Finance Authority	New Mexico Bank & Trust	Xpress Bill Pay	Nusenda Credit Union
Deposits in Bank of Savings and Loans							
Money market	\$ -	3,867,830	3,602,641	364,374	-	-	-
Bank deposits	46,519,003	48,372	-	-	-	171,289	-
Certificates of deposit	-	-	300,000	-	200,000	-	100,728
Total bank balance	46,519,003	3,916,202	3,902,641	364,374	200,000	171,289	100,728
Reconciling items							
Outstanding checks	(658,532)	-	-	-	-	-	-
Deposits in transit	309,683	-	-	-	-	(120,565)	-
Other adjustments	283,628	-	-	-	-	-	-
Total adjustments	(65,221)	-	-	-	-	(120,565)	-
Total book balance	46,453,782	3,916,202	3,902,641	364,374	200,000	50,724	100,728
Plus: petty cash	-	-	-	-	-	-	-
Less: fiduciary fund balances included in bank balance							
Total primary government	\$ 46,453,782	3,916,202	3,902,641	364,374	200,000	50,724	100,728

State Employees Credit Union	Bank of Albuquerque	United Business Bank	Total
-	-		7,834,845
-	-		46,738,664
100,000	100,000	100,000	900,728
100,000	100,000	100,000	55,474,237
<hr/>			
-	-	-	(658,532)
-	-	-	189,118
-	-	-	283,628
-	-	-	(185,786)
<hr/>			
100,000	100,000	100,000	55,288,451
-	-	-	2,039
			740,825
100,000	100,000	100,000	54,549,665
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STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Schedule of Joint Powers Agreements
June 30, 2021

Agreement	The Village Participates With	Party Responsible for Operation	Description	Period	Funds / Cost to Village	Village Contributions	Audit Responsibility
Valencia County Regional Communications Center	City of Belen, Village of Los Lunas, Village of Bosque Farms, and Valencia County	Village of Los Lunas	Emergency services including fire, EMS, and law enforcement services and to provide for the emergency communications needs to the public safety agencies of the municipalities and County.	Beginning June 19, 2006 and may be terminated upon written notice being given by one party to the other.	City of Belen, \$115,739; Village of Bosque Farms, \$46,456; Valencia County, \$187,558; Town of Peralta, \$32,123; City of Rio Communities, \$30,187; American Medical Rescue, \$104,168	238,653	Village of Los Lunas

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Schedule of Special, Deficiency, Specific and Capital Outlay Appropriations
Year Ended June 30, 2021

Project	Grant #	Original Appropriation	Appropriation Period	Expenditures to Date	Outstanding Encumbrances	Unencumbered Balances
Fred Luna Senior Ctr Renovate	16-A5109	\$ 290,000	July 1, 2017 - June 30, 2021	290,000	-	-
Camelot Blvd Improvements Los Lunas	18-C2673	450,000	July 1, 2018 - June 30, 2022	450,000	-	-
Morris Rd Extension & Interchange Valencia CO	18-C2674	250,000	July 1, 2018 - June 30, 2022	250,000	-	-
Los Lunas Daniel Fernandez Memorial Park Improvements	19-D3254	594,000	July 1, 2019 - June 30, 2023	594,000	-	-
Los Lunas Musuem of Heritage & Arts Improvements	19-D3255	198,000	July 1, 2019 - June 30, 2023	198,000	-	-
Los Lunas River Park & Bosque Open Space	19-D3256	75,000	July 1, 2019 - June 30, 2023	75,000	-	-
Los Lunas Sports Facility Improvements	19-D3257	470,250	July 1, 2019 - June 30, 2023	470,250	-	-
Computer-Aided Dispatch and Records Management Systems	19-D3251	1,148,321	July 1, 2019 - June 30, 2023	1,148,321	-	-
Los Lunas Central Rail Park Utility Extensions	20-E2251	1,500,000	July 1, 2020 - June 30, 2024	81,794	1,418,206	-
Los Lunas Daniel Fernandez Memorial Park Improvements	20-E2791	600,000	July 1, 2020 - June 30, 2024	-	600,000	-
Los Lunas River Park Improvements	20-E2792	225,000	July 1, 2020 - June 30, 2024	-	225,000	-
				<u>3,557,365</u>	<u>2,243,206</u>	<u>-</u>

COMPLIANCE

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To Brian S. Colón, Esq.
New Mexico State Auditor
The Village of Los Lunas Council
Village of Los Lunas

We have audited, 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, the financial statements of the governmental activities, business type activities, each major fund, the aggregate remaining fund information and the budgetary comparisons of the general fund and major special revenue funds of the Village of Los Lunas (the "Village"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated December 9, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pattillo, Brown & Hill, LLP

Pattillo, Brown & Hill, LLP
Albuquerque New Mexico
December 9, 2021



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

To Brian S. Colón, Esq.
New Mexico State Auditor
The Village of Los Lunas Council
Village of Los Lunas

Report on Compliance for Each Major Federal Program

We have audited the Village of Los Lunas's (Village) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Village's major federal programs for the year ended June 30, 2021. The Village's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Village's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Village's compliance.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Opinion on Each Major Federal Program

In our opinion, the Village complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the Village is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Village's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

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

Pattillo, Brown & Hill, LLP

Pattillo, Brown & Hill, LLP
Albuquerque, New Mexico
December 9, 2021

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor or Pass-Through Grantor/Program Title	Passthrough Grant Number	Assistance Listing Number	Federal Expenditures
U.S. Department of Justice			
Coronavirus Emergency Supplemental Funding Program		16.034	\$ 37,935
Bulletproof Vest Partnership		16.607	5,967
Public Safety Partnership and Community Policing Grants		16.710	91,006
National Association of Police Athletic/Activities Leagues, Inc.		16.726	16,291
Edward Byrne Memorial Justice Assistance Grant		16.738	11,803
Total U.S. Department of Justice			163,002
U.S. Department of Transportation			
<i>Passed Through the New Mexico Department of Transportation</i>			
Highway Planning and Construction	A300891	20.205	1,616,885
Highway Planning and Construction	A300894	20.205	50,020
Highway Planning and Construction	A300961	20.205	370,565
Highway Planning and Construction	A301122	20.205	21,014
Highway Planning and Construction	A301350	20.205	103,562
Highway Planning and Construction	A302230	20.205	126,722
Total U.S. Department of Transportation			2,288,768
U.S. Department of the Treasury			
<i>Passed Through the New Mexico Department of Finance and Administration</i>			
Coronavirus Relief Fund - COVID-19	CARES-14003-VLL	21.019	53,750
Coronavirus Relief Fund - COVID-19	CARES-BUS-14003-VLL	21.019	335,475
Total U.S. Department of U.S. Department of the Treasury			389,225
U.S. Environmental Protection Agency			
<i>Passed Through the State of New Mexico Finance Authority</i>			
Safe Drinking Water State Revolving Fund	DW-5130	66.468	2,628,449
<i>Passed Through the State of New Mexico Environment Department</i>			
Safe Drinking Water State Revolving Fund	CWSRF 055	66.458	661,909
Safe Drinking Water State Revolving Fund	CWSRF 060	66.458	26,710
Total U.S. Environmental Protection Agency			3,317,068
U.S. Department of Health and Human Services			
Block Grants for Prevention and Treatment of Substance Abuse		93.959	106,168
Total U.S. Department of Health and Human Services			106,168
U.S. Department of Homeland Security			
<i>Passed Through the New Mexico Department of Homeland Security and Emergency Management</i>			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	FEMA-4529-DR-NM	97.036	8,363
Total U.S. Department of Homeland Security			8,363
Total Expenditures of Federal Awards			\$ 6,272,594

See notes to Schedule of Federal Awards.

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Notes to Supplemental Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of the Village under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. Because the Schedule presents only a portion of the operations of the Village, it is not intended to and does not present the financial position, changes in net assets, and cash flows of the Village. Expenditures reported on the Schedule are reported on the accrual basis of accounting.

Subrecipients of Grant Awards

There were no sub-recipients during fiscal 2021.

Loans

The Village expended federal awards in the form of loans in the Safe Drinking Water State Revolving Fund program totaling \$3,317,068 during the year ended June 30, 2021.

Indirect Cost Rate

The Village has elected not to use the 10% de Minimis Indirect Cost Rate.

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of Auditor’s report issued: Unmodified

Internal control over financial reporting:
Material Weakness reported? No

Significant deficiencies reported not
considered to be material weaknesses? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:
Material weaknesses reported? No

Significant deficiencies reported not
considered to be material weaknesses? None

Type of auditor’s report issued on
compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR 200.516(a)? No

Identification of major programs:
Safe Drinking Water State Revolving Fund – Federal Assistance Listing #66.468
Coronavirus Relief Fund- Federal Assistance Listing #21.019

Dollar threshold used to distinguish
Between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? No

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

SECTION II – FINDINGS – FINANCIAL STATEMENT AUDIT

None

**SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS
AUDIT**

None

**SECTION IV – Other Findings, AS REQUIRED BY NEW MEXICO STATE STATUTE, SECTION 12-
6-5, NMSA 1978**

None

STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

Prior Year Findings

<u>Description</u>	<u>Status</u>
<u>Financial Statement Findings</u>	
None	

**STATE OF NEW MEXICO
VILLAGE OF LOS LUNAS
Exit Conference
June 30, 2021**

The contents of this report were discussed in the exit conference held on December 9, 2021, with the following in attendance:

Representing the Village of Los Lunas:

Charles Griego	Mayor
Gregory Martin	Village Administrator
Rebekah Klein	Finance Director

Representing Pattillo, Brown & Hill, L.L.P.:

Chris Garner	Partner
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