



# Village of Los Lunas

## Annual Financial Report

For the Year  
Ended June 30, 2022

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

**FOR THE YEAR ENDED JUNE 30, 2022**

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

## **INTRODUCTORY SECTION**

**STATE OF NEW MEXICO  
Village of Los Lunas**

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

**Official Roster**

**June 30, 2022**

Charles Griego	Mayor
Christopher Ortiz	Councilor
Gino Romero	Councilor
Cruz Muñoz	Mayor Pro-Tem
James Runyon	Councilor
Gregory Martin	Village Administrator
Rebekah Klein	Finance Director

## Independent Auditor's Report

To Brian S. Colón, Esq.  
New Mexico State Auditor

The Village of Los Lunas Council  
Village of Los Lunas

### Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, 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, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

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

### Responsibilities of Management for the Financial Statements

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

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

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### OFFICE LOCATIONS

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



## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS, we:

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

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-13, *Schedules of the Village's Proportionate Share of the Net Pension Liability and Net OPEB Liability*, and *Schedules of Village Contributions* on pages 72 – 79 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.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprises the Village's basic financial statements. The combining and individual fund financial statements, the budgetary comparisons, the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the other schedules required by 2.2.2 NMAC as noted in the table of contents 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, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and other schedules 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 schedule of expenditures of federal awards and the other schedules required by 2.2.2 NMAC as noted in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2022 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, L.L.P.*

Pattillo, Brown & Hill, L.L.P.  
Albuquerque, New Mexico  
November 23, 2022

**STATE OF NEW MEXICO  
VILLAGE OF LOS LUNAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2022**

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 \$173,305,000. The unrestricted net position, which represents the amounts available to meet the Village's ongoing obligations to citizens and creditors, was \$34,307,867.
- The Village's total net position increased \$30,363,449 which was mainly due to an unanticipated increase in sales tax revenue from construction projects.
- At the close of the current fiscal year, the Village's governmental funds reported combined fund balances of \$62,653,817, an increase of \$12,917,831 in comparison with the prior year. Of this amount \$40,012,039, or 64% 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, 2022**

**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 balances 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, 2022**

**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, 2022**

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>FY 2022</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2021</b>
Current and other assets	\$ 75,581,897	54,288,562	10,559,492	7,187,143	86,141,389	61,475,705
Capital and non-current assets	90,731,196	75,905,549	71,728,159	70,281,383	162,459,355	146,186,932
Total assets	166,313,093	130,194,111	82,287,651	77,468,526	248,600,744	207,662,637
 Total deferred outflows of resources	 6,933,293	 10,738,970	 540,387	 1,292,279	 7,473,680	 12,031,249
Current liabilities	7,147,081	5,524,352	3,018,343	3,665,326	10,165,424	9,189,678
Long-term liabilities	35,585,679	42,948,933	24,137,434	23,916,968	59,723,113	66,865,901
Total liabilities	42,732,760	48,473,285	27,155,777	27,582,294	69,888,537	76,055,579
 Total deferred inflows of resources	 12,214,706	 662,238	 737,887	 3,365	 12,952,593	 665,603
 Net Position						
Net investment in capital assets	79,094,273	63,471,979	48,877,136	48,972,135	127,971,409	112,444,114
Restricted	10,612,561	9,408,874	413,163	425,426	11,025,724	9,834,300
Unrestricted	28,663,792	18,916,705	5,644,075	1,777,585	34,307,867	20,694,290
<b>Total net position</b>	<b>\$ 118,370,626</b>	<b>91,797,558</b>	<b>54,934,374</b>	<b>51,175,146</b>	<b>173,305,000</b>	<b>142,972,704</b>

The Village's total assets which consist of cash, investments, receivables, inventories, and capital assets increased by \$40.9 million from the prior year. The Village's cash balance increased from comparison to the prior year because 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 decreased by \$6.1 million from the prior year. The Village's net pension liability decreased due to the decrease 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, 2022**

**Village of Los Lunas  
Statement of Activities**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>FY 2022</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2021</b>
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 2,649,732	2,498,456	14,708,507	14,720,685	17,358,239	17,219,141
Operating grants and contributions	2,605,122	3,085,544	-	-	2,605,122	3,085,544
Capital grants and contributions	4,901,355	850,971	-	-	4,901,355	850,971
General revenues						
Sales taxes	38,581,264	27,707,398	-	-	38,581,265	27,707,398
Property taxes	3,859,249	3,679,314	-	-	3,859,249	3,679,314
Franchise taxes	988,203	1,016,002	-	-	988,203	1,016,002
Other taxes	700,409	605,205	-	-	700,409	605,205
Legislative appropriations	825,783	228,927	-	-	825,783	228,927
Payments in lieu of taxes	180,000	298,000	-	-	180,000	298,000
Unrestricted investment earnings	170,857	7,976	2,578	7,379	173,435	15,355
Miscellaneous	1,017,058	3,019,857	1,413,611	478,119	2,430,669	3,497,976
<b>Total revenues</b>	<b>56,479,032</b>	<b>42,997,650</b>	<b>16,124,696</b>	<b>15,206,183</b>	<b>72,603,728</b>	<b>58,203,833</b>
<b>Expenses</b>						
General government	6,463,517	2,935,454	-	-	6,463,517	2,935,454
Public safety	11,362,416	9,109,239	-	-	11,362,416	9,109,239
Highways and streets	6,939,445	5,319,370	-	-	6,939,445	5,319,370
Sanitation	107,400	94,171	-	-	107,400	94,171
Culture and recreation	5,054,687	5,842,265	-	-	5,054,687	5,842,265
Interest on long-term debt	321,229	336,319	208,079	-	529,308	336,319
Water/sewer	-	-	8,859,675	9,766,138	8,859,675	9,766,138
Solid waste	-	-	2,877,104	3,337,201	2,877,104	3,337,201
Transfers	(373,882)	(412,789)	420,610	1,542,207	46,728	1,129,418
<b>Total expenses</b>	<b>29,874,811</b>	<b>23,224,029</b>	<b>12,365,468</b>	<b>14,645,546</b>	<b>42,240,279</b>	<b>37,869,575</b>
<b>Change in net position</b>	<b>26,604,221</b>	<b>19,773,621</b>	<b>3,759,228</b>	<b>560,637</b>	<b>30,363,449</b>	<b>20,334,258</b>
Net position, beginning	91,797,558	72,023,937	51,175,146	50,614,509	142,972,704	122,638,446
Prior period adjustment	(31,153)	-	-	-	(31,153)	-
Net position, beginning, as restated	91,766,405	72,023,937	51,175,146	51,175,146	142,941,551	122,638,446
<b>Net position, ending</b>	<b>\$ 118,370,626</b>	<b>91,797,558</b>	<b>54,934,374</b>	<b>51,175,146</b>	<b>173,305,000</b>	<b>142,972,704</b>

**STATE OF NEW MEXICO  
VILLAGE OF LOS LUNAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2022**

**Governmental Activities**

During the current fiscal year, net position for governmental activities increased \$26,604,221 from the prior fiscal year for an ending balance of \$118,370,626.

Sales taxes remain the largest source of revenue at \$38.5 million in the current fiscal year, an increase of \$10.8 million from the prior year. Capital grants and contributions increased by \$4.0 million which was primarily the result of the American Rescue Plan Act (ARPA) signed into law through H.R. 1319 by President Biden in order to combat the COVID-19 pandemic.

Expenditures increased by \$6.6 million from the prior year which was primarily due to transferring funds from the general fund to the Daniel Fernandez Park Improvements fund to fund capital projects.

**Business-Type Activities**

During the current fiscal year, net position for business-type activities increased \$995,579 from the prior year for an ending balance of \$54,934,374

Charges for services remain the largest source of revenue at \$14.7 million in the current fiscal year.

**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, 2022, the Village's governmental funds reported combined fund balances of \$62,653,817, an increase of \$12,917,831 in comparison with the prior year. Of this amount, \$40,012,039, or 64%, 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 \$2.1 million in accordance with New Mexico State Statutes which requires the Village to reserve 1/12<sup>th</sup> of the general funds budgeted expenditures for subsequent year expenditures. In addition, the Village has restricted \$3.9 million for employee benefit activity, \$6.7 million for capital projects, and \$0.9 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 \$40,012,039, which total fund balance was \$46,401,402. 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 86% of the total general fund balance. The fund balance of the Village's general fund increased by \$10,853,571 during the current year. As mentioned previously, this increase is due to an increase in unanticipated sales tax revenue.

**STATE OF NEW MEXICO  
VILLAGE OF LOS LUNAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2022**

The fund balance of the local LEDA fund decreased by \$3,977,546 during the current year bringing the ending fund balance to \$962,134. The decrease in fund balance was spent the funds available on approved local LEDA projects.

The fund balance of the state LEDA fund decreased by \$3,035,764 during the current year bringing the ending fund balance to \$0. 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 \$1,742,707 during the current year bringing the ending fund balance to \$5,255,145. 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*

During the year, there was no need for any significant amendments to increase either the original estimated revenues or original budgeted appropriations. However, there was a need to increase the capital outlay budgeted for the public safety radio project by \$1.1 million.

*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	\$	18,802,790	25,984,957	7,182,167

For the General Fund budget, total revenues budgeted were \$26,189,863 and actual revenues received were \$34,691,616 (cash basis). In addition, the total General Fund expenditures budget was \$26,239,170 and actual expenditures were \$18,989,235, which is a positive variance of \$7,249,935.

**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, 2022, amounts to \$127,971,409 (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 11%.

**STATE OF NEW MEXICO  
VILLAGE OF LOS LUNAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2022**

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

	Governmental Activities		Business-Type Activities		Total	
	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021
Land	\$ 5,872,097	5,872,097	1,070,403	1,070,403	6,942,500	6,942,500
Construction in progress	28,749,138	13,858,507	17,113,787	15,252,288	45,862,925	29,110,795
Water rights	-	-	5,690,349	5,690,349	5,690,349	5,690,349
Land improvements	4,701,909	5,146,315	109,460	123,142	4,811,369	5,269,457
Buildings and improvements	18,820,447	18,821,189	17,416,556	15,915,015	36,237,003	34,736,204
Vehicles	1,385,497	1,513,623	962,696	1,485,421	2,348,193	2,999,044
Machinery and equipment	3,627,775	3,068,425	1,104,692	1,263,977	4,732,467	4,332,402
Infrastructure	27,574,333	27,625,393	-	-	27,574,333	27,625,393
Water/sewer plant	-	-	28,260,216	29,480,788	28,260,216	29,480,788
<b>Total</b>	<b>\$ 90,731,196</b>	<b>75,905,549</b>	<b>71,728,159</b>	<b>70,281,383</b>	<b>162,459,355</b>	<b>146,186,932</b>

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

- I-25 East West Corridor with construction costs of \$3,076,170.
- Sports Complex with construction costs of \$2,519,788.
- Well No. 3 with construction costs of \$3,955,177.
- Well No. 7 with construction costs of \$4,204,198.

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 \$34,487,946 in outstanding debt. Of this amount, \$7,775,000 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 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021
General obligation bonds	\$ 4,090,000	4,445,000	-	-	4,090,000	4,445,000
GRT revenue bonds	3,685,000	3,830,000	-	-	3,685,000	3,830,000
Notes payable	3,861,923	4,158,570	22,851,023	21,309,248	26,712,946	25,467,818
<b>Total</b>	<b>\$ 11,636,923</b>	<b>12,433,570</b>	<b>22,851,023</b>	<b>21,309,248</b>	<b>34,487,946</b>	<b>33,742,818</b>

The Village's total debt increased by 2% during the current fiscal year as a result of proceeds received on long-term debt relating to a clean water state revolving loan and drinking water loan obligation.

**STATE OF NEW MEXICO  
VILLAGE OF LOS LUNAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2022**

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 \$166,422 for this project, bringing the total amount expended to \$7,387,509. 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 Finance Authority to borrow \$3,478,955 to replace an existing water line. During the current year, the Village incurred construction costs of \$2,721,906 for this project, bringing the total amount expended to \$2,721,906. 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 \$17,342,921, 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 8.55% (2.175% imposed gross receipts tax within the Village of Los Lunas limits, plus 1.375% imposed gross receipts tax within Valencia County, plus 5.00% 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.

**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  
660 Main Street NW  
Los Lunas, New Mexico 87031

## **BASIC FINANCIAL SECTION**

**STATE OF NEW MEXICO  
VILLAGE OF LOS LUNAS  
Statement of Net Position  
June 30, 2022**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 53,143,732	8,852,988	61,996,720
Restricted Cash	4,223,198	88,162	4,311,360
Investments	460,749	440,000	900,749
Accounts receivable	-	1,005,252	1,005,252
Receivables from other governments	10,821,240	-	10,821,240
Lease receivable	307,127	-	307,127
Other receivables	22,443	-	22,443
Inventories	-	173,090	173,090
<b>Total current assets</b>	<b>68,978,489</b>	<b>10,559,492</b>	<b>79,537,981</b>
Noncurrent Assets:			
Lease receivable	5,753,672	-	5,753,672
Capital assets, net of depreciation	90,731,196	71,728,159	162,459,355
<b>Total noncurrent assets</b>	<b>96,484,868</b>	<b>71,728,159</b>	<b>168,213,027</b>
<b>Total assets</b>	<b>165,463,357</b>	<b>82,287,651</b>	<b>247,751,008</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related	3,455,578	540,387	3,995,965
OPEB related	3,477,715	-	3,477,715
<b>Total deferred outflows of resources</b>	<b>6,933,293</b>	<b>540,387</b>	<b>7,473,680</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	5,088,783	841,063	5,929,846
Accrued payroll liabilities	775,953	164,756	940,709
Customer deposits	-	325,001	325,001
Interest payable	87,577	91,245	178,822
Unearned revenue	933,010	-	933,010
Due within one year:			
Compensated absences	383,476	83,242	466,718
Bonds, notes and loans	811,292	1,513,036	2,324,328
<b>Total current liabilities</b>	<b>8,080,091</b>	<b>3,018,343</b>	<b>11,098,434</b>
Noncurrent Liabilities:			
Compensated absences	189,466	38,083	227,549
Post-closure landfill costs	-	503,191	503,191
Bonds, notes, and loans	10,825,631	21,337,987	32,163,618
Net pension liability	14,506,292	2,258,173	16,764,465
Net OPEB liability	10,064,290	-	10,064,290
<b>Total noncurrent liabilities</b>	<b>35,585,679</b>	<b>24,137,434</b>	<b>59,723,113</b>
<b>Total liabilities</b>	<b>43,665,770</b>	<b>27,155,777</b>	<b>70,821,547</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related	4,740,115	737,887	5,478,002
OPEB related	513,715	-	513,715
Lease related	6,039,434	-	6,039,434
<b>Total deferred inflows of resources</b>	<b>11,293,264</b>	<b>737,887</b>	<b>12,031,151</b>
<b>NET POSITION</b>			
Net investment in capital assets	84,847,945	48,877,136	133,725,081
Restricted:			
Special projects and statutory requirements	6,389,363	-	6,389,363
Debt service	4,223,198	88,162	4,311,360
Customer deposits	-	325,001	325,001
Unrestricted	21,977,110	5,644,075	27,621,185
<b>Total net position</b>	<b>\$ 117,437,616</b>	<b>54,934,374</b>	<b>172,371,990</b>

STATE OF NEW MEXICO  
 VILLAGE OF LOS LUNAS  
 Statement of Activities  
 Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 6,463,517	1,203,234	472,367	40,000	(4,747,916)	-	(4,747,916)
Public safety	11,362,416	77,765	977,239	167,197	(10,140,215)	-	(10,140,215)
Highways and streets	6,939,445	357,420	1,114,958	1,748,503	(3,718,564)	-	(3,718,564)
Sanitation	107,400	-	-	1,985,903	1,878,503	-	1,878,503
Culture and recreation	5,054,687	1,011,313	40,558	26,742	(3,976,074)	-	(3,976,074)
Interest on long-term debt	321,229	-	-	-	(321,229)	(208,079)	(529,308)
<b>Total governmental activities</b>	<b>30,248,694</b>	<b>2,649,732</b>	<b>2,605,122</b>	<b>3,968,345</b>	<b>(21,025,495)</b>	<b>(208,079)</b>	<b>(21,233,574)</b>
Business-type activities:							
Water/Sewer	8,859,675	11,793,867	-	-	-	2,934,192	2,934,192
Solid waste	2,877,104	2,914,640	-	-	-	37,536	37,536
<b>Total business-type activities</b>	<b>11,736,779</b>	<b>14,708,507</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,971,728</b>	<b>2,971,728</b>
<b>Total primary government</b>	<b>\$ 41,985,473</b>	<b>17,358,239</b>	<b>2,605,122</b>	<b>3,968,345</b>			
<b>General revenues:</b>							
Taxes:							
Sales taxes				38,581,265	-	38,581,265	
Property taxes				3,859,249	-	3,859,249	
Franchise taxes				988,203	-	988,203	
Other taxes				700,409	-	700,409	
Unrestricted investment earnings				170,857	2,578	173,435	
Payments in lieu of taxes				180,000	-	180,000	
Legislative appropriations				825,783	-	825,783	
Insurance recoveries				65,795	-	65,795	
Loss on sale of capital assets				(7,546)	-	(7,546)	
Miscellaneous				958,809	1,413,611	2,372,420	
Transfers in				11,355,541	-	11,355,541	
Transfers out				(10,981,659)	(420,610)	(11,402,269)	
<b>Total general revenues, special items, and transfers</b>				<b>46,696,706</b>	<b>995,579</b>	<b>47,692,285</b>	
<b>Change in net position</b>				<b>25,671,211</b>	<b>3,759,228</b>	<b>29,430,439</b>	
Net position, beginning				91,797,558	51,175,146	142,972,704	
Prior period adjustment				(31,153)	-	(31,153)	
Net position, beginning, as restated				<b>91,766,405</b>	<b>51,175,146</b>	<b>142,941,551</b>	
Net position, ending				<b>\$ 117,437,616</b>	<b>54,934,374</b>	<b>172,371,990</b>	

STATE OF NEW MEXICO  
 VILLAGE OF LOS LUNAS  
 Balance Sheet - Governmental Funds  
 June 30, 2022

	General Fund	Local LEDA Fund	State LEDA Fund	Infrastructure Fund	Non Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 36,131,480	2,006,747	50,093	5,098,306	9,857,106	53,143,732
Restricted Cash	4,202,765	-	-	-	20,433	4,223,198
Investments	460,749	-	-	-	-	460,749
Due from other funds	330,923	-	-	-	-	330,923
Receivable from other governments	6,899,800	-	-	1,130,132	2,791,308	10,821,240
Lease receivable	6,060,799	-	-	-	-	6,060,799
Other receivables	22,443	-	-	-	-	22,443
<b>Total assets</b>	<b>\$ 54,108,959</b>	<b>2,006,747</b>	<b>50,093</b>	<b>6,228,438</b>	<b>12,668,847</b>	<b>75,063,084</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 765,758	1,044,613	50,093	973,293	2,255,026	5,088,783
Due to other funds	-	-	-	-	330,923	330,923
Accrued payroll liabilities	748,486	-	-	-	27,467	775,953
Unearned revenue	-	-	-	-	933,010	933,010
<b>Total liabilities</b>	<b>1,514,244</b>	<b>1,044,613</b>	<b>50,093</b>	<b>973,293</b>	<b>3,546,426</b>	<b>7,128,669</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property taxes	153,879	-	-	-	20,295	174,174
Leases	6,039,434	-	-	-	-	6,039,434
<b>Total deferred inflows of resources</b>	<b>6,193,313</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,295</b>	<b>6,213,608</b>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	-
Restricted	6,389,363	962,134	-	5,255,145	9,102,126	21,708,768
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	40,012,039	-	-	-	-	40,012,039
<b>Total fund balances</b>	<b>46,401,402</b>	<b>962,134</b>	<b>-</b>	<b>5,255,145</b>	<b>9,102,126</b>	<b>61,720,807</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 54,108,959</b>	<b>2,006,747</b>	<b>50,093</b>	<b>6,228,438</b>	<b>12,668,847</b>	<b>75,063,084</b>

**STATE OF NEW MEXICO**  
**VILLAGE OF LOS LUNAS**  
**Reconciliation of the Balance Sheet of**  
**Governmental Funds to the Statement of Net Position**  
**June 30, 2022**

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

<b>Total fund balances - governmental funds</b>	\$ 61,720,807
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Cost of capital assets	184,330,318
Accumulated depreciation	<u>(93,599,122)</u>
<b>Total capital assets</b>	90,731,196
Some revenues will not be available to pay for current period expenditures and, therefore are not reported in the funds.	174,174
Defined benefit pension plan and OPEB deferred outflows are not financial resources and, therefore, are not reported in the funds.	6,933,293
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.	(5,253,830)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest	(87,577)
Bonds, notes, and loans payable	(11,636,923)
Compensated absences	(572,942)
Net pension liability	(14,506,292)
Net OPEB liability	<u>(10,064,290)</u>
<b>Total long-term and other liabilities</b>	<u>(36,868,024)</u>
<b>Net position of governmental activities</b>	\$ <u>117,437,616</u>

**STATE OF NEW MEXICO**  
**VILLAGE OF LOS LUNAS**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Governmental Funds**  
**Year Ended June 30, 2022**

	General Fund	Local LEDA Fund	State LEDA Fund	Infrastructure Fund	Non Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Sales taxes	\$ 32,907,200	-	-	5,674,065	-	38,581,265
Property taxes	3,315,115	-	-	-	511,340	3,826,455
Franchise taxes	988,203	-	-	-	-	988,203
Other taxes	187,317	-	-	-	513,092	700,409
Licenses and permits	441,076	-	-	-	-	441,076
Federal grants	93,997	-	-	551,612	3,322,735	3,968,344
State grants	64,677	-	-	95,066	1,973,012	2,132,755
Charges for services	2,407,276	-	-	-	242,458	2,649,734
Fines and forfeitures	31,291	-	-	-	-	31,291
Investment earnings	170,803	-	-	-	54	170,857
Payments in lieu of taxes	180,000	-	-	-	-	180,000
Miscellaneous	929,763	-	-	-	29,046	958,809
<b>Total revenues</b>	<b>41,716,718</b>	<b>-</b>	<b>-</b>	<b>6,320,743</b>	<b>6,591,737</b>	<b>54,629,198</b>
<b>EXPENDITURES</b>						
Current:						
General government	5,458,712	-	-	-	-	5,458,712
Public safety	7,880,202	-	-	-	919,911	8,800,113
Highways and streets	1,311,516	-	-	2,077,491	124,060	3,513,067
Sanitation	-	-	7,950	-	-	7,950
Culture and recreation	3,144,521	-	-	-	301,289	3,445,810
Debt service:						
Principal	88,265	-	-	-	708,382	796,647
Interest and other charges	90,062	-	-	-	235,880	325,942
Capital outlay	2,530,201	6,327,675	3,027,814	2,259,635	7,416,271	21,561,596
<b>Total expenditures</b>	<b>20,503,479</b>	<b>6,327,675</b>	<b>3,035,764</b>	<b>4,337,126</b>	<b>9,705,793</b>	<b>43,909,837</b>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	21,213,239	(6,327,675)	(3,035,764)	1,983,617	(3,114,056)	10,719,361
<b>OTHER FINANCING SOURCES (USES)</b>						
Legislative appropriation	-	-	-	-	825,783	825,783
Proceeds from issuance of debt	-	-	-	-	-	-
Insurance recoveries	47,985	-	-	17,810	-	65,795
Proceeds on sale of capital assets	-					-
Transfers in	360,000	2,350,129	-	-	8,645,412	11,355,541
Transfers out	(10,664,794)	-	-	(258,720)	(58,145)	(10,981,659)
<b>Total other financing sources (uses)</b>	<b>(10,256,809)</b>	<b>2,350,129</b>	<b>-</b>	<b>(240,910)</b>	<b>9,413,050</b>	<b>1,265,460</b>
<b>Net change in fund balances</b>	<b>10,956,430</b>	<b>(3,977,546)</b>	<b>(3,035,764)</b>	<b>1,742,707</b>	<b>6,298,994</b>	<b>11,984,821</b>
<b>Fund balances, beginning of year</b>	<b>35,476,125</b>	<b>4,939,680</b>	<b>3,035,764</b>	<b>3,512,438</b>	<b>2,803,132</b>	<b>49,767,139</b>
Prior period adjustment	(31,153)	-	-	-	-	(31,153)
<b>Fund balances, beginning of year, restated</b>	<b>35,444,972</b>	<b>4,939,680</b>	<b>3,035,764</b>	<b>3,512,438</b>	<b>2,803,132</b>	<b>49,735,986</b>
<b>Fund balances, end of year</b>	<b>\$ 46,401,402</b>	<b>962,134</b>	<b>-</b>	<b>5,255,145</b>	<b>9,102,126</b>	<b>61,720,807</b>

**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, 2022**

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

<b>Net change in fund balances - governmental funds</b>	\$ 11,984,821
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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	21,561,599
Depreciation expense	<u>(6,728,404)</u>
	14,833,195

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

Loss on sale of assets	<u>(7,546)</u>
	(7,546)

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	32,794
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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	796,647
Change in compensated absences	(32,703)
Accrued interest	4,711
Change in net pension and OPEB liability	<u>(1,940,708)</u>
	<u>(1,172,053)</u>

<b>Change in net position of governmental funds</b>	\$ <u>25,671,211</u>
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**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, 2022**

	Budgeted Amounts		Actual Amounts	Variance from Budget	Final
	Original	Final	(Budgetary Basis)	Positive (Negative)	
<b>REVENUES</b>					
Sales taxes	\$ 18,802,790	18,802,790	25,984,957	7,182,167	
Property taxes	3,244,202	3,244,202	3,315,115	70,913	
Franchise taxes	812,202	812,202	988,203	176,001	
Other taxes	126,000	126,000	187,317	61,317	
Licenses and permits	297,000	337,000	441,076	104,076	
Federal grants	48,000	48,000	93,997	45,997	
State grants	62,631	59,302	64,677	5,375	
Charges for services	1,792,538	1,898,538	2,407,276	508,738	
Fines and forfeitures	58,600	34,500	31,291	(3,209)	
Investment earnings	11,775	11,775	170,803	159,028	
Payments in lieu of taxes	260,000	180,000	180,000	-	
Miscellaneous	581,401	635,554	929,763	294,209	
<b>Total revenues</b>	<b>26,097,139</b>	<b>26,189,863</b>	<b>34,794,475</b>	<b>8,604,612</b>	
<b>EXPENDITURES</b>					
Current:					
General government	5,920,461	6,227,391	3,944,468	2,282,923	
Public safety	9,328,912	9,640,832	7,880,202	1,760,630	
Highways and streets	1,264,442	1,258,298	1,311,516	(53,218)	
Sanitation	-	-	-	-	
Culture and recreation	3,739,001	3,770,714	3,144,521	626,193	
Debt service:					
Principal	88,265	88,265	88,265	-	
Interest and other charges	93,413	93,413	90,062	3,351	
Capital outlay	3,221,327	5,160,257	2,530,201	2,630,056	
<b>Total expenditures</b>	<b>23,655,821</b>	<b>26,239,170</b>	<b>18,989,235</b>	<b>7,249,935</b>	
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	2,441,318	(49,307)	15,805,240	1,354,677	
<b>OTHER FINANCING SOURCES (USES)</b>					
Legislative appropriation	50,000	50,000	-	(50,000)	
Insurance recoveries	-	13,600	47,985	34,385	
Proceeds on sale of capital assets	-	-	-	-	
Transfers in	738,682	738,682	360,000	(378,682)	
Transfers out	(6,547,811)	(11,326,741)	(10,664,794)	661,947	
<b>Total other financing sources (uses)</b>	<b>(5,759,129)</b>	<b>(10,524,459)</b>	<b>(10,256,809)</b>	<b>267,650</b>	
<b>Net change in fund balances</b>	<b>\$ (3,317,811)</b>	<b>(10,573,766)</b>	<b>5,548,431</b>	<b>1,622,327</b>	
<i>Reconciliation to GAAP Basis:</i>					
Adjustments to revenues			6,922,243		
Adjustment to expenditures			(1,514,244)		
<b>Net change in fund balance (GAAP)</b>	<b>\$</b>	<b>10,956,430</b>			

**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, 2022**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Budget Positive (Negative)	Final Budget Positive (Negative)
	Original	Final			
<b>REVENUES</b>					
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	-	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	7,745,487	6,871,758	5,283,062	1,588,696	
<b>Total expenditures</b>	<b>7,745,487</b>	<b>6,871,758</b>	<b>5,283,062</b>	<b>1,588,696</b>	
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(7,745,487)	(6,871,758)	(5,283,062)	(1,588,696)	
<b>OTHER FINANCING SOURCES (USES)</b>					
Legislative appropriation	-	-	-	-	-
Insurance recoveries	-	-	-	-	-
Proceeds on sale of capital assets	-	-	-	-	-
Transfers in	2,350,129	2,350,129	2,350,129	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>2,350,129</b>	<b>2,350,129</b>	<b>2,350,129</b>	<b>-</b>	
<b>Net change in fund balances</b>	<b>\$ (5,395,358)</b>	<b>(4,521,629)</b>	<b>(2,932,933)</b>	<b>(1,588,696)</b>	
<i>Reconciliation to GAAP Basis:</i>					
Adjustments to revenues			-		
Adjustment to expenditures			(1,044,613)		
<b>Net change in fund balance (GAAP)</b>	<b>\$ (3,977,546)</b>				

**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, 2022**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Budget Positive (Negative)	Final Budget Positive (Negative)
	Original	Final			
<b>REVENUES</b>					
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	-	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Sanitation	60,000	60,000	7,950	52,050	
Culture and recreation	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	4,817,859	5,691,588	2,977,721	2,713,867	
<b>Total expenditures</b>	<b>4,877,859</b>	<b>5,751,588</b>	<b>2,985,671</b>	<b>2,765,917</b>	
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(4,877,859)	(5,751,588)	(2,985,671)	(2,765,917)	
<b>OTHER FINANCING SOURCES (USES)</b>					
Legislative appropriation	-	-	-	-	-
Insurance recoveries	-	-	-	-	-
Proceeds on sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (4,877,859)</b>	<b>(5,751,588)</b>	<b>(2,985,671)</b>	<b>(2,765,917)</b>	
<i>Reconciliation to GAAP Basis:</i>					
Adjustments to revenues			-		
Adjustment to expenditures			(50,093)		
<b>Net change in fund balance (GAAP)</b>	<b>\$ (3,035,764)</b>				

**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, 2022**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Budget Positive (Negative)	Final Budget Positive (Negative)
	Original	Final			
<b>REVENUES</b>					
Sales taxes	\$ 2,387,261	2,387,261	4,543,933	2,156,672	
Property taxes	-	-	-	-	
Franchise taxes	-	-	-	-	
Other taxes	-	-	-	-	
Licenses and permits	-	-	-	-	
Federal grants	4,115,252	4,201,228	551,612	(3,649,616)	
State grants	290,000	1,550,772	95,066	(1,455,706)	
Charges for services	-	-	-	-	
Fines and forfeitures	-	-	-	-	
Investment earnings	-	-	-	-	
Payments in lieu of taxes	-	-	-	-	
Miscellaneous	-	-	-	-	
<b>Total revenues</b>	<b>6,792,513</b>	<b>8,139,261</b>	<b>5,190,611</b>	<b>(2,948,650)</b>	
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	
Public safety	-	-	-	-	
Highways and streets	400,000	600,000	2,077,491	(1,477,491)	
Sanitation	-	-	-	-	
Culture and recreation	-	-	-	-	
Debt service:					
Principal	-	-	-	-	
Interest and other charges	-	-	-	-	
Capital outlay	7,744,551	11,152,565	1,286,342	9,866,223	
<b>Total expenditures</b>	<b>8,144,551</b>	<b>11,752,565</b>	<b>3,363,833</b>	<b>8,388,732</b>	
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(1,352,038)	(3,613,304)	1,826,778	(11,337,382)	
<b>OTHER FINANCING SOURCES (USES)</b>					
Legislative appropriation	-	-	-	-	
Insurance recoveries	-	-	17,810	17,810	
Proceeds on sale of capital assets	-	-	-	-	
Transfers in	(258,720)	(258,720)	-	258,720	
Transfers out	-	-	(258,720)	(258,720)	
<b>Total other financing sources (uses)</b>	<b>(258,720)</b>	<b>(258,720)</b>	<b>(240,910)</b>	<b>17,810</b>	
<b>Net change in fund balances</b>	<b>\$ (1,610,758)</b>	<b>(3,872,024)</b>	<b>1,585,868</b>	<b>(11,319,572)</b>	
<i>Reconciliation to GAAP Basis:</i>					
Adjustments to revenues			1,130,132		
Adjustment to expenditures			(973,293)		
<b>Net change in fund balance (GAAP)</b>	<b>\$</b>	<b>1,742,707</b>			

STATE OF NEW MEXICO  
 VILLAGE OF LOS LUNAS  
 Statement of Net Position - Proprietary Funds  
 June 30, 2022

	Business-Type Activities		
	Enterprise Funds		
	Water/Sewer Fund	Solid Waste Fund	Total
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 3,892,526	4,960,462	8,852,988
Restricted Cash	88,162	-	88,162
Investments	240,000	200,000	440,000
Accounts receivable	737,607	267,645	1,005,252
Inventories	173,090	-	173,090
<b>Total current assets</b>	<b>\$ 5,131,385</b>	<b>5,428,107</b>	<b>10,559,492</b>
Noncurrent Assets:			
Capital assets, net of depreciation	67,999,507	3,728,652	71,728,159
<b>Total noncurrent assets</b>	<b>67,999,507</b>	<b>3,728,652</b>	<b>71,728,159</b>
<b>Total assets</b>	<b>73,130,892</b>	<b>9,156,759</b>	<b>82,287,651</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related	347,977	192,410	540,387
<b>Total deferred outflows of resources</b>	<b>347,977</b>	<b>192,410</b>	<b>540,387</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	\$ 780,233	60,830	841,063
Accrued payroll liabilities	104,992	59,764	164,756
Customer deposits	325,001	-	325,001
Interest payable	91,245	-	91,245
Due within one year:			
Compensated absences - current	35,389	47,853	83,242
Bonds, notes, and loans - current	1,513,036	-	1,513,036
<b>Total current liabilities</b>	<b>2,849,896</b>	<b>168,447</b>	<b>3,018,343</b>
Noncurrent Liabilities:			
Compensated absences	38,083	-	38,083
Post-closure landfill costs	-	503,191	503,191
Bonds, notes, and loans	21,337,987	-	21,337,987
Net pension liability	1,502,096	756,077	2,258,173
<b>Total noncurrent liabilities</b>	<b>22,878,166</b>	<b>1,259,268</b>	<b>24,137,434</b>
<b>Total liabilities</b>	<b>25,728,062</b>	<b>1,427,715</b>	<b>27,155,777</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related	490,829	247,058	737,887
<b>Total deferred inflows of resources</b>	<b>490,829</b>	<b>247,058</b>	<b>737,887</b>
<b>NET POSITION</b>			
Net investment in capital assets	45,148,484	3,728,652	48,877,136
Restricted:			
Debt service	88,162	-	88,162
Customer deposits	325,001	-	325,001
Unrestricted	1,698,331	3,945,744	5,644,075
<b>Total net position</b>	<b>\$ 47,259,978</b>	<b>7,674,396</b>	<b>54,934,374</b>

**STATE OF NEW MEXICO  
VILLAGE OF LOS LUNAS  
Statement of Revenues, Expenses, and Changes  
in Fund Net Position - Proprietary Funds  
Year Ended June 30, 2022**

	Business-Type Activities		
	Enterprise Funds		
	Water/Sewer Fund	Solid Waste Fund	Total
<b>Operating Revenues:</b>			
Charges for services	\$ 11,793,867	2,914,640	14,708,507
Miscellaneous	690,092	723,519	1,413,611
<b>Total operating revenues</b>	<b>12,483,959</b>	<b>3,638,159</b>	<b>16,122,118</b>
<b>Operating Expenses:</b>			
Personnel services	1,864,126	976,577	2,840,703
Materials and supplies	3,914,847	1,345,178	5,260,025
Contractual services	316,827	15,645	332,472
Depreciation	2,763,875	539,704	3,303,579
<b>Total operating expenses</b>	<b>8,859,675</b>	<b>2,877,104</b>	<b>11,736,779</b>
<b>Operating income (loss)</b>	<b>3,624,284</b>	<b>761,055</b>	<b>4,385,339</b>
<b>Nonoperating Revenues (Expenses)</b>			
Interest and investment revenue	2,451	127	2,578
Loss on disposition of assets	-	-	-
Interest expense	(208,079)	-	(208,079)
<b>Total nonoperating revenues (expenses)</b>	<b>(205,628)</b>	<b>127</b>	<b>(205,501)</b>
<b>Income before contributions and transfers</b>	<b>3,418,656</b>	<b>761,182</b>	<b>4,179,838</b>
Transfers in	-	-	-
Transfers out	(420,610)	-	(420,610)
<b>Total transfers</b>	<b>(420,610)</b>	<b>-</b>	<b>(420,610)</b>
<b>Change in net position</b>	<b>2,998,046</b>	<b>761,182</b>	<b>3,759,228</b>
<b>Net position, beginning of year</b>	<b>44,261,932</b>	<b>6,913,214</b>	<b>51,175,146</b>
<b>Net position, end of year</b>	<b>47,259,978</b>	<b>7,674,396</b>	<b>54,934,374</b>

**STATE OF NEW MEXICO  
VILLAGE OF LOS LUNAS  
Statement of Cash Flows - Proprietary Funds  
Year Ended June 30, 2022**

	Water/Sewer Fund	Solid Waste Fund	Total
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers and others	\$ 12,340,680	3,574,828	15,915,508
Cash paid for goods and services	(4,976,190)	(1,333,556)	(6,309,746)
Cash paid to employees	(1,709,444)	(996,604)	(2,706,048)
<b>Net cash provided (used) by operating activities</b>	<b>5,655,046</b>	<b>1,244,668</b>	<b>6,899,714</b>
<b>Cash Flows from Investing Activities:</b>			
Interest received	2,451	127	2,578
<b>Net cash provided (used) by investing activities</b>	<b>2,451</b>	<b>127</b>	<b>2,578</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Operating transfers, net	(420,610)	-	(420,610)
<b>Net cash provided (used) by non-capital financing activities</b>	<b>(420,610)</b>	<b>-</b>	<b>(420,610)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Purchases of capital assets	(4,640,301)	(110,054)	(4,750,355)
Loan proceeds	1,152,866	-	1,152,866
Debt payment	388,908	-	388,908
Interest paid	(208,079)	-	(208,079)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(3,306,606)</b>	<b>(110,054)</b>	<b>(3,416,660)</b>
Net increase (decrease) in cash and cash equivalents	1,930,281	1,134,741	3,065,022
Cash and restricted cash and cash equivalents, beginning of year	2,050,407	3,825,721	5,876,128
<b>Cash and restricted cash and equivalents, end of year</b>	<b>\$ 3,980,688</b>	<b>4,960,462</b>	<b>8,941,150</b>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Operating income (loss)	\$ 3,624,284	761,055	4,385,339
Adjustments to operating income (loss) to net cash provided by operating activities:			
Depreciation expense	2,763,875	539,704	3,303,579
Change in net pension liability	125,036	(36,941)	88,095
Change in assets and liabilities:			
Accounts receivable	(143,279)	(63,331)	(206,610)
Inventory	(100,715)	-	(100,715)
Accounts payable	(648,022)	8,155	(639,867)
Customer deposits	6,595	-	6,595
Accrued liabilities	32,277	18,900	51,177
Compensated absences	(5,005)	(1,986)	(6,991)
Post closure landfill liability	-	19,112	19,112
<b>Net cash provided by operating activities</b>	<b>\$ 5,655,046</b>	<b>1,244,668</b>	<b>6,899,714</b>

**STATE OF NEW MEXICO  
VILLAGE OF LOS LUNAS  
Statement of Fiduciary Net Position - Fiduciary Funds  
June 30, 2022**

<u>Custodial Funds</u>		
<b>ASSETS</b>		
Cash and cash equivalents	\$	1,927,891
Receivables		747,116
<b>Total assets</b>		<u>2,675,007</u>
<b>LIABILITIES</b>		
Accounts payable		17,434
Accrued payroll liabilities		79,786
<b>Total liabilities</b>		<u>97,220</u>
<b>NET POSITION</b>		
Restricted for:		
Individuals and organizations		2,531,857
Other governments		45,930
<b>Total net position</b>	\$	<u>2,577,787</u>

**STATE OF NEW MEXICO  
VILLAGE OF LOS LUNAS  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
Year Ended June 30, 2022**

	Total Custodial Funds
<b>ADDITIONS:</b>	
Contributions:	
Private contributions	\$ 3,419,836
Total contributions	<u>3,419,836</u>
Total additions	<u>3,419,836</u>
<b>DEDUCTIONS</b>	
Refunds and transfers to other systems	11,164
Administrative expense	<u>13,606</u>
<b>Total deductions</b>	<u>24,770</u>
Net increase (decrease) in fiduciary net position	1,263,691
Net position, beginning of year	1,314,096
Net position, end of year	<u>\$ 2,577,787</u>

**STATE OF NEW MEXICO  
VILLAGE OF LOS LUNAS  
Notes to the Financial Statements  
June 30, 2022**

**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, 2022**

**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, 2022**

**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.

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Notes to the Financial Statements  
June 30, 2022**

**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, Local DWI, Emergency Medical Services and American Rescue Plan Act.

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, Aquatic Center, 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, Municipal Court Bond, Appreciating You, Police Evidence, Firefighter, Cops for Kids, and Regional Dispatch.

**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  
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**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 2023 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.

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**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 2021 were collected in 2022, and taxes certified in 2022 will be collected in 2023. 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 30<sup>th</sup> 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  
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**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  
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**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  
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**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 1/12<sup>th</sup> of the general funds budgeted expenditures for subsequent year expenditures.

**STATE OF NEW MEXICO  
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**NOTE 3. DEPOSITS AND INVESTMENTS**

**A. Cash and Investments**

As of June 30, 2022, the Village had the following cash deposits with financial institutions:

Demand deposits	\$ 68,235,971
Certificates of deposit	900,749
<b>Total</b>	<b><u>69,136,720</u></b>
Governmental funds	57,827,679
Proprietary funds	9,381,150
Fiduciary funds	1,927,891
<b>Total</b>	<b><u>69,136,720</u></b>

State Statute 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, 2022, 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				
Certificates of deposit	\$ 900,749	-	-	900,749
	\$ 900,749	-	-	900,749

**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  
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**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, 2022, \$337,763 of the Village's bank balance of \$69,957,286 was exposed to custodial credit risk because it was uninsured and uncollateralized. See pledged collateral statement on pages 97 and 98. 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 99 and 100.

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, 2022.

**NOTE 4. RECEIVABLES**

Receivables as of June 30, 2022 consisted of the following. All receivables as of June 30, 2022 were deemed to be fully collectible.

			General Fund	Infrastructure Fund	Other Governmental Funds	Enterprise Funds	Total
<b>Receivables:</b>							
Sales taxes	\$	6,509,829		1,118,930	-	149,550	7,778,309
Property taxes		200,804		-	26,508	-	227,312
Franchise taxes		104,994		-	-	4,985	109,979
Other taxes		52,024		-	38,292	-	90,316
Grants		1,475		11,202	2,726,508	137,469	2,876,654
Trade accounts		30,674		-	-	613,765	644,439
Water plant							
Investment fees		-		-	-	3,508	3,508
Leases		6,060,799		-	-	-	6,060,799
Other receivables		22,443		-	-	95,975	118,418
<b>Total receivables</b>	<b>\$</b>	<b>12,983,042</b>		<b>1,130,132</b>	<b>2,791,308</b>	<b>1,005,252</b>	<b>17,909,734</b>

**STATE OF NEW MEXICO  
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**NOTE 5. CAPITAL ASSETS**

A summary of changes in capital assets follows:

	Balance June 30, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
<i>Governmental Activities:</i>					
Capital assets not being depreciated:					
Land	\$ 5,872,097	-	-	-	5,872,097
Construction in progress	13,858,507	17,202,912	-	(2,312,281)	28,749,138
Total capital assets not being depreciated	19,730,604	17,202,912	-	(2,312,281)	34,621,235
Capital assets being depreciated:					
Land improvements	13,939,370	90,657	-	540,345	14,570,372
Building and improvements	29,170,164	568,076	(50,974)	357,958	30,045,224
Vehicles	7,741,981	777,379	(272,536)	-	8,246,824
Machinery and equipment	6,899,953	1,097,341	(462,443)	-	7,534,851
Capital leases	406,000	-	-	-	406,000
Infrastructure	85,666,600	1,825,234	-	1,413,978	88,905,812
Total capital assets being depreciated	143,824,068	4,358,687	(785,953)	2,312,281	149,709,083
Total capital assets	163,554,672	21,561,599	(785,953)	-	184,330,318
Less accumulated depreciation for:					
Land improvements	(8,793,055)	(1,075,408)	-	-	(9,868,465)
Building and improvements	(10,348,975)	(919,230)	43,428	-	(11,224,777)
Vehicles	(6,228,358)	(905,505)	272,536	-	(6,861,327)
Machinery and equipment	(3,831,529)	(537,990)	462,443	-	(3,907,076)
Capital leases	(406,000)	-	-	-	(406,000)
Infrastructure	(58,041,206)	(3,290,271)	-	-	(61,331,477)
Total accumulated depreciation	(87,649,123)	(6,728,404)	778,407	-	(93,599,122)
Total capital assets being depreciated, net	56,174,945	(2,369,717)	(7,546)	2,312,281	56,109,963
Governmental activities capital assets, net	\$ 75,905,549	14,833,195	(7,546)	-	90,731,196

**STATE OF NEW MEXICO  
VILLAGE OF LOS LUNAS  
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**NOTE 5. CAPITAL ASSETS (CONTINUED)**

A summary of changes in capital assets follows:

	Balance June 30, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
<i>Business-Type Activities:</i>					
Capital assets not being depreciated:					
Land	\$ 1,070,402	-	-	-	1,070,402
Construction in progress	15,252,288	1,861,499	-	-	17,113,787
Water rights	5,690,349	-	-	-	5,690,349
Total capital assets not being depreciated	22,013,039	1,861,499	-	-	23,874,538
Capital assets being depreciated:					
Land improvements	148,496	-	-	-	148,496
Building and improvements	22,548,636	2,266,388	-	-	24,815,024
Vehicles	7,234,180	107,761	-	-	7,341,941
Machinery and equipment	2,080,995	19,250	-	-	2,100,245
Water/sewer plant	65,378,351	495,457	-	-	65,873,808
Total capital assets being depreciated	97,390,658	2,888,856	-	-	100,279,514
Total capital assets	119,403,697	4,750,355	-	-	124,154,052
Less accumulated depreciation for:					
Land improvements	(25,353)	(13,682)	-	-	(39,035)
Building and improvements	(6,663,620)	(764,847)	-	-	(7,428,467)
Vehicles	(5,748,759)	(630,487)	-	-	(6,379,246)
Machinery and equipment	(817,018)	(178,534)	-	-	(995,552)
Water/sewer plant	(35,897,564)	(1,716,029)	-	-	(37,613,593)
Total accumulated depreciation	(49,122,314)	(3,303,579)	-	-	(52,455,893)
Total capital assets being depreciated, net	48,268,344	(414,723)	-	-	47,853,621
Business-type activities capital assets, net	\$ 70,281,383	1,446,776	-	-	71,728,159

**STATE OF NEW MEXICO  
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**NOTE 5. CAPITAL ASSETS (CONTINUED)**

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

Governmental Activities:	Business-type Activities:
General government \$ 645,238	Water/sewer \$ 2,763,875
Public safety 1,277,138	Solid waste 539,704
Highways and streets 3,362,986	\$ 3,303,579
Sanitation 99,450	
Culture and recreation 1,343,592	
\$ 6,728,404	

**NOTE 6. LONG-TERM DEBT**

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, 2022, the Village, has an outstanding balance of \$39,337.

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, 2022, the Village, has an outstanding balance of \$731,916.

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, 2022, the Village has an outstanding balance of \$883,267.

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, 2022, the Village has an outstanding balance of \$1,852,460.

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June 30, 2022**

**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, 2022, the Village has an outstanding balance of \$8,047,014.

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, 2022, the Village has an outstanding balance of \$4,090,000.

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, 2022, the Village has an outstanding balance of \$71,482.

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 1.75% and will mature on May 1, 2040. As of June 30, 2022, the Village has an outstanding balance of \$1,483,907.

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 May 1, 2040. As of June 30, 2022, the Village has an outstanding balance of \$554,830.

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, 2022, the Village has an outstanding balance of \$3,685,000.

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**NOTE 6. LONG-TERM DEBT (CONTINUED)**

The Village entered into a loan agreement with the New Mexico Finance Authority 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% and will mature on May 1, 2042. As of June 30, 2022, the Village has drawn down a total of \$2,721,906 on 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 0.01% and will mature on July 28, 2047. As of June 30, 2022, the Village has drawn down a total of \$7,387,509 on this loan.

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, 2022, the Village has an outstanding balance of \$2,939,319.

**Government Bonds Payable**

<b>Fiscal Year Ending</b>			
<b>June 30,</b>		<b>Principal</b>	<b>Interest</b>
2023	\$	510,000	209,763
2024		520,000	196,213
2025		535,000	180,463
2026		555,000	164,188
2027		570,000	147,388
2028-2032		3,075,000	514,344
2033-2037		1,050,000	240,000
2038-2041		960,000	73,050
<b>Total</b>	<b>\$</b>	<b>7,775,000</b>	<b>1,725,409</b>

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**NOTE 6. LONG-TERM DEBT (CONTINUED)**

**Government Notes Payable**

Fiscal Year Ending			
June 30,		Principal	Interest
2023	\$ 301,292		100,894
2024	265,421		95,968
2025	269,070		92,320
2026	272,900		88,490
2027	276,871		84,519
2028-2032	517,612		374,020
2033-2037	600,010		291,620
2038-2042	703,950		187,682
2043-2046	654,797		58,508
Total	\$ 3,861,923		1,374,021

**Enterprise Notes Payable**

Fiscal Year Ending			
June 30,		Principal	Interest
2023	\$ 1,513,036		162,083
2024	1,794,666		147,752
2025	1,849,621		132,422
2026	1,866,815		116,870
2027	1,701,494		101,130
2028-2032	6,552,596		299,954
2033-2037	2,962,361		125,183
2038-2042	2,827,393		39,943
2043-2047	1,485,793		594
2048	297,248		30
Total	\$ 22,851,023		1,125,961

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**NOTE 6. LONG-TERM DEBT (CONTINUED)**

A summary of changes in long-term debt follows:

	Interest Rate	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022	Amounts Due Within One Year
<i>Governmental Activities:</i>						
2016 General Obligation Bond	2.00%	\$ 4,445,000	-	(355,000)	4,090,000	365,000
2016 GRT Revenue Bond	3.00%	3,830,000	-	(145,000)	3,685,000	145,000
NMED Luna Hills Loan	1.20%	1,053,686	-	(170,419)	883,267	172,464
NMFA Fire Truck Loan	3.012%	77,300	-	(37,963)	39,337	39,337
NMFA Emergency Call Center	1.27%	3,027,584	-	(88,265)	2,939,319	89,491
Compensated absences		542,282	414,136	(383,476)	572,942	383,476
Total Governmental Activities		12,975,852	414,136	(1,180,123)	12,209,865	1,194,768
<i>Business-Type Activities:</i>						
<i>Water/Sewer Fund:</i>						
Clean Water Revolving Loan	1.20%	910,296	-	(178,380)	731,916	180,520
Clean Water Revolving Loan	0.742%	8,900,872	-	(853,858)	8,047,014	854,448
NMFA Drinking Water Loan	1.75%	2,064,011	-	(211,550)	1,852,461	215,791
NMFA River Crossing Loan	0.25%	78,532	-	(7,050)	71,482	7,068
NMFA Drinking Water Loan	2.00%	1,551,850	-	(67,943)	1,483,907	69,302
Clean Water Revolving Loan	0.032%	582,600	-	(27,770)	554,830	27,909
Clean Water Revolving Loan	0.01%	7,221,087	166,422	-	7,387,509	-
NMFA Drinking Water Loan	1.00%	-	2,721,904	-	2,721,904	157,998
Compensated absences		80,466	37,435	(44,429)	73,472	35,389
Total Water/Sewer Fund		21,389,714	2,925,763	(1,390,980)	22,924,495	1,548,425
<i>Solid Waste Fund:</i>						
Compensated absences		45,807	53,956	(51,910)	47,853	47,853
Total Solid Waste Fund		45,807	53,956	(51,910)	47,853	47,853
Total Business-Type Activities		21,435,521	2,979,719	(1,442,890)	22,972,348	1,596,278
Total Long-term Debt		34,411,373	3,393,855	(2,623,013)	35,182,213	2,791,046

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**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, 2022 is as follows:

Fund	Due from Other Funds	Due to Other Funds
General fund	\$ 330,923	-
Sports Complex Improvements Fund	-	330,923
<b>Total</b>	<b>\$ 330,923</b>	<b>330,923</b>

General fund transfers to other funds were to fund capital projects. Infrastructure fund, other governmental funds, and water/sewer fund transfers were for debt service liabilities. The transfers from the police program fund were to establish separate funds for police evidence and the cops for kids' program.

Fund	Transfers In	Transfers Out
<b>Governmental Funds:</b>		
General Fund	\$ 360,000	10,664,794
Local LEDA Fund	2,350,129	-
Infrastructure Fund	-	258,720
Municipal Street Improvement Fund	60,610	-
Police Program Fund	-	58,145
Local DWI Fund	11,417	-
Daniel Fernandez Park Imprv. Fund	6,545,656	-
Aquatic Center Fund	100,000	-
Sports Complex Improvements Fund	1,669,009	-
GRT Revenue Bond 2016 Fund	258,720	-
<b>Enterprise Funds:</b>		
Water/Sewer Fund	-	420,610
<b>Custodial Funds:</b>		
Police Evidence	37,664	-
Cops for Kids	9,064	-
<b>Total</b>	<b>\$ 11,402,269</b>	<b>11,402,269</b>

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**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 \$100,000 per occurrence. Law enforcement liability and public officials' errors and omissions are all individually subject to \$2,000,000 per occurrence / \$2,000,000 aggregate.

**NOTE 9. LEASES**

The Village entered into a lease agreement to lease 1,265.50 square feet of one of its buildings to a third party. The lease is for 10 years and may be extended for one additional three-year term. The Village will receive monthly payments of \$3,541. The Village recognized \$42,493 in lease revenue during the current fiscal year related to this lease. As of June 30, 2022, the Village's receivable for lease payments was \$256,023. Also, the Village has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2022, the balance of deferred inflow of resources was \$257,584.

The Village entered into a lease agreement to lease a building to a third party. The lease is for 19 years, and the Village will receive quarterly payments based upon an amortization schedule. The Village recognized \$167,019 in lease revenue and \$41,067 in interest revenue during the current fiscal year related to this lease. As of June 30, 2022, the Village's receivable for lease payments was \$3,063,631. Also, the Village has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2022, the balance of deferred inflow of resources was \$3,041,768.

The Village entered into a lease agreement to lease a building to a third party. The lease is for 30 years, and the Village will receive monthly payments of \$15,278. In the event of default, the Village may terminate the lease with 120 days of notice to the third party. The Village recognized \$60,772 in lease revenue and \$122,564 in interest revenue during the current fiscal year related to this lease. As of June 30, 2022, the Village's receivable for lease payments was \$2,741,144. Also, the Village has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2022, the balance of deferred inflow of resources was \$2,740,082.

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**NOTE 9. LEASES (CONTINUED)**

The future principal and interest payments to be received as of June 30, 2022, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 307,127	151,099	458,226
2024	306,504	147,319	453,823
2025	305,629	143,386	449,015
2026	305,110	139,299	444,410
2027	304,752	135,052	439,804
2028-2032	1,346,307	592,655	1,938,972
2033-2037	1,372,377	430,007	1,802,384
2038-2042	1,066,046	250,288	1,316,333
2043-2046	746,947	78,075	825,022
Total	\$ 6,060,799	2,067,180	8,127,989

**NOTE 10. 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 \$503,191 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 11. 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.

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**NOTE 11. PENSION PLAN- PUBLIC EMPLOYEES RETIREMENT ACT (CONTINUED)**

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

**Tier II.** The retirement age and service credit requirements for normal retirement for PERA state and municipal general members hired increased effective July 1, 2013 with the passage of Senate Bill 27 in the 2013 Legislative Session. Under the new requirements (Tier II), general members are eligible to retire at any age if the member has at least 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 11. PENSION PLAN- PUBLIC EMPLOYEES RETIREMENT ACT (CONTINUED)**

Coverage Plan	PERA Fund Contribution Rates and Pension Factors in Effect During FY20					
	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	
<b>STATE PLAN</b>						
State Plan 3	7.42%	9.42%	17.74%	3.00%	2.50%	90.00%
<b>MUNICIPAL PLANS 1 - 4</b>						
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%
<b>MUNICIPAL POLICE PLANS 1 - 5</b>						
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%
<b>MUNICIPAL FIRE PLANS 1 - 5</b>						
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%
<b>MUNICIPAL DETENTION OFFICER PLAN 1</b>						
Municipal Detention Officer Plan 1	16.65%	18.15%	17.30%	3.00%	3.00%	90.00%
<b>STATE POLICE AND ADULT CORRECTIONAL OFFICER PLANS, ETC.</b>						
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 11. 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, 2022, the Village reported a liability of \$16,764,465 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2021 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2021. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2021. 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, 2021, the Village's proportion was 0.648103% percent, which was increased by 0.019203% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Village recognized PERA Fund Division Municipal Plan 3 pension expense of \$996,135. At June 30, 2021, 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	\$ 181,772	25,000
Changes in assumptions	2,401	-
Net difference between projected and actual earnings on pension plan investments	-	3,000,688
Changes in proportion and differences between Village's contributions and proportionate share of contributions	375,513	11,512
Village's contributions at measurement date	1,220,477	-
<b>Total</b>	<b>\$ 1,780,163</b>	<b>3,037,200</b>

The amount of \$1,220,477 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, 2022. 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	\$ (259,585)	
2023	(396,818)	
2024	(590,207)	
2025	(1,231,247)	
2026	-	
Thereafter	-	

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**NOTE 11. PENSION PLAN- PUBLIC EMPLOYEES RETIREMENT ACT (CONTINUED)**

**For PERA Fund Division Municipal Police Plan 5**, At June 30, 2021, the Village's proportion was 0.940411%, which was an increase of 0.004211% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Village recognized PERA Fund Division Municipal Police Plan 5 pension expense of \$784,393. At June 30, 2022, 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	\$ 367,684	-
Changes in assumptions	1,894	-
Net difference between projected and actual earnings on pension plan investments	-	1,762,933
Changes in proportion and differences between Village's contributions and proportionate share of contributions	105,189	-
Village's contributions at measurement date	738,182	-
<b>Total</b>	<b>\$ 1,212,949</b>	<b>1,762,933</b>

The amount of \$738,182 reported as deferred outflows of resources related to pensions resulting from the Village's contributions subsequent to the measurement date June 30, 2021 will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. 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	\$ (57,907)	
2023	(171,979)	
2024	(339,435)	
2025	(718,944)	
2026	-	
Thereafter		

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**NOTE 11. PENSION PLAN- PUBLIC EMPLOYEES RETIREMENT ACT (CONTINUED)**

**For PERA Fund Division Municipal Fire Plan 5,** At June 30, 202, the Village's proportion was 0.757639%, which an increase of 0.085049% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Village recognized PERA Fund Division Municipal Fire Plan 5 pension expense of \$848,299. At June 30, 2022, 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	\$ 68,905	6,383
Changes in assumptions	680	-
Net difference between projected and actual earnings on pension plan investments	-	671,486
Changes in proportion and differences between Village's contributions and proportionate share of contributions	468,526	-
Village's contributions at measurement date	464,742	-
<b>Total</b>	<b>\$ 1,002,853</b>	<b>677,869</b>

The amount of \$464,742 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	\$ 193,778	
2023	44,598	
2024	(103,876)	
2025	(274,285)	
2026	-	
Thereafter	-	

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**NOTE 11. PENSION PLAN- PUBLIC EMPLOYEES RETIREMENT ACT (CONTINUED)**

**Actuarial assumptions:** The total pension liability in the June 30, 2021, actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement.

Actuarial valuation date	June 30, 2020
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, 2020. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2021. These assumptions were adopted by the Board use in the June 30, 2020 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%
<b>Total</b>	<b>100.0%</b>	

**STATE OF NEW MEXICO  
VILLAGE OF LOS LUNAS  
Notes to the Financial Statements  
June 30, 2022**

**NOTE 11. 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, 2021. 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	\$ 13,098,116		7,301,964	2,493,885

**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	\$ 8,514,582		4,863,442	1,875,599

**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	\$ 6,348,887		4,599,059	3,160,946

**Payables to the pension plan:** The Village accrued \$114,485 in PERA benefits at June 30, 2022.

**STATE OF NEW MEXICO  
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June 30, 2022**

**NOTE 12. 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 June 30, 2021, the Plan's measurement date, the following employees were covered by the benefit terms:

Plan membership	
Active Employees	237
Retired Members	14
Spouse of Eligible Retirees	6
Beneficiaries/Spouses of Ineligible Retirees	2
<b>Total Plan Membership</b>	<b>259</b>

Active membership	
General	168
Fire	29
Police	40
<b>Total Active Membership</b>	<b>237</b>

**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 2022, the Village contributed \$323,135 to the Plan. Plan members receiving benefits contributed \$56,616 through their required contribution of 0.65% per pay period.

**STATE OF NEW MEXICO  
VILLAGE OF LOS LUNAS  
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June 30, 2022**

**NOTE 12. POSTEMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

***Net OPEB Liability***

The Village's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021.

Total OPEB Liability	\$ 13,663,043
Fiduciary net position	3,598,753
Net OPEB Liability	\$ 10,064,290
Fiduciary net position as a % of total OPEB liability	26.34%
Covered Payroll	10,403,129
Total OPEB liability as a % of covered payroll	96.74%

***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:

<b>Discount Rate</b>	
Discount Rate	2.16%
Long-term expected rate of return, net of	
investment expenses	2.00%
20 Year Tax-Exempt Municipal Bond Yield	2.16%

***Other Key Actuarial Assumptions and Methods***

Valuation date	July 1, 2021
Measurement date	June 30, 2021
Inflation	2.50%
Salary increases	3.00%
Withdrawal and retirement rates	June 30, 2021 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.

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**NOTE 12. 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 17.2% in the first year, 5.4% in the second year, 5.1% in the third 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, 2021 trend assumption no longer includes this adjustment.

**STATE OF NEW MEXICO  
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June 30, 2022**

**NOTE 12. POSTEMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

Fiscal Year Ending June 30,	Medical Trend
2022	17.2%
2023	5.4%
2024	5.1%
2025-2026	4.9%
2027	4.8%
2028	4.7%
2029-2030	4.6%
2040	4.5%
2050-2060	4.4%
2070	4.1%
2074 and later	3.9%

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 MP-2021.

Police and Fire: Pub-2010 Healthy Employee and Retiree Mortality Tables for Safety Employees projected generationally using scale MP-2021.

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 \$3,598,753.

**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.

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**NOTE 12. POSTEMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

The assets of the plan are fully invested in a money market account, with a long-term expected rate of return of 2.50%. 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, 2021 measurement date (used for the June 30, 2022 reporting date) is 2.16% and the discount rate in effect for the June 30, 2022 measurement date (used for the June 30, 2023 reporting date) is 3.54%.

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, 2021	\$	11,625,964	3,191,372	8,434,592
Audit adjustment			(97,411)	97,411
Changes for the year:				
Service Cost		765,452	-	765,452
Interest on total OPEB liability		272,307	-	272,307
Effect of changes to benefit terms		-	-	-
Effect of economic/demographic gains or losses		913,615	-	913,615
Effect of assumptions changes or inputs		226,073	-	226,073
Benefit payments		(140,368)	(140,368)	-
Employer Contributions		-	415,108	(415,108)
Member Contributions		-	221,887	(221,887)
Net investment income		-	8,165	(8,165)
Administrative expenses		-	-	-
Balance as of June 30, 2022	\$	13,663,043	3,598,753	10,064,290

**STATE OF NEW MEXICO  
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June 30, 2022**

**NOTE 12. 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 (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	\$ 15,623,374	13,663,043	11,983,729	
Fiduciary Net Position	\$ 3,598,753	3,598,753	3,598,753	
Net OPEB Liability	\$ 12,024,621	10,064,290	8,384,976	

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 (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	\$ 11,685,744	13,663,043	16,069,009	
Fiduciary Net Position	\$ 3,598,753	3,598,753	3,598,753	
Net OPEB Liability	\$ 8,086,991	10,064,290	12,470,256	

**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, 2022, the Village recognized OPEB expense of \$1,22,971. At June 30, 2022, 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	\$ 1,065,132	28,224
Changes in assumptions	1,910,695	485,491
Net difference between projected and actual earnings on OPEB plan investments	106,029	-
Village's contributions at subsequent to measurement date	395,859	-
<b>Total</b>	<b>\$ 3,477,715</b>	<b>513,715</b>

**STATE OF NEW MEXICO  
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**NOTE 12. 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	\$	362,003
2023		348,730
2024		336,067
2025		356,589
2026		418,590
Thereafter		<u>746,162</u>
Total	\$	<u>2,568,141</u>

*Payables changes in the net OPEB liability.* At June 30, 2022, the Village accrued \$16,108 in payables for OPEB.

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**NOTE 13. 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 14. TAX ABATEMENTS**

As of June 30, 2022, 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  
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**NOTE 14. 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  
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**NOTE 14. 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

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**NOTE 14. 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  
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**NOTE 14. 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  
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**NOTE 14. 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  
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**NOTE 15. RECENT ACCOUNTING PRONOUNCEMENTS**

GASB Statement No. 87, Leases

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

GASB Statement No. 92, Omnibus 2020

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

**NOTE 16. NEW ACCOUNTING PRONOUNCEMENTS**

The following GASB pronouncements have been issued, but are not yet effective at June 30, 2022.

GASB Statement No. 91, Conduit Debt Obligations.

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. 98, The Annual Comprehensive Financial Report

GASB Statement No. 99, Omnibus 2022

GASB Statement No. 100, Accounting Changes and Error Corrections

GASB Statement No. 101, Compensated Absences

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 17. SUBSEQUENT EVENTS**

Events subsequent to June 30, 2022 have been evaluated by management through November 23, 2022, the date the financial statements were available for issuance.

**STATE OF NEW MEXICO  
VILLAGE OF LOS LUNAS  
Notes to the Financial Statements  
June 30, 2022**

**NOTE 18. PRIOR PERIOD ADJUSTMENT**

In the implementation of GASB Statement No. 87 relating to the presentation of leases, the Village adjusted the beginning net position of the general fund. The beginning balance of the general fund was established to be \$35,444,972, being presented as a prior period adjustment in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds and \$91,766,405 on the Statement of Activities.

**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, 2022**

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

	Fiscal Year Measurement Date	June 30,								
		2022 2021	2021 2020	2020 2019	2019 2018	2018 2017	2017 2016	2016 2015	2015 2014	
Village's Proportion of the Net Pension Liability (Asset)		0.319%	0.336%	0.336%	0.320%	0.288%	0.283%	0.270%	0.270%	
Village's Proportionate Share of Net Pension Liability (Asset)		16,764	26,249	21,751	19,746	15,158	17,428	11,699	9,126	
Village's Covered Employee Payroll		10,485	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		159.89%	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		77.25%	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, 2022**

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

	2022	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, 2022**

<b>For Last 10 Fiscal Years*</b> <b>General Division</b> <b>(Dollars in Thousands)</b>									
	2022	2021	2020	2019	2018	2017	2016	2015	
Statutory Required	\$ 629	599	535	509	505	689	417	387	
Contributions in Relation to the Statutory Required	1,258	1,199	1,102	955	888	689	417	850	
Annual Contribution Deficiency (Excess) *	\$ (629)	(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, 2022**

<b>For Last 10 Fiscal Years*</b>									
<b>Police Division</b>									
<b>(Dollars in Thousands)</b>									
	2022	2021	2020	2019	2018	2017	2016	2015	
Statutory Required	\$ 275	270	388	368	375	315	286	300	
Contributions in Relation to the Statutory Required	716	705	747	690	658	315	286	517	
Annual Contribution Deficiency (Excess) *	<u>\$ (441)</u>	<u>(435)</u>	<u>(359)</u>	<u>(322)</u>	<u>(283)</u>	-	-	<u>(217)</u>	

\* 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, 2022**

<b>For Last 10 Fiscal Years*</b>									
<b>Fire Division</b>									
<b>(Dollars in Thousands)</b>									
	2022	2021	2020	2019	2018	2017	2016	2015	
Statutory Required	\$ 167	128	203	181	169	108	125	131	
Contributions in Relation to the Statutory Required	453	166	344	340	297	108	125	213	
Annual Contribution Deficiency (Excess) *	<u>\$ (286)</u>	<u>(38)</u>	<u>(141)</u>	<u>(159)</u>	<u>(128)</u>	-	-	<u>(82)</u>	

\* 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, 2022

**Last 10 Years \***

	2022	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>						
Service Cost	\$ 765,452	550,510	418,116	432,967	498,192	N/A
Interest on total OPEB liability	272,307	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	913,615	(20,639)	385,993	9,602	(29,120)	N/A
Effect of assumption changes or inputs	226,073	1,792,430	514,496	(297,100)	(764,162)	N/A
Benefit payments	(140,368)	(169,511)	(151,393)	(141,003)	(101,020)	N/A
Net change in total OPEB liability	2,037,079	2,488,914	1,476,937	281,614	(168,258)	N/A
Total OPEB liability, beginning	11,625,964	9,137,050	7,660,113	7,378,499	7,546,757	N/A
Total OPEB liability, ending	13,663,043	11,625,964	9,137,050	7,660,113	7,378,499	7,546,757
<b>Fiduciary Net Position</b>						
Employer contributions	415108	431,174	306,286	278,610	243,744	N/A
Member contributions	221887	136,612	113,950	97,366	107,282	N/A
Net investment income	8165	25,143	10,127	-	-	N/A
Benefit payments	-140368	(169,511)	(151,393)	(141,003)	(101,020)	N/A
Administrative expenses	0	-	-	-	-	N/A
Net change in plan fiduciary net position	504,792	423,418	278,970	234,973	250,006	N/A
Fiduciary net position, beginning	3,093,961	2,767,954	2,488,984	2,254,011	2,004,005	N/A
Fiduciary net position, ending	3,598,753	3,191,372	2,767,954	2,488,984	2,254,011	2,004,005
Net OPEB liability	10,064,290	8,434,592	6,369,096	5,171,129	5,124,488	5,542,752
Fiduciary net position as a % of total OPEB payroll	26.34%	27.45%	30.29%	32.49%	30.55%	26.55%
Covered payroll	10403129	10,167,003	9,441,043	8,699,101	7,731,219	7,593,399
Net OPEB liability as a % of covered payroll	96.74%	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, 2022**

	2022	2021	2020	2019	2018	2017
Contractually Required Contribution	\$ 323,135	415,108	420,236	375,976	351,026	-
Contributions in Relation to the Contractually Required	323,135	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, 2022**

***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 2021 report is available at: <http://www.nmpera.org/>

***Assumption Changes Since the June 30, 2021 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 MP-2019, 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, 2022**

**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, 2022**

**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.

**American Rescue Plan Act Fund (61)**

Track revenues and expenditures related to the American Rescue Plan Act (ARPA) signed into law through H.R. 1319 by President Biden in order to combat the COVID-19 pandemic. The American Rescue Plan Act Fund was established by Village Resolution 21-20.

**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.

**Aquatic Center Fund (32)**

Track revenues and expenditures related to designing and constructing an Aquatic Center in Los Lunas. The Aquatic Center Fund was established by Village Resolution 21-20.

**STATE OF NEW MEXICO  
VILLAGE OF LOS LUNAS  
Non-Major Funds  
June 30, 2022**

**Capital Project Funds (Continued)**

**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.

**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, 2022

Special Revenue Funds						
	Lodgers Tax Fund	Municipal Street Improvement Fund	Fire Fund	Recreation Fund	Police Program Fund	Intergovernmental Grant Fund
<b>ASSETS</b>						
Cash and cash equivalents	\$ 273,491	388,386	321,113	549,692	-	10,625
Restricted Cash	-	-	20,433	-	-	-
Investments	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Receivable from other governments	10,984	27,308	-	-	-	12,776
Lease receivable	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 284,475</b>	<b>415,694</b>	<b>341,546</b>	<b>549,692</b>	<b>-</b>	<b>23,401</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 352	-	11,073	1,167	-	-
Due to other funds	-	-	-	-	-	-
Accrued payroll expenditures	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
<b>Total liabilities</b>	<b>352</b>	<b>-</b>	<b>11,073</b>	<b>1,167</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property taxes	-	-	-	-	-	-
Leases	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	-
Restricted	284,123	415,694	330,473	548,525	-	23,401
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<b>Total fund balances</b>	<b>284,123</b>	<b>415,694</b>	<b>330,473</b>	<b>548,525</b>	<b>-</b>	<b>23,401</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 284,475</b>	<b>415,694</b>	<b>341,546</b>	<b>549,692</b>	<b>-</b>	<b>23,401</b>

Special Revenue Funds (Continued)

Local Government Correction Fund	Law Enforcement Protection Fund	Local DWI Fund	Emergency Medical Service Fund	American Rescue Plan Act Fund	Total Special Revenue Funds
125,169	-	106,902	-	1,269,306	3,044,684
-	-	-	-	-	20,433
-	-	-	-	-	-
-	-	-	-	-	-
-	-	73,058	-	-	124,126
-	-	-	-	-	-
-	-	-	-	-	-
<b>125,169</b>	<b>-</b>	<b>179,960</b>	<b>-</b>	<b>1,269,306</b>	<b>3,189,243</b>
<hr/>					
2,470	-	32,949	-	336,296	384,307
-	-	-	-	-	-
-	-	27,467	-	-	27,467
-	-	-	-	933,010	933,010
<b>2,470</b>	<b>-</b>	<b>60,416</b>	<b>-</b>	<b>1,269,306</b>	<b>1,344,784</b>
<hr/>					
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
122,699	-	119,544	-	-	1,844,459
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>122,699</b>	<b>-</b>	<b>119,544</b>	<b>-</b>	<b>-</b>	<b>1,844,459</b>
<hr/>					
<b>125,169</b>	<b>-</b>	<b>179,960</b>	<b>-</b>	<b>1,269,306</b>	<b>3,189,243</b>

STATE OF NEW MEXICO  
 VILLAGE OF LOS LUNAS  
**Combining Balance Sheet - Non Major Governmental Funds**  
 June 30, 2022

Capital Projects Funds					
	Sports Complex				
	Daniel Fernandez Park Imprv. Fund	Aquatic Center Fund	Improvements Fund	I-25 Interchange Fund	Total Capital Projects Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 6,221,708	32,436	-	43,522	6,297,666
Restricted Cash	-	-	-	-	-
Investments	-	-	-	-	-
Due from other funds	-	-	-	-	-
Receivable from other governments	-	-	825,783	1,814,891	2,640,674
Lease receivable	-	-	-	-	-
Other receivables	-	-	-	-	-
<b>Total assets</b>	<b>\$ 6,221,708</b>	<b>32,436</b>	<b>825,783</b>	<b>1,858,413</b>	<b>8,938,340</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 411,336	-	519,855	939,528	1,870,719
Due to other funds	-	-	330,923	-	330,923
Accrued payroll expenditures	-	-	-	-	-
Unearned revenue	-	-	-	-	-
<b>Total liabilities</b>	<b>411,336</b>	<b>-</b>	<b>850,778</b>	<b>939,528</b>	<b>2,201,642</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property taxes	-	-	-	-	-
Leases	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	5,810,372	32,436	(24,995)	918,885	6,736,698
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<b>5,810,372</b>	<b>32,436</b>	<b>(24,995)</b>	<b>918,885</b>	<b>6,736,698</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 6,221,708</b>	<b>32,436</b>	<b>825,783</b>	<b>1,858,413</b>	<b>8,938,340</b>

**Debt Service Funds**

GRT Revenue Bond 2016 Fund	G.O. Bond 2016 Fund	Total Debt Service Funds	Total Non Major Governmental Funds
-	514,756	514,756	9,857,106
-	-	-	20,433
-	-	-	-
-	-	-	-
-	26,508	26,508	2,791,308
-	-	-	-
-	-	-	-
<b>-</b>	<b>541,264</b>	<b>541,264</b>	<b>12,668,847</b>
<hr/>			
-	-	-	2,255,026
-	-	-	330,923
-	-	-	27,467
			<b>933,010</b>
<b>-</b>	<b>-</b>	<b>-</b>	<b>3,546,426</b>
<hr/>			
-	20,295	20,295	20,295
-	-	-	-
<b>-</b>	<b>20,295</b>	<b>20,295</b>	<b>20,295</b>
<hr/>			
-	-	-	-
-	520,969	520,969	9,102,126
-	-	-	-
-	-	-	-
<b>-</b>	<b>520,969</b>	<b>520,969</b>	<b>9,102,126</b>
<hr/>			
<b>-</b>	<b>541,264</b>	<b>541,264</b>	<b>12,668,847</b>

**STATE OF NEW MEXICO**  
**VILLAGE OF LOS LUNAS**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Governmental Funds**  
**Year Ended June 30, 2022**

	Special Revenue Funds					
	Municipal Street Improvement Fund		Fire Fund	Recreation Fund	Police Program Fund	Intergovernmental Grant Fund
	Lodgers Tax Fund					
<b>REVENUES</b>						
Sales taxes	\$ -	-	-	-	-	-
Property taxes	-	-	-	-	-	-
Franchise taxes	-	-	-	-	-	-
Other taxes	123,785	389,307	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Federal grants	-	-	-	-	-	-
State grants	-	-	283,245	-	-	12,776
Charges for services	-	-	-	202,633	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment earnings	-	7	47	-	-	-
Payments in lieu of taxes	-	-	-	-	-	-
Miscellaneous	-	-	-	-	29,046	-
<b>Total revenues</b>	<b>123,785</b>	<b>389,314</b>	<b>283,292</b>	<b>202,633</b>	<b>29,046</b>	<b>12,776</b>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	111,091	-	22,884	-
Highways and streets	-	124,060	-	-	-	-
Sanitation	-	-	-	-	-	-
Culture and recreation	92,783	-	-	140,942	-	-
Debt service:						
Principal	-	170,419	37,963	-	-	-
Interest and other charges	-	12,644	2,834	-	-	-
Capital outlay	-	-	-	5,395	-	-
<b>Total expenditures</b>	<b>92,783</b>	<b>307,123</b>	<b>151,888</b>	<b>146,337</b>	<b>22,884</b>	<b>-</b>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	31,002	82,191	131,404	56,296	6,162	12,776
<b>OTHER FINANCING SOURCES (USES)</b>						
Legislative appropriation	-	-	-	-	-	-
Proceeds from issuance of debt	-	-	-	-	-	-
Insurance recoveries	-	-	-	-	-	-
Proceeds on sale of capital assets	-	-	-	-	-	-
Transfers in	-	60,610	-	-	-	-
Transfers out	-	-	-	-	(58,145)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>60,610</b>	<b>-</b>	<b>-</b>	<b>(58,145)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>31,002</b>	<b>142,801</b>	<b>131,404</b>	<b>56,296</b>	<b>(51,983)</b>	<b>12,776</b>
<b>Fund balances, beginning of year</b>	<b>253,121</b>	<b>272,893</b>	<b>199,069</b>	<b>492,229</b>	<b>51,983</b>	<b>10,625</b>
<b>Fund balances, end of year</b>	<b>\$ 284,123</b>	<b>415,694</b>	<b>330,473</b>	<b>548,525</b>	<b>-</b>	<b>23,401</b>

Special Revenue Funds (Continued)

Local Government Correction Fund	Law Enforcement Protection Fund	Local DWI Fund	Emergency Medical Service Fund	American Rescue Plan Act Fund	Total Special Revenue Funds
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	513,092
-	-	-	-	-	-
-	-	113,200	-	1,079,635	1,192,835
20,400	43,400	601,820	11,879	-	953,120
		19,425	-	-	242,458
-	-	-	-	-	-
-	-	-	-	-	54
-	-	-	-	-	-
-	-	-	-	-	29,046
20,400	43,400	734,445	11,879	1,079,635	2,930,605

34,837	46,235	692,985	11,879	-	919,911
-	-	-	-	-	124,060
-	-	-	-	-	-
-	-	-	-	-	233,725
-	-	-	-	-	208,382
-	-	-	-	-	15,478
-	-	-	-	1,079,635	1,085,030
34,837	46,235	692,985	11,879	1,079,635	2,586,586
(14,437)	(2,835)	41,460	-	-	344,019

-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	11,417	-	-	72,027
-	-	-	-	-	(58,145)
-	-	11,417	-	-	13,882
(14,437)	(2,835)	52,877	-	-	357,901
137,136	2,835	66,667	-	-	1,486,558
122,699	-	119,544	-	-	1,844,459

**STATE OF NEW MEXICO**  
**VILLAGE OF LOS LUNAS**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Governmental Funds**  
**Year Ended June 30, 2022**

	Capital Projects Funds				
	Daniel Fernandez Park Imprv. Fund	Aquatic Center Fund	Sports Complex Improvements		
			I-25 Interchange Fund	Total Capital Projects Funds	
<b>REVENUES</b>					
Sales taxes	\$ -	-	-	-	-
Property taxes	-	-	-	-	-
Franchise taxes	-	-	-	-	-
Other taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	-	-	2,129,900	2,129,900
State grants	-	-	-	1,019,892	1,019,892
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment earnings	-	-	-	-	-
Payments in lieu of taxes	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,149,792</b>	<b>3,149,792</b>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	-
Culture and recreation	-	67,564	-	-	67,564
Debt service:					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	735,284	-	2,519,787	3,076,170	6,331,241
<b>Total expenditures</b>	<b>735,284</b>	<b>67,564</b>	<b>2,519,787</b>	<b>3,076,170</b>	<b>6,398,805</b>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(735,284)	(67,564)	(2,519,787)	73,622	(3,249,013)
<b>OTHER FINANCING SOURCES (USES)</b>					
Legislative appropriation	-	-	825,783	-	825,783
Proceeds from issuance of debt	-	-	-	-	-
Insurance recoveries	-	-	-	-	-
Proceeds on sale of capital assets	-	-	-	-	-
Transfers in	6,545,656	100,000	1,669,009	-	8,314,665
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>6,545,656</b>	<b>100,000</b>	<b>2,494,792</b>	<b>-</b>	<b>9,140,448</b>
<b>Net change in fund balances</b>	<b>5,810,372</b>	<b>32,436</b>	<b>(24,995)</b>	<b>73,622</b>	<b>5,891,435</b>
<b>Fund balances, beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>845,263</b>	<b>845,263</b>
<b>Fund balances, end of year</b>	<b>\$ 5,810,372</b>	<b>32,436</b>	<b>(24,995)</b>	<b>918,885</b>	<b>6,736,698</b>

Debt Service Funds			
GRT Revenue Bond 2016 Fund	G.O. Bond 2016 Fund	Total Debt Service Funds	Total Non Major Governmental Funds
-	-	-	-
-	511,340	511,340	511,340
-	-	-	-
-	-	-	513,092
-	-	-	-
-	-	-	3,322,735
-	-	-	1,973,012
-	-	-	242,458
-	-	-	-
-	-	-	54
-	-	-	-
-	-	-	29,046
<hr/>		<hr/>	<hr/>
-	511,340	511,340	6,591,737
<hr/>			
-	-	-	-
-	-	-	919,911
-	-	-	124,060
-	-	-	-
-	-	-	301,289
-	-	-	-
145,000	355,000	500,000	708,382
113,720	106,682	220,402	235,880
-	-	-	7,416,271
258,720	461,682	720,402	9,705,793
<hr/>		<hr/>	<hr/>
(258,720)	49,658	(209,062)	(3,114,056)
<hr/>			
-	-	-	825,783
-	-	-	-
-	-	-	-
-	-	-	-
258,720	-	258,720	8,645,412
-	-	-	(58,145)
258,720	-	258,720	9,413,050
<hr/>		<hr/>	<hr/>
-	49,658	49,658	6,298,994
<hr/>		<hr/>	<hr/>
-	471,311	471,311	2,803,132
<hr/>		<hr/>	<hr/>
-	520,969	520,969	9,102,126
<hr/>			

**STATE OF NEW MEXICO  
VILLAGE OF LOS LUNAS  
Fiduciary Funds  
June 30, 2022**

**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.

**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.

**Appreciating You Fund (62)**

Appreciating YOU promotes gathering Village employees and departments/divisions for united engagement to broaden the involvement and professional connection within the Village. The objectives of Appreciating YOU are to foster and encourage teamwork, appreciation, and engagement to continue to allow all employees to be a part of a professional, involved, supportive, and welcoming environment; to ensure contributed monies are spent ethically and mindfully and to promote and encourage Village employees to become involved in the program as either an active contributor or as a volunteer. The Appreciating You fund was established by Village Resolution 22-04.

**Police Evidence Fund (64)**

The Los Lunas Police department collects all cash collected after an arrest is made. All cash that is collected is held in this fund until the arrestee is released from jail, at which time a disbursement is granted. The Police Evidence fund was established by Village Resolution 22-04.

**Firefighter Fund (65)**

The Los Lunas Fire Department receives donations from employees and members of the public to purchase food baskets for families during the Thanksgiving holiday. All expenditures made in this fund must be approved by the volunteer firefighter committee. The Firefighter fund was established by Village Resolution 22-04.

**Cops for Kids Fund (66)**

The Los Lunas Police Department receives donations from employees and members of the public for the Cops for Kids program. The Cops for Kids program allows the Los Lunas Police Department to purchase school supplies to distribute at the National Night Out event. The Cops for Kids fund was established by Village Resolution 22-04.

**STATE OF NEW MEXICO  
VILLAGE OF LOS LUNAS  
Fiduciary Funds  
June 30, 2022**

**Fiduciary Funds (Continued)**

**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.

STATE OF NEW MEXICO  
 VILLAGE OF LOS LUNAS  
**Combining Statement of Fiduciary Net Position -**  
**Fiduciary Funds**  
**June 30, 2022**

	Custodial Funds				
	Municipal Court				
	Court Trust Fund	Bond	Appreciating You	Police Evidence	Firefighter
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	46,616	4,034	50,406	11,884
Receivables	-	-	-	-	-
Due from other funds	-	398	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>47,014</b>	<b>4,034</b>	<b>50,406</b>	<b>11,884</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 686	-	-	-	-
Due to other funds	398	-	-	-	-
Accrued payroll liabilities	-	-	-	-	-
<b>Total liabilities</b>	<b>1,084</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>					
Restricted for:					
Individuals and organizations	-	-	4,034	50,406	11,884
Other governments	(1,084)	47,014	-	-	-
<b>Total net position</b>	<b>\$ (1,084)</b>	<b>47,014</b>	<b>4,034</b>	<b>50,406</b>	<b>11,884</b>

Custodial Funds		
Cops for Kids	Regional Dispatch	Total Custodial Funds
6,068	1,808,883	1,927,891
-	747,116	747,116
-	-	398
<b>6,068</b>	<b>2,555,999</b>	<b>2,675,405</b>
-	16,748	17,434
-	-	398
-	79,786	79,786
-	96,534	97,618
6,068	2,459,465	2,531,857
-	-	45,930
<b>6,068</b>	<b>2,459,465</b>	<b>2,577,787</b>

**STATE OF NEW MEXICO**  
**VILLAGE OF LOS LUNAS**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**Year Ended June 30, 2022**

	Custodial Funds				
	Municipal Court Court Trust Fund	Bond	Appreciating You Fund	Police Evidence Fund	Volunteer Firefighter Fund
<b>ADDITIONS:</b>					
Contributions:					
Private contributions	\$ 9,019	-	5,384	50,406	15,990
Total contributions	\$ 9,019	-	5,384	50,406	15,990
Total additions	\$ 9,019	-	5,384	50,406	15,990
<b>DEDUCTIONS</b>					
Refunds and transfers to other systems	\$ 9,806	1,358	-	-	-
Administrative expense	-	-	-	-	-
Recipient payments	-	-	1,350	-	4,106
Total deductions	\$ 9,806	1,358	1,350	-	4,106
Net increase (decrease) in fiduciary net position		(787)	(1,358)	4,034	50,406
Net position, beginning of year		(297)	48,372	-	-
Net position, end of year	\$	(1,084)	47,014	4,034	50,406
					11,884

Custodial Funds		Total Custodial Funds
Cops for Kids Fund	Regional Dispatch	
14,218	3,324,819	3,419,836
14,218	3,324,819	3,419,836
14,218	3,324,819	3,419,836
-	-	11,164
-	2,131,375	2,131,375
8,150	-	13,606
8,150	2,131,375	2,156,145
6,068	1,193,444	1,263,691
-	1,266,021	1,314,096
6,068	2,459,465	2,577,787

## **OTHER SUPPLEMENTARY INFORMATION**

STATE OF NEW MEXICO  
 VILLAGE OF LOS LUNAS  
 Supplemental Schedule of Pledged Collateral  
 Year Ended June 30, 2022

				New Mexico Finance Authority
	Wells Fargo	US Bank	Bank of the West	
<b>Deposits in Bank of Savings and Loans</b>				
Money market	\$ -	3,868,079.00	3,606,781	403,469
Bank deposits	61,006,084	47,014	-	-
Certificates of deposit	-	-	300,000	-
<b>Total bank balance</b>	<b>61,006,084</b>	<b>3,915,093</b>	<b>3,906,781</b>	<b>403,469</b>
Less: FDIC insurance	250,000	250,000	500,000	250,000
<b>Total uninsured public funds</b>	<b>\$ 60,756,084</b>	<b>3,665,093</b>	<b>3,406,781</b>	<b>-</b>
<b>Collateral requirement</b>	<b>30,378,042</b>	<b>1,832,547</b>	<b>1,703,391</b>	<b>-</b>
<b>Total required collateralization</b>	<b>30,378,042</b>	<b>1,832,547</b>	<b>1,703,391</b>	<b>-</b>
<b>Pledges and securities</b>				
FMAC, FEPIC CUSIP #3131XJKU5, 3.50%, due 04/01/2042	9,947,331	-	-	-
FMAC, FEPIC CUSIP #31334X5A3, 3.00%, due 08/01/2049	3,603,843	-	-	-
FMAC, FEPIC, CUSIP #3133KGZ4H, 2.50%, due 11/01/2049	10,302,972	-	-	-
FNMA, FNMS, CUSIP #3140FPAV1, 4.00%, due 05/01/2044	4,399,591	-	-	-
FNMA, FNMS, CUSIP #31418AJKS, 3.00%, due 09/01/2032	1,874,287	-	-	-
GNMA, G2SF, CUSIP #36179SQV2, 3.00%, due 10/20/2046	119,538	-	-	-
GNMA, G2SF, CUSIP #36179T7K5, 4.00%, due 08/20/2048	1,318,100	-	-	-
GNMA, G2SF, CUSIP #36179TUA1, 3.50%, due 03/20/2048	108,281	-	-	-
GNMA, G2SF, CUSIP #36179VKM1, 3.50%, due 04/20/2050	17,963,961	-	-	-
GNMA, G2SF, CUSIP #36179VN48, 3.50%, due 06/20/2050	7,718,684	-	-	-
GNMA, GNM2, CUSIP #36179W7C6, 4.00%, due 06/20/2052	766,399	-	-	-
GNMA, G2SP, CUSIP #3622ABQA3, 3.00%, due 02/20/2052	1,682,532	-	-	-
GNMA, G2SP, CUSIP #3622ABXJ6, 3.50%, due 06/20/2052	1,819,786	-	-	-
Federal Home Loan Bank of Cincinnati, LOC No.: 555334, Issued 10/1/2021	-	3,700,000	-	-
GN 2018 AC SEQ FIX CUSIP #38380PZ31, 2.000%, due 04/16/2062	-	-	274,421	-
FH K105 A2 FIX CUSIP #3137FRUJ8, 1.872%, due 01/25/2030	-	-	223,746	-
FH K103 A2 FIX CUSIP #3137FQKN2, 2.651%, due 11/25/2029	-	-	236,272	-
FHMS K107 A2 CUSIP #3137FRZA2, 1.639%, due 02/25/2030	-	-	150,860	-
GN 2146D AB FIX CUSIP #38382P3R1, 2.000%, due 03/20/2051	-	-	19,608	-
GN 2125H G FIX CUSIP #38382NTK1, 1.250%, due 02/20/2051	-	-	160,343	-
G2SF MA3802 CUSIP #36179SGK7, 3.00%, due 07/20/2046	-	-	275,181	-
G2SF MA3596 CUSIP #36179R7H6, 3.00%, due 04/20/2046	-	-	8,600	-
GNMA2 SINGLE FAMILY 30 YR CUSIP #36179MSV3, 2.50%, due 11/20/2042	-	-	31,319	-
G2SF MA3596 CUSIP #36179R7H6, 3.00%, due 04/20/2046	-	-	109	-
FNMA CONV 30 YR SF CUSIP #3138MAK56, 3.00%, due 09/01/2042	-	-	19,785	-
G2SF MA3662 CUSIP #36179SB71, 3.00%, due 05/20/2046	-	-	27,895	-
FNMA CONV 30 YR SF CUSIP #3138MBJ61, 3.00%, due 09/01/2042	-	-	64,871	-
G2SF MA2677 CUSIP #36179Q6N6, 3.00%, due 03/20/2045	-	-	69,180	-
FNCL AS7582 CUSIP #3138WHM82, 3.00%, due 07/01/2046	-	-	251,674	-
Louisiana State Gas & Fuels Tax Revenue Bonds CUSIP #623724202108170, 6.00%, due 05/01/2058	-	-	-	-
<b>Total pledged securities</b>	<b>61,625,306</b>	<b>3,700,000</b>	<b>1,813,864</b>	<b>-</b>
<b>Excess (deficiency)</b>	<b>\$ 31,247,264</b>	<b>1,867,453</b>	<b>110,473</b>	<b>-</b>

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
-	-	-	-	-	-	7,878,329
-	117,081	-	8,029	-	-	61,178,208
200,000	-	100,749	100,000	100,000	100,000	900,749
200,000	117,081	100,749	108,029	100,000	100,000	69,957,286
200,000	117,081	100,749	108,029	100,000	100,000	1,975,859
-	-	-	-	-	-	67,827,958
-	-	-	-	-	-	33,913,980
-	-	-	-	-	-	33,913,980
-	-	-	-	-	-	9,947,331
-	-	-	-	-	-	3,603,843
-	-	-	-	-	-	10,302,972
-	-	-	-	-	-	4,399,591
-	-	-	-	-	-	1,874,287
-	-	-	-	-	-	119,538
-	-	-	-	-	-	1,318,100
-	-	-	-	-	-	108,281
-	-	-	-	-	-	17,963,961
-	-	-	-	-	-	7,718,684
-	-	-	-	-	-	766,399
-	-	-	-	-	-	1,682,532
-	-	-	-	-	-	1,819,786
-	-	-	-	-	-	3,700,000
-	-	-	-	-	-	274,421
-	-	-	-	-	-	223,746
-	-	-	-	-	-	236,272
-	-	-	-	-	-	150,860
-	-	-	-	-	-	19,608
-	-	-	-	-	-	160,343
-	-	-	-	-	-	275,181
-	-	-	-	-	-	8,600
-	-	-	-	-	-	31,319
-	-	-	-	-	-	109
-	-	-	-	-	-	19,785
-	-	-	-	-	-	27,895
-	-	-	-	-	-	64,871
-	-	-	-	-	-	69,180
-	-	-	-	-	-	251,674
351,025	-	-	-	-	-	351,025
351,025	-	-	-	-	-	67,490,195
351,025	-	-	-	-	-	33,576,215

STATE OF NEW MEXICO  
 VILLAGE OF LOS LUNAS  
 Schedule of Cash and Temporary Investment Accounts  
 Year Ended June 30, 2022

	Wells Fargo	US Bank	Bank of the West	New Mexico Finance Authority	New Mexico Bank & Trust	Xpress Bill Pay	Nusenda Credit Union
<b>Deposits in Bank of Savings and Loans</b>							
Money market	\$ -	3,868,079	3,606,781	403,469	-	-	-
Bank deposits	61,006,084	47,014	-	-	-	117,081	-
Certificates of deposit	-	-	300,000	-	200,000	-	100,749
<b>Total bank balance</b>	<b>61,006,084</b>	<b>3,915,093</b>	<b>3,906,781</b>	<b>403,469</b>	<b>200,000</b>	<b>117,081</b>	<b>100,749</b>
<b>Reconciling items</b>							
Outstanding checks	(1,236,130)	-	-	-	-	-	-
Deposits in transit	64,809	-	-	-	-	54,239	-
Other adjustments	294,777	-	-	-	-	310.00	-
<b>Total adjustments</b>	<b>(876,544)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54,549</b>	<b>-</b>
<b>Total book balance</b>	<b>60,129,540</b>	<b>3,915,093</b>	<b>3,906,781</b>	<b>403,469</b>	<b>200,000</b>	<b>171,630</b>	<b>100,749</b>
Plus: petty cash	-	-	-	-	-	-	-
Less: fiduciary fund balances included in bank balance	-	-	-	-	-	-	-
<b>Total primary government</b>	<b>\$ 60,129,540</b>	<b>3,915,093</b>	<b>3,906,781</b>	<b>403,469</b>	<b>200,000</b>	<b>171,630</b>	<b>100,749</b>

State Employees Credit Union	Bank of Albuquerque	United Business Bank	Total
-	-		7,878,329
8,029	-		61,178,208
100,000	100,000	100,000	900,749
<b>108,029</b>	<b>100,000</b>	<b>100,000</b>	<b>69,957,286</b>
<hr/>			
-	-	-	(1,236,130)
-	-	-	119,048
-	-	-	295,087
<b>-</b>	<b>-</b>	<b>-</b>	<b>(821,995)</b>
<hr/>			
108,029	100,000	100,000	69,135,291
-	-	-	1,429
-	-	-	<b>1,927,891</b>
<b>108,029</b>	<b>100,000</b>	<b>100,000</b>	<b>67,208,829</b>

STATE OF NEW MEXICO  
 VILLAGE OF LOS LUNAS  
 Schedule of Joint Powers Agreements  
 June 30, 2022

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, \$131,821; Village of Bosque Farms, \$36,009; Valencia County, \$221,508; Town of Peralta, \$26,793; City of Rio Communities, \$30,966; American Medical Rescue, \$107,696	222,981	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, 2022**

Project	Grant #	Original Appropriation	Appropriation Period	Expenditures to Date	Outstanding Encumbrances	Unencumbered Balances
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	-	-
Computer-Aided Dispatch and Records Management Systems	19-D3251	1,148,321	July 1, 2019 - June 30, 2023	1,148,321	-	-
Los Lunas Daniel Fernandez Memorial Park Improvements	19-D3254	594,000	July 1, 2019 - June 30, 2023	567,200	-	26,800
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	-	-
Los Lunas Central Rail Park Utility Extensions	20-E2251	1,500,000	July 1, 2020 - June 30, 2024	204,327	1,295,673	-
Los Lunas Daniel Fernandez Memorial Park Improvements	20-E2791	600,000	July 1, 2020 - June 30, 2024	600,000	-	-
Los Lunas River Park & Bosque Open Space	20-E2792	225,000	July 1, 2020 - June 30, 2024	19,574	205,426	-
Los Lunas Aquatic Center	21-F2936	150,000	July 1, 2021 - June 30, 2025	67,564	82,436	-
Los Lunas River Park & Bosque Open Space	21-F2937	225,000	July 1, 2021 - June 30, 2025	-	-	225,000
Los Lunas Sports Facility Improvements	21-F2938	396,000	July 1, 2021 - June 30, 2025	396,000	-	-
Los Lunas Police Department Information Technology Equipment	21-ZF9165	50,000	July 1, 2021 - June 30, 2022	33,091	-	16,909
				4,479,327	1,583,535	268,709

## **COMPLIANCE SECTION**

**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. Colòn, 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 comparison of the general fund and major special revenue funds of the Village of Los Lunas (Village) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated November 23, 2022.

***Report on Internal Control over Financial Reporting***

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



### ***Report on 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.

### **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  
November 23, 2022

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY 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****Opinion on Each Major Federal Program**

We have audited the Village of Los Lunas' (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, 2022. 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.

In our opinion, the Village of Los Lunas complied, in all material respects, with the 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, 2022.

**Basis for Opinion on Each Major Federal Program**

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

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

**Responsibilities of Management for Compliance**

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

**Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Village's compliance based on our audit. Reasonable assurance is a high level of assurance

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**OFFICE LOCATIONS**

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



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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Village's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Village's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

*Pattillo, Brown & Hill, L.L.P.*

Pattillo, Brown, & Hill, L.L.P.  
Albuquerque, New Mexico  
November 23, 2022

STATE OF NEW MEXICO  
 VILLAGE OF LOS LUNAS  
**Schedule of Expenditures of Federal Awards**  
 Year Ended June 30, 2022

Federal Grantor or Pass-Through Grantor/Program Title	Passthrough Grant Number	Assistance Listing Number	Federal Expenditures
<b>U.S Department of Agriculture</b>			
Rural Business Development		10.351	\$ 40,000
<b>Total U.S. Department of Agriculture</b>			<b>40,000</b>
<b>U.S. Department of Justice</b>			
Bulletproof Vest Partnership		16.607	6,737
National Association of Police Athletic/Activities Leagues, Inc.		16.726	14,656
Edward Byrne Memorial Justice Assistance Grant		16.738	15,740
<b>Total U.S. Department of Justice</b>			<b>37,133</b>
<b>U.S. Department of Transportation</b>			
<i>Passed Through the New Mexico Department of Transportation</i>			
Highway Planning and Construction	A300894	20.205	*
Highway Planning and Construction	A300961	20.205	*
Highway Planning and Construction	A301122	20.205	*
Highway Planning and Construction	A302230	20.205	*
<b>Total U.S. Department of Transportation</b>			<b>2,730,923</b>
<b>U.S Department of the Treasury</b>			
<i>Passed Through the New Mexico Department of Finance and Administration</i>			
Coronavirus Relief Fund	FRF-LOSLUN-056	21.027	*
<b>Total U.S. Department of U.S. Department of the Treasury</b>			<b>1,079,635</b>
<b>U.S. Environmental Protection Agency</b>			
<i>Passed Through the State of New Mexico Finance Authority</i>			
Safe Drinking Water State Revolving Fund	DW-5130	66.468	648,897
<i>Passed Through the State of New Mexico Environment Department</i>			
Safe Drinking Water State Revolving Fund	CWSRF 055	66.458	132,408
<b>Total U.S. Environmental Protection Agency</b>			<b>781,305</b>
<b>U.S. Department of Health and Human Services</b>			
Block Grants for Prevention and Treatment of Substance Abuse		93.959	113,200
<b>Total U.S. Department of Health and Human Services</b>			<b>113,200</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 4,782,196</b>

\* Denotes major program

**STATE OF NEW MEXICO****VILLAGE OF LOS LUNAS****Notes to Supplemental Schedule of Expenditures of Federal Awards****Year Ended June 30, 2022****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 year 2022.

**Loans**

The Village expended federal awards in the form of loans in the Safe Drinking Water State Revolving Fund program totaling \$781,305 during the year ended June 30, 2022.

**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, 2022**

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**SECTION I – SUMMARY OF AUDITOR'S RESULTS**

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***Financial Statements***

<u>Type of Auditor's report issued:</u>	<u>Unmodified</u>
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:	
Highway Planning and Construction – CFDA #20.205	
Coronavirus Relief Fund- CFDA #21.027	
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, 2022**

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**SECTION II – FINDINGS – FINANCIAL STATEMENT AUDIT**

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None

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

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None

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

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None

**STATE OF NEW MEXICO  
VILLAGE OF LOS LUNAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2022**

***Prior Year Findings***

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

**STATE OF NEW MEXICO  
VILLAGE OF LOS LUNAS  
Exit Conference  
June 30, 2022**

The contents of this report were discussed in the exit conference held on November 23, 2022, 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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