

# STATE OF NEW MEXICO

## ANNUAL

### COMPREHENSIVE

#### FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2022



*NM State capitol building*

*Source – Photo by johnbo.wordpress.com*

CABINET SECRETARY WAYNE PROPST

ACTING STATE CONTROLLER MARK MELHOFF

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

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STATE OF NEW MEXICO  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

# INTRODUCTORY SECTION



Gila Cliff Dwellings  
Source: Gila Cliff National Monument

**Governor Michelle Lujan Grisham**  
**Cabinet Secretary Wayne Propst**

**Financial Control Division**  
**Mark Melhoff, Acting State Controller/Director**

To the Governor, the State Legislature and the Citizens of New Mexico:

In accordance with Chapter 6-5-4.1 of the New Mexico Statutes Annotated 1978 (NMSA 1978), the Financial Control Division of the Department of Finance and Administration transmits the State of New Mexico's Annual Comprehensive Financial Report (Report) for the fiscal year ended June 30, 2022.

The Report presents the financial position and operating results of the state, compliant with generally accepted accounting principles (GAAP) applicable to state and local governments, as established by the Governmental Accounting Standards Board (GASB). The purpose of this Report is to provide complete and reliable information as a basis for making management decisions, assessing adherence to and compliance with legal requirements, and evaluating stewardship of the state's assets. The basic financial statements and required supplemental information include a required narrative introduction, referred to as Management's Discussion and Analysis (MD&A). This transmittal letter complements the MD&A, which is located immediately following the independent auditors' report, and should be read in conjunction with this letter.

CliftonLarsonAllen LLP (CLA), an independent accounting firm and the New Mexico Office of the State Auditor, have audited the basic financial statements contained within this Report. Their audit was conducted in accordance with the generally accepted government auditing standards and their auditor's report precedes the basic financial statements. The goal of an independent audit is to provide reasonable assurance that the State of New Mexico's basic financial statements for the fiscal year ended June 30, 2022, are free of material misstatement. Independent audit procedures include examining, on a test basis, supporting amounts and disclosures, assessing the accounting principles used, review of any significant estimates made by management, and evaluating the overall basic financial statement presentation. An audit also includes consideration of internal controls over financial reporting as a basis for designing audit procedures that are appropriate under the circumstances, but not for expressing an opinion on the effectiveness of the state's internal controls over financial reporting. Accordingly, the independent auditor expressed no opinion on the internal controls over financial reporting.

Under state statute (12.6.3 NMSA 1978), every state agency that is reported together in this ACFR must be audited separately each year. To avoid duplication of effort, the Report utilizes the Group Audit Standards. The standards provide requirements and guidance for audits of group financial statements, those in which part of the work is performed by auditors other than the auditor who expresses the opinion on the financial statements of the group.

The group audit process affects reporting timeliness, as the ACFR preparation may commence only after completion of the underlying agency audits, which are generally not available until December following the fiscal year-end.

In terms of audit timing, fiscal year 2022 saw additional challenges due to various late audits at the agency level. A combination of these late audits and internal staffing issues at DFA led to a more time-consuming compilation of the report. As staffing levels improve statewide, these delays should begin to diminish in future fiscal years.

Discussions continue within the Department of Finance and Administration (DFA) and the State Auditor's Office (SAO) on ways to streamline and shorten the overall Report preparation process. In addition, the State Auditor's Office is jointly auditing the Report to learn more about the process and make recommendations for changes to state law, rules, and regulations.

We are proud of the improvements in controls and processes over recent years that have allowed for the production of a reliable and auditable Report; the benefits of these enhancements continue.

## **PROFILE OF STATE OF NEW MEXICO**

New Mexico became the forty-seventh state of the United States of America when it entered the union on January 6, 1912. Its borders encompass 121,589 square miles of the Great Plains, Rocky Mountains, and the Rio Grande River with elevations ranging from 2,842 to 13,161 feet above sea level. Nicknamed the Land of Enchantment, the state's landscape ranges from wide, rose-colored deserts to broken mesas and high, snow-capped peaks. The Sangre de Cristo Mountains, the southernmost part of the Rocky Mountains, run north to south along the east side of the Rio Grande. The state is home to the White Sands



**Governor Michelle Lujan Grisham**  
**Cabinet Secretary Wayne Propst**

**Financial Control Division**  
**Mark Melhoff, Acting State Controller/Director**

National Monument, which contains the largest gypsum dune field in the world. The state's major economic sectors include agriculture, mining, energy production, federal technology laboratories, and tourism. The estimated population of the state was 2,117,522 as of July 2020.

**Structure** – The State Constitution divides the powers of government among three equal and independent branches: Legislative, Executive, and Judicial, shown in the organizational chart on page xiii. The powers and duties of each branch of government are outlined in the Constitution of the State of New Mexico, which can be amended only by a majority vote of the state's citizens. The State of New Mexico Consolidated Annual Financial Report includes the primary government (i.e., legislative agencies, departments and agencies, commissions, the Governor and Cabinet, boards of the executive branch, various offices relating to the judicial branch, the education institutions created by the Constitution of the State of New Mexico, Article XII, Section 11, and discrete component units of the State of New Mexico.

**Internal Controls** – In accordance with the provisions of Chapter 6-5-2.C, NMSA 1978, the Financial Control Division of the Department of Finance and Administration is responsible for ensuring government agencies fulfill their responsibility for implementing and sustaining effective internal controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and reliability of financial records used for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from its use, and the evaluation of costs and benefits requires managerial estimates and judgments. All internal control evaluations occur within this framework. Consideration as to the adequacy of internal controls is paramount in developing and maintaining the state's accounting system, and the effectiveness and adequacy of internal controls are evaluated during internal reviews performed by the Department of Finance and Administration and annual external audits.

**Types and levels of services provided** – The State of New Mexico provides its citizens with the following governmental types of services: educational, environmental, health and human services, highway and transportation services, public safety, legislative, judicial, as well as cultural, recreational and natural resource services. The State of New Mexico also administers two cost-sharing multiple-employer public employee retirement systems and three single-employer public employee retirement systems.

**Brief summary of budget process** – The Governor is required to submit a balanced budget by agency, program, activity and category to the Legislature annually. The Legislature authorizes expenditures in the annual General Appropriations Act by source, which is then signed into law by the Governor. Unless otherwise indicated, annual appropriations lapse at fiscal year-end. In the event actual revenues are insufficient to cover budgeted expenditures, the Governor must order budget reductions or call a special session of the Legislature to address any budget shortfalls. Adjustments to the budget may also be made throughout the year for changes in departmental or fund revenues so that departments and funds will not end the fiscal year in a deficit position. Expenditures are controlled at the program appropriation level. The budget is administered using the modified accrual basis of accounting; however, the budgetary basis is not consistent with GAAP.

## **ECONOMIC CONDITIONS AND OUTLOOK**

New Mexico utilizes a consensus revenue estimating group (CREG) composed of legislative and executive branch economists to forecast General Fund revenue for the state. The Executive and Legislature work with the same revenue forecast in preparing their respective General Fund operating budget recommendations.

The CREG bases its state general revenue forecast on forecasts of the U.S. economy from Moody's Analytics and IHS Markit in combination with forecasts of New Mexico's economy prepared by the University of New Mexico's Bureau of Business and Economic Research. Economic inputs also include data and information provided by state agencies, and other national data sources such as the Energy Information Administration, Bureau of Labor Statistics, Bureau of Economic Analysis, and



**Governor Michelle Lujan Grisham  
Cabinet Secretary Wayne Propst**

**Financial Control Division  
Mark Melhoff, Acting State Controller/Director**

the U.S. Census Bureau. Historical information on New Mexico's value and volume of crude oil and natural gas produced in the State is derived from the State's GenTax Database reporting system. Product price forecasts are derived from national economic forecasting services and other sources.

Additionally, New Mexico's state revenues are highly sensitive to boom-and-bust cycles in the energy industry; therefore, the CREG conducts a stress test on state revenues during the process. The establishment and use of stress-testing hedges against an economic downturn or an unforeseen downswing in the energy sector. Stress-testing allows for targeting appropriate levels of general fund reserves while safeguarding the state's budget at the same time.

The New Mexico economy, on a year-over-year basis, grew slightly in fiscal year 2022, with real gross domestic product expanding by 1.7 percent. The state's wages and salaries increased by 10 percent while total personal income in the state grew 7.5 percent. During fiscal year 2022, New Mexico's employment increased 5.4 percent, which represents a loss of approximately 38,800 jobs.

#### **LONG-TERM FINANCING**

The State of New Mexico's Constitution and laws authorize the state to issue general obligation bonds, severance tax bonds and revenue bonds to finance or refinance the cost of state capital projects. General obligation bonds are secured by the full faith and credit of the state and are repaid from a dedicated statewide property tax. Article 9, Section 8 of the New Mexico Constitution limits General Obligation indebtedness to no more than one percent of the assessed valuation of all the property subject to taxation in the State. Severance Tax Bonds are used to finance statewide capital projects that have been authorized by the Legislature and approved by the Governor. Severance and Supplemental Severance Tax Bonds are repaid from revenues deposited into the Severance Tax Bonding Fund, which primarily include taxes on mineral production in the state. The state continues to maintain a strong creditworthiness rating from Moody's Investors Services and Standard and Poor's Corporation.

#### **ACKNOWLEDGMENTS**

This Report could not have been prepared without the cooperation of all state agencies, the Legislature, and the Judiciary. Executive management of the Department of Finance and Administration would also like to express our gratitude to the dedicated professionals in the State Financial Reporting and Accountability Bureau, whose work made possible the preparation of this Report. The coordinated and collaborative effort has produced a Report that will provide a means for government, the financial community, decision makers, and concerned citizens to better understand and evaluate the state's financial condition.

Sincerely,

/s/ Wayne Propst

Wayne Propst  
Cabinet Secretary

# STATE OF NEW MEXICO

## SELECTED STATE OFFICIALS

June 30, 2022

### Executive

**Michelle Lujan Grisham, Governor**

**Howie Morales, Lieutenant Governor**

<b>Maggie Toulouse Oliver</b> Secretary of State	<b>Brian S. Colón</b> State Auditor	<b>Tim Eichenberg</b> State Treasurer	<b>Hector H. Balderas</b> Attorney General	<b>Stephanie Garcia Richard</b> Commissioner of Public Lands
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- **Cynthia B. Hall**, Public Regulation Commission • **Jefferson L. Byrd**, Public Regulation Commission • **Joseph Maestas**, Public Regulation Commission • **T. Becenti Aguilar**, Public Regulation Commission • **Stephen Fischmann**, Public Regulation Commission

### Judicial

<b>Michael E. Vigil</b> Chief Justice of the Supreme Court	<b>C. Shannon Bacon</b> Justice of the Supreme Court	<b>David K. Thomson</b> Justice of the Supreme Court	<b>Julie J. Vargas</b> Justice of the Supreme Court	<b>Briana H. Zamora</b> Justice of the Supreme Court
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- **J. Miles Hanisee**, Chief Judge of the Court of Appeals • **Jennifer L. Attrep**, Judge of the Court of Appeals • **Kristina Bogardus**, Judge of the Court of Appeals • **Jacqueline R. Medina**, Judge of the Court of Appeals • **Megan P. Duffy**, Judge of the Court of Appeals • **Zachary A. Ives**, Judge of the Court of Appeals • **Shammara H. Henderson**, Judge of the Court of Appeals • **Jane B. Yohalem**, Judge of the Court of Appeals • **Gerald E. Baca**, Judge of the Court of Appeals • **Katherine A. Wray**, Judge of the Court of Appeals

### Legislative - Senate

<b>Mimi Stewart</b> President Pro Tempore	<b>Peter Wirth</b> Majority Floor Leader	<b>Gregory A. Baca</b> Minority Floor Leader	<b>Linda M. Lopez</b> Majority Whip
<b>Craig W. Brandt</b> Minority Whip			

### Legislative – House of Representatives

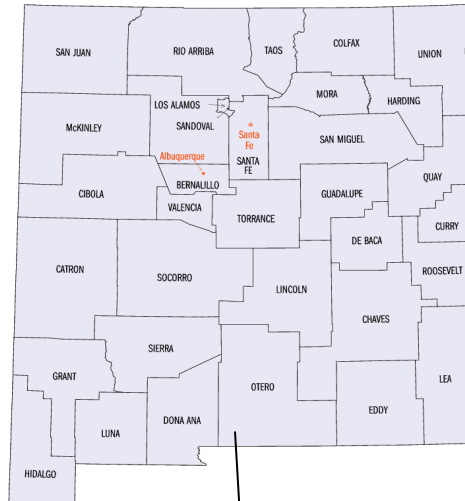
<b>Brian F. Egolf Jr.</b> Speaker of the House	<b>Javier Martinez</b> Majority Floor Leader	<b>James G. Townsend</b> Minority Floor Leader	<b>Doreen Y. Gallegos</b> Majority Whip
<b>Rod Montoya</b> Minority Whip			

# STATE OF NEW MEXICO

## ORGANIZATIONAL CHART

June 30, 2022

### Citizens of New Mexico



<b>GOVERNOR'S CABINET</b>	
African American Affairs Office	Aging and Long-Term Services Department
Department of Agriculture	Children, Youth and Families Department
Corrections Department	Cultural Affairs Department
Economic Development Department	Energy, Minerals and Natural Resources Department
Office of the State Engineer	Environment Department
Department of Finance and Administration	General Services Department
Department of Health	Higher Education Department
Department of Homeland Security and Emergency Management	Human Services Department
Information Technology Department	Indian Affairs Department
Public Education Department	State Personnel Office
Regulation and Licensing Department	Department of Public Safety
Tourism Department	Taxation and Revenue Department
Department of Veterans' Services	Department of Transportation
Department of Workforce Solutions	Worker's Compensation Administration
	Early Childhood Education and Care Department

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STATE OF NEW MEXICO  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

# FINANCIAL SECTION

## MANAGEMENT'S DISCUSSION AND ANALYSIS PLUS INDEPENDENT AUDIT REPORT



New Mexico State Bird Roadrunner in Flight  
Source: Photo by Dolor Ipsum on Flickr



## INDEPENDENT AUDITORS' REPORT

The Honorable Michelle Lujan-Grisham, Governor of the State of New Mexico  
Mr. Wayne Propst, Secretary of the New Mexico Department of  
Finance and Administration,  
Mr. Mark Melhoff, Acting State Controller of the New Mexico Department  
of Finance and Administration, and  
Mr. Joseph M. Maestas, P.E., New Mexico State Auditor

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of New Mexico (State), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of certain components, which these percentages of assets and revenues of the various opinion units as of June 30, 2022 audited by other auditors is represented in the following table. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for certain components, is based solely on the reports of the other auditors.

The Honorable Michelle Lujan-Grisham, Governor of the State of New Mexico  
 Mr. Wayne Propst, Secretary of the New Mexico Department of  
 Finance and Administration,  
 Mr. Mark Melhoff, Acting State Controller of the New Mexico Department  
 of Finance and Administration, and  
 Mr. Joseph M. Maestas, P.E., New Mexico State Auditor

**Percentage Audited by Other Auditors**

<b><u>Government-Wide</u></b>	<b><u>Total Assets</u></b>	<b><u>Total Revenues</u></b>
Governmental activities	80%	57%
Business-type activities	78%	99%
Aggregate discretely presented component units	63%	75%

**Fund Statements**

Major governmental fund - General Fund	66%	53%
Major governmental fund - Debt Service Fund	3%	65%
Major governmental fund - Capital Projects Fund	25%	18%
Major governmental fund - Severance Tax Permanent Fund	100%	100%
Major governmental fund - Land Grant Permanent Fund	100%	100%
Major enterprise fund - Educational Institutions Fund	100%	100%
Major enterprise fund – Unemployment Insurance Fund	100%	100%
Aggregate remaining fund information	98%	36%

***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 Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the State of New Mexico 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.

***Emphasis of Matters***

*Correction of Errors*

As described in Note 9 to the financial statements, the State restated beginning balances resulting from the correction of accounting errors that occurred in the prior period. Our opinions are not modified with respect to this matter.

*Change in Accounting Principle*

As discussed in Note 2 to the financial statements, effective July 1, 2021, the State adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinion is not modified with respect to this matter.



The Honorable Michelle Lujan-Grisham, Governor of the State of New Mexico  
Mr. Wayne Propst, Secretary of the New Mexico Department of  
Finance and Administration,  
Mr. Mark Melhoff, Acting State Controller of the New Mexico Department  
of Finance and Administration, and  
Mr. Joseph M. Maestas, P.E., New Mexico State Auditor

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the State'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.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of State of New Mexico'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 State'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.

The Honorable Michelle Lujan-Grisham, Governor of the State of New Mexico  
Mr. Wayne Propst, Secretary of the New Mexico Department of  
Finance and Administration,  
Mr. Mark Melhoff, Acting State Controller of the New Mexico Department  
of Finance and Administration, and  
Mr. Joseph M. Maestas, P.E., New Mexico State Auditor

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Budgetary Comparison Schedule – General Fund and Notes to Budgetary Reporting, Schedules of Changes in Net Pension Liability, Schedule of Changes in Net OPEB Liability; Schedules of Net Pension Liability, Schedules of Net OPEB Liability, Schedules of Employer Contributions - Pension, Schedules of Employer Contributions – OPEB, Schedules of Investment Returns - Pension, Schedule of Investment Returns – OPEB, Schedule of Actuarial Methods and Assumptions – All Retirement Systems, Schedule of Actuarial Methods and Assumptions – New Mexico Retiree Health Care Authority, Schedule of the State of New Mexico's Proportionate Share of the Net Pension Liability, Schedule of the State of New Mexico's Proportionate Share of the Net OPEB Liability, and Schedule of the State's Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State's basic financial statements. The combining statements and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures by us and other auditors 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 GAAS. In our opinion, the combining statements and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

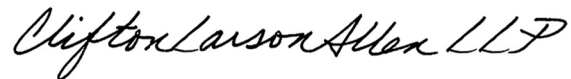
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections and exit conference but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

The Honorable Michelle Lujan-Grisham, Governor of the State of New Mexico  
Mr. Wayne Propst, Secretary of the New Mexico Department of  
Finance and Administration,  
Mr. Mark Melhoff, Acting State Controller of the New Mexico Department  
of Finance and Administration, and  
Mr. Joseph M. Maestas, P.E., New Mexico State Auditor

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2023, on our consideration of the State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Albuquerque, New Mexico  
June 30, 2023

# STATE OF NEW MEXICO

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2022

### INTRODUCTION

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The following Management's Discussion and Analysis (MD&A) is required supplementary information to the State of New Mexico's financial statements. It describes and analyzes the financial performance and position of the state, and also provides an overview of the State's activities for the fiscal year ended June 30, 2022. Please read it in conjunction with the transmittal letter in the Introductory Section of this report and with the State's financial statements that follow this section. The subsequent information is highly summarized, and in order to gain a comprehensive understanding of the State's financial condition it should be reviewed in its entirety. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

### FINANCIAL HIGHLIGHTS

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#### Government-wide

##### Net Position of the Primary Government

- The primary government (governmental activities and business-type activities) ended fiscal year 2022 with a net position of \$47.3 billion, an increase of \$5.7 billion, or 13.8 percent, from the previous year.
- The net position is comprised of \$8.6 billion in net investment in capital assets, \$44.6 billion in restricted, and a deficit \$5.9 billion in unrestricted, excluding component units.
- As a result of operating activities, the primary government's total net position, after restatement of beginning net position, increased by \$5.7 billion, or 13.8 percent, in fiscal year 2022 when compared to the previous year's ending net position. The net position of governmental activities increased \$5.6 billion, or 14 percent, from previous year's ending net position, as Restated.
- Program revenues for the primary government increased by \$1.1 billion or 5.2 percent on a year to year basis. Taxes and other general revenues decreased by 32.3 percent from the previous year. Expenses of \$25.8 billion, decreased by \$1.7 billion, with the majority of the decrease being in General Control, Unemployment Insurance, Education and Regulation and Licensing.
- The net position of the business-type activities increased by \$120.5 million or 8.2 percent, from the previous year's ending net position. The business-type activities from the prior fiscal year saw a decrease in total revenue by \$2.4 billion and an decrease in expenses by \$3 billion. Program revenue decreased by \$2.4 billion while transfers decreased by \$6.9 million.

##### Long-term Debt

- The State's long-term bonded debt increased a net of \$120.2 million for both governmental and business-type activities, combined, due to higher issuance of new bonds compared to the payment on the prior year bonds. New bond issuance for governmental activities was composed of \$260.9 million for severance tax bonds, and \$282.1 million for revenue bonds. New bond issuance for business type activities was \$14.3 million in revenue bonds. See Note 8 for more detailed information on long-term liabilities. More detailed information regarding the government-wide, fund level, and long-term debt activities can be found in the capital asset and debt administration section of this management's discussion and analysis (MD&A).

# STATE OF NEW MEXICO

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2022

### **Fund Level**

#### *Governmental Funds*

- As of June 30, 2022, the State's combined governmental funds reported an ending fund balance of \$45.5 billion, an increase of \$5.6 billion, or 14.024 percent, from fiscal year 2021 year's ending net position, (see the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances).
- Year to year there was a decrease in revenue of \$1.6 billion, primarily the result of a decrease in investment income. Year to year, expenditures decreased by \$1.7 billion. Operationally, expenditure decreases in the areas of General Control and Unemployment Insurance are the primary drivers.
- The unassigned fund balance as of the end of fiscal year 2022 was \$393 million.

#### *Proprietary Funds*

- The proprietary funds reported net position of \$1.6 billion as of June 30, 2022, an increase of \$120.5 million, or 8.2 percent, from fiscal year 2021 ending net position.

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## OVERVIEW OF THE FINANCIAL STATEMENTS

The focus of this annual report is on reporting for the state as a whole and on the major individual funds. The report presents a more comprehensive view of the state's financial activities. The Financial Section of this Annual Financial Report presents the State's financial position and activities in four parts:

- Management's Discussion and Analysis (this part)
- Basic Financial Statements
  - Government-wide Financial Statements
  - Fund Financial Statements
  - Notes to the Financial Statements
- Required Supplementary Information other than MD&A
- Other Supplementary Information presenting combining statements and schedules

This report also includes statistical data.

### **Reporting on the State as a Whole**

#### **Government-wide Statements**

The government-wide financial statements are designed to present an overall picture of the financial position of the state. These statements consist of the statement of net position and the statement of activities, which are prepared using the economic resources measurement focus and the accrual basis of accounting. This means that all revenues earned and expenses incurred during the year are included, regardless of when cash is received or disbursed, producing a view of financial position similar to that presented by most private sector companies.

# STATE OF NEW MEXICO

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2022

The statement of net position combines and consolidates the government's current financial resources with capital assets and long-term obligations. This statement includes all of the government's assets, deferred outflows, liabilities, and deferred inflows. Net position represents one measure of the state's financial health. Other indicators of the state's financial health include the condition of its facilities, roads and highways (infrastructure) and economic trends affecting the state's future tax revenues.

The statement of activities focuses on both the gross and net cost of various activities (governmental, business-type and component units). These costs are paid by the state's tax revenues, charges for services and other revenues. This statement summarizes the cost of providing (or the subsidy provided by) specific government services and includes all current year revenues and expenses.

The government-wide statement of net position and the statement of activities divide the state's activities into the following three types:

### Governmental Activities

The state's basic services are reported here, including general government, education, transportation, health and human services, public safety and corrections, judicial, natural resources and recreation, legislative, and regulatory services. Taxes, fees and federal grants finance most of these activities.

### Business-type Activities

Activities for which the state charges a fee to customers to pay most or all of the costs of certain services it provides are reported as business-type activities. The state's institutions of higher education are included as business-type activities, as well as unemployment insurance, public schools insurance, medical centers, magazine publication, state fair, state infrastructure bank, environment department, corrections industries, and industries for the blind.

### Component Units

Component units are legally separate organizations for which the state is either financially accountable or the nature and significance of their relationship with the state is such that exclusion would cause the state's financial statements to be misleading or incomplete. The state has approximately seventy-three (73) discretely presented component units. Financial information for these entities is presented separately in the supplemental statements and in the notes.

## **Reporting on the State's Most Significant Funds**

### **Fund Financial Statements**

Fund financial statements provide additional detail about the state's financial position and activities. Some information presented in the fund financial statements differs from the government-wide financial statements due to the perspective and basis of accounting used. Funds are presented in the fund-level statements based on criteria set by the Governmental Accounting Standards Board (GASB). A fund is a separate accounting entity with a self-balancing set of accounts. The state uses funds to keep track of sources of funding and spending related to specific activities. Some funds are required by law to exist, while others are established internally to maintain control over a particular activity.

# STATE OF NEW MEXICO

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2022

All of the State's funds are divided into the following categories, each of which uses a different accounting approach:

### Governmental Funds

A majority of the state's activity is reported in the governmental funds. Reporting of these funds focuses on the flow of money into and out of the funds and amounts remaining at fiscal year-end for future spending. Governmental funds are accounted for using the modified accrual basis of accounting, which measures cash and other assets that can be readily converted to cash. The governmental fund financial statements provide a detailed short-term view of the state's general governmental operations and the basic services it provides. This information helps determine the level of resources available for the state's programs. The reconciliations following the fund financial statements explain the differences between the governmental activities column reported on the government-wide statement of net position and the government-wide statement of activities, and the governmental funds reported on the fund financial statements. The general fund, debt service fund, capital projects fund, severance tax fund and land grant fund are reported as major governmental funds.

### Proprietary Funds

When the state charges customers for services it provides, these activities are generally reported in proprietary funds. Services provided to outside (non-governmental) customers are reported in enterprise funds, a type of proprietary funds, and are accounted for using the economic resources measurement focus and the accrual basis of accounting. These are the same business-type activities reported in the government-wide financial statements, but are reported here to provide information at the fund level. Activities whose customers are primarily other state agencies (e.g., motor pool) are accounted for in internal service funds. The internal service fund activities are consolidated with the governmental activities in the government-wide statements because those services predominantly benefit governmental rather than business-type activities.

### Fiduciary Funds

Fiduciary funds account for assets held in a trustee or agency capacity for others. All state fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. The activities are reported separately from other financial activities because the state cannot use the assets to finance its operations. The state's fiduciary responsibilities include ensuring that the assets reported in these funds are used for their intended purpose. Fiduciary funds are accounted for using the economic resources measurement focus and the accrual basis accounting.

### **Reconciliation between Government-wide and Fund Statements**

The financial statements include schedules that reconcile and explain the differences between the amounts reported for governmental activities on the government-wide statements (accrual accounting, long-term focus) with amounts reported on the governmental fund statements (modified accrual accounting, short-term focus).

The following are some of the major differences between the two statements:

- Capital assets and long-term debt are included on the government-wide statements, but are not reported on the governmental fund statements.

# STATE OF NEW MEXICO

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2022

- Capital outlay spending results in capital assets on the government-wide statements, but are reported as expenditures on the governmental fund statements.
- Bond proceeds result in liabilities on the government-wide statements, but are other financing sources on the governmental fund statements.
- Certain tax revenues that are earned but not yet available are reported as revenue on the government-wide statements, but are deferred inflow of resources on the governmental fund statements.
- Pension related items including Net Pension Liability, Net Pension Asset, and the Deferred Inflows and Outflows of resources related to pensions are included in the government-wide statements and not in the governmental fund statements.
- OPEB related items including Net OPEB Liability and the Deferred Inflows and Outflows of resources related to OPEB are included in the government-wide statements and not in the governmental fund statements

### Notes to the Financial Statements

The notes provide additional schedules and information that are essential to a complete understanding of the financial statements. The notes apply to both the government-wide financial statements and the fund financial statements.

### Required Supplementary Information (RSI)

Following the Basic Financial Statements are budgetary comparison schedules for major funds with legally adopted budgets. In addition, the RSI includes schedules on the funded status and employer contributions for the State's Defined Benefit Pension Plans and Other Postemployment Benefits Plan. RSI further supports the information in the basic financial statements.

### Other Supplementary Information

Supplementary Information includes combining statements for the State's nonmajor proprietary and fiduciary funds. This section also includes schedules which compare budgeted expenditures to actual results at the legal level of control, which is generally the program level of the General Appropriation Acts.

## ADJUSTMENTS TO BEGINNING NET POSITION AND FUND BALANCES

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While adjustments were made to the opening balances of a number of entities that are part of the primary government, none individually or collectively were significant to merit discussion.



# STATE OF NEW MEXICO

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2022

### FINANCIAL ANALYSIS OF THE STATE AS A WHOLE

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#### Net Position

- Total Assets and Deferred Outflows of the State as of June 30, 2022, were \$68 billion, an increase of \$5.8 billion or 9.3 percent from prior fiscal year. The majority of the increase is due to increased receivables and an increase in investment in state general fund investment pool balances.
  - For governmental activities, total assets and deferred outflows were \$59.3 billion, an increase of \$7 billion, or 12.74 percent.
  - For business-type activities, total assets and deferred outflows were \$8.7 billion, a decrease of \$938 million or 9.77 percent.
- Total Liabilities and Deferred Inflows as of June 30, 2022 were \$20.7 billion, an increase of \$24.5 million or 0.12 percent from prior fiscal year.
  - Total liabilities and deferred inflows for governmental activities were \$13.6 billion, an increase of \$1.1 billion, or 8.63 percent.
  - For business-type activities, total liabilities and deferred inflows were \$7.1 billion, a decrease of \$1.1 billion or 13.03 percent.
- The State's total net position of \$47.3 billion was \$5.7 billion or 13.82 percent higher in fiscal year 2022 compared to the prior year. Of the State's net position, \$8.6 billion was recorded as net investment in capital assets, while \$44.6 billion was restricted by state statute or other legal requirements and was not available to finance day-to-day operations of the state. Unrestricted net position was a \$6 billion deficit. Most of this is attributable to the net pension liability and net OPEB liability. The reporting of these long-term liabilities is mandated by the Governmental Accounting Standards Board.

# STATE OF NEW MEXICO

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2022

State of New Mexico  
Net Position as of June 30, 2022  
(Expressed in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$ 50,666,356	\$ 44,149,549	\$ 4,142,803	\$ 4,355,813	\$ 54,809,159	\$ 48,505,363
Capital Assets	7,861,310	7,251,236	2,844,379	2,626,238	10,705,689	9,877,475
Total Assets	<u>\$ 58,527,666</u>	<u>\$ 51,400,785</u>	<u>\$ 6,987,182</u>	<u>\$ 6,982,051</u>	<u>65,514,848</u>	<u>58,382,837</u>
Deferred Outflow of Resources	776,629	1,203,560	1,673,241	2,616,350	2,449,870	3,819,910
Current Liabilities	5,435,126	4,613,949	810,263	865,494	6,245,389	5,479,443
Long-term Liabilities	6,865,921	7,464,484	3,311,521	7,038,258	10,177,442	14,502,742
Total Liabilities	12,301,047	12,078,433	4,121,784	7,903,752	16,422,831	19,982,185
Deferred Inflows of Resources	1,333,057	472,716	2,944,920	221,420	4,277,978	694,135
Net Position:						
Net Investment in						
Capital Assets	6,533,650	6,212,235	2,031,156	1,845,400	8,564,806	8,057,635
Restricted	42,996,897	37,944,661	1,576,707	1,519,232	44,573,604	39,463,893
Unrestricted	(3,860,356)	(4,103,700)	(2,014,143)	(1,891,402)	(5,874,499)	(5,995,102)
Total Net Position	<u>\$ 45,670,191</u>	<u>\$ 40,053,197</u>	<u>\$ 1,593,720</u>	<u>\$ 1,473,230</u>	<u>\$ 47,263,911</u>	<u>\$ 41,526,426</u>
Percentage change in total net position from prior year	<u>14.0 %</u>		<u>8.2 %</u>		<u>13.8 %</u>	

### Changes in Net Position

The State's net position as of June 30, 2022, was \$47.3 billion which was \$5.7 billion greater than the 2021 net position restated. The State earned program revenues of \$21.2 billion, collected tax revenue of \$11.2 billion, and had a loss in general revenues related to investment revenues(expenses) of -\$759.3 million. Total revenues for 2022 were \$31.6 billion, a decrease of \$4.1 billion, or 11.4 percent from fiscal year 2021. Decreased revenue was attributable to the \$8.3 billion decrease in other general revenues. The expenses of the State were \$25.8 billion, a decrease of \$1.7 billion or 6.1 percent, from fiscal year 2021. Further analysis of results of changes in the State's financial condition follows in the analysis of the State's funds. Net program revenues exceeded net program expenses by \$5.8 billion, whereas in fiscal year 2021 this amount was \$8.2 billion.

The following schedule and charts summarize the State's total revenues, expenses, and changes in net position for fiscal year 2022:

# STATE OF NEW MEXICO

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2022

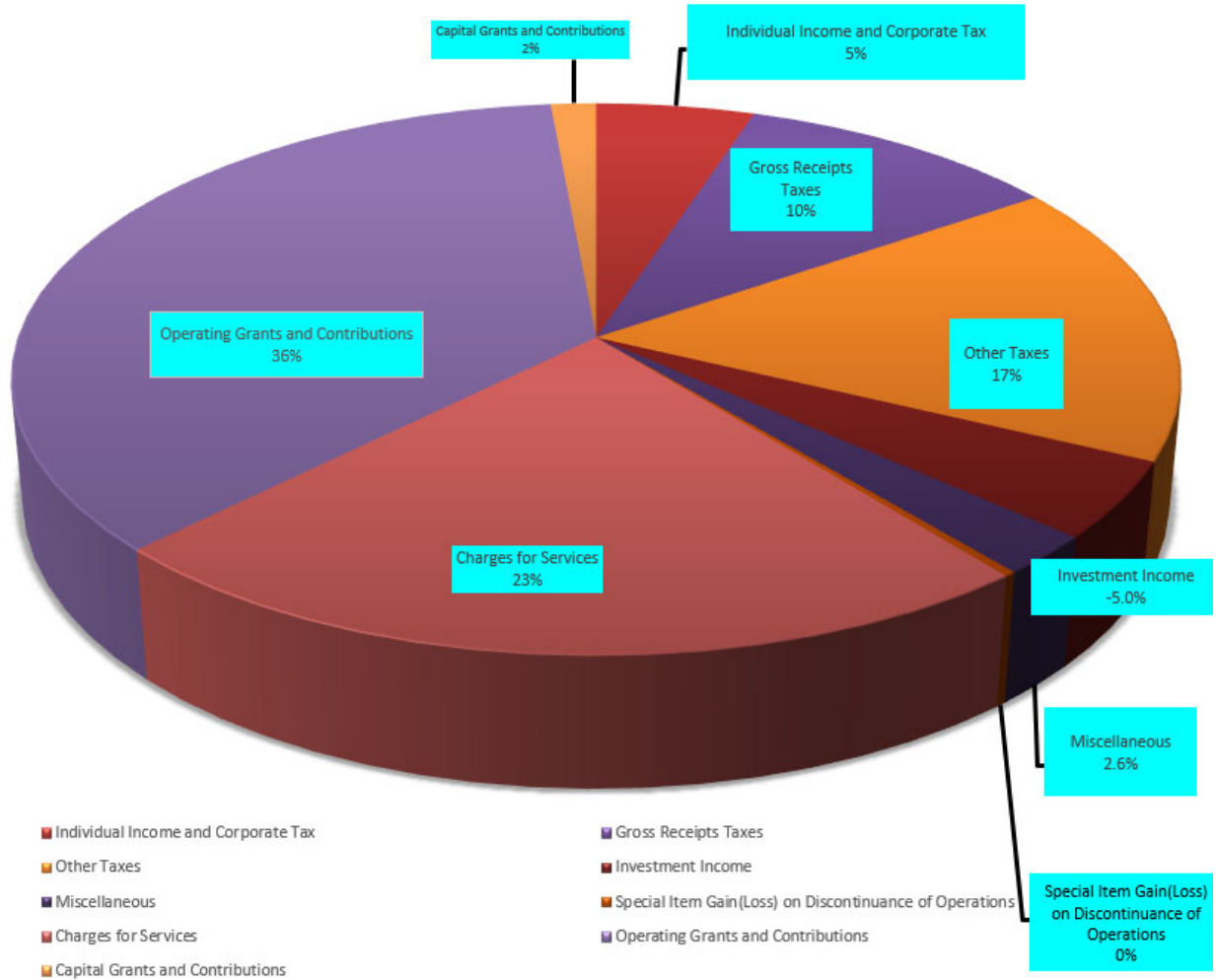
### State of New Mexico Changes in Net Position

For the Fiscal Year Ended June 30, 2022

(Expressed in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government		Total Percentage Change 2021 to 2022
	2022	2021	2022	2021	2022	2021	
<b>Revenues</b>							
General Revenues:							
Taxes	\$ 11,207,052	\$ 8,070,012	\$ -	\$ -	\$ 11,207,052	\$ 8,070,012	38.9 %
Other General Revenues	(1,263,536)	6,969,710	504,253	540,782	(759,283)	7,510,492	(110.1) %
Program Revenues:							
Charges for Services	5,543,071	2,912,122	2,601,799	3,198,150	8,144,870	6,110,272	33.3 %
Operating Grants and Contributions	11,394,256	10,609,948	1,157,358	2,908,576	12,551,614	13,518,524	(7.2) %
Capital Grants and Contributions	484,294	480,552	12,869	31,836	497,163	512,388	(3.0) %
<b>Total Revenues</b>	<b>27,365,137</b>	<b>29,042,344</b>	<b>4,276,279</b>	<b>6,679,344</b>	<b>31,641,417</b>	<b>35,721,688</b>	<b>(11.4) %</b>
<b>Expenses</b>							
General Control	1,146,779	2,091,970	-	-	1,146,779	2,091,970	(45.2) %
Culture, Recreation, and Natural Resources	326,191	260,481	-	-	326,191	260,481	25.2 %
Highway and Transportation	920,656	871,871	-	-	920,656	871,871	5.6 %
Judicial	358,032	313,217	-	-	358,032	313,217	14.3 %
Legislative	26,873	24,595	-	-	26,873	24,595	9.3 %
Public Safety	632,544	519,118	-	-	632,544	519,118	21.8 %
Regulation and Licensing	165,869	434,683	-	-	165,869	434,683	(61.8) %
Health and Human Services	12,410,828	10,784,332	-	-	12,410,828	10,784,332	15.1 %
Education	4,654,985	3,989,681	-	-	4,654,985	3,989,681	16.7 %
Indirect Interest on Long-term Debt	135,183	132,809	-	-	135,183	132,809	1.8 %
Special Items	-	-	88,267	7,482	88,267	7,482	- %
Educational Institutions	-	-	4,012,425	4,881,052	4,012,425	4,881,052	(17.8) %
Public Schools Insurance	-	-	439,580	404,049	439,580	404,049	8.8 %
Environmental Loans	-	-	5,466	2,638	5,466	2,638	100.0 %
Miners' Colfax Medical Center	-	-	41,055	32,893	41,055	32,893	24.8 %
Unemployment Insurance	-	-	425,382	2,716,542	425,382	2,716,542	(84.3) %
State Fair	-	-	14,598	8,691	14,598	8,691	68.0 %
Other Business-type Activities	-	-	20,122	16,479	20,122	16,479	22.1 %
<b>Total Expenses</b>	<b>20,777,940</b>	<b>19,422,757</b>	<b>5,046,895</b>	<b>8,069,825</b>	<b>25,824,836</b>	<b>27,492,584</b>	<b>(6.1) %</b>
Excess Before Transfers	6,587,197	9,619,587	(770,616)	(1,390,481)	5,816,581	8,229,105	
Transfers	(907,838)	(914,694)	907,838	914,694	-	-	
Change in Net Position	<b>5,679,359</b>	<b>8,704,893</b>	<b>137,222</b>	<b>(475,787)</b>	<b>5,816,581</b>	<b>8,229,105</b>	<b>(29.3) %</b>
Net Position - Beginning, as Restated	39,990,832	31,348,304	1,456,498	1,949,024	41,447,330	33,297,328	
<b>Net Position - Ending</b>	<b>\$ 45,670,191</b>	<b>\$ 40,053,197</b>	<b>\$ 1,593,720</b>	<b>\$ 1,473,236</b>	<b>\$ 47,263,911</b>	<b>\$ 41,526,433</b>	<b>13.82 %</b>

### State of New Mexico Total Revenues - FY 2022

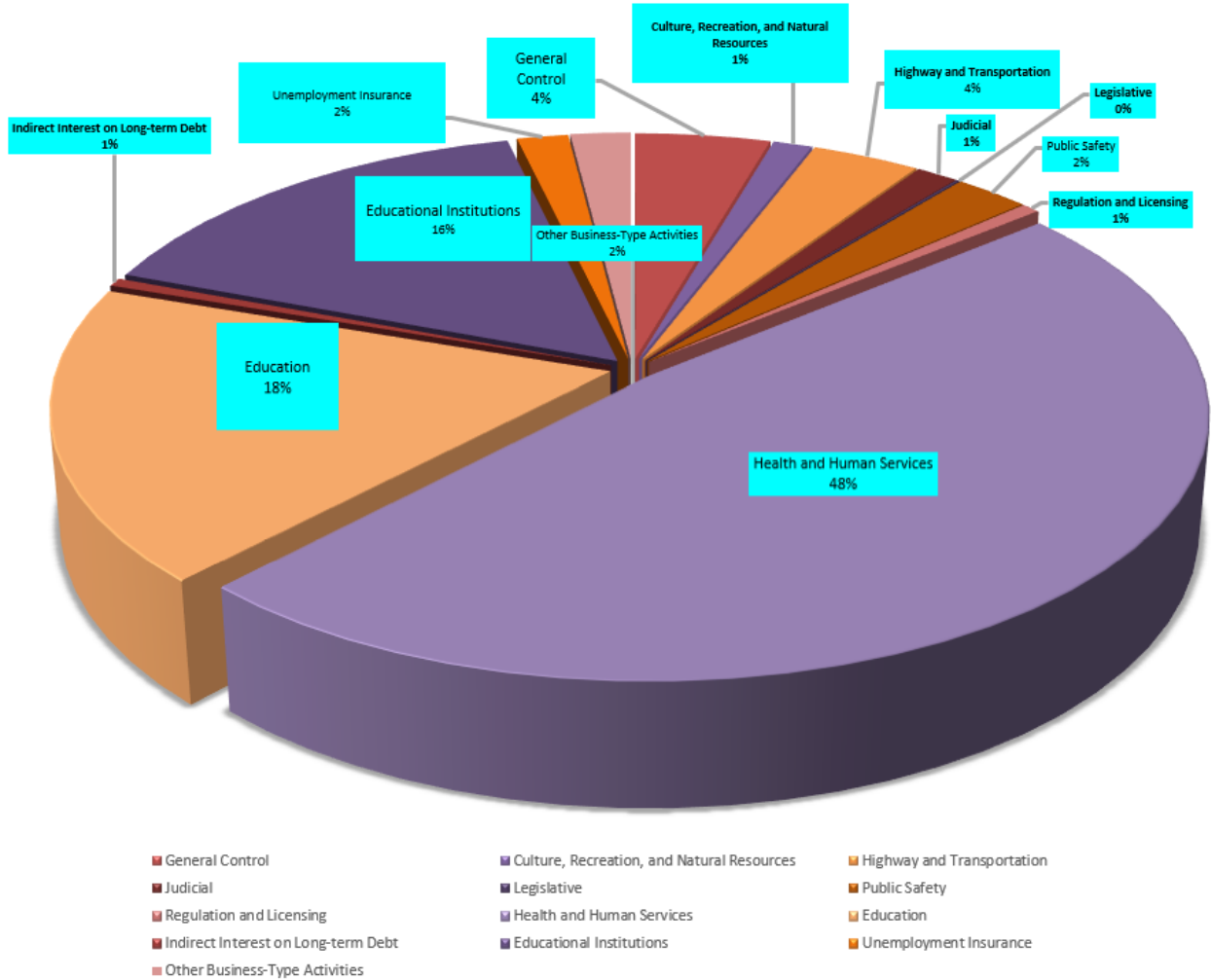


# STATE OF NEW MEXICO

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2022

### State of New Mexico Total Expenditures- FY 2022



# STATE OF NEW MEXICO

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2022

### Governmental Activities

Governmental activities program revenue was \$17.4 billion, consisting of operating grants and contributions of \$11.4 billion, capital grants and contributions of \$484 million, and \$5.5 billion in service charges. Program revenues increased \$3.4 billion from the prior fiscal year, the result of a \$2.6 billion increase in operating grants and contributions, an \$784 million increase in capital grants and contributions, along with a \$4 million increase in charges for services. Governmental activities expenses increased by \$1.4 billion year to year bringing the total to \$21 billion. All governmental activities except for general control and culture, recreation, and natural resources activities in the government-wide statement of activities had expenses which exceeded program revenues. The health and human services function, and education function account for three quarters of governmental activities expenses and net cost. The operating grants and contributions increased due to additional grants received by Health and Human Services function.

The following table shows to what extent the State's governmental activities relied on taxes and other general revenues to cover all of their costs. For fiscal year 2022, state taxes and other general revenues covered 47.9 percent of expenses. The remaining 52.1 percent of the total expenses was covered by charges for services and grants and contributions.

State of New Mexico  
Net Program Costs as of June 30, 2022  
(Expressed in Thousands)

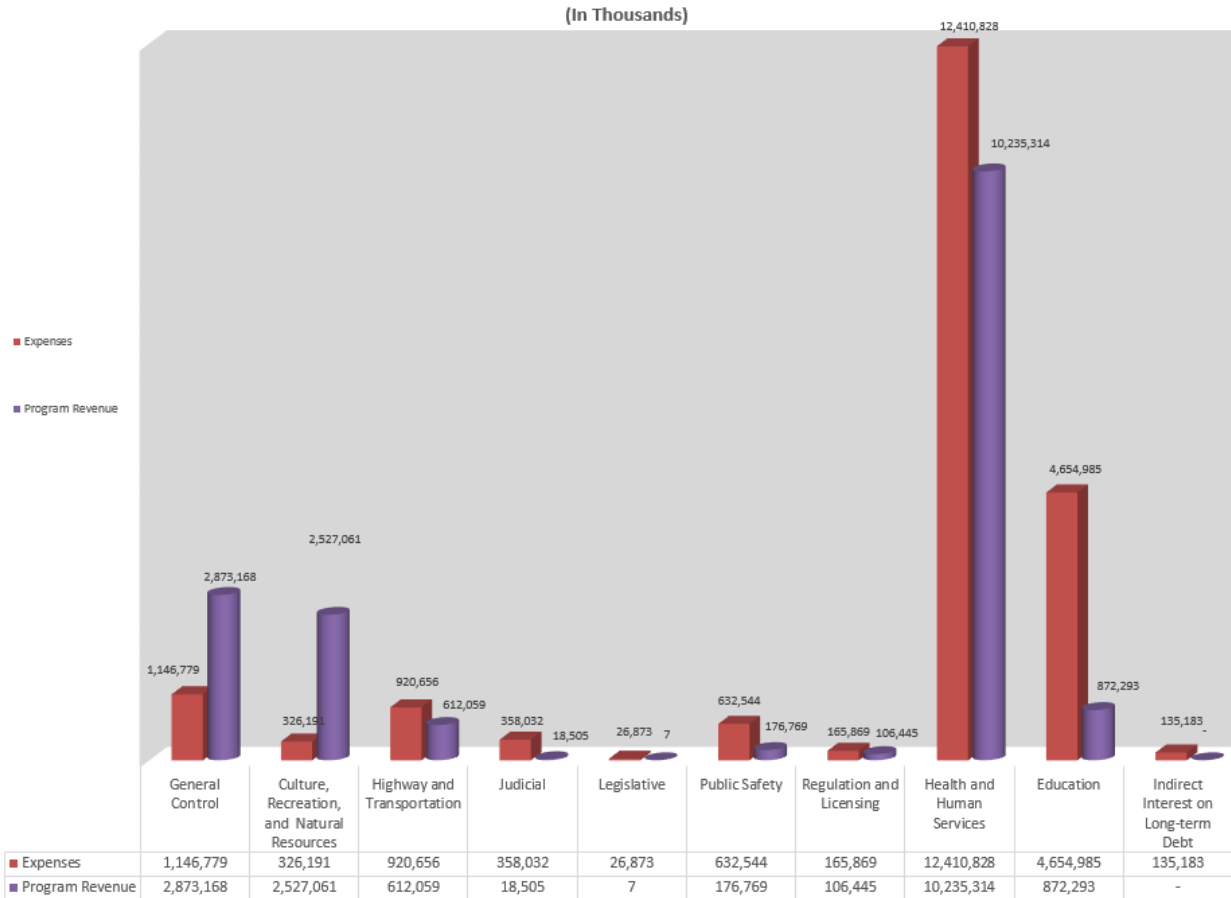
	Program Expenses		Less Program Revenues		Net Program Costs		Program Revenues as a Percentage of Program Expenses	
	2022	2022	2022	2021	2022	2021		
General Control	\$ 1,146,779	\$ (2,873,168)	\$ 1,726,389	\$ 77,173	250.5 %	103.7 %		
Culture, Recreation, and Natural Resources	326,191	(2,527,061)	2,200,870	1,083,606	774.7 %	516.0 %		
Highway and Transportation	920,656	(612,059)	(308,597)	(245,310)	66.5 %	71.9 %		
Judicial	358,032	(18,505)	(339,527)	(296,013)	5.2 %	5.5 %		
Legislative	26,873	(6,85)	(26,866)	(24,595)	- %	- %		
Public Safety	632,544	(176,769)	(455,775)	(169,965)	27.9 %	67.2 %		
Regulation and Licensing	165,869	(106,445)	(59,424)	(352,141)	64.2 %	19.0 %		
Health and Human Services	12,410,828	(10,235,314)	(2,175,514)	(1,933,428)	82.5 %	82.1 %		
Education	4,654,985	(872,293)	(3,782,692)	(3,425,650)	18.7 %	14.1 %		
Indirect Interest on Long-term Debt	135,183	-	(135,183)	(132,809)	- %	- %		
	<u>\$ 20,777,940</u>	<u>\$ (17,421,621)</u>	<u>\$ (3,356,319)</u>	<u>\$ (5,419,134)</u>	<u>83.8 %</u>	<u>72.1 %</u>		

# STATE OF NEW MEXICO

## MANAGEMENT’S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2022

### State of New Mexico Expenses and Program revenues: Governmental Activities For the Fiscal Year Ended June 30, 2022



### Business-type Activities

Business-type activities generated program revenues of \$3.8 billion, including charges for services of \$2.6 billion, operating grants and contributions of \$1.2 billion and \$12.9 million in capital grants and contributions. This was \$2.4 billion less than the prior year, mostly attributable to the unemployment insurance function. The total expenses for business-type activities were \$5 billion, a decrease of \$3 billion from the prior year. The largest changes occurred in the unemployment insurance function, where expenses decreased by \$2.3 billion versus prior year and in the educational institutions function where expenses decreased by \$868.6 million versus prior year. Net expenses exceeded program revenues from the primary government’s business-type activities by \$770.6 million, a decrease of \$620 million from the prior year.

# STATE OF NEW MEXICO

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2022

### FINANCIAL ANALYSIS OF THE STATE'S GOVERNMENTAL FUNDS

#### Fund Balances

At June 30, 2022, the State's governmental funds reported combined ending fund balances of \$45.5 billion. The State reported \$45 billion, or 99 percent, as restricted, including \$25.2 billion related to the Land Grant Fund, \$6.8 billion associated with the Severance Tax Fund and \$2.9 billion attributable to the Capital Projects Fund, all established by state laws. Note 1.G.14 contains more details about the fund balance classifications at June 30, 2022. The committed, assigned, nonspendable, and unassigned classifications of fund balance totaled \$642 million or 1.4 percent.

	General Fund	Debt Service Fund	Capital Projects Fund	Severance Tax	Land Grant	Totals Governmental Funds
Nonspendable	\$ 52,590	\$ -	\$ -	\$ -	\$ -	\$ 52,590
Restricted	8,791,420	1,167,316	2,945,580	6,817,994	25,172,755	44,895,065
Committed	37,390	-	20	-	-	37,410
Assigned	158,751	-	-	-	-	158,751
Unassigned	427,032	-	(33,656)	-	-	393,376
<b>Total</b>	<b>\$ 9,467,182</b>	<b>\$ 1,167,316</b>	<b>\$ 2,911,944</b>	<b>\$ 6,817,994</b>	<b>\$ 25,172,755</b>	<b>\$ 45,537,192</b>
Percent Change from Prior Year	87.9 %	85.6 %	2.9 %	6.2 %	1.2 %	14.4

#### Governmental Funds

##### General Fund

General Fund balance at June 30, 2022 totaled \$9.5 billion. Net change in General Fund balance, was an increase of \$4.5 billion. The General Fund ended the fiscal year 2022 with an unassigned fund balance of \$427 million.

##### Budgetary Highlights – General Fund

The initial fiscal year 2022 budget was adopted by the Legislature during the 2021 Regular Session. The General Fund original budgeted revenues for fiscal year 2022 were 38.41 percent higher than the fiscal year 2021 final budget basis revenues. During the year, federal revenue was \$1.1 billion less than the final approved budget and miscellaneous and other category was \$366.3 million less than the final approved budget. After budget amendments, the actual expenditures in the General Fund were \$5.1 billion below the final budgeted amounts. Refer to the budgetary comparison schedule for the General Fund in the Other Required Supplementary Information section of the Annual Comprehensive Financial Report.

##### Severance Tax Fund

Fund balance at June 30, 2022, totaled \$6.8 billion, an increase of \$396.1 million, or 6.2 percent, related to an increase in transfers in from other funds.



## STATE OF NEW MEXICO

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### MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2022

#### Land Grant Fund

Fund balance at June 30, 2022, totaled \$25.2 billion, an increase \$302.5 million, or 1.2 percent, related to an increase in interfund transfers.

### FINANCIAL ANALYSIS OF THE STATE'S PROPRIETARY FUNDS

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Exclusive of Internal Service Funds, the State's proprietary funds reported Net Position of \$1.6 billion, an increase of \$120 million from the prior year net position.

#### Educational Institutions

Net Position at June 30, 2022, totaled \$554.3 million. Current period activity increased the Net Position of the State's educational institutions by \$72.4 million, or 15.03 percent. For the fiscal year 2022 the State transferred \$965.1 million to the State's educational institutions, an increase of \$90.3 million, or 10.32 percent from fiscal year 2021.

### DISCRETE COMPONENT UNITS

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These are operations for which the State has financial accountability or the nature and significance of their relationship with the State is such that exclusion would cause the State's financial statements to be misleading or incomplete. For the most part, these entities operate similar to private-sector businesses and the business-type activities described above. All of the State's discrete component units are presented in the financial statements.

The State's discretely presented major component units are:

- New Mexico Finance Authority
- New Mexico Mortgage Finance Authority
- New Mexico Lottery Authority
- University of New Mexico Foundation, Inc.
- New Mexico State University Foundation, Inc.

Complete financial statements of the individual component units can be obtained from their respective administrative offices. Addresses and other additional information about the State's component units are presented in the notes to the financial statements.

# STATE OF NEW MEXICO

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2022

### CAPITAL ASSETS AND LONG-TERM DEBT ADMINISTRATION

#### Capital Asset Activity

As of June 30, 2022, the State's net investment in capital assets, for governmental activities totaled \$6.5 billion and \$2 billion for its business-type activities. The state's capital assets include land, buildings, improvements, machinery and equipment, mineral rights, roads, highways and bridges, and right to use assets (lease assets) as a result of implementing GASBS 87 during FY2022. The change in the State's investment in capital assets for the current fiscal year was a modest increase of 6.29 percent in total, including a 5.17 percent increase for governmental activities, and an increase of 10.07 percent for business-type activities.

The State has elected to use the depreciation method to account for infrastructure assets (roads and bridges). Under this method, the State allocates the cost of infrastructure assets over their estimated useful lives as depreciation expense. Expenditures to refurbish infrastructure are capitalized and cost depreciated. Under the allowable methodology, termed the modified approach, infrastructure is capitalized and all expenditures except those adding to capacity are expensed. The state did not elect to use the modified approach for infrastructure assets. Costly analyses are also required.

Refer to Note 6 of the financial statements for additional information on capital assets.

#### Long-term Debt Activity

The State Constitution and Law authorizes the State to issue general obligation bonds, severance tax bonds, and revenue bonds to finance or refinance the cost of State capital outlay projects authorized by law. General obligation bonds are secured by the full faith and credit of the State and payable from legally restricted revenues. During the past year, the State continued to maintain a quality bond rating from Moody's Investors Services (Moody's) and Standard & Poor's Corporation (S&P) on all State bonds.

The State had the following bond ratings at June 30, 2022:

#### State of New Mexico Bond Ratings at June 30, 2022

<u>Bonds</u>	<u>Moody's</u>	<u>Standard &amp; Poor's</u>
General Obligation Bonds	Aa2/Stable	AA/Stable
Severance Tax Bonds	Aa2/Stable	AA-/Stable
Supplemental Severance Tax Bonds	Aa3/Stable	A+/Stable
State Transportation Revenue Bonds Senior Lien	Aa1/Stable	AA+/Stable
State Transportation Revenue Bonds Subordinate Lien	Aa2/Stable	AA/Stable

Revenue bond issuances during the year totaled \$296.3 million and Severance Tax bond issuances during the year totaled \$260.9 million. The state did not issue any General Obligation bonds during the year.

# STATE OF NEW MEXICO

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2022

Refer to Note 8 to the financial statements for additional information on the State's long-term debt and other liabilities.

State of New Mexico  
Net Outstanding Bonded Debt as of June 30, 2022  
(Expressed in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government		Total Percentage Change 2021 to 2022
	2022	2021	2022	2021	2022	2021	
General Obligation Bonds, Net	\$ 414,365	\$ 505,295	\$ 1,260	\$ 2,130	* \$ 415,625	\$ 507,425	(18.1) %
Severance Tax Bonds, Net	1,110,570	964,035	-	-	1,110,570	964,035	15.2 %
Revenue Bonds, Net	1,053,950	958,017	736,314	788,812	1,790,264	1,746,829	2.5 %
Bond Premium, Discount, Net	318,871	292,066	23,785	28,567	342,656	320,633	6.9 %
<b>Total Bonds Payable</b>	<b>\$ 2,897,756</b>	<b>\$ 2,719,413</b>	<b>\$ 761,359</b>	<b>\$ 819,509</b>	<b>\$ 3,659,115</b>	<b>\$ 3,538,922</b>	<b>3.4 %</b>

\* Amount restated

## ECONOMIC CONDITIONS AND OUTLOOK

### Economic Factors Affecting New Mexico's Fiscal Year 2022 Budget

New Mexico utilizes a consensus revenue estimating group (CREG) composed of legislative and executive branch economists to forecast General Fund revenue for the state. The Executive and Legislature work with the same revenue forecast in preparing their respective General Fund operating budget recommendations. The CREG bases its State General revenue forecast on forecasts of the U.S. economy from Moody's Analytics and IHS Markit in combination with forecasts of New Mexico's economy prepared by the University of New Mexico's Bureau of Business and Economic Research. Economic inputs also include data and information provided by state agencies, and other national data sources such as the Energy Information Administration, Bureau of Labor Statistics, Bureau of Economic Analysis, and the U.S. Census Bureau. Historical information on New Mexico's value and volume of crude oil and natural gas produced in the state is derived from the state's GenTax Database reporting system. Product price forecasts are derived from national economic forecasting services and other sources. Additionally, New Mexico's state revenues are highly sensitive to boom-and-bust cycles in the energy industry; therefore, the CREG conducts a stress test on state revenues during the process. The establishment and use of stress-testing hedges against an economic downturn or an unforeseen downswing in the energy sector. Stress-testing allows for targeting appropriate levels of general fund reserves while safeguarding the state's budget at the same time.

### Trends in the U.S. Economy

The United States (U.S) and the world experienced an unprecedented pandemic since fiscal year 2020 (FY20) through the second half of state fiscal year 2022 (FY22). The U.S. economy continued to grow in state fiscal year 2022 after rebounding from the COVID-19 pandemic economic shocks. The national economy, as measured by real gross domestic product, grew by 4% in fiscal year 2022. National economic growth has been bolstered by strong consumer demand and massive federal stimulus packages since the COVID-19 restrictions were relaxed and ultimately removed. Total employment levels averaged 6.4

# STATE OF NEW MEXICO

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2022

million, or 4.5%, above fiscal year 2021. U.S. average hourly wages grew by 5.3%, while a substantial increase in hourly wages from prior years, it is below the inflation rate of 7.1%. Effectively decreasing workers purchasing power of their paychecks. Record inflation in fiscal year 2022 has been due to several factors. Strong consumer demand, supply-chain constraints, and the Ukraine and Russian conflict have all put upward pressure on consumer prices resulting in persistent inflation concerns.

U.S. economic growth is expected to decelerate in fiscal year 2023, with projected GDP growth of 0.8%. The Federal Reserve is expected to continue to raise short-term interest rates in response to stronger inflation and ongoing employment gains. The federal funds rate in fiscal year 2022 was 0.3% and is expected to increase to 3.8% in fiscal year 2023 in the latest consensus forecast.

### **New Mexico Economy**

The New Mexico economy, on a year-over-year basis, grew in fiscal year 2022, with real gross domestic product expanding by 1.7 percent. The state's wages and salaries increased by 10 percent while total personal income in the state grew by 7.5 percent. The state continues to recover from the impacts of the COVID-19 pandemic. During fiscal year 2022, New Mexico's employment increased by 5.4 percent, which represents a gain of approximately 38,800 jobs. During fiscal year 2022 the Construction Sector, the Professional and Business Services Sector, and the Leisure and Hospitality sector increased employment by 7,000 jobs, 5,300 jobs, and 11,200 jobs respectively. The Mining Sector also added 1,400 jobs during fiscal year 2022.

Oil prices were higher in FY22 compared to FY21, and increased demand for oil after two years of slower transportation activities has driven prices upward during the peak 2022 summer traveling months along with Ukraine and Russian conflict has exacerbated oil and natural gas prices upward in the first half of 2022. Oil prices in fiscal year 2022 are higher than oil prices in fiscal year 2021. Average New Mexico prices in fiscal year 2022 for crude oil and natural gas were \$88.11 per barrel and \$7.03 per mcf., respectively. Additionally, due to low break-even points and high yield-producing wells, New Mexico continues to maintain high levels of oil and natural gas production. In fiscal year 2022, New Mexico oil and natural gas production reached a high of 531.4 million barrels and a high of 2,585 billion cubic feet, respectively.

### **General Fund Revenue and Reserve Outlook**

According to the December 2022 consensus revenue estimate, fiscal year 2022 recurring revenue grew by 19.7 percent to over \$9.67 billion, while year-end financial reserves are 43.3 percent of recurring appropriations. The growth in the revenue estimate is mainly due to general sales and income taxes performing better than expected. Additionally, growth in revenue driven by oil and natural gas prices and production is mainly captured by the excess transfers.

Fiscal year 2023 recurring revenues are estimated to increase by 11.4 percent when compared to fiscal year 2022. Total revenues for fiscal year 2023 are estimated to be around \$10.78 billion. Fiscal year 2023 over fiscal year 2022 growth is driven primarily by estimated growth in oil and natural gas revenue. General sales and income revenue are also growing, however due to legislative adjustments these revenues grow at slower rates, 8.6 percent and 0.5 percent, respectively, when compared to fiscal year 2022.

The consensus revenue outlook for fiscal year 2023 estimates ending reserves to increase from \$3.2 billion to \$2.8 billion or 33.7 percent of recurring appropriations (post-2023 legislative actions).

## STATE OF NEW MEXICO

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### MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2022

There is still uncertainty affecting a global, national, and state economic recovery. Record high inflation and the Federal Reserve's aggressive actions to combat it drive the risks upward of an economic slowdown in the near future. Additional economic risks include a continuing tight labor market, supply-side constraints, and the potential for OPEC+ to increase and/or decrease crude oil production for crude oil price stability.

### CONTACT THE STATE'S FINANCIAL MANAGEMENT

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The Department of Finance and Administration prepared this report. Questions concerning the information provided or requests for additional financial information may be addressed to:

State of New Mexico  
Department of Finance and Administration  
Financial Control Division  
Attn: State Controller  
407 Galisteo Street  
Bataan Memorial Building, Room 166  
Santa Fe, New Mexico 87501

STATE OF NEW MEXICO  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

# FINANCIAL SECTION

## BASIC FINANCIAL STATEMENTS



Balloon Fiesta Night Glow  
Source – KOAT news

# STATE OF NEW MEXICO

## STATEMENT OF NET POSITION

June 30, 2022

(In Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 1,832,944	\$ 1,023,440	\$ 2,856,384	\$ 175,835
Cash and Cash Equivalents - Restricted	11,953	25,392	37,345	515,772
Investment in State General Fund Investment Pool	12,837,729	210,507	13,048,236	-
Investment in Local Government Investment Pool	1	101,603	101,604	67,538
Internal Balances	(33,738)	33,738	-	-
Due From Component Units	4,540	10,884	15,424	-
Due From Primary Government	-	-	-	38,221
Receivables, Net	3,688,148	810,317	4,498,465	32,966
Loans Receivable, Net	18,221	14,119	32,340	161,412
Investments	6	491,145	491,151	33,265
Due from Broker	238,518	-	238,518	-
Prepaid Expenses	7,311	1,758	9,069	424
Inventories	36,760	36,643	73,403	232
Other Current Assets	6	20,624	20,630	1,241
Total Current Assets	18,642,399	2,780,170	21,422,569	1,026,906
Noncurrent Assets:				
Unrestricted Cash and Cash Equivalents	-	83,991	83,991	-
Restricted Cash and Cash Equivalents	729	191,022	191,751	103,399
Restricted Investments	-	165,227	165,227	2,007,541
Loans Receivable, Net	1,799	220,039	221,838	2,035,913
Receivables, Net	181,473	96,561	278,034	1,137
Due From Component Units	-	64,361	64,361	-
Investments	31,808,363	529,575	32,337,938	470,995
Derivative Instruments - Interest Rate Swaps	-	203	203	-
Net Pension Assets	31,593	-	31,593	-
Other Noncurrent Assets	-	11,654	11,654	86,347
Nondepreciable Capital/RUA Assets	1,792,925	433,489	2,226,414	67,398
Other Capital/RUA Assets, Net	6,068,385	2,410,890	8,479,275	203,887
Total Noncurrent Assets	39,885,267	4,207,012	44,092,279	4,976,617
Total Assets	58,527,666	6,987,182	65,514,848	6,003,523
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Interest Rate Swaps	-	2,129	2,129	-
Deferred Charge on Refunding	27,091	9,076	36,167	1,105
Deferred Outflows - OPEB	199,299	95,811	295,110	33,228
Deferred Outflows - Pension	550,239	1,566,226	2,116,465	193,451
Total Deferred Outflows of Resources	776,629	1,673,242	2,449,871	227,784

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

# STATE OF NEW MEXICO

## STATEMENT OF NET POSITION (CONTINUED)

June 30, 2022

(In Thousands)

	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	\$ 838,281	\$ 260,438	\$ 1,098,719	\$ 38,110
Accrued Liabilities	71,636	70,891	142,527	29,874
Accrued Interest	34,221	12	34,233	-
Unearned Revenue	1,164,243	108,157	1,272,400	1,854
Due to Primary Government	-	-	-	15,424
Due to Component Units	38,221	-	38,221	-
Due To Broker	449,239	-	449,239	-
Intergovernmental Payables	420,703	58	420,761	-
Other Obligations	249,445	13,039	262,484	7,015
Funds Held for Others	958,732	27,328	986,060	10,163
Bonds Payable - Current Portion:	440,769	54,707	495,476	167,577
Other Liabilities - Current Portion	769,636	275,633	1,045,269	678,178
Total Current Liabilities	5,435,126	810,263	6,245,389	948,195
Noncurrent Liabilities:				
Bonds Payable, Net of Current Portion:	2,456,986	706,654	3,163,640	2,900,650
Due to Primary Government	-	-	-	64,361
Net Pension Liability	3,043,770	1,982,850	5,026,620	193,842
Net OPEB Liability	782,224	397,668	1,179,892	59,642
Other Liabilities, Net of Current Portion	582,941	224,349	807,290	235,068
Total Noncurrent Liabilities	6,865,921	3,311,521	10,177,442	3,453,563
Total Liabilities	12,301,047	4,121,784	16,422,831	4,401,758
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflows - Pension	717,612	2,681,897	3,399,509	276,057
Deferred Inflows - OPEB	436,780	141,472	578,252	56,269
Deferred Inflows - Leases	173,985	118,974	292,959	1,485
Deferred Inflows - Other	4,680	2,577	7,257	3,697
	1,333,057	2,944,920	4,277,977	337,508
<b>NET POSITION</b>				
Net Investment in Capital Assets	6,533,650	2,031,156	8,564,806	53,167
Restricted for:				
Nonexpendable:				
Financial Aid	-	167,921	167,921	-
Endowment	-	108,332	108,332	-
Other Purposes	-	14,418	14,418	667,035
Expendable:				
Highway Construction and Maintenance	991,042	-	991,042	-
Education	291,496	-	291,496	-
Debt Service	1,150,577	56,066	1,206,643	119,090
Capital Projects	863,574	43,289	906,863	-
Scholarships	-	36,455	36,455	-
Unemployment and Insurance	-	661,116	661,116	-
Loan Programs	-	397,251	397,251	-
Land Grant Perm Fund - SIC	25,172,755	-	25,172,755	-
Severance Tax Perm Fund - SIC	6,817,994	-	6,817,994	-
Tax Stabilization (Public Peace, Health & Safety)	2,303,331	-	2,303,331	-
Early Childhood Education and Care	3,479,890	-	3,479,890	-
Other Purposes	1,926,238	91,859	2,018,097	808,858
Unrestricted Net Position	(3,860,356)	(2,014,143)	(5,874,499)	(156,109)
Total Net Position	\$ 45,670,191	\$ 1,593,720	\$ 47,263,911	\$ 1,492,041

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



STATE OF NEW MEXICO

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2022

(In Thousands)

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
<b>Primary Government:</b>								
Governmental Activities:								
General Control	\$ 1,146,779	\$ 2,608,228	\$ 264,940	\$ -	\$ 1,726,389	\$ -	\$ 1,726,389	\$ -
Culture, Recreation, and Natural Resources	326,191	2,461,709	42,448	22,904	2,200,870	-	2,200,870	-
Highway and Transportation	920,656	117,602	33,475	460,982	(308,597)	-	(308,597)	-
Judicial	358,032	13,584	4,921	-	(339,527)	-	(339,527)	-
Legislative	26,873	-	7	-	(26,866)	-	(26,866)	-
Public Safety	632,544	9,434	166,927	408	(455,775)	-	(455,775)	-
Regulation and Licensing	165,869	94,658	11,787	-	(59,424)	-	(59,424)	-
Health and Human Services	12,410,828	226,341	10,008,973	-	(2,175,514)	-	(2,175,514)	-
Education	4,654,985	11,515	860,778	-	(3,782,692)	-	(3,782,692)	-
Interest on Long-term Debt	135,183	-	-	-	(135,183)	-	(135,183)	-
<b>Total Governmental Activities</b>	<u>20,777,940</u>	<u>5,543,071</u>	<u>11,394,256</u>	<u>484,294</u>	<u>(3,356,319)</u>	<u>-</u>	<u>(3,356,319)</u>	<u>-</u>
Business-type Activities:								
Educational Institutions	4,012,425	2,019,164	766,314	12,869	-	(1,214,078)	(1,214,078)	-
Public Schools Insurance	439,580	413,906	-	-	-	(25,674)	(25,674)	-
Environmental Loans	5,466	1,566	-	-	-	(3,900)	(3,900)	-
Miners' Colfax Medical Center	41,055	26,917	-	-	-	(14,138)	(14,138)	-
Unemployment Insurance	425,382	113,048	390,647	-	-	78,313	78,313	-
State Fair - EXPO	14,598	8,773	-	-	-	(5,825)	(5,825)	-
Other Business-type Activities	20,122	18,425	397	-	-	(1,300)	(1,300)	-
<b>Total Business-type Activities</b>	<u>4,958,628</u>	<u>2,601,799</u>	<u>1,157,358</u>	<u>12,869</u>	<u>-</u>	<u>(1,186,602)</u>	<u>(1,186,602)</u>	<u>-</u>
<b>Total Primary Government</b>	<u>\$ 25,736,568</u>	<u>\$ 8,144,870</u>	<u>\$ 12,551,614</u>	<u>\$ 497,163</u>	<u>(3,356,319)</u>	<u>(1,186,602)</u>	<u>(4,542,921)</u>	<u>-</u>
<b>Discretely Presented Component Units</b>								
Major Component Units	\$ 351,757	\$ 254,945	\$ 87,471	\$ -	-	-	-	(9,341)
Nonmajor Component Units	276,341	17,615	80,783	1,362	-	-	-	(176,581)
<b>Total Component Unit Activities</b>	<u>\$ 628,098</u>	<u>\$ 272,560</u>	<u>\$ 168,254</u>	<u>\$ 1,362</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(185,922)</u>
General Revenues:								
Taxes:								
Individual Income					1,424,390	-	1,424,390	-
Corporate Income					335,978	-	335,978	-
Gross Receipts Taxes					3,640,515	-	3,640,515	-
Business Privilege					5,757,836	-	5,757,836	-
Other Taxes					48,333	-	48,333	-
Payment to the State of New Mexico					-	-	-	(105,084)
Payment From State of New Mexico					-	-	-	305,004
Investment Income					(1,531,225)	(62,068)	(1,593,293)	(36,944)
Miscellaneous					267,689	566,321	834,010	(124,700)
Special Items								
Gain (Loss) on Discontinuance of Operations					-	(88,267)	(88,267)	(4,466)
Transfers, Net					(907,838)	907,838	-	-
<b>Total Net General Revenues and Transfers</b>					<u>9,035,678</u>	<u>1,323,824</u>	<u>10,359,502</u>	<u>33,810</u>
<b>Change in Net Position</b>					5,679,359	137,222	5,816,581	(152,112)
<b>Net Position - Beginning, as Restated - See Note 9.C.</b>					39,990,832	1,456,498	41,447,330	1,644,153
<b>Net Position - Ending</b>					<u>\$ 45,670,191</u>	<u>\$ 1,593,720</u>	<u>\$ 47,263,911</u>	<u>\$ 1,492,041</u>

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

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# STATE OF NEW MEXICO

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## GOVERNMENTAL FUND FINANCIAL STATEMENTS

### **General Fund**

This fund is the principal operating fund of the State. It accounts for financial resources of the general government except those required to be accounted for in another fund.

### **Debt Service Fund**

This fund accumulates resources in order to pay the debt service on the State's long-term debt.

### **Capital Projects Fund**

This fund accounts for all resources used to fund the capital improvement projects in the State.

### **Severance Tax Fund**

This fund accounts for the annual portion of severance taxes generated from the production of minerals and other natural resources and distributes the monies to the State General Fund.

### **Land Grant Fund**

This fund accounts for all of the resources of the Land Grant Fund.

# STATE OF NEW MEXICO

## BALANCE SHEET GOVERNMENTAL FUNDS

June 30, 2022

(In Thousands)

	General Fund	Debt Service Fund	Capital Projects Fund
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 401,370	\$ 14,711	\$ -
Investment in the Local Government Investment Pool	1	-	-
Investment in the State General Fund Investment Pool	7,669,656	524,071	3,198,101
Prepaid Expenses	7,241	-	60
Due From Other Funds	394,950	568,908	4,413
Due From Educational Institutions Fund	464	-	-
Due from Component Units	4,538	-	2
Receivables, Net	3,841,848	7,321	4,722
Investments	2,922,866	52,919	-
Inventories	36,760	-	-
Other Assets	6	-	-
<b>Total Assets</b>	<b>\$ 15,279,700</b>	<b>\$ 1,167,930</b>	<b>\$ 3,207,298</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 15,279,700</b>	<b>\$ 1,167,930</b>	<b>\$ 3,207,298</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 759,364	\$ 565	\$ 56,783
Accrued Liabilities	70,161	-	749
Due To Other Funds	1,496,483	48	151
Due to Brokers	96,143	-	-
Due To Educational Institutions Fund	14,414	-	11,191
Due to Component Units	35,863	-	2,357
Intergovernmental Payables	376,908	-	43,811
Funds Held For Others	958,604	-	128
Other Obligations	764,491	1	4,361
Unearned Revenue	988,661	-	175,251
<b>Total Liabilities</b>	<b>5,561,092</b>	<b>614</b>	<b>294,782</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenues	251,426	-	572
	<b>251,426</b>	<b>-</b>	<b>572</b>
<b>FUND BALANCES</b>			
Nonspendable	52,590	-	-
Restricted	8,791,420	1,167,316	2,945,580
Committed	37,390	-	20
Assigned	158,751	-	-
Unassigned (Deficit)	427,031	-	(33,656)
<b>Total Fund Balances</b>	<b>9,467,182</b>	<b>1,167,316</b>	<b>2,911,944</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 15,279,700</b>	<b>\$ 1,167,930</b>	<b>\$ 3,207,298</b>

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

# STATE OF NEW MEXICO

## BALANCE SHEET (CONTINUED) GOVERNMENTAL FUNDS

June 30, 2022  
(In Thousands)

	Severance Tax Fund	Land Grant Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 275,370	\$ 1,154,175	\$ 1,845,626
Investment in the Local Government Investment Pool	-	-	1
Investment in the State General Fund Investment Pool	785,386	516,701	12,693,915
Prepaid Expenses	-	-	7,301
Due From Other Funds	221	520,070	1,488,562
Due From Educational Institutions Fund	-	-	464
Due from Component Units	-	-	4,540
Receivables, Net	53,878	205,460	4,113,229
Investments	5,776,513	23,056,071	31,808,369
Inventories	-	-	36,760
Other Assets	-	-	6
<b>Total Assets</b>	<u>\$ 6,891,368</u>	<u>\$ 25,452,477</u>	<u>\$ 51,998,773</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
<b>Total Deferred Outflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 6,891,368</u>	<u>\$ 25,452,477</u>	<u>\$ 51,998,773</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ -	\$ -	\$ 816,712
Accrued Liabilities	-	-	70,910
Due To Other Funds	-	-	1,496,682
Due to Brokers	73,374	279,722	449,239
Due To Educational Institutions Fund	-	-	25,605
Due to Component Units	-	-	38,220
Intergovernmental Payables	-	-	420,719
Funds Held For Others	-	-	958,732
Other Obligations	-	-	768,853
Unearned Revenue	-	-	1,163,912
<b>Total Liabilities</b>	<u>73,374</u>	<u>279,722</u>	<u>6,209,584</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenues	-	-	251,998
	<u>-</u>	<u>-</u>	<u>251,998</u>
<b>FUND BALANCES</b>			
Nonspendable	-	-	52,590
Restricted	6,817,994	25,172,755	44,895,065
Committed	-	-	37,410
Assigned	-	-	158,751
Unassigned (Deficit)	-	-	393,375
<b>Total Fund Balances</b>	<u>6,817,994</u>	<u>25,172,755</u>	<u>45,537,191</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 6,891,368</u>	<u>\$ 25,452,477</u>	<u>\$ 51,998,773</u>

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

# STATE OF NEW MEXICO

## RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

June 30, 2022

(In Thousands)

<b>Total Fund Balances - Governmental Funds</b>		<b>\$ 45,537,191</b>
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:		
Land and Other Nondepreciable Assets (Less \$ 3,390 ISF)	\$ 1,789,534	
Buildings, Equipment, Infrastructure and Other Depreciable Assets (not including \$ 201,675 in Internal Service Fund balances)	15,629,163	
Accumulated Depreciation (Less \$ 124,066 ISF)	<u>(9,638,386)</u>	7,780,311
In the fund statements, assets (receivables) not available to provide current resources are offset with deferred inflows of resources. The reduction of the liability and recognition of revenue increases net position in the Statement of Net Position.		28,430
Revenues earned during the period but not available for reporting in Fund Financial Statements		44,099
The deferred charge on bond refunding issues is not recognized in the governmental funds but is recognized in the government-wide statements.		27,091
The net pension asset for the pension fund which has a positive net position is reported in the Statement of Net Position but not in the funds statements		31,593
The pension and OPEB-related deferred outflows of resources are not recognized in the government-wide statements, and neither are the deferred inflows of resources (Less \$ 10,811 and \$16,544 for ISF)	\$ 738,728 <u>(1,137,847)</u>	(399,119)
The deferred gain on refunding is not recognized in the governmental funds, but is recognized the government-wide statements		804
Internal service funds (ISF) are used by management to charge for certain activities, such as insurance, information technology, fleet operations, printing, and telecommunications. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		(72,063)
Accrued interest payable is not recognized in the governmental funds statements		(34,221)
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the fund financial statements:		
Net pension liability (Less ISF \$ 45,493)	\$ (2,998,277)	
Net OPEB liability (Less ISF \$ 12,251)	(769,973)	
Bonds payable, including bond premiums net of amortization	(2,897,756)	
Lease Liabilities not recognized in governmental funds (Less ISF \$16,785)	(419,949)	
Compensated absences, notes payable, contingent liabilities, and other liabilities (Less \$ 1,725 ISF)	<u>(188,677)</u>	(7,274,632)
Other Differences		707
<b>Total Net Position - Governmental Activities</b>		<b><u>\$ 45,670,191</u></b>

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

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# STATE OF NEW MEXICO

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS

For the Year Ended June 30, 2022

(In Thousands)

	General Fund	Debt Service Fund	Capital Projects Fund
<b>REVENUES</b>			
Taxes:			
General and Selective Taxes	\$ 7,098,087	\$ 2,285,415	\$ 7,069
Income Taxes	1,772,472	-	-
Total Taxes	<u>8,870,559</u>	<u>2,285,415</u>	<u>7,069</u>
Other Revenues:			
Federal Revenue	11,885,445	6,472	21,180
Investment Income (Loss)	(91,222)	10,928	32
Rentals and Royalties	4,671,209	-	6
Charges for Services	191,057	2,529	192
Licenses, Fees, and Permits	346,739	2,200	-
Assessments	47,430	-	-
Miscellaneous and Other	240,519	-	10,402
Total Revenues	<u>26,161,736</u>	<u>2,307,544</u>	<u>38,881</u>
<b>EXPENDITURES</b>			
Current:			
Culture, Recreation, and Natural Resources	280,690	4	41,276
Education	4,357,999	-	83,371
General Control	702,690	951	124,984
Health and Human Services	12,352,789	-	42,883
Highway and Transportation	481,595	460	103,714
Judicial	368,603	13	3,873
Legislative	28,171	-	-
Public Safety	645,957	-	563
Regulation and Licensing	158,123	-	7,126
Capital Outlay	553,094	391	238,576
Debt Service:			
Principal	175,165	683,245	-
Interest and Other Charges	54,813	64,376	-
Total Expenditures	<u>20,159,689</u>	<u>749,440</u>	<u>646,366</u>
<b>Excess Revenues Over (Under)</b>			
<b>Expenditures</b>	<u>6,002,047</u>	<u>1,558,104</u>	<u>(607,485)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Bonds Issued	\$ 234,600	\$ -	\$ 729,589
Bond Premium	69,296	-	31,097
Refunding Bonds Issued	-	51,777	-
Proceeds from the Sale of Capital Assets	3,307	-	-
Transfers In	1,152,136	744,800	43,455
Transfers to Higher Ed	(848,356)	-	(45,346)
Transfers Out	(2,265,350)	(1,765,886)	(79,872)
Payment to Refunding Bond Escrow Agent	-	(51,981)	-
Miscellaneous Other Financing Sources (Lease)	111,735	-	-
Total Other Financing Sources (Uses)	<u>(1,542,632)</u>	<u>(1,021,290)</u>	<u>678,923</u>
<b>Net Change in Fund Balances</b>	4,459,415	536,814	71,438
<b>Fund Balances - Beginning, as Restated -</b>			
Due to Change in Inventory	(3,174)	-	-
See Note 9.C.	5,010,941	630,502	2,840,506
<b>Fund Balances - Ending</b>	<u>\$ 9,467,182</u>	<u>\$ 1,167,316</u>	<u>2,911,944</u>

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



# STATE OF NEW MEXICO

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS (CONTINUED)

For the Year Ended June 30, 2022

(In Thousands)

	Severance Tax Fund	Land Grant Fund	Total Governmental Funds
<b>REVENUES</b>			
Taxes:			
General and Selective Taxes	\$ -	\$ -	\$ 9,390,571
Income Taxes	-	-	1,772,472
Total Taxes	-	-	11,163,043
Other Revenues:			
Federal Revenue	-	-	11,913,097
Investment Income (Loss)	(379,437)	(1,071,852)	(1,531,551)
Rentals and Royalties	-	-	4,671,215
Charges for Services	-	-	193,778
Licenses, Fees, and Permits	-	-	348,939
Assessments	-	-	47,430
Miscellaneous and Other	-	123	251,044
<b>Total Revenues</b>	<b>(379,437)</b>	<b>(1,071,729)</b>	<b>27,056,995</b>
<b>EXPENDITURES</b>			
Current:			
Culture, Recreation, and Natural Resources	-	-	321,970
Education	-	-	4,441,370
General Control	-	-	828,625
Health and Human Services	-	-	12,395,672
Highway and Transportation	-	-	585,769
Judicial	-	-	372,489
Legislative	-	-	28,171
Public Safety	-	-	646,520
Regulation and Licensing	-	-	165,249
Capital Outlay	-	-	792,061
Debt Service:			
Principal	-	-	858,410
Interest and Other Charges	-	-	119,189
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>21,555,495</b>
<b>Excess Revenues Over (Under)</b>			
<b>Expenditures</b>	<b>(379,437)</b>	<b>(1,071,729)</b>	<b>5,501,500</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Bonds Issued	\$ -	\$ -	\$ 964,189
Bond Premium	-	-	100,393
Refunding Bonds Issued	-	-	51,777
Proceeds from the Sale of Capital Assets	-	-	3,307
Transfers In	1,031,916	2,320,088	5,292,395
Transfers to Higher Ed	-	(71,394)	(965,096)
Transfers Out	(256,353)	(874,431)	(5,241,892)
Payment to Refunding Bond Escrow Agent	-	-	(51,981)
Miscellaneous Other Financing Sources (Lease)	-	-	111,735
<b>Total Other Financing Sources (Uses)</b>	<b>775,563</b>	<b>1,374,263</b>	<b>264,827</b>
<b>Net Change in Fund Balances</b>	<b>396,126</b>	<b>302,534</b>	<b>5,766,327</b>
<b>Fund Balances - Beginning, as Restated -</b>			
<b>Due to Change in Inventory</b>	<b>-</b>	<b>-</b>	<b>(3,174)</b>
<b>See Note 9.C.</b>	<b>6,421,868</b>	<b>24,870,221</b>	<b>39,774,038</b>
<b>Fund Balances - Ending</b>	<b>\$ 6,817,994</b>	<b>\$ 25,172,755</b>	<b>\$ 45,537,191</b>

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

# STATE OF NEW MEXICO

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2022

(In Thousands)

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$</b>	<b>5,766,327</b>
The change in Net Position reported for governmental activities in the Statement of Activities is different because:		
Governmental funds report capital outlays as expenditures; however, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay (less ISF \$15,426)	\$	792,061
Depreciation/Amortization expense (less ISF \$ 18,100)		(552,765)
Excess of capital outlay over depreciation expense		239,296
Net change in deferred inflows of resources, adjustments from prior year (reported as deferred inflows of resources in the Balance Sheet - Governmental Funds and reported as revenue in the Statement of Activities.)		(57,645)
Revenues earned during the period but not available for reporting in Fund Financial Statements		44,099
The Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds report prepaid warranty as expenditures. The Statement of Activities reports as amortization expense, the cost of the prepaid expenditure over the useful life.		(2,754)
Capital gain (loss) is not recognized in the fund financial statements, but is in the Gov't-wide		
Net value of assets disposed of during the year	\$	(8,859)
Donation of Capital Assets		40
Proceeds from sales		3,228
		(5,591)
Net transfer of capital assets to other funds from governmental funds not including internal service funds (less ISF \$4,156)		4,969
Change in estimate of Federal Revenues receivable for settlement of Indian Water Rights claims.		19,252
Internal service funds are used by management to charge for certain activities, such as fleet operations, risk management, printing and records, communications services, and information processing. The net revenue (expense) of the internal service funds is reported with governmental activities.		(105,158)
Bond proceeds, notes, and capital leases provide current financial resources to governmental activities by issuing debt, which increases long-term liabilities in the Statement of Net Position. Repayments of the bond, notes, and capital lease principal are expenditures in the governmental funds, but reduce liabilities in the Statement of Net Position:		
Payment of Bond Principal	\$	808,991
Principal Payment from Refunding		51,981
Sponge Bonds Proceeds		(468,689)
Sponge Bonds Principal Payments		468,689
Bond Proceeds, Net		(1,015,966)
		(154,994)
Governmental funds report the effect of bond premium and discount items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences.	\$	(104,930)
		78,056
		(26,874)

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

# STATE OF NEW MEXICO

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2022  
(In Thousands)

### Net Change in Fund Balances - Total Governmental Funds (Continued):

The deferred loss (less deferred gain) on refunding bond issues is capitalized and the amortization is reported in the Statement of Activities.	\$ (10,270)	
	<u>46,110</u>	35,840
Pension expense (revenue) and OPEB expense of governmental funds is recognized in the Statement of Activities but not in the fund statements.	\$ (86,613)	
	<u>107,433</u>	20,820
Debt Service payments for lease assets		32,879
Lease proceeds - issuance of long-term debt (e.g. lease liabilities) provides current financial resources to governmental funds, but has no effect on net position		(111,735)
The Statement of Activities is presented on the accrual basis, while the Fund Statements are presented on the "available resources" basis. This adjustment combines the net change of the following balances:		
Accrued Interest on Bonds Payable	\$ (4,183)	
Compensated Absences Expense (Less ISF \$112)	(2,717)	
Change in prepaid/inventory balances	(3,174)	
Pollution Remediation Obligation	(541)	
Other miscellaneous revenues recognized in the government wide statements that were not available to be recognized in the fund financial statements	(6,097)	
Other	<u>(2,660)</u>	<u>(19,372)</u>
<b>Change in Net Position of Governmental Activities</b>		<b><u>\$ 5,679,359</u></b>

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

# STATE OF NEW MEXICO

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## PROPRIETARY FUND FINANCIAL STATEMENTS

### **Educational Institutions Fund**

This fund accounts for the resources used to operate the seven institutions of higher education and three other schools, which were created by the *Constitution of the State of New Mexico*. These institutions are the University Of New Mexico, New Mexico State University, New Mexico Highlands University, New Mexico Institute of Mining and Technology, Western New Mexico University, Eastern New Mexico University, Northern New Mexico College, New Mexico Military Institute, New Mexico School for the Visually Handicapped, and the New Mexico School for the Deaf.

### **Unemployment Insurance Fund**

The Unemployment Insurance Fund accounts for funds used for unemployment compensation. This fund does not account for items other than unemployment compensation (i.e., workers' compensation, employment security labor market statistics, administration of the employment compensation program, etc.).

### **Non-major Enterprise Funds**

Combining financial statements for the individual non-major enterprise funds are presented in the Financial Section - Required and Supplemental Information.

### **Internal Service Fund**

Combining financial statements for the internal service funds are presented in the Financial Section - Required and Supplemental Information.

# STATE OF NEW MEXICO

## STATEMENT OF NET POSITION PROPRIETARY FUNDS

June 30, 2022

(In Thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Educational Institutions	Unemployment Insurance Fund	Nonmajor Enterprise Funds	Total	
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 597,441	\$ 368,785	\$ 57,214	\$ 1,023,440	\$ -
Cash and Cash Equivalents - Restricted	24,387	-	1,005	25,392	-
Investment in the State General Fund Investment Pool	-	-	215,287	215,287	142,643
Investment in the Local Government Investment Pool	68,265	-	33,338	101,603	-
Internal Balances	-	26	-	26	-
Due From Other Funds	34,452	(13)	-	34,439	-
Due From Component Unit	10,884	-	-	10,884	-
Receivables, Net	521,096	251,329	52,011	824,436	15,030
Investments	491,145	-	-	491,145	-
Inventories	34,805	-	1,838	36,643	-
Other Current Assets	22,086	-	296	22,382	-
<b>Total Current Assets</b>	<b>1,804,561</b>	<b>620,127</b>	<b>360,989</b>	<b>2,785,677</b>	<b>157,673</b>
Noncurrent Assets:					
Unrestricted Cash and Cash Equivalents	83,991	-	-	83,991	-
Restricted Cash and Cash Equivalents	191,022	-	-	191,022	-
Loans Receivable	56,517	-	260,083	316,600	-
Investments	488,611	-	40,964	529,575	-
Restricted Investments	165,227	-	-	165,227	-
Due From Component Units	64,361	-	-	64,361	-
Derivative Instruments - Interest Rate Swaps	203	-	-	203	-
Other Noncurrent Assets	11,654	-	-	11,654	-
Nondepreciable Capital/RUA Assets	431,443	-	2,046	433,489	3,390
Capital/RUA Assets, Net	2,350,435	-	60,455	2,410,890	77,608
<b>Total Noncurrent Assets</b>	<b>3,843,464</b>	<b>-</b>	<b>363,548</b>	<b>4,207,012</b>	<b>80,998</b>
<b>Total Assets</b>	<b>5,648,025</b>	<b>620,127</b>	<b>724,537</b>	<b>6,992,689</b>	<b>238,671</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Interest Rate Swaps	2,129	-	-	2,129	-
Deferred Charge on Refunding	9,076	-	-	9,076	-
Deferred Outflows - OPEB	92,884	-	2,927	95,811	3,131
Deferred Outflows - Pension	1,558,605	-	7,621	1,566,226	7,681
<b>Total Deferred Outflows of Resources</b>	<b>1,662,694</b>	<b>-</b>	<b>10,548</b>	<b>1,673,242</b>	<b>10,812</b>

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

# STATE OF NEW MEXICO

## STATEMENT OF NET POSITION PROPRIETARY FUNDS (CONTINUED)

June 30, 2022

(In Thousands)

	Business-type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Educational Institutions	Unemployment Insurance Fund	Nonmajor Enterprise Funds		
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	\$ 255,746	\$ 47	\$ 4,645	\$ 260,438	\$ 21,557
Deficiency in SGFIP	-	4,780	-	4,780	-
Accrued Liabilities	52,074	17,894	935	70,903	827
Unearned Revenue	107,786	(229)	600	108,157	331
Due to Other Funds	464	-	196	660	-
Due To Higher Educational Insitutions	-	-	67	67	-
Intergovernmental Payables	-	58	-	58	-
Other Obligations	10,538	-	2,501	13,039	3,917
Funds Held for Others	7,575	19,520	233	27,328	-
Bonds Payable, Current Portion	53,597	-	1,110	54,707	-
Other Liabilities, Current Portion	238,727	-	36,906	275,633	112,814
<b>Total Current Liabilities</b>	<b>726,507</b>	<b>42,070</b>	<b>47,193</b>	<b>815,770</b>	<b>139,446</b>
Noncurrent Liabilities:					
Bonds Payable, Net of Current Portions	701,914	-	4,740	706,654	-
Net Pension Liability	1,939,008	-	43,842	1,982,850	45,492
Net OPEB Liability	386,180	-	11,488	397,668	12,251
Other Liabilities, Net of Current Portion	139,817	-	84,532	224,349	107,814
<b>Total Noncurrent Liabilities</b>	<b>3,166,919</b>	<b>-</b>	<b>144,602</b>	<b>3,311,521</b>	<b>165,557</b>
<b>Total Liabilities</b>	<b>3,893,426</b>	<b>42,070</b>	<b>191,795</b>	<b>4,127,291</b>	<b>305,003</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Inflow - Pension	2,673,231	-	8,666	2,681,897	9,683
Deferred Inflow - OPEB	135,058	-	6,414	141,472	6,860
Deferred Inflow - Leases	52,269	-	66,705	118,974	-
Deferred Inflow - Other	2,393	-	184	2,577	-
<b>Total Deferred Inflows of Resources</b>	<b>2,862,951</b>	<b>-</b>	<b>81,969</b>	<b>2,944,920</b>	<b>16,543</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets	1,976,726	-	54,430	2,031,156	65,485
Restricted:					
Nonexpendable:					
Scholarships and Student Loans	167,921	-	-	167,921	-
Endowment	108,332	-	-	108,332	-
Other Purposes	14,418	-	-	14,418	-
Expendable:					
Debt Service	56,066	-	-	56,066	-
Capital Projects	43,289	-	-	43,289	-
Scholarships	36,455	-	-	36,455	-
Unemployment and Insurance	-	661,116	-	661,116	-
Loans	6,898	-	390,353	397,251	-
Other Purposes	24,707	-	67,152	91,859	76,335
Unrestricted (Deficit)	(1,880,470)	(83,059)	(50,614)	(2,014,143)	(213,883)
<b>Total Net Position</b>	<b>\$ 554,342</b>	<b>\$ 578,057</b>	<b>\$ 461,321</b>	<b>\$ 1,593,720</b>	<b>\$ (72,063)</b>

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

# STATE OF NEW MEXICO

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS

For the Year Ended June 30, 2022

(In Thousands)

	Business-type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Educational Institutions	Unemployment Insurance Fund	Nonmajor Enterprise Funds		
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 165,229	\$ 102,681	\$ 467,865	\$ 735,775	\$ 499,038
Federal Revenue	551,109	390,647	397	942,153	15,000
State, Local, and Private Grants and Contracts	104,238	-	-	104,238	-
Loans and Other Income	-	-	1,678	1,678	-
Student Tuition and Fees, Net	196,325	-	-	196,325	-
Patient Services/Clinical Operations	1,657,610	-	-	1,657,610	-
Other Operating Revenues	113,565	10,363	42	123,970	442
<b>Total Operating Revenues</b>	<b>2,788,076</b>	<b>503,691</b>	<b>469,982</b>	<b>3,761,749</b>	<b>514,480</b>
<b>OPERATING EXPENSES</b>					
Benefits, Claims, and Premiums	-	425,382	(2,716)	422,666	-
Education and General Administration	3,139,991	-	508,275	3,648,266	616,143
Depreciation and Amortization	183,352	-	4,530	187,882	18,100
Other Operating Expenses	689,082	-	10,732	699,814	3,933
<b>Total Operating Expenses</b>	<b>4,012,425</b>	<b>425,382</b>	<b>520,821</b>	<b>4,958,628</b>	<b>638,176</b>
<b>Operating Income (Loss)</b>	<b>(1,224,349)</b>	<b>78,309</b>	<b>(50,839)</b>	<b>(1,196,879)</b>	<b>(123,696)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Private Grants and Gifts	82,104	-	-	82,104	-
Government Grants and Contracts	394,721	-	29,145	423,866	-
Interest and Investment Income	(61,116)	4,747	(5,700)	(62,069)	339
Interest and Other Expenses on Capital					
Interest-related Debt	(23,639)	-	-	(23,639)	-
Gain (Loss) on Sale of Capital Assets	(1,136)	-	-	(1,136)	421
Other Revenue (Expense)	79,436	4	3,090	82,530	1,341
<b>Total Nonoperating Revenues (Expenses)</b>	<b>470,370</b>	<b>4,751</b>	<b>26,535</b>	<b>501,656</b>	<b>2,101</b>
<b>Income (Loss) Before Transfers and Other Revenues (Expenses)</b>	<b>(753,979)</b>	<b>83,060</b>	<b>(24,304)</b>	<b>(695,223)</b>	<b>(121,595)</b>
<b>CAPITAL CONTRIBUTIONS AND ENDOWMENTS</b>					
Capital Grants and Gifts	10,218	-	-	10,218	-
Permanent Fund/Endowment Contributions	2,650	-	-	2,650	-
<b>Total Capital Contributions and Endowments</b>	<b>12,868</b>	<b>-</b>	<b>-</b>	<b>12,868</b>	<b>-</b>
<b>TRANSFERS</b>					
Transfers In	965,096	-	10,376	975,472	22,988
Transfers Out	(66,648)	-	(987)	(67,635)	(6,551)
<b>Total Transfers</b>	<b>898,448</b>	<b>-</b>	<b>9,389</b>	<b>907,837</b>	<b>16,437</b>
<b>SPECIAL ITEM</b>					
Gain(Loss) on Discontinuance of Operations	(88,266)	-	-	(88,266)	-
<b>Change in Net Position</b>	<b>69,071</b>	<b>83,060</b>	<b>(14,915)</b>	<b>137,216</b>	<b>(105,158)</b>
<b>Net Position - Beginning, as Restated - See Note 9.C.</b>	<b>485,271</b>	<b>494,997</b>	<b>476,236</b>	<b>1,456,504</b>	<b>33,095</b>
<b>Net Position - Ending</b>	<b>\$ 554,342</b>	<b>\$ 578,057</b>	<b>\$ 461,321</b>	<b>\$ 1,593,720</b>	<b>\$ (72,063)</b>

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

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# STATE OF NEW MEXICO

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

For the Year Ended June 30, 2022

(In Thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Educational Institutions	Unemployment Insurance Fund	Nonmajor Enterprise Funds	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Received from:					
Fees for Service	\$ 253,277	\$ (19,079)	\$ 450,009	\$ 684,207	\$ 503,243
Sale of Products	1,802,784	-	(1,493)	1,801,291	-
Gifts, Grants, and Contracts	609,843	385,464	2,893	998,200	-
Loan and Note Repayments	-	-	13,706	13,706	-
Other Sources	34,183	4,747	2,307	41,237	15,447
Cash Payments to or for:					
Suppliers	(1,089,082)	-	(481,882)	(1,570,964)	(89,348)
Employees	(2,264,944)	-	(29,569)	(2,294,513)	(23,926)
Student Loans and Loan Losses	(93,544)	-	-	(93,544)	-
Claims	-	(457,652)	-	(457,652)	(457,299)
Other Payments	(421,035)	-	(5,537)	(426,572)	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(1,168,518)</b>	<b>(86,520)</b>	<b>(49,566)</b>	<b>(1,304,604)</b>	<b>(51,883)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers In	898,448	-	9,562	908,010	12,282
Transfers Out	-	-	(987)	(987)	(1)
Gifts for Other Than Capital Purposes	77,373	-	729	78,102	-
Intergovernmental Receipts	286,507	-	29,156	315,663	-
Other - Capital Asset Transfer In	-	-	814	814	-
Other	(1,463)	(385,401)	2,605	(384,259)	(7,320)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>1,260,865</b>	<b>(385,401)</b>	<b>41,879</b>	<b>917,343</b>	<b>4,961</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of Capital Assets	(379,982)	-	(2,533)	(382,515)	(5,595)
Capital Debt Service Payments - Principal	(55,169)	-	(1,085)	(56,254)	(93)
Capital Debt Service Payments - Interest	(17,187)	-	-	(17,187)	-
Capital Contributions and Debt Proceeds	126,035	-	-	126,035	-
Other - Capital Asset Transfer In	-	-	-	-	10,706
Other - Capital Asset Transfer Out	-	-	-	-	(6,550)
Proceeds from Sale of Capital Assets	(99)	-	-	(99)	-
Other	(16,253)	193,819	(379)	177,187	81
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(342,655)</b>	<b>193,819</b>	<b>(3,997)</b>	<b>(152,833)</b>	<b>(1,451)</b>

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

# STATE OF NEW MEXICO

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (CONTINUED)

For the Year Ended June 30, 2022

(In Thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Educational Institutions	Unemployment Insurance Fund	Nonmajor Enterprise Funds	Total	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Receipts of Interest and Dividends of Investments	\$ 44,721	\$ -	\$ (7,802)	\$ 36,919	\$ 76
Purchase of Investments	(427,216)	-	(437)	(427,653)	-
Receipts of Rent	2,260	-	-	2,260	-
Proceeds from Sale and Maturity of Investments	399,580	-	-	399,580	-
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>19,345</u>	<u>-</u>	<u>(8,239)</u>	<u>11,106</u>	<u>76</u>
<b>Net Increase (Decrease) in Cash</b>	(230,963)	(278,102)	(19,923)	(528,988)	(48,297)
<b>Cash and Cash Equivalents at Beginning of Year, as restated</b>	1,196,069	642,107	326,767	2,164,943	190,940
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 965,106</u>	<u>\$ 364,005</u>	<u>\$ 306,844</u>	<u>\$ 1,635,955</u>	<u>\$ 142,643</u>
<b>Cash and Cash Equivalents</b>					
Unrestricted	\$ 681,432	\$ 368,785	\$ 57,214	\$ 1,107,431	\$ -
Restricted	215,409	-	1,005	216,414	-
Investment in the Local Government Investment Pool	68,265	-	33,338	101,603	-
Investment in the State General Fund Investment Pool	-	(4,780)	215,287	210,507	142,643
<b>Total Cash and Cash Equivalents</b>	<u>\$ 965,106</u>	<u>\$ 364,005</u>	<u>\$ 306,844</u>	<u>\$ 1,635,955</u>	<u>\$ 142,643</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ (1,224,349)	\$ 78,309	\$ (50,839)	\$ (1,196,879)	\$ (123,696)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation and Amortization	190,222	-	4,530	194,752	18,099
Bad Debt Expense	103,124	-	1,459	104,583	-
Realized (Gain) Loss on Disposal of Assets	22	-	9	31	-
Unrealized (Gain) Loss on Investments	981	-	-	981	-
Change in Net Pension Liability	(2,269,635)	-	3,502	(2,266,133)	1,854
Change in Net OPEB Liability	31,885	-	(3,682)	28,203	(1,714)
Change in Deferred Outflow of Resources	578,939	-	-	578,939	-
Change in Deferred Inflow of Resources	1,644,132	-	1,032	1,645,164	-
Net Changes in Assets and Liabilities Related to Operating Activities:					
Receivables/Due From Other Funds	(158,021)	(120,715)	(15,017)	(293,753)	1,996
Notes/Loans	1,989	-	2,263	4,252	-
Inventories	(4,286)	-	(131)	(4,417)	-
Prepaid Items/Other Assets	(8,926)	-	64	(8,862)	9
Insurance Claims Payable	-	-	5,982	5,982	38,695
Accounts Payable/Accrued Liabilities/Due To Other Funds	(20,276)	(44,114)	1,962	(62,428)	12,874
Loss Adjustments	-	-	(1,035)	(1,035)	-
Unearned Revenue	(34,319)	-	335	(33,984)	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ (1,168,518)</u>	<u>\$ (86,520)</u>	<u>\$ (49,566)</u>	<u>\$ (1,304,604)</u>	<u>\$ (51,883)</u>

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

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# STATE OF NEW MEXICO

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## FIDUCIARY FUNDS FINANCIAL STATEMENTS

### **Pension and Other Employee Benefits Trust Funds**

These funds account for the resources accumulated and held for the payment of retirement and other benefits under plans operated by the Public Employees Retirement Association, the Educational Retirement Board, and the Retiree Health Care Authority. Combining financial statements for the individual pension trust funds are presented in the Financial Section - Required and Supplemental Information.

### **External Investment Trust Funds**

These funds account for assets held by the State in a trustee capacity. The funds are held in custody for external participants in the New Mexico State Treasurer's Investment Trust Funds and the State Investment Council External Investment Trust Funds. Combining financial statements for the individual external trust funds are presented in the Financial Section - Required and Supplemental Information.

### **Private Purpose Trust Funds**

These funds account for resources held under trust arrangements and which benefit individuals, organizations, and other governmental units. These funds include the Scholarship Fund, the Education Trust Fund, the Water Trust Fund, and the Bartlett Trust Fund. Combining financial statements for the individual private purpose trust funds are presented in the Financial Section - Required and Supplemental Information.

### **Custodial Funds**

These funds are used to report resources held by various State agencies in a purely custodial capacity for external parties.

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

# STATE OF NEW MEXICO

## STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS

June 30, 2022

(In Thousands)

	Pension and Other Empl. Benefit Trust Funds	External Investment Trust Funds	Private Purpose Trust Funds	Custodial Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,036,957	\$ 95,517	\$ 13,705	\$ 37,781
Investment in State General Fund Investment Pool	118,741	-	110,732	35,753
Investment in Local Government Investment Pool	-	-	-	8,639
Investments:				
U.S. Government and Agency Securities	799,458	-	-	-
International Securities	2,553,045	-	-	-
Corporate Equity Securities	4,888,225	-	-	-
Corporate and Municipal Bonds	2,760,518	-	-	-
Partnerships and Other Investments	21,226,676	-	-	-
Securities Lending Collateral Investments	299,345	-	-	-
Deferred Comp. Plan Invest.	705,295	-	-	-
Long Term Investments	-	1,241,561	2,848,743	-
Receivables:				
Brokers	1,127,562	1,406	-	-
Accrued Interest and Other	10,750	-	8	-
Participant Loans	11,041	-	-	-
Other Receivables	160,092	904	724	447,833
Other Assets	-	-	1,834	-
Long Term Receivables	616	-	-	-
Capital/RUA Assets, Net	17,310	-	-	-
<b>Total Assets</b>	<u>35,715,631</u>	<u>1,339,388</u>	<u>2,975,746</u>	<u>530,006</u>
<b>LIABILITIES</b>				
Accounts Payable	12,439	-	2,245	575
Accrued Liabilities	633	-	1,558	7
Due to Brokers	1,314,803	28,934	-	-
Intergovernmental Payables	-	-	-	446,574
Unearned Revenue	299	-	-	-
Deposits Held in Trust	2,889	-	-	33,993
Other Liabilities	327,744	30	111	2,244
Other Obligations	4,258	-	194,009	-
<b>Total Liabilities</b>	<u>1,663,065</u>	<u>28,964</u>	<u>197,923</u>	<u>483,393</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflows of Resources	-	-	26,965	-
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>26,965</u>	<u>-</u>
<b>NET POSITION</b>				
Restricted for:				
Pension Benefits	32,128,314	-	-	-
Other Postemployment Benefits	1,207,902	-	-	-
Defined Contribution	716,350	-	-	-
External Investment Pool Participants	-	1,310,424	-	-
Other Purposes	-	-	2,750,858	46,613
<b>Net Position</b>	<u>\$ 34,052,566</u>	<u>\$ 1,310,424</u>	<u>\$ 2,750,858</u>	<u>\$ 46,613</u>

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

# STATE OF NEW MEXICO

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

For the Year Ended June 30, 2022

(In Thousands)

	Pension and Other Empl. Benefit Trust Funds	External Investment Trust Funds	Private Purpose Trust Funds	Custodial Funds
<b>ADDITIONS</b>				
Contributions:				
Employee Contributions	\$ 903,061	\$ -	\$ -	\$ -
Employer Contributions	1,092,519	-	-	-
Member Contributions	-	-	351,137	-
Other	-	-	-	212,526
<b>Total Contributions</b>	<b>1,995,580</b>	<b>-</b>	<b>351,137</b>	<b>212,526</b>
Pool Participant Deposits	-	828,552	-	-
Investment Income (Loss):				
Net Increase (Decrease) in				
Fair Value of Investments	(1,243,336)	-	(370,488)	-
Interest and Dividends	284,335	(23,463)	43,278	7
	(959,001)	(23,463)	(327,210)	7
Less Investment Expense	277,486	-	2,177	-
<b>Net Investment Income</b>	<b>(1,236,487)</b>	<b>(23,463)</b>	<b>(329,387)</b>	<b>7</b>
Other Additions				
General Fund Appropriation	-	-	-	-
Taxes from Other Governments	-	-	-	2,354,477
Other Operating Revenues	85,662	-	80,786	11,623
<b>Total Other Additions</b>	<b>85,662</b>	<b>-</b>	<b>80,786</b>	<b>2,366,100</b>
<b>Total Additions</b>	<b>844,755</b>	<b>805,089</b>	<b>102,536</b>	<b>2,578,633</b>
<b>DEDUCTIONS</b>				
Benefits and Claims	2,712,867	-	-	-
Distributions	-	550,741	340,018	217,020
Refunds	108,621	-	132,499	-
Debt Service for Other Governments	-	-	-	3,593
General and Administrative Expenses	356,501	-	20,045	2,350,018
Other Operating Expenses	1,538	-	42,485	387
<b>Total Deductions</b>	<b>3,179,527</b>	<b>550,741</b>	<b>535,047</b>	<b>2,571,018</b>
<b>Change in Net Position</b>	<b>(2,334,772)</b>	<b>254,348</b>	<b>(432,511)</b>	<b>7,615</b>
<b>Net Position - Beginning, as Restated</b>	<b>36,387,338</b>	<b>1,056,076</b>	<b>3,183,369</b>	<b>38,998</b>
<b>Net Position - Ending</b>	<b>\$ 34,052,566</b>	<b>\$ 1,310,424</b>	<b>\$ 2,750,858</b>	<b>\$ 46,613</b>

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

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# STATE OF NEW MEXICO

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## COMPONENT UNIT FINANCIAL STATEMENTS

June 30, 2022

### **New Mexico Finance Authority**

The New Mexico Finance Authority coordinates the planning and financing of state and local public projects, provides for long-term planning and assessment of state and local capital needs, and improves cooperation among the executive and legislative branches of state government and local governments in financing public projects.

### **New Mexico Mortgage Finance Authority**

The New Mexico Mortgage Finance Authority assists in the financing of housing for persons of low and moderate income in the State.

### **New Mexico Lottery Authority**

The Lottery Authority was created and organized for establishing and conducting the lottery to provide revenues for the public purposes designated in the Lottery Act, which benefits the educational institutions created by the State Constitution.

### **University of New Mexico Foundation**

The foundation is a nonprofit corporation organized to solicit, receive, hold, invest, and transfer funds for the benefit of the University of New Mexico.

### **New Mexico State University Foundation**

The foundation is a nonprofit corporation organized to solicit, receive, hold, invest, and transfer funds for the benefit of the New Mexico State University.

### **Non-major Component Units**

There were seventeen non-major component units at June 30, 2022. Their financial information is presented in total. They are as follows: UNM Alumni Association; UNM Lobo Club; UNM Anderson School of Management Foundation; New Mexico Tech Foundation; New Mexico Highlands University (NMHU) Foundation; Western New Mexico University Foundation; Eastern New Mexico University (ENMU) Foundation; ENMU Roswell Foundation; ENMU Ruidoso Foundation; Northern New Mexico College Foundation; New Mexico Military Institute Foundation; New Mexico School for the Visually Impaired Foundation; Cumbres & Toltec Scenic Railroad Commission; New Mexico Renewable Transmission Authority; the New Mexico Small Business Investment Corporation, New Mexico State-chartered Charter Schools, and New Mexico Hospital Equipment Loan Council.



# STATE OF NEW MEXICO

## COMBINING STATEMENT OF NET POSITION COMPONENT UNITS

June 30, 2022  
(In Thousands)

	New Mexico Finance Authority	New Mexico Mortgage Finance Authority	New Mexico Lottery Authority	University of New Mexico Foundation	New Mexico State University Foundation	Nonmajor Component Units	Total
<b>ASSETS</b>							
Current Assets:							
Cash and Cash Equivalents	\$ 8,088	\$ 34,945	\$ 13,255	\$ 14,720	\$ 5,510	\$ 99,317	\$ 175,835
Investment in Local Government							
Investment Pool	-	8,886	-	-	-	58,652	67,538
Restricted Cash and Cash Equivalents	409,084	55,477	2,978	-	-	48,233	515,772
Investments	-	-	-	-	322	32,943	33,265
Due From Primary Government	14,626	5,398	-	-	-	18,197	38,221
Due From Other Components	-	-	-	-	-	250	250
Receivables, Net	9,116	4,719	802	1,181	9,511	7,637	32,966
Loans Receivable, Current	161,115	-	-	-	-	297	161,412
Prepaid Expenses	-	-	278	-	-	146	424
Other Assets	130	104	-	892	-	115	1,241
Inventory	-	-	17	-	-	215	232
<b>Total Current Assets</b>	<b>602,159</b>	<b>109,529</b>	<b>17,330</b>	<b>16,793</b>	<b>15,343</b>	<b>266,002</b>	<b>1,027,156</b>
Noncurrent Assets:							
Restricted Cash and Cash Equivalents	-	101,389	-	-	-	2,010	103,399
Restricted Investments	517,200	1,093,113	-	348,889	-	48,339	2,007,541
Loans Receivable, Net	1,739,526	233,999	-	1,211	-	62,314	2,037,050
Investments	9,317	70,120	-	4,519	278,315	108,724	470,995
Other Noncurrent Assets	-	1,610	-	22,050	58,853	3,834	86,347
Nondepreciable Capital/RUA Assets	7	18,802	744	-	-	47,845	67,398
Other Capital/RUA Assets, Net	2,875	1,370	2,980	148	27	196,487	203,887
<b>Total Noncurrent Assets</b>	<b>2,268,925</b>	<b>1,520,403</b>	<b>3,724</b>	<b>376,817</b>	<b>337,195</b>	<b>469,553</b>	<b>4,976,617</b>
<b>Total Assets</b>	<b>2,871,084</b>	<b>1,629,932</b>	<b>21,054</b>	<b>393,610</b>	<b>352,538</b>	<b>735,555</b>	<b>6,003,773</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred Charge on Refunding	594	187	-	-	-	324	1,105
Deferred Outflows - OPEB	-	-	-	-	-	33,228	33,228
Deferred Outflows - Pension	-	-	-	-	-	193,451	193,451
<b>Total Deferred Outflows</b>	<b>594</b>	<b>187</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>227,003</b>	<b>227,784</b>

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

# STATE OF NEW MEXICO

## COMBINING STATEMENT OF NET POSITION COMPONENT UNITS

June 30, 2022  
(In Thousands)

### LIABILITIES

#### Current Liabilities:

Accounts Payable	177	28,943	1,755	89	52	7,094	38,110
Accrued Liabilities	4,229	7,837	-	1,675	1,470	14,663	29,874
Unearned Revenue	-	-	-	-	-	1,854	1,854
Due to Primary Government	494	-	4,012	3,380	1,991	5,547	15,424
Due to Other Component Unit	-	-	-	250	-	-	250
Funds Held for Others	-	9,650	-	-	-	513	10,163
Bonds Payable	118,700	45,994	-	-	-	2,883	167,577
Other Liabilities	620,787	30,110	9,448	8,784	480	15,584	685,193
<b>Total Current Liabilities</b>	<b>744,387</b>	<b>122,534</b>	<b>15,215</b>	<b>14,178</b>	<b>3,993</b>	<b>48,138</b>	<b>948,445</b>

#### Noncurrent Liabilities:

Bonds Payable	1,367,012	1,347,937	-	-	-	185,701	2,900,650
Due to Primary Government	-	-	-	64,361	-	-	64,361
Net Pension Liability	-	-	-	-	-	193,842	193,842
Net OPEB Liability	-	-	-	-	-	59,642	59,642
Other Liabilities	138,864	1,747	6	1,784	47,156	45,511	235,068
<b>Total Noncurrent Liabilities</b>	<b>1,505,876</b>	<b>1,349,684</b>	<b>6</b>	<b>66,145</b>	<b>47,156</b>	<b>484,696</b>	<b>3,453,563</b>

#### Total Liabilities

	<b>2,250,263</b>	<b>1,472,218</b>	<b>15,221</b>	<b>80,323</b>	<b>51,149</b>	<b>532,834</b>	<b>4,402,008</b>
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### DEFERRED INFLOWS OF RESOURCES

Deferred Inflow - Pension	-	-	-	-	-	276,057	276,057
Deferred Inflow - OPEB	-	-	-	18,952	-	37,317	56,269
Deferred Inflow - Leases	-	-	-	-	-	1,485	1,485
Deferred Inflow - Other	2,554	277	-	-	-	866	3,697
<b>Total Deferred Inflows</b>	<b>2,554</b>	<b>277</b>	<b>-</b>	<b>18,952</b>	<b>-</b>	<b>315,725</b>	<b>337,508</b>

### NET POSITION

Net Investment in Capital Assets	2,882	1,793	3,364	148	27	44,953	53,167
Restricted:							
Nonexpendable	-	-	-	263,700	283,270	120,065	667,035
Expendable:							
Debt Service	-	95,858	-	23,232	-	-	119,090
Other Purposes	598,477	34,401	-	-	-	175,980	808,858
Unrestricted Net Position (Deficit)	17,502	25,572	2,469	7,255	18,092	(226,999)	(156,109)
<b>Total Net Position (Deficit)</b>	<b>\$ 618,861</b>	<b>\$ 157,624</b>	<b>\$ 5,833</b>	<b>\$ 294,335</b>	<b>\$ 301,389</b>	<b>\$ 113,999</b>	<b>\$ 1,492,041</b>

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

# STATE OF NEW MEXICO

## COMBINING STATEMENT OF ACTIVITIES

### COMPONENT UNITS

For the Year Ended June 30, 2022

(In Thousands)

	New Mexico Finance Authority	New Mexico Mortgage Finance Authority	New Mexico Lottery Authority	University of New Mexico Foundation	New Mexico State University Foundation	Nonmajor Component Units	Total
Expenses	\$ 158,447	\$ 64,497	\$ 95,630	\$ 13,801	\$ 19,382	\$ 276,341	\$ 628,098
Program Revenues:							
Charges for Services	51,348	62,292	136,882	-	4,423	17,615	272,560
Operating Grants and Contributions	-	-	-	61,181	26,290	80,783	168,254
Capital Grants and Contributions	-	-	-	-	-	1,362	1,362
Total Program Revenues	51,348	62,292	136,882	61,181	30,713	99,760	442,176
Nonoperating Revenues:							
Net (Expenses) Revenues	(107,099)	(2,205)	41,252	47,380	11,331	(176,581)	(185,922)
Other Revenues & Expenses:							
Payment from State of New Mexico	115,737	2,200	-	-	-	187,067	305,004
Payment to State of New Mexico	-	-	(41,071)	(64,013)	-	-	(105,084)
Other	14,128	(175,944)	2	15,994	-	21,120	(124,700)
Investment Income	2,266	-	18	(10,990)	(6,101)	(22,137)	(36,944)
Total General Revenues	132,131	(173,744)	(41,051)	(59,009)	(6,101)	186,050	38,276
Special Item							
Gain (Loss) on Discontinuance of Operations	-	-	-	-	-	(4,466)	(4,466)
<b>Change in Net Position</b>	25,032	(175,949)	201	(11,629)	5,230	5,003	(152,112)
<b>Net Position - Beginning, as Restated</b>	593,829	333,573	5,632	305,964	296,159	108,996	1,644,153
<b>Net Position - Ending (Deficit)</b>	\$ 618,861	\$ 157,624	\$ 5,833	\$ 294,335	\$ 301,389	\$ 113,999	\$ 1,492,041

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

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

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# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

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### NOTES TO THE FINANCIAL STATEMENTS – NOTE 1

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#### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the State of New Mexico (the State) and its component units have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The State's significant accounting policies are described below. All dollar amounts are in thousands, except when stated.

##### A. Description of Government-wide Financial Statements

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 and its component units. All fiduciary activities are reported only in the fund financial statements. Primary government activities are distinguished between *governmental and business-type activities*. Governmental activities are generally financed through taxes, intergovernmental revenues, and other non-exchange revenues. The governmental activities column incorporates data from the internal service funds as well as the governmental funds. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

##### B. Reporting Entity

For financial reporting purposes, the State's financial reporting entity includes the primary government (i.e., legislative agencies, departments and agencies, commissions, the Governor and Cabinet, boards of the Executive Branch, various offices relating to the Judicial Branch, and the ten educational institutions created by the *Constitution of the State of New Mexico*, Article XII, Section 11). The annual financial report does not include the financial statements of the community colleges or public schools.

The GASB has set forth criteria to be considered in determining financial accountability as defined in GASB Statement No. 14, *The Financial Reporting Entity* (as amended). These criteria include appointing a voting majority of an organization's governing body and 1) the ability of the State to impose its will on that organization or 2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the State. Where a State does not appoint a voting majority of an organization's governing body, GASB standards require inclusion in the reporting entity if an organization is fiscally dependent on the State, its resources are held for the direct benefit of the State or can be accessed by the State, or the relationship is such that it would be misleading to exclude it.

##### Blended Component Units

The following blended component units are considered to be blended component units of the State Institutions of Higher Education, and are thus component units of the State. Each is financially accountable to the respective institution, and the Board of Regents (governing board) of each institution controls the finances and has appointment power over the unit's governing authority. Except for the University of New Mexico Retiree Welfare Benefit Trust, a fiduciary fund of the University of New Mexico, separately issued financial statements for each of these blended component units can be obtained from the New Mexico State Auditor's Office.

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 1 (CONTINUED)

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- **UNM Rainforest Innovations**

UNM Rainforest Innovations (formerly known as STC.UNM) is a nonprofit corporation formed under the auspices of the 1989 New Mexico University Research Park Act and the New Mexico Nonprofit Corporation Act. The business of the corporation is to manage the commercialization of technologies developed by the University's faculty and manage the real estate development of the Science & Technology Park at the University of New Mexico on the South Campus. UNM Rainforest Innovations, 101 Broadway Blvd. NE, Suite 1100, Albuquerque, NM 87102.

- **Lobo Development Corporation**

Lobo Development Corporation (LDC) was established in October 2007, under the State of New Mexico's University Research Park and Economic Development Act. LDC was established to benefit UNM's Regents in the management and development of University-Owned real estate. The activities of LDC include the acquisition, development, disposition, and rental of University real estate. Lobo Development Corporation, 801 University Blvd. SE, Suite 207, Albuquerque, NM 87106.

- **Lobo Energy, Inc.**

Lobo Energy, Inc. (LEI) was formed by the UNM Regents in June 1998, under the University Research Park Act to be a separate 501(c)(3) corporation wholly owned by UNM. Its responsibilities include the procurement of natural gas and electricity, operations and maintenance of all production facilities, and energy measurement and management systems. Lobo Energy, Inc., 800 Bradbury Dr. SE, Suite 216, Albuquerque, NM 87106.

- **University of New Mexico Medical Group (UNMMG)**

The UNM Medical Group, Inc., was organized in 2007. The Laws of 1989, Chapter 264, as amended created University Research Park and Economic Development Act (the Act). UNMMG is a nonprofit corporation that was organized under the Act. UNMMG's purpose is to promote, advance and support the clinical, scientific, educational, research and charitable purposes of the School of Medicine and the University of New Mexico Health Sciences Center. UNMMG is responsible for the delivery of patient clinical services, practice oversight, and management of the professional medical practice of UNM. University of New Mexico Medical Group, 933 Bradbury Street, Suite 2222, Albuquerque, NM 87106.

- **UNM - Sandoval Regional Medical Center (SRMC)**

In 2009, the UNM Regents approved formation of the Medical Center. The Laws of 1989, Chapter 264, as amended created University Research Park and Economic Development Act (the Act). SRMC is a not-for-profit corporation that was organized under the Act. The creation of SRMC resulted from collaborations between the University of New Mexico Medical Group and University of New Mexico Hospital and hold representation on the SRMC board of directors. SRMC's purpose is to serve as a community based academic healthcare facility. The administrative offices are located at 3001 Broadmoor Blvd. NE, Rio Rancho, NM 87144.

- **Arrowhead Center, Inc.**

Arrowhead Center, Inc. was organized pursuant to the provisions of the State of New Mexico University Research Park Act of 1989. It provides a financial benefit to New Mexico State University (NMSU) and was established to foster economic development within the State through the development of research parks and University real property as well as to protect, license and market intellectual property developed by faculty, staff and students of NMSU, as well as members of the community. Arrowhead Center, Inc., MSC 3CR, P.O. Box 30001, Las Cruces, NM 88003.

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 1 (CONTINUED)

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- **New Mexico Institute of Mining & Technology Employee Benefit Trust**

This trust is a single-employer benefit plan organized as a legally formed trust that is tax exempt under section 501(c)(9) of the Internal Revenue Code. The trust was established to provide a funding vehicle to which participants and the Institute contribute to prefund, in part, the cost of other postemployment benefits for eligible retirees of the Institute.

- **New Mexico Institute of Mining & Technology Research Park Corporation**

This is a New Mexico not-for-profit corporation organized to assist the Institute by making available funds to pursue technology research and other programs carried out by the Institute. The Institute is the sole member of the Corporation and appoints the Board of the Corporation.

- **Northern New Mexico College Eagle Corporation**

The Northern New Mexico College Eagle Corporation (the “Corporation”) was formed on June 15, 2020 pursuant to the University Research Park and Economic Development Act, NMSA 1978 Section 21-28-1, et. seq (the “Research Park Act”). The Corporation is operated exclusively for the benefit and support of, to perform the functions of, and carry out the purposes of the College. Separately issued financial statements can be obtained by writing to the Northern New Mexico College Eagle Corporation at 921 Paseo de Oñate, Española, NM 87532.

- **New Mexico Highlands University Highlands Stable Isotopes Corporation**

Highlands Stable Isotopes Corporation was granted all of the powers available to it pursuant to paragraph 21-28-6 NMSA 1978 of the University – Research Park and Economic Development Act. The new corporation was filed under the New Mexico Nonprofit Corporation Act and was granted Section 501 (c) (3) of the Internal Revenue Code of 1986 statutes in September of 2018. The purpose of the corporation is to conduct research and research commercialization in accordance with the needs of the University.

#### **Discretely-presented Component Units**

In the government-wide financial statements, discrete presentation entails reporting component unit financial data in a column separate from the financial data of the State. These component units are entities that are legally separate from the State, but are financially accountable to the State. Complete financial statements are available at the address given.

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 1 (CONTINUED)

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#### Major Component Units

- **New Mexico Finance Authority (NMFA)**

The Laws of 1992, Chapter 61, as amended, created the NMFA. The purpose of the New Mexico Authority Act is to create a governmental instrumentality to coordinate the planning and financing of state and local public projects, to provide for long-term planning and assessment of state and local capital needs and to improve cooperation among the executive and legislative branches of state government and local governments in financing public projects. The NMFA is considered a component unit of the State as the Governor appoints a majority of its Board. The NMFA is composed of eleven members, at which a majority of those members serve at the pleasure of the Governor. New Mexico Finance Authority, 207 Shelby Street, Santa Fe, NM 87501.

- **New Mexico Mortgage Finance Authority (NMMFA)**

The Laws of 1975, Chapter 303, as amended, created the NMMFA. The purpose of the NMMFA act is to create a separate public body apart from the State to facilitate programs to assist in the financing of housing for persons of low and moderate income within the State. The NMMFA is considered a component unit of the State because the Governor appoints a majority of its Board. The NMMFA is composed of seven members, at which a majority of those members serve at the pleasure of the Governor. NMMFA fiscal year-end is September 30. This year-end differs for all other state entities, which have a June 30 fiscal year-end. New Mexico Mortgage Finance Authority, 344 Fourth Street SW, Albuquerque, NM 87102.

- **New Mexico Lottery Authority (Lottery Authority)**

The Laws of 1995, Chapter 155, as amended, created the Lottery Authority Act. The purpose of the Lottery Authority Act is to create a separate public body apart from the State, to conduct the New Mexico state lottery and provide revenues for public purposes designated by the Act. The State's higher education institutions receive financial benefit. The Lottery Authority is considered a component unit of the State because the Governor appoints members of its Board. The Board is composed of seven members, at which those members serve at the pleasure of the Governor. New Mexico Lottery Authority, 4511 Osuna Rd NE, Albuquerque, NM 87109.

The following two component units are considered to be component units of the State Institutions of Higher Education, and are thus component units of the State. Each is financially accountable to the respective institution, and the Board of Regents (governing board) of each institution controls the finances and has appointment power over the unit's governing authority.

- **University of New Mexico Foundation, Inc. (UNM Foundation)**

UNM Foundation is a nonprofit corporation, organized in 1979 to solicit, receive, distribute, invest, and manage funds for the benefit of the University of New Mexico. The majority of the Foundation's investments are managed by the University. The University of New Mexico Foundation, Inc., Two Woodward Center, 700 Lomas NE, Bldg. 2-203, Albuquerque, NM 87102.

- **New Mexico State University Foundation, Inc. (NMSU Foundation)**

NMS Foundation is a nonprofit corporation formed for the purpose of acquiring and managing charitable gifts, including endowed funds, to be used for the sole benefit of New Mexico State University. The Foundation reports on the FASB basis of accounting. New Mexico State University Foundation, Inc., P.O. Box 3590, Las Cruces, NM 88003-3590.



# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 1 (CONTINUED)

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#### Non-major Component Units

The State's non-major component units have been determined to be financially accountable to the State. Non-major component units are: University of New Mexico Alumni Association, University of New Mexico Lobo Club, University of New Mexico - Anderson Schools of Management Foundation, Inc., New Mexico Tech Foundation, New Mexico Highlands University Foundation, Inc., Western New Mexico University Foundation, Inc., Eastern New Mexico University Foundation, Eastern New Mexico University Roswell Foundation, Eastern New Mexico University Ruidoso Foundation, Northern New Mexico College Foundation, New Mexico Military Institute (NMMI) Foundation, Inc., New Mexico School for the Blind and Visually Impaired Foundation, Cumbres & Toltec Scenic Railroad Commission, New Mexico Renewable Transmission Authority, New Mexico Small Business Investment Corporation, New Mexico State-chartered Charter Schools, and New Mexico Hospital Equipment Loan Council.

#### C. Basis of Presentation - Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the State's Enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the State has five major discretely presented component units and seventeen non-major component units. Component units are shown in total in the government-wide financial statements with a combining statement to show the details. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

#### D. Basis of Presentation – Fund Financial Statements

**Fund Financial Statements** The fund financial statements provide information about the State's funds, including its fiduciary funds. Separate statements are presented for each fund category – governmental, proprietary, and fiduciary. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining enterprise funds are aggregated and reported as non-major funds. The internal service fund is reported in a separate column on the proprietary funds financial statements. The accounts of the State are organized based on funds, 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, net position, revenues, and expenditures.

The State reports the following governmental funds:

Major funds:

- **General Fund** – This fund accounts for the financial resources of the State, except those required to be accounted for in another fund. This is the State's primary operating fund.
- **Debt Service Fund** – Debt Service Fund accounts are used to account for the accumulation of resources for and the payment of principal and interest on general long-term obligations and other contractual obligations.

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 1 (CONTINUED)

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- **Capital Projects Fund** – The Capital Projects Fund accounts for funds appropriated by the State Legislature for capital outlay, including severance tax and general obligation bond proceeds and State General Appropriation capital outlay funds.
- **Severance Tax Fund** – The Severance Tax Fund accounts for the proceeds of severance taxes, which are levied by the State on certain natural resources extracted from State lands. Severance tax revenues are first applied to pay the required debt service on Severance Tax Bonds issued by the State. Remaining severance tax revenues are then transferred to the Severance Tax Fund, administered by the State Investment Council. Distributions from this fund are stipulated by the State Constitution. This is a special revenue fund that includes the excess of amounts not applied to severance tax bond debt service in the debt service fund.
- **Land Grant Fund** – The Land Grant Fund receives royalties and income from trust lands distributed to various entities assigned by the Ferguson Act of 1898. This is a special revenue fund.

The State reports the following enterprise funds:

Major fund:

- **Educational Institutions Fund** – The Educational Institutions Fund accounts for the activities of the State’s ten educational institutions created by the *Constitution of the State of New Mexico* in Article XII, Section 11: University of New Mexico, New Mexico State University, Eastern New Mexico University, New Mexico Institute of Mining and Technology, Western New Mexico University, New Mexico Highlands University, Northern New Mexico College, New Mexico Military Institute, New Mexico School for the Blind and Visually Impaired, and New Mexico School for the Deaf.
- **Unemployment Insurance Fund** – The Unemployment Insurance Fund accounts for funds used for unemployment compensation. This fund does not account for other than unemployment compensation (i.e., workers’ compensation, employment security labor market statistics, administration of the employment compensation program, etc.) Although this fund does not mathematically qualify to be a major fund, the State has chosen to present it as such due to its prior significance.

Non-major funds:

The State’s non-major enterprise funds include the following: Public Schools Insurance Authority, Miners’ Colfax Medical Center, New Mexico Magazine, State Fair, Environment Department Clean Water, Corrections Industries, Industries for the Blind, State Infrastructure Bank, Department of Cultural Affairs Museums Program, and Education Trust Board.

The State reports the following internal service fund:

- **Internal Service Fund** – The State reports the internal service fund type in the proprietary funds statements. The activities accounted for in the internal service fund include fleet operations, risk management, printing and records, communications services, and information processing. In the government-wide financial statements, the Internal Service Fund is included with governmental activities.

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 1 (CONTINUED)

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Additionally, the State reports the following fiduciary fund types:

- **Pension and Other Employee Benefits Trust Funds** – These funds are used to report resources that are required to be held in trust for the members and beneficiaries of pension plans and other employee benefit plans. These funds account for the activities of the Public Employees Retirement Association (PERA), Educational Retirement Board (ERB), the Retiree Health Care Authority (RHCA), the Deferred Compensation Plan, and the UNM Retiree Welfare Benefit Trust.
- **External Investment Funds** – These funds account for assets held by the government in a trustee capacity. These funds are used to account for cash, securities, and other investments held in custody for external participants in the New Mexico State Treasurer’s Local Government Investment Pool and the State Investment Council’s Investment Pools.
- **Private Purpose Trust Funds** – These funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments. These funds include the Scholarship Fund, Water Trust Fund, Higher Education Savings Plan, Bartlett Trust, Children’s Trust, Children’s Next Generation Trust, Office of State Insurance Trust, and the New Mexico Affordable Housing Charitable Trust.
- **Custodial Funds** – These funds are used to report resources held by the State in a purely custodial capacity for external parties.

#### E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The State generally considers revenues available if they are collected within 60 days of the end of the current fiscal period. All other revenues are recognized when they are received if they are not susceptible to accrual. Expenditures are generally recorded when a liability is incurred, as under accrual accounting; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

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### NOTES TO THE FINANCIAL STATEMENTS – NOTE 1 (CONTINUED)

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The fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are used to account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

Proprietary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the government-wide financial statements described previously. Proprietary funds include both enterprise and internal service fund types. Enterprise funds report the activities for which fees are charged to external users for goods and services. Internal service funds account for goods and services provided primarily to other agencies or funds of the State, rather than to the general public. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are student tuition and fees, net of scholarship discounts and allowances, patient services, sales and services, interest on loans, and most federal, state, and local contracts and grants. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The component units' financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The information is presented in order to be consistent with the government-wide statements, and is less detailed than the presentation in each component unit's separately issued financial statements.

#### **F. Budgetary Information**

##### **1. Budgetary Basis of Accounting**

The budget is adopted on the modified accrual basis of accounting, per statute, in accordance with procedures prescribed by the Financial Control Division (FCD), Department of Finance and Administration. Per these procedures, accounts payable which are not recorded in a timely manner (before the statutory fiscal year-end deadline) will not be paid from the current year appropriation, and they are thus not recorded as a budgetary expenditure. Instead, permission must be obtained from FCD to pay the obligation out of the next year's budget. This budgetary basis is not consistent with generally accepted accounting principles (GAAP). Balances remaining at the end of the fiscal year from appropriations made from the State General Fund shall revert to the appropriate fund, unless otherwise indicated in the appropriations act or otherwise provided by law. Encumbrances do not carry over to the next year for operating budgets.

Additionally, certain governmental activities are excluded from the budgetary schedules because they are not appropriated. The General Fund presented herein includes the general funds of all state agencies. The largest of these general funds are the component appropriation accounts. These appropriation accounts are part of the Department of Finance and Administration. The State's component appropriation accounts do not adopt an annual appropriated budget; however, the expenditures of the component appropriations by law must equal the individual amounts appropriated in the various appropriation acts. Other activities designated as non-appropriated (not budgeted) by the Legislature are the Severance Tax Permanent Fund, the Land Grant Permanent Fund, and the following Enterprise Funds: the Educational Institutions, State Fair Commission, Environment Department, State Infrastructure Bank, and Unemployment Insurance Funds. The legal level of budgetary control is at the appropriation level.

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 1 (CONTINUED)

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#### **2. Budget to GAAP Reconciliation**

The budgetary comparison schedules of the various funds present comparisons of the original estimated budget and legally adopted budget with actual data on a budgetary basis. Both the budget and actual amounts represent single year activity based on the budget reference assigned to the particular transaction. Since accounting principles applied for the purposes of developing data on a budgetary basis, differ significantly from those used to present financial statements in conformity with GAAP, a budget to GAAP reconciliation is presented following the budgetary comparison schedules.

#### **3. Multiple Year Appropriation – Capital Projects Budgets and Special Appropriation Budgets**

Budgets for multiple year monies are not made on an annual basis, but are adopted on a project length basis. Budgets for the Capital Projects Fund may be established for periods from two to five years depending on the nature of the project or appropriation. These non-operating budgets primarily serve as a management control tool, and because related appropriations are continuing in nature, no comparison between budgeted and actual amounts for funds budgeted on this basis is provided. Special appropriations budgets for one year are included in the Budgetary Comparison Schedule.

#### **4. Excess of Expenses/Expenditures Over Budget**

For the fiscal year ended June 30, 2022, there were none of the State agency's P-code reporting expenses/expenditures exceeding budget authority.

#### **G. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance**

##### **1. Cash and Cash Equivalents**

Cash and cash equivalents represent cash on hand, cash on deposit with banks, investment in the State General Fund Investment Pool, Local Government Investment Pool, and cash invested in short-term securities. Cash equivalents include investments in short-term, highly liquid securities having an initial maturity of three months or less. Cash balances not held by the New Mexico State Treasurer (State Treasurer) and controlled by various State officials are generally deposited in interest-bearing accounts or other legally stipulated investments.

##### **2. Investments**

Investments are under the control of the State Treasurer, the State Investment Council, and other administrative bodies as determined by law. In certain instances, investments are restricted by law or other legal instruments. Investments are valued at fair value. The fair value of investments is based on published prices and quotations from major investment brokers at current exchange rates as available. For investments where no readily ascertainable fair value exists, management in consultation with their investment advisors, have determined the fair values for the individual investments based on anticipated maturity dates and current interest rates commensurate with the investment's degree of risk. The change in fair value is recognized as a component of investment income in the current year.

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

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### NOTES TO THE FINANCIAL STATEMENTS – NOTE 1 (CONTINUED)

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The Education Trust Board calculates the net asset value of its units as of the close of The New York Stock Exchange (the Exchange), normally 4:00 P.M. Eastern time, on each day the Exchange is open for business. The net asset values of the investments are determined as of the close of the Exchange on each day the Exchange is open for trading. Short-term money market-type debt securities with remaining maturities of sixty days or less are valued at amortized cost (which approximates market value).

#### **3. Investment Pools**

*State Treasurer* - The State is required by statute to deposit any money received with the State Treasurer. Balances maintained at the end of the day are pooled and invested by the State Treasurer in overnight repurchase agreements. All repurchase agreements are collateralized by U.S Treasury Securities held by the State Treasurer's custodian bank. These pooled balances are collectively called the State General Fund Investment Pool (SGFIP), which also includes the deposits in the Tax-Exempt Bonds Proceeds Investment Pool and Taxable Bond Proceeds Investment Pool. The State General Fund is the State of New Mexico's main operating account. All State revenues are credited to the General Fund. Income taxes, sales taxes, rents and royalties, and other recurring revenues are deposited into the fund. The fund also comprises numerous State agency accounts whose assets, by statute, must be held at the State Treasury. Expenditures are disbursed only in accordance with appropriations authorized by the State Legislature. The Bond Proceeds Pools consist of pooled assets received through the issuance of taxable and tax-exempt bonds. Because these pooled funds are invested in short-term, highly liquid investments, the individual fund investments in the SGFIP are reported as a cash equivalent.

All interest revenue is allocated to the General Fund unless state statute or trust agreements require allocations of interest to other funds. Interest is allocated based on the average daily balance and average monthly interest rates.

In addition to the SGFIP pooled cash account, the State Treasurer maintains the Local Government Investment Pool (LGIP). The LGIP also includes the deposits in the Reserve Contingency Fund. Cities, counties, other non-state agencies, and state agencies invest monies with the State Treasurer in the LGIP. Because these pooled funds are invested in short-term, highly liquid investments, the individual fund investments in the LGIP are reported as a cash equivalent.

The LGIP, an external investment pool, is not registered with the Security and Exchange Commission (SEC) as an investment company. The investments are recorded at fair value based on quoted market price; however, individual participant balances remain at their carrying cost. The LGIP does not have unit shares. Per Chapter 6-10-10.1F, New Mexico Statutes Annotated (NMSA) 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in the amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts were invested. At June 30, 2022, the LGIP carrying cost approximated the fair value. Participation in the LGIP is voluntary. The external portion of LGIP is reported as a separate investment trust fund. The internal portion, consisting of funds belonging to the State and its component units, has been included in the various funds and component units.

A copy of the New Mexico State Treasurer's audited financial statements can be obtained by writing the New Mexico State Treasurer, P.O. Box 5135, Santa Fe, NM 87505 or online at [http://www.saonm.org/audit\\_reports](http://www.saonm.org/audit_reports).

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

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### NOTES TO THE FINANCIAL STATEMENTS – NOTE 1 (CONTINUED)

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*Public Employees Retirement Association* - The Public Employees Retirement Association created a short-term investment pool (Pool) to maximize the benefits of the investment diversification and investment earnings. The Judicial, Magistrate, Volunteer Firefighters, and Public Employees Retirement Systems (Systems) participate in the Pool. The fair value of the investments in the Pool is the same as the value of the pool shares. All investments in the Pool are either SEC registered or are exempt from SEC registration under exemption 3(a)(3) or 4(2) of SEC regulations. Each System's equity percentage in the Pool is based on that System's investment in the pool and will only increase or decrease by additional deposits or withdrawals.

*State Investment Council* - The State Investment Council (Council) is responsible for the investment activities of certain state trust funds. The Council's investments are reported in the following categories: governmental activities, business-type activities, private-purpose trust funds, and external investment trust funds. Each of the fund types are participants in the Council's pools. Each pool is composed of units of participation of unlimited quantity. Each unit of participation represents an equal beneficial interest in the respective pool and no unit has priority over any other. Each purchase or sale of units requires written authorization as defined in the joint powers agreements executed between the Council and each participant. All units are purchased by cash payment. Each unit of participation is recorded in book entry form by the Council.

The external portion of the Council's investment pools is reported as a separate investment trust fund. The internal portion, consisting of funds belonging to the State and its component units, has been included in the various funds and component units.

A copy of the Council's report can be obtained by writing the New Mexico State Investment Council, 41 Plaza la Prensa, Santa Fe, NM 87507.

#### **4. Inventories**

The governmental funds, except for the Department of Transportation are mandated to use the purchase method of accounting for inventories. Under the purchase method, inventories are recorded as expenditures when purchased. For the consumption method, costs are recorded as expenditures when consumed rather than when purchased.

Inventories of the proprietary funds are valued by using either the average cost, retail inventory, or first-in-first-out (FIFO) methods.

#### **5. Receivables and Loan Receivables**

Receivables, net of allowance, in the governmental, business-type activities and fiduciary activities consist mainly of amounts due from the federal government, local governments, customers, patients and applicable insurance companies, taxpayers, students, and others.

Various reimbursement procedures are used for federal awards received by the State. Consequently, timing differences between expenditures and program reimbursements can exist at any time during the fiscal year. Receivable balances at fiscal year-end represent an excess of modified accrual basis expenditures over cash reimbursements received to date. Determining the amount of expenditures reimbursable by the federal government, in some cases, requires management to estimate allowable costs to be charged to the federal government. As a result of this and other issues, management provides an allowance for potential contractual allowances for federal revenue. Any changes in these

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 1 (CONTINUED)

estimates are recorded in the period that the estimate is changed. Loans are stated at their principal amount. Interest on loans is accrued based on the daily principal balance outstanding, except when a loan has been past due for 90 days. Certain loans are to governmental entities and secured by certain pledged revenues. The loans are being repaid in accordance with their loan agreements.

#### 6. Capital Assets

Capital assets, which include automobiles, buildings and improvements, furniture and fixtures, software, library books, infrastructure (e.g., roads, bridges, sidewalks, and similar items), machinery and equipment, and portable buildings are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The State defines capital assets as costing at least five thousand dollars or more when acquired and having an estimated useful life greater than one year.

Capital assets purchased by governmental funds are recorded as expenditures in the governmental fund financial statements. Interest expense for capital asset construction related to governmental activities is not capitalized. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

In accordance with the practices followed by many museums and libraries, museums and library collections are not reported as assets in the accompanying financial statements. Purchases of the items are reported as expenditures. Certain library books, however, are capitalized.

There is no depreciation recorded for land, mineral rights, art and construction in progress. Buildings, equipment, infrastructure and other depreciable assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Years</u>
Infrastructure	10-40
Land Improvements	15-30
Leasehold Improvements	15
Furniture and Fixtures	5-7
Machinery and Equipment	5-20
Data Processing Equipment	3-8
Vehicles and Aircraft	3-15
Buildings and Improvements	5-75

As provided by GASB standards, the State elected to use the depreciation method to account for infrastructure assets (roads and bridges). This method requires the State to allocate the cost of infrastructure assets over their estimated useful lives as depreciation expense.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.



# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

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### NOTES TO THE FINANCIAL STATEMENTS – NOTE 1 (CONTINUED)

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#### **7. Deferred Outflows/Inflows of Resources**

Deferred outflows of resources represent 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. Deferred inflows of resources represent 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.

#### **8. Accrued Liabilities**

Accrued liabilities include accrued current payroll and fringe benefits payable at year end. These benefits consist of the employee and employer portions of taxes, insurance, retirement, and other compensation-related withholdings.

#### **9. Compensated Absences**

Qualified employees' vacation leave is accrued at a graduated schedule of 80 to 160 hours per year, depending upon the length of service and employees' hire date. Employees are paid for the accumulated annual leave upon retirement or other termination up to 240 hours. A maximum of thirty days of annual leave (240 hours) may be carried forward into the beginning of the calendar year, with any excess forfeited. Qualified employees sick leave accrued at the rate of 4.0 hours per bi-weekly pay period. There is no limit to the amount of sick leave, which an employee may accumulate. Employees are paid for accumulated sick leave annually, or upon retirement or other termination, but only for accumulated sick leave in excess of 600 hours. Annually, employees may be paid 50.0 percent of the excess over 600 hours, up to a maximum of 120 hours. Upon retirement or other termination, employees are paid 50.0 percent of the excess over 600 hours, up to maximum of 400 hours. The total liability of the governmental activities for compensated absences is recorded in the government-wide Statement of Net Position as part of long-term liabilities. However, in accordance with GAAP, the liability is not recorded in the Governmental funds financial statements. See additional disclosure in the detailed notes.

#### **10. Unearned Revenue**

In the government-wide statements, governmental activities/funds, proprietary fund statements, and fiduciary fund statements, unearned revenue is recorded when cash or other assets are received prior to being earned. *GASB Statement No. 65* requires resources received from another government under voluntary or government-mandated non-exchange transactions before time restrictions are met, but after all other eligibility requirements are met, should be classified as deferred inflows of resources.

#### **11. Bonds Payable**

Bond premiums and discounts and deferred amounts on refunding are deferred and amortized over the life of the bonds using the bonds outstanding method or straight-line method, which approximates the effective interest method. Bonds payable are reported at face amount, with the applicable bond premium or discount and deferred amount on refunding reported separately. In accordance with *GASB Statement 65*, bond issuance costs are expensed. In the governmental fund financial statements, total bond premium or discount is recognized when the bonds are first issued. 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 debt service expenditures.

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 1 (CONTINUED)

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#### 12. Insurance Losses and Loss Adjustment Expense

*Public Schools Insurance Authority* – The New Mexico Public Schools Insurance Authority (PSIA) insurance losses and related adjustment expenses are charged to operations as incurred. The reserves for losses and loss adjustment expenses are determined based upon case-basis evaluations and actuarial projections, and include a provision for claims incurred but not reported. The actuarial projections of ultimate losses on reported claims and the estimate of claims incurred but not reported are based on a composite of PSIA’s experience and benefits, property, casualty, and workers’ compensation insurance industry data, which supplements PSIA’s historical experience and includes the effects of inflation and other factors. Losses are reported net of estimated amounts recoverable from excess insurance, salvage and subrogation, and the deductible portion of claims. Adjustments to the probable ultimate liability for losses and loss adjustment expenses are made continually, based on subsequent developments and experience, and are included in operations as made.

*Retiree Health Care Authority* - The amount shown for the Retiree Health Care Authority as reserve for losses and loss adjustment expenses is an actuarially calculated estimate of the ultimate costs of settling all incurred but not reported claims as of the fiscal year-end, while the amount shown on the accompanying fiduciary statement of changes in fiduciary Net Position as losses and loss adjustment expenses represents the change in this estimate during the fiscal year. These reserves represent, in management’s opinion, the best estimate of the ultimate cost of settling all reported and unreported claims. There exists a range of variability around the best estimate of the ultimate cost of settling all unpaid claims. Accordingly, the amount reflected in the accompanying financial statements may not ultimately be the actual cost of settling all unpaid claims and the difference may be significant.

#### 13. Interfund Transactions

##### Government-Wide Financial Statements

**Interfund Activity** – In general, eliminations have been made to minimize the double counting of internal activity, including internal service fund type activity. However, interfund services, provided and used between different functional categories, have not been eliminated in order to avoid distorting the direct costs and program revenues of the applicable functions. Operating transfers between governmental and business-type activities are reported at the net amount.

**Interfund Balances** – Interfund receivables and payables have been eliminated from the government-wide Statement of Net Position, except for the residual amounts due between governmental and business-type activities.

##### Governmental Fund Financial Statements

**Interfund Activity** – Interfund transactions for goods sold or services rendered for a price approximating the external exchange value and employee benefit contributions are accounted for as revenues and expenditures/expenses in the funds involved.

Transfers are used to report flows of cash (or other assets) between funds without equivalent flows of assets in return or a requirement for repayment. The State’s transfers are based on legislative appropriations or other legal authority.

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 1 (CONTINUED)

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#### 14. Net Position and Fund Balance

*Net Investment in Capital Assets* consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of bonds, mortgages, notes, or other debt attributable to the acquisition, construction, or improvement of such assets. Significant unspent related debt proceeds are not included in the calculation of Net Investment in Capital Assets. The unspent portion of the debt is included in restricted for capital projects. The State issues General Obligation bonds and Severance Tax bonds to finance projects for the State and local governments. The Legislature appropriates the bond proceeds from each bond issue to projects throughout the State. Only bonds issued for projects appropriated to State agencies and recognized as a State asset are included in this calculation.

The State reports Net Position as restricted when constraints placed on Net Position are a) externally imposed by creditors, grantors, contributors or laws, or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

*Restricted Net Position* is designated as either expendable or nonexpendable. Expendable Restricted Net Position includes those funds that may be expended either for a stated purpose or for a general purpose subject to externally imposed stipulations. Nonexpendable Restricted Net Position includes those funds that are required to be retained in perpetuity. Restricted Net Position includes the State's permanent endowment funds subject to externally imposed restrictions governing their use.

*Unrestricted Net Position* consists of net position that does not meet the definition of Net Investment in Capital Assets or Restricted Net Position.

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

In the governmental fund financial statements, fund balances are classified as non-spendable, restricted, committed, assigned, or unassigned. Restricted represents those portions of fund balance where constraints placed on the resources are either externally imposed by outside parties or internally imposed by law through constitutional provision or enabling legislation.

*Committed fund balance* represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislature, such as an appropriation or legislation. The State Legislature is the highest level of decision-making authority that can, by passage of legislation, commit fund balance that is not already restricted. Once adopted, the limitation remains in place until similar action takes place, usually in the form of a new budget bill or other legislation.

*Assigned fund balance* is constrained by the Legislature's intent to be used for specific purposes by directive of the Legislative Finance Committee of the Legislature or in some cases by legislation. Legislative directives dictate that all fund balances remaining at the end of the fiscal year shall be reverted back to the State General Fund unless the fund is stipulated as non-reverting by the Legislature or by laws or regulations imposed by grantors. If the fund is non-reverting, the agency governing board or department head has the authority to assign a fund balance for a specific use.

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 1 (CONTINUED)

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The State has not adopted a formal flow assumption policy and therefore uses the GASB recommendations; that is, it is the State's policy to use restricted fund balance before using components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is used first, followed by assigned fund balance, and lastly, unassigned fund balance.

#### **H. Revenues and Expenditures/Expenses**

In the government-wide Statement of Activities, revenues and expenses are segregated by activity (governmental or business-type), then further by function for governmental activities (e.g. general control, education, health and human services, etc.).

Additionally, revenues are classified between program and general revenues. Program revenues include 1) charges to customers or applicants for goods or services, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues, rather than as program revenue. General revenues include all taxes. Certain indirect costs are included in the program expenses reported for individual functions.

In the government-wide financial statements, revenues are reported by source and are further classified as either "general purpose" or "restricted." General purpose revenues are available to fund any activity accounted for in the fund. Restricted revenues are, either by State law or by outside restriction (e.g. federal grants), available only for specific purposes. Unused restricted revenues at year-end are recorded as restrictions of fund balance. When both general purpose and restricted funds are available for use, it is the State's policy to use restricted resources first.

In the governmental fund financial statements, expenditures are reported by character: Current, Capital Outlay, or Debt Service. Current expenditures are sub-classified by function and are for items such as salaries, grants, supplies, and services.

Revenues and expenses of proprietary funds are classified as operating or non-operating and are sub-classified by object (e.g. depreciation, benefits, claims and premiums, and game expense). Operating revenues consist of sales of goods or services, interfund services provided/used, grant revenues for specific activities that are considered operating activities of the grantor, receipts from other agencies for reimbursement of operating transactions, and other miscellaneous revenue that should be classified as operating. For certain loan and investment programs, revenue that would normally be classified as non-operating should be classified as operating. An example of this would include interest income on loans. All other revenues that do not meet the above criteria should be classified as non-operating.

#### **Grants**

Federal grants and assistance awards made based on entitlement periods are recorded as revenues when entitlement occurs. All federal reimbursement-type grants are recorded as revenues when the related allowable expenditures are incurred and all applicable eligibility requirements are met.

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 1 (CONTINUED)

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#### **Investment Income**

Net investment income (loss) includes net appreciation (depreciation) in the fair value of investments, interest income, dividend income, securities lending income, rental income, and investment expenses (which includes investment management and custodial fees, securities lending expense, and all other significant investment related costs). Negative investment income is reported where the decrease in fair value of investments due to market conditions exceeded the other components of investment income.

#### **Endowments**

Net appreciation on the Educational Institutions' investments of donor-restricted endowments are available for authorization for expenditure by the governing boards of the universities with endowments, which are reported in Net Position as restricted for purposes for which the endowments were established. Donor restricted endowment disbursements of the net appreciation of investments are permitted in accordance with the Uniform Prudent Management of Institutional Funds Act, Chapters 46-9A-1 to 46-9A-10, NMSA 1978, except where a donor has specified otherwise. The universities use the total-return policy for authorizing and spending investment income. The universities review the investment earnings designed to support distributions from the pool and to protect the purchasing power of the endowment principal.

#### **Retirement and Employee Benefit Costs**

Most state employees participate in a defined benefit pension plan administered by the New Mexico Public Employees' Retirement Association and the New Mexico Educational Employees' Retirement Board. Contributions collected for the pension plans and the retirement benefits paid are accounted for in the Pension and Other Employee Benefits Trust Funds. All costs for pension, health, and federal social security contributions are reported as expenditures in the appropriate function in governmental fund types or as expenses in applicable proprietary fund types. Pension and other benefits costs are recognized in the fiscal year in which the underlying payroll costs are incurred.

#### **I. Use of Estimates**

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

#### **J. New Accounting Standards**

For the fiscal year ended June 30, 2022, the State implemented the following new accounting standards issued by the Governmental Accounting Standards Board (GASB):

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

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### NOTES TO THE FINANCIAL STATEMENTS – NOTE 1 (CONTINUED)

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*GASB Statement No. 87, Leases*

This statement requires the recognition of certain lease assets and liabilities for leases. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

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

This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

*GASB Statement No. 92, Omnibus 2020*

This statement addresses practice issues that have been identified during implementation and application of certain GASB Statements which were issued in prior years.

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

This statement addresses the accounting and financial reporting implications that have resulted from the replacement of LIBOR as a benchmark for other interest rates.

*GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-An amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB statement No. 32*

This statement clarifies language and practice associated with certain Deferred Compensation Plans.

### **K. Future Accounting Standards**

The following pronouncements of the Governmental Accounting Standards Board (GASB) are due to be implemented by the State in the year indicated. For all of these new standards, the State has not determined the effect on the financial statements that implementation of the standards will entail.

*GASB Statement No. 91, Conduit Debt Obligations*

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice. The statement is due to be adopted by the State for the fiscal year ending June 30, 2023. (Implementation date modified per GASBS 95).

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

The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The statement is due to be adopted by the State for the fiscal year ending June 30, 2023.

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 1 (CONTINUED)

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

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The statement is due to be adopted by the State for the fiscal year ending June 30, 2023.

*GASB Statement No. 100, Accounting Changes and Error Corrections*

This statement provides guidance and clarification when dealing with accounting changes and error corrections. The statement is due to be adopted by the State for the fiscal year ending June 30, 2024.

*GASB Statement No. 101, Compensated Absences*

This statement attempts to bring more uniformity into measuring and reporting for compensated absences. This statement is due to be adopted by the State for the fiscal year ending June 30, 2025.

#### **L. State Auditor Rule Disclosure**

The Office of the State Auditor Rule requires that audit reports contain a schedule of Joint Powers Agreements (JPA) and Memoranda of Understanding (MOU) that are significant to the State as a whole. There are none that meet this criterion.

Disclosure of these schedules may be found in the stand-alone audit reports which have been issued by the individual State agencies. These are available from the Office of the State Auditor at [www.saonm.org](http://www.saonm.org).

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 2

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#### NOTE 2. Cash

##### Primary Government

##### New Mexico State Treasurer

All monies, except with specific authority, must be deposited with the State Treasurer. These operating funds are commingled in the State Investment Pool, managed by the Treasurer. Every State agency reports its operating cash as “Investment in State General Fund Investment Pool”, and this pool is reported in Note 3, “Investments”. The issues concerning the reconciliation of the State General Fund Investment Pool and the resolution are reported in Note 17, “State General Fund Investment Pool.”

Cash on deposit represents the demand deposit account with the fiscal agent bank. Current year transactions reflect all banking activity for the fiscal year as well as the activity of investments purchased and disposed of during the fiscal year. The State Treasurer invests all public monies, with the exception of the New Mexico Lottery and the university funds. The university funds are entirely under the control of the universities. These funds are held in excess of the minimum compensating balance maintained with the fiscal agent bank in accordance with an investment policy approved by the State Board of Finance (BOF). The State Treasurer invests excess cash balances on behalf of certain earmarked funds of state agencies identified by State statute and local governments. Interest earnings are distributed based on average outstanding cash balances for local governments and the state agencies where interest is allowed to be earned. All other interest earnings are transferred to the State General Fund Appropriations Account.

All State agencies, unless otherwise exempted, must have specific approval from the State Treasurer in order to maintain separate bank accounts. These accounts are mainly used for custodial fund purposes, when the funds are being held by the agency in a fiduciary capacity and the funds do not belong to the State.

***Custodial Credit Risk.*** The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The State Treasurer’s Office collateral manager reviews and tracks all state funds held in state depository institutions. Deposits and collateral are reviewed almost daily and a statutorily required risk assessment is performed quarterly. Balances are collateralized in compliance with NMAC 2.60.4.

The State Treasurer invests all public monies held in excess of the minimum compensating balance maintained with the fiscal agent bank in accordance with an investment policy approved by the State Board of Finance. The Treasurer deposits public monies with New Mexico financial institutions in denominations which generally are in excess of the \$250 thousand in federal deposit insurance. Accordingly, the State Treasurer requires that depository financial institutions provide additional collateral for such investments. The collateral generally is in the form of marketable debt securities and is required in amounts ranging from 50.0 percent to 102.0 percent of the par value of the investment, dependent on the institution’s operating results and capital. Collateral for the fiscal agent account is required in amounts equal to 50.0 percent of the average investment balance.



# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 2 (CONTINUED)

As of June 30, 2022, collateral pledged to public money deposits was as follows:

**Office of the State Treasurer**  
**Statutory Collateral Compliance**  
*(Expressed in Thousands)*

	<u>Fiscal Agent Account</u>	<u>Certificates of Deposit</u>
Cash in Bank *	\$ 93,527	\$ 5,100
Less: FDIC Insurance Coverage	-	(500)
<b>Total Unsecured Public Funds</b>	<u>\$ 93,527</u>	<u>\$ 4,600</u>
Collateral Requirement (50.0% - 102.0% of Uninsured Public Funds)	<u>\$ 46,764</u>	<u>\$ 2,300</u>
Collateral Pledged:		
U.S. Government Securities	\$ 225,266	\$ 1,212
Surety Bond	-	2,000
<b>Collateral Pledged</b>	<u>225,266</u>	<u>3,212</u>
<b>Over Collateralized</b>	<u>\$ 178,502</u>	<u>\$ 912</u>

\* Fiscal agent bank is required to collateralize the monthly average balance.

While the balances of the Office of State Treasurer are fully collateralized per state statute, *GASB Statement No. 40* requires that the State disclose balances which are not fully insured. As of June 30, 2022, the funds held by the State Treasurer in the fiscal agency account were exposed to custodial credit risk as follows:

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 2 (CONTINUED)

**Office of the State Treasurer**  
**Custodial Credit Risk**  
*(Expressed in Thousands)*

	<b>Balance at</b>
	<b>June 30, 2022</b>
Cash in Banks	\$ 689,086
Less: Deposit of Institutions Which are Fully Insured and Collateralized	<u>(605,446)</u>
Deposits of Institutions Not Fully Collateralized	83,640
Less: FDIC Insurance Coverage	<u>(1,750)</u>
Uninsured Deposits	<u>81,890</u>
Collateral Pledged:	
Surety Bond	2,775
Securities	<u>45,410</u>
Total Collateral Pledged	<u>48,185</u>
<b>Subject to Custodial Credit Risk</b>	<b><u>\$ 33,705</u></b>

In the table above, FDIC insurance coverage and collateral pledged relate only to those institutions whose deposits are not fully insured and/or collateralized.

The cash deposits which relate to investments of the State Investment Council, the Public Employees Retirement Association, the Educational Retirement Board, the Retiree Health Care Authority, and the Education Trust Board are monitored by their individual Boards in conjunction with contracted professional investment firms. The respective Boards of these agencies have instituted policies and procedures to safeguard the public assets under their control.

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 3

#### NOTE 3. Investments

The following schedule lists the total investments reported in the financial statements (expressed in thousands).

	<u>Balance at June 30, 2022</u>
Primary Government:	
Current:	
Investment in State General Fund Investment Pool	\$ 13,048,236
Investment in Local Government Investment Pool	101,605
Investments	491,151
Noncurrent:	
Investments	32,503,165
Fiduciary Funds:	
Investment in State General Fund Investment Pool	265,226
Investment in Local Government Investment Pool	8,639
Investments	37,322,868
Component Units:	
Investments	2,511,801
Investment in Local Government Investment Pool	67,538
	<u>67,538</u>
<b>Total Investments</b>	<b><u>\$ 86,320,229</u></b>
 <i>Reconciliation to Investments presented</i>	
Total presented above	\$ 86,320,229
Less - Information presented separately:	
Investments Held by Agencies in SIC Pools	(1,649,586)
Investments Held by Agencies - LGIP	(1,306,896)
Other	451,781
Total separately held investments	<b><u>\$ 83,815,528</u></b>

There are six different agencies or groups which report investments for the State, each of them with separate authority and different objectives. They are: a) the Office of the State Treasurer; b) the State Investment Council; c) the Public Employee and Educational Employee Retirement Plans; d) the State universities and colleges; e) Education Trust Board; and f) State agencies with separately-held investments. In addition, the component units also report separately held investments.

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

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### NOTES TO THE FINANCIAL STATEMENTS – NOTE 3 (CONTINUED)

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Those agencies whose investments are held by either the State Investment Council (SIC) or the State Treasurer’s Local Government Investment pool (LGIP) are presented in either the SIC or LGIP disclosures, in order to prevent duplication.

#### **State Treasurer**

The State Treasurer operates four separate investment pools. They are as follows:

##### *General Fund Investment Pool*

The General Fund is the State of New Mexico’s main operating account. All State revenues are credited to the State General Fund. Income taxes, sales taxes, rents and royalties, and other recurring revenues are deposited into the fund. The fund also comprises numerous State agency accounts whose assets, by statute, must be held at the State Treasury. Expenditures are disbursed only in accordance with appropriations authorized by the State Legislature.

##### *Consolidated Investment Pool (Tax-Exempt Bond Proceeds Investment Pool #1)*

The Tax-Exempt Bond Proceeds Investment Pool is comprised of pooled assets received through the issuance of tax-exempt State of New Mexico general obligation, severance tax, and supplemental severance tax bonds. The fund’s objective is to preserve capital, provide liquidity, and generate returns relative to the true interest cost of all State of New Mexico debt outstanding and in accordance with the Investment Policy of the Office of the State Treasurer.

##### *Consolidated Investment Pool (Taxable Bond Proceeds Investment Pool #2)*

The Taxable Bond Proceeds Investment Pool is comprised of pooled assets received through the issuance of State of New Mexico severance tax bonds. The fund’s objective is to preserve capital, provide liquidity, and generate returns relative to a benchmark and in accordance with the State Treasurer’s Investment Policy.

##### *Local Government Investment Pool (LGIP; Short-term Investment Pool)*

Cities, counties, and other agencies invest monies in the State Treasurer external investment pool (LGIP). The LGIP investments are presented at fair value based on the valuation date in the financial statements. The individual participant balances remain at their amortized cost. As of June 30, 2022, LGIP amortized cost approximated fair value, with the difference deemed immaterial.

The LGIP is not SEC registered. Chapter 6-10-10.1, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States government or by its departments or agencies, and are either direct obligations of the United States or are backed by the full faith and credit of the United States government, or are agencies sponsored by the United States government. The LGIP investments are monitored by the same investment committee and adhere to the same policies and procedures that apply to all other state investments. The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts were invested. Participation in the LGIP is voluntary. As of June 30, 2022, the WAM(R) of the LGIP was 49 days, and the WAM(F) was 89 days. The fund was rated AAAM by Standard & Poor’s as of June 30, 2022.

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 3 (CONTINUED)

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#### *Investment Guidelines and Limitations*

The Investment Policy is a comprehensive guide governing the investment functions of the New Mexico State Treasurer with respect to all financial assets of the State of New Mexico invested by the State Treasurer in the exercise of their authority and for which the State Treasurer acts as the investing authority. These assets include, as examples only, the State General Fund, the LGIP, bond proceeds, bond debt service funds, and those pension and permanent funds included in Note 12 and other special funds with respect to which the State Treasurer is the investing authority.

The investment policy and the public finance investment decisions of the State Treasurer must serve and satisfy several fiduciary, fiscal, and financial obligations. In making these decisions and in resolving any conflict or competing considerations that may arise from time to time among these obligations, the State Treasurer will observe the following priority:

- Preservation of Principal – to ensure the performance of basic governmental functions, the first priority must be accorded to the preservation and protection of the principal of the funds to be invested;
- Maintenance of Liquidity – the second level of priority must be accorded to maintaining sufficient liquidity to satisfy the reasonable anticipated, continuing operational requirements of State Government, and
- Maximum Return – the third priority must be accorded to maximizing investment return, through budgetary and economic cycles, consistent with the higher priority accorded to the security and liquidity of principal.

#### **State Investment Council**

The State of New Mexico Investment Council (Council) is responsible for the investment activities of certain State trust funds. The Council is composed of eleven members, and currently manages the Land Grant, Severance Tax, and Tobacco Settlement Permanent Funds, the Water Trust Fund, and various investment pools for the benefit of state agencies and other political entities within the State of New Mexico.

In accordance with Chapter 6-8, NMSA 1978, the Council is authorized to invest in domestic and international stocks, debt obligations of the U.S. government, its agencies, or instrumentalities, debt obligations of any U.S. or foreign corporation, partnerships, or trusts with an investment-grade rating from a national rating service, real estate investments, national private equity investments, repurchase agreements secured by U.S. obligations or other securities backed by the U.S., and hedge funds.

#### **Pension Benefits Funds**

The two pension benefits agencies are the Public Employees Retirement Association of New Mexico (PERA) and the Educational Retirement Board (ERB). PERA operates four separate cost-sharing multiple-employer public employee retirement systems, and ERB operates one such system for the benefit of educational employees in the State. More information on each of these agencies can be found elsewhere in these Notes. Each is governed by a separate Board, and each has specific investment policies and guidelines to which they must adhere.

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 3 (CONTINUED)

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#### State Universities and Colleges

As mentioned in Note 1. B, the ten educational institutions created by the *Constitution of the State of New Mexico* are included in the State reporting entity. Eight of these institutions maintain separate investment portfolios, as permitted by statute, with some of the investments held and managed by State agencies and some managed by the institutions themselves. Each has investment policies and guidelines which are similar.

#### Education Trust Board

The Education Trust Board (ETB) is responsible for the management of the two higher education savings plans: Scholar's Edge, and The Education Plan (Plans). The Plans are savings vehicles for higher education expenses under Section 529 of the U.S. Internal Revenue Code. The funds are managed by a private company under contract agreement.

#### Individual State Agencies

Those agencies with investments in either the State Investment Council Investment Pools or the State Treasurer's Local Government Investment Pool report these investments on their balance sheet. Certain agencies are permitted to invest funds in other ways, such as certificates of deposit. These investments are permitted by statute, depending on the main purpose of the agency.

#### A. Fair Value

**Fair Value Measurement** – The State categorizes fair value measurements within the fair value hierarchy established by *GASB Statement No. 72, Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

**Level 1** inputs are quoted prices (unadjusted) for identical assets in active markets, accessible at the measurement date. Level 1 inputs include exchange markets, dealer markets, brokered markets, and principal-to-principal markets.

**Level 2** inputs are inputs other than quoted prices included within Level 1 that are observable for an asset, either directly or indirectly. Level 2 inputs include quoted prices for similar assets in active markets and quoted prices for identical or similar assets in markets that are not active.

**Level 3** inputs are unobservable inputs for an asset.

Investments that do not have a readily determinable fair value are recorded using net asset value (NAV). NAV is generally provided by the investment managers but the State considers the reasonableness of the NAV, based on market information, to arrive at the fair value estimates for each investment.

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 3 (CONTINUED)

Investment	State of New Mexico Fair Value of Investments (Expressed in Thousands)			
	Fair Value June 30, 2022	Quoted Prices, Active Markets (Level 1)	Observable Inputs	
			Other Than Quoted Prices (Level 2)	Unobservable Inputs (Level 3)
<b>Investments By Fair Value Level</b>				
<b>Equity Securities:</b>				
Domestic Common Stock	\$ 4,714,485	\$ 4,713,579	\$ 906	\$ -
International Common Stock	1,218,280	1,218,276	-	4
Equities	13,707,675	13,698,900	863	7,912
Money Market Funds	182	182	-	-
Money Market Mutual Funds	506,919	506,919	-	-
Mutual Funds - Equity	3,593,464	3,593,464	-	-
Pooled Funds - Mutual Funds	1,727	-	1,727	-
Public REIT	5,267	5,267	-	-
Exchange-traded Funds	18,799	18,799	-	-
Nonredeemable Securities	73	-	-	73
Real Estate	5,836	4,849	-	987
Self-directed Investments (Deferred Comp.)	7,536	7,536	-	-
Other Investments	9,301	9,301	-	-
Total Equity Securities	23,789,544	23,777,072	3,496	8,976
<b>Debt Securities:</b>				
U.S. Government Bonds	6,049,259	446,026	5,603,233	-
US Treasuries	2,824,890	262,523	2,562,367	-
US Agency Securities	204,113	9,849	194,264	-
Non-U.S. Government Bonds	284,801	75,832	184,906	24,063
Municipal Bonds	132,487	150	132,337	-
Corporate Bonds	3,697,429	61	3,697,368	-
Core Fixed Income	2,357,217	450,135	1,907,061	21
Domestic Fixed Income	906,998	906,998	-	-
Global Fixed Income	388,442	-	388,442	-
Mutual Funds - Fixed	58,975	58,581	394	-
Certificates of Deposit	22,140	19,286	2,505	349
Commercial Paper	1,118,197	-	1,118,197	-
Mortgage-backed Securities	844,969	11	803,981	40,977
Asset-backed Securities	360,617	-	360,312	305
Collateralized Loan Oblig./Coll. Debt Oblig.	207,686	-	207,686	-
Demand Notes	272,055	-	272,055	-
Discounted Notes and T-bills, Zero Coupon	2,125,079	-	2,125,079	-
Repurchase Agreements	531,639	-	531,639	-
Bankers' Acceptances	50,903	-	50,903	-
Bank Loans	54,136	-	54,136	-
Government-sponsored Ent. & Agency Issues	264,045	-	-	264,045
Supranationals	533,153	-	533,153	-
TIPS	500,835	500,835	-	-
Sovereign Debt	5,689	-	5,689	-
Securities Lending Collateral Investments	299,345	-	299,345	-
Short-term Securities	58,553	50,384	8,169	-
Cash Collateral	(274)	-	(274)	-
Total Debt Securities	24,153,378	2,780,671	21,042,947	329,760

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 3 (CONTINUED)

Investment	Fair Value June 30, 2022	Quoted Prices, Active Markets (Level 1)	Observable Inputs Other Than Quoted Prices (Level 2)	Unobservable Inputs (Level 3)
<b>Investments By Fair Value Level (Continued):</b>				
<b>Alternative Investments:</b>				
Master Limited Partnerships	\$ 256,827	\$ 256,827	\$ -	\$ -
Total Alternative Investments	256,827	256,827	-	-
<b>Investments in Derivative Instruments:</b>				
Credit Derivatives	(1,104)	-	(1,104)	-
Equity Derivatives	14,669	(6,026)	20,695	-
Fixed Income Derivatives	(19,522)	(13,443)	(6,079)	-
Interest Rate Derivatives	4,576	1,509	3,067	-
Currency Derivatives	(1,669)	(1,669)	-	-
Commodity Derivatives	13,810	-	13,810	-
Total Derivative Instruments	10,760	(19,629)	30,389	-
<b>Total Investments Measured At Fair Value</b>	<b>48,210,509</b>	<b>\$ 26,794,941</b>	<b>\$ 21,076,832</b>	<b>\$ 338,736</b>
<b>Investments Measured At Net Asset Value (NAV):</b>				
		<b>Unfunded Commitments</b>	<b>Redemption Frequency</b>	<b>Redemption Notice Period</b>
Portable Alpha Hedge Funds	4,892	\$ -		
Commingled International Equity	1,836,184	-		
Comm. Emerging Market Debt Fund	403,057	-		
Absolute Return (Hedge) Funds	2,440,189	\$ -	Quarterly	30-65 days
Private Equity Partnerships	3,704,549	\$ 1,245,717	Not redeemable	Not redeemable
	2,674,885	P 1,164,292	Not eligible	n/a
Regional Private Equity Partnerships	447,919	\$ 77,568	Not redeemable	Not redeemable
Private Debt Partnerships	244,991	P 214,993	Not eligible	n/a
Real Estate Equity Partnerships	986,737	P 557,249	Not eligible	n/a
Real Estate Debt Partnerships	331,441			
Real Estate Partnerships	1,203,211	\$ 911,746	Not redeemable	Not redeemable
Open-ended Real Estate Partnerships	2,727,145	\$ 11,870	Quarterly	45-90 days
Real Asset Partnerships	1,177,070	P 374,804	Not eligible	n/a
Open-ended Real Asset Partnerships	375,479	\$ 60,019	Quarterly - biann.	90-180 days
Real Asset Funds	2,217,544	\$ 672,058	Not redeemable	Not redeemable
Real Estate Funds	12,189	-		
Commingled Bond Funds	101,206	-		
Commingled Global Asset Allocation	1,022,052	-		
Opportunistic Credit Funds	2,568,665	-		
Private Equity Funds	4,102,566	-		
Private Real Estate Assets	2,443,102	-		
Hedge Funds	169	-		
Hedge Fund - Multi-strategy	2,700	-		
Hedge Fund - Equity Long/Short	4,472	-		
Domestic Venture Capital	1,812	-		
Bond Plus Alpha Engine	830,184	-		



# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 3 (CONTINUED)

Investment	Fair Value June 30, 2022	Quoted Prices, Active Markets (Level 1)	Observable Inputs	
			Other Than Quoted Prices (Level 2)	Unobservable Inputs (Level 3)
<b>Investments Measured At</b>				
<b>Net Asset Value (NAV) (Continued):</b>		<b>Unfunded</b>	<b>Redemption</b>	<b>Redemption</b>
		<b>Commitments</b>	<b>Frequency</b>	<b>Notice Period</b>
Marketable Alternatives	\$ 40,377	\$ -		
Credit and Structured Finance Pool	2,695,028	-		
Illiquid Funds	13,096	-		
Mutual Funds - Equity	306,759	-		
Lifecycle Funds Def. Comp.)	196,130	-		
Private Equity	173,056	-		
Limited Partnerships:				
Private Markets	682	-		
Private Real Assets	329	-		
Private Credit	1,385	-		
Global Equity	17,358	-		
Opportunistic Credit	12,250	-		
<b>Investments Measured at NAV</b>	<b>35,320,860</b>	<b>\$ 5,290,316</b>	<b>-</b>	<b>-</b>
<b>Investments Measured at Amortized Cost:</b>				
Money Market	76,920			
<b>Investments at Amortized Cost</b>	<b>76,920</b>			
<b>Investments Measured at Contract Value:</b>				
Stable Value Options (Def. Comp.)	134,466			
Guaranteed Investment Account	400,156			
<b>Investments at Contract Value</b>	<b>534,622</b>			
<b>Other Investments:</b>				
Lovelace Hospital	11,583			
Credit Enhancement Program	2,479			
New Mexico Catalyst Fund	2,229			
Savings Account	1,002			
Cash	4,142			
Less: UNM Investments Held in				
Consolidated Investment Fund	(348,818)			
<b>Total Other Investments</b>	<b>(327,383)</b>			
<b>Total Separately-held</b>				
<b>Investments</b>	<b>\$ 83,815,528</b>			

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 3 (CONTINUED)

**Key:**

D Def. Comp. - PERA  
E Ed. Ret. Bd.  
N NMSU  
P PERA  
S St. Inv. Council  
T Ed. Tr. Bd.  
U UNM

#### **B. Custodial Credit Risk**

Custodial credit risk is the risk that the State will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party if the counterparty fails. Investment securities are exposed to risk if the securities are uninsured, are not registered in the name of the State (or State agency), and are held by either the counterparty or the counterparty's trust department or agent but not in the State's (or State Agency's) name.

The State Treasurer's investment policy for safekeeping and custody states that all investment securities purchased by the State, held as collateral on repurchase agreements or held as collateral on securities lending arrangements shall be held in third-party safekeeping at a fiduciary qualified to act in this capacity. All securities held for the State account will be held free and clear of any lien and all transactions will be conducted in compliance with Chapter 6-10-10(O), NMSA 1978, which requires contemporaneous transfer and same day settlement. On a monthly basis, the custodian will provide reports, which list all transactions that occurred during the month, and all securities held for the State at month-end, including the book and market value of holdings. The fiscal agent and representatives of the custodian responsible for, or in any manner involved with, the safekeeping, and custody process of the State shall be bonded in such a fashion as to protect from losses from malfeasance and misfeasance. All investment and collateral securities were held by the State Treasurer or its Custodian in the name of the State Treasurer.

Public Employees Retirement Association (PERA's) securities are held by a third-party custodian, independent of any counterparty. The Custodian holds assets directly, through its agents, its sub-custodians, or designated clearing systems, and is responsible for delivery, receipt, pricing, valuation, and record-keeping services for all securities. PERA reports securities valued at \$ 6.7 billion as held in the name of the investment fund by the fund's custodian bank, and \$ 9.6 billion held under custody arrangements contracted by fund managers.

Education Retirement Board (ERB's) securities are held by a financial institution as a third-party custodian, independent of any counterparty, and are held in the name of ERB. All investments of the State Investment Council (SIC) are held in the name of SIC. All investments of the Retiree Health Care Authority (RHC) are held by SIC. All investments of the Education Trust Board (ETB) are held in the name of that Board.

The University of New Mexico reports that the primary institution had no exposure to custodial credit risk at June 30, 2022. Its discretely-presented component units had exposure for a total of \$ 8.0 million. All of the other schools reported no exposure to custodial credit risk.

#### **C. Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. U.S. obligations or investments guaranteed by the U.S. Government are excluded from this requirement. The quality rating

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 3 (CONTINUED)

of PERA's investment policy restricts investments to specific investment ratings issued by nationally recognized statistical rating organizations.

ERB requires that noncash, interest-paying securities in the high-yield bond portfolios may not exceed 5.0 percent of the market value of the portfolio and that investments in cash may represent no more than 5.0 percent of each individual fund. Credit risk is managed through diversification and by operating within defined parameters versus a benchmark index.

ETB invests directly in Underlying Investments. The registered Underlying Investments' prospectuses provide greater detail about the investment strategies and practices of the Underlying Investments, in compliance with federal regulations and specifically, the Form N-1A of the Investment Company Act of 1940. Form N-1A discloses information and policies about the Underlying Fund and its investment objectives, as well as information on the company structure and operations. In addition, the Program Disclosure Statement and the Participation Agreement provide greater detail about the credit risk, if any, by certain non-registered Underlying Investment.

The quality ratings of investments in fixed income securities at June 30, 2022, were as follows:

<b>State of New Mexico</b>		
<b>Quality Ratings of Investments</b>		
<i>(Expressed in Thousands)</i>		
<b>Investment</b>	<b>Rating</b>	<b>Fair Value</b>
<b>Investments Subject to Credit Risk - S&amp;P Ratings:</b>		
<b>Government Bonds</b>	<b>AAA</b>	<b>\$ 14,936</b>
	AA+	2,844,275
	AA	186
	AA-	4,734
	A+	2,404
	A	322
	A-	3,383
	BBB+	8,578
	BBB	21,698
	BBB-	11,297
	BB+	5,866
	BB	8,188
	BB-	12,752
	B+	330
	B	1,185
	B-	5,008
	CCC+	2,753
	CC	227
	Not Rated	17,117

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 3 (CONTINUED)

State of New Mexico  
Quality Ratings of Investments (Continued)  
(Expressed in Thousands)

Investment	Rating	Fair Value	
Investments Subject to Credit Risk - S&P Ratings (Continued):			
Foreign Government Bonds	AAA	\$ 15,263	
	AA+	6,426	
	AA	4,616	
	AA-	5,439	
	A+	6,735	
	A	810	
	A-	606	
	BBB+	1,979	
	BBB	9,628	
	BBB-	2,483	
	BB+	50,196	
	BB	1,407	
	BB-	6,512	
	B+	3,101	
	B	2,185	
	B-	4,750	
CCC+	3,563		
	Not Rated	200,888	
U.S. Government Agencies	AAA	709,024	
	AA+	5,369,634	
Municipal Bonds	AAA	10,312	
	AA+	2,991	
	AA	18,730	
	AA-	19,576	
	A+	40	
	A	2,804	
	BBB+	1,996	
	BB-	872	
		Not Rated	1,452
	Corporate Bonds	AAA	24,936
AA+		199,115	
AA		71,050	
AA-		168,596	
A+		299,528	
A		244,180	
	A-	442,161	

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 3 (CONTINUED)

State of New Mexico  
Quality Ratings of Investments (Continued)  
(Expressed in Thousands)

Investment	Rating	Fair Value	
Investments Subject to Credit Risk - S&P Ratings (Continued):			
Foreign Government Bonds (continued)	B	\$ 2,185	
	B-	4,750	
	CCC+	3,563	
	Not Rated	200,888	
U.S. Government Agencies	AAA	811,130	
	AA+	5,528,924	
Municipal Bonds	AAA	10,312	
	AA+	2,991	
	AA	18,730	
	AA-	19,576	
	A+	40	
	A	2,804	
	BBB+	1,996	
	BB-	872	
	Not Rated	1,452	
	Corporate Bonds	AAA	24,936
		AA+	199,115
		AA	71,050
AA-		168,596	
A+		299,528	
A		244,180	
A-		442,161	
BBB+		591,191	
BBB		465,352	
BBB-		503,130	
BB+		223,508	
BB		258,490	
BB-		291,299	
B+	215,409		
B	159,128		
B-	120,412		
CCC+	42,058		
CCC	18,515		

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 3 (CONTINUED)

**State of New Mexico**  
**Quality Ratings of Investments (Continued)**  
*(Expressed in Thousands)*

<u>Investment</u>	<u>Rating</u>	<u>Fair Value</u>
Investments Subject to Credit Risk - S&P Ratings (Continued):		
Corporate Bonds (Continued):		
	BBB+	\$ 591,191
	BBB	465,352
	BBB-	503,130
	BB+	223,508
	BB	258,490
	BB-	291,299
	B+	215,409
	B	159,128
	B-	120,412
	CCC+	42,058
	CCC	18,515
	CCC-	2,826
	CC	58,047
	D	62
	Not Rated	162,255
Mortgage-backed Securities		
	AAA	9,543
	AA+	836,114
	AA-	6
	A+	676
	A	8,000
	A-	15,150
	BBB+	1,010
	BBB	6,297
	BBB-	15,960
	BB	3,087
	BB -	1,846
	B+	4,492
	B	6,376
	B-	500
	Not Rated	253,486
Commercial Mortgage-backed Securities		
	AAA	60,003
	AA+	47,081
	AA	2,402
	AA-	1,350
	A+	180
	A	337

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 3 (CONTINUED)

**State of New Mexico**  
**Quality Ratings of Investments (Continued)**  
*(Expressed in Thousands)*

Investment	Rating	Fair Value
Investments Subject to Credit Risk - S&P Ratings (Continued):		
Commercial Mortgage-backed Securities (Continued):	A-	\$ 703
	BBB	955
	BBB-	769
	BB-	185
	B	802
	B-	1,518
	CCC-	171
	Not Rated	169,762
Asset-backed Securities	AAA	82,144
	AA+	22,011
	AA	27,504
	AA-	10,279
	A+	74,412
	A	64,167
	A-	4,657
	BBB+	8,488
	BBB	21,940
	BBB-	8,565
	BB+	3,224
	BB	631
	B+	806
	B	536
	B-	1,737
	CCC+	95
	CCC	4,412
	CC	3,209
	D	1,402
	Not Rated	245,531
Collateralized Debt/Loan Obligations	AAA	75,186
	AA	2,582
	A	4,519
	BBB+	238
	BBB	347
	BBB-	9,850
	BB-	1,242
	Not Rated	113,722

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 3 (CONTINUED)

State of New Mexico  
Quality Ratings of Investments (Continued)  
(Expressed in Thousands)

Investment	Rating	Fair Value
Investments Subject to Credit Risk - S&P Ratings (Continued):		
Collateralized Mortgage Obligations/REMIC	AAA	\$ 598
	AA+	264,981
	AA	22
	A+	243
	A	451
	A-	2,078
	BBB+	603
	BBB	545
	BBB-	728
	BB	1,508
	BB-	6,074
	B+	3,871
	B-	1,424
	CCC	948
	D	296
	Not Rated	60,223
U.S. Treasury Bills	AA+	139,678
	Not Rated	38,244
Certificates of Deposit	Not Rated	349
Mutual Funds - Fixed	AAA	970
	Not Rated	39,750
Mutual Funds - Closed-end Equity	AAA	297
	AA	1,720
	A	749
	BBB+	91
	BBB	132
Preferred Stock	BBB	249
	BBB-	596
	BB+	23
	Not Rated	16,495
Banker's Acceptances	A+	13,064
Demand Notes	AA-	400
Discounted Notes/T-bills (zero coupon)	AA+	1,946,262
Private Placement	BB+	901
Yankee	BBB	19,222
	BB-	51,818
Miscellaneous Other	AA+	4,000
Total Subject to Risk - S & P Ratings		18,852,305



# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 3 (CONTINUED)

State of New Mexico  
Quality Ratings of Investments (Continued)  
(Expressed in Thousands)

Investment	Rating	Fair Value
Investments Subject to Credit Risk - Moody's Ratings:		
Corporate Bonds	Aaa	\$ 4,977
	Aa2	5,535
	Aa3	1,297
	A1	29,443
	A2	32,739
	A3	31,063
	Baa1	21,682
	Baa2	5,351
	Baa3	1,140
Commercial Paper	A-1+	810,019
Municipal Bonds	Aa1	250
	Aa2	1,609
	Aa3	3,261
	A-1	911
Discounted Notes	A-1+	169,545
Demand Notes	A-1+	10,000
	A-1	13,615
U.S. Treasury Bills	A-1+	211,949
Bankers Acceptances	A-1+	9,809
Money Market Mutual Funds	AAAm	3,183,430
	Aaa	47
	Not Rated	33,821
Total Subject to Risk - Moody's Ratings		4,581,493
Investments Subject to Credit Risk - Fitch's Ratings:		
Municipal Bonds	AA-	52,525
Other Investments Subject to Credit Risk - Not Rated:		
TIPS	Not Rated	500,835
Swaps	Not Rated	(1,023)
Derivatives	Not Rated	(19,522)
Commercial Paper	Not Rated	53,491
Demand Notes	Not Rated	388,318
Equity Securities	Not Rated	3,658
Municipal Bonds	Not Rated	150
Repurchase Agreements	Not Rated	531,639

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 3 (CONTINUED)

**State of New Mexico**  
**Quality Ratings of Investments (Continued)**  
*(Expressed in Thousands)*

<u>Investment</u>	<u>Rating</u>	<u>Fair Value</u>
Other Investments Subject to Credit Risk - Not Rated (Continued):		
Certificates of Deposit	Not Rated	\$ 11,953
Money Market	Not Rated	394
Money Market Mutual Funds	Not Rated	506,872
Limited Partnership	Not Rated	40,988
Mortgage-backed Securities	Not Rated	11
Real Estate Holdings	Not Rated	987
Savings Account	Not Rated	1,002
Other Investments Subject to Credit Risk: Not Rated	Not Rated	<u>2,019,753</u>
Total Investments Subject to Credit Risk		25,506,076
Investments Not Subject to Credit Risk		55,139,198
PERA - Deferred Compensation (Info not available)		705,296
Less: UNM Investments Held in Consol. Inv. Pool		(348,818)
Add: Education Trust Board Investments (presented in separate note)		2,269,128
Information Not Available		<u>544,648</u>
<b>Total Separately-held Investments</b>		<b><u>\$ 83,815,528</u></b>

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 3 (CONTINUED)

The credit ratings for the Education Trust Board are shown separately as follows:

**New Mexico Education Trust Board  
Quality Rating of Investments  
June 30, 2022**

**Scholar's Edge Plan**

<u>Portfolio/Rating</u>	<b>AAA</b>	<b>AA</b>	<b>A</b>	<b>BBB</b>	<b>BB</b>
iShares Core U.S. Aggregate Bond ETF	72.79 %	2.49 %	15.68 %	9.04 %	0.00 %
MainStay MacKay High Yield Corp. Class R-6	0.00	0.10	0.10	15.00	52.80
Principal Core Fixed Income Fund Class R-6	49.08	1.73	17.37	29.84	0.95
Principal Short-term Income Fund Inst. Class	42.19	5.28	15.74	29.85	1.18
Vanguard Total Int'l. Bond Index Fund ETF	23.41	26.18	29.51	18.49	0.00

<u>Portfolio/Rating</u>	<b>B</b>	<b>Below B</b>	<b>Not Rated</b>	<b>Total</b>
iShares Core U.S. Aggregate Bond ETF	0.00 %	0.00 %	0.00 %	100.00 %
MainStay MacKay High Yield Corp. Class R-6	26.20	4.80	1.00	100.00
Principal Core Fixed Income Fund Class R-6	0.82	0.12	0.09	100.00
Principal Short-term Income Fund Inst. Class	0.95	0.00	4.81	100.00
Vanguard Total Int'l. Bond Index Fund ETF	0.00	1.42	0.99	100.00

**The Education Plan**

<u>Portfolio/Rating</u>	<b>AAA</b>	<b>AA</b>	<b>A</b>	<b>BBB</b>	<b>BB</b>
DFA Inflation-Protected Securities - Inst. Class	100.00 %	0.00 %	0.00 %	0.00 %	0.00 %
iShares Core Int'l. Aggregate Bond ETF	20.67	24.86	30.31	15.19	0.00
TIAA-CREF Core Plus Bond Fund Inst. Class	38.65	5.35	10.96	26.92	9.79
Vanguard Short-term Inflation-Prot. Sec. Index Inst.	99.90	0.00	0.00	0.00	0.00
Vanguard Short-term Treasury Index Inst.	99.85	0.00	0.00	0.00	0.00
Vanguard Total Bond Market	70.91	2.98	11.77	14.27	0.00
Vanguard Untra Short-term Bond - Adm	19.32	8.90	38.00	33.34	0.00
Vanguard Total Bond Market II Inst.	71.11	2.85	11.85	14.08	0.00
Vanguard High Yield Corp. ADM	3.93	0.20	0.00	5.26	55.24
PGIM Global Total Return Class R-6	16.25	8.78	15.24	32.46	14.85

<u>Portfolio/Rating</u>	<b>B</b>	<b>Below B</b>	<b>Not Rated</b>	<b>Total</b>
DFA Inflation-Protected Securities - Inst. Class	0.00 %	0.00 %	0.00 %	100.00 %
iShares Core Int'l. Aggregate Bond ETF	0.00	0.00	8.97	100.00
TIAA-CREF Core Plus Bond Fund Inst. Class	4.10	0.37	3.86	100.00
Vanguard Short-term Inflation-Prot. Sec. Index Inst.	0.00	0.00	0.10	100.00
Vanguard Short-term Treasury Index Inst.	0.00	0.00	0.15	100.00
Vanguard Total Bond Market	0.00	0.07	0.00	100.00
Vanguard Untra Short-term Bond - Adm	0.00	0.40	0.04	100.00
Vanguard Total Bond Market II Inst.	0.00	0.10	0.01	100.00
Vanguard High Yield Corp. ADM	31.37	4.00	0.00	100.00
PGIM Global Total Return Class R-6	5.54	1.64	5.24	100.00

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 3 (CONTINUED)

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#### **D. Concentration of Credit Risk**

Concentration of credit risk is the risk of loss that may arise in the event of default by a single issuer. It is the policy of the State to diversify its investments portfolios. Assets shall be diversified to reduce the risk of loss resulting from an over-concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. At June 30, 2022, there were no holdings with a single issuer comprising five percent or more of total net investments. It should be noted that investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

#### **E. Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investments. Investment managers attempt to match investments with anticipated cash requirements so as to lessen this risk.

PERA's interest rate risk is controlled by the duration guidelines provided in the Investment Guidelines for each fixed income manager. Duration is loosely defined as the dollar weighted average time to recover all of principal and fixed-income investment. PERA's fixed-income managers are typically limited to duration of plus or minus one year or 20.0 percent of the duration of the applicable portfolio benchmark. ERB does not have a policy for interest rate risk management. However, interest rate risk is managed through duration by operating within defined risk parameters versus a benchmark index.

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 3 (CONTINUED)

Maturities on investment at June 30, 2022, were as follows:

Investment	Fair Value	State of New Mexico Maturities on Investments (Expressed in Thousands)				
		< 1 year	1-5 years	6-10 years	> 10 Years	Life Not Avail.
<b>Investments Subject to Interest Rate Risk:</b>						
U.S. Treasuries	\$ 614,149	\$ 279,809	\$ 194,662	\$ 139,678	\$ -	\$ -
U.S. Government Agencies	9,059,991	2,187,903	5,235,582	989,268	647,238	-
Corporate Bonds	4,695,376	859,613	1,992,495	1,629,841	213,410	17
Municipal/Provincial Bonds	391,529	315,819	52,741	-	22,969	-
Non-U.S. Government Bonds	398,499	-	-	398,499	-	-
Certificates of Deposit	21,936	3,643	18,293	-	-	-
Repurchase Agreements	250,000	250,000	-	-	-	-
Collateralized Debt Obligations	207,686	207,686	-	-	-	-
CMO/REMIC	238,202	152,466	7,295	15,085	63,356	-
Asset-backed Securities	524,359	36,432	166,785	258,125	63,017	-
Commercial Mortgage-backed	285,285	97,894	-	436	186,955	-
Commercial Paper	876,574	876,574	-	-	-	-
Discounted Notes	169,545	169,545	-	-	-	-
Discounted Notes/T-bills (zero coupon)	1,946,262	1,946,262	-	-	-	-
Demand Notes	412,333	388,318	24,015	-	-	-
Derivatives (Swaps)	(19,522)	-	(19,522)	-	-	-
Money Market	61,640	18,677	2,673	1,206	39,084	-
Money Market Mutual Funds	3,690,349	800,224	2,890,125	-	-	-
Mortgage-backed Secs.	1,331,269	560	307,592	13,094	1,010,023	-
Mutual Funds - Fixed	2,989	-	312	2,447	230	-
Mutual Funds	33,386	-	970	-	-	32,416
Preferred Stock	19,432	-	-	-	2,069	17,363
TIPS	500,835	-	-	500,835	-	-
Futures	(4,697)	(4,880)	183	-	-	-
Bankers' Acceptances	9,809	9,809	-	-	-	-
Swaps	2,850	-	3,418	(568)	-	-
Swaptions	(1,853)	(1,132)	(721)	-	-	-
Short-term Investments STIF)	603,890	603,890	-	-	-	-
Savings Account	1,002	-	-	-	-	1,002
Cash Collateral	(275)	-	-	-	-	(275)
Miscellaneous Other	4,001	4,000	1	-	-	-
<b>Investments Subject to Interest Rate Risk</b>	<b>26,326,831</b>	<b>\$ 9,203,112</b>	<b>\$ 10,876,899</b>	<b>\$ 3,947,946</b>	<b>\$ 2,248,351</b>	<b>\$ 50,523</b>
Investments Not Subject to Interest Rate Risk	54,318,094					
Less: UNM Investments in Consolidated Pool	(348,819)					
Information Not Available	1,250,294					
Add: Education Trust Board - (presented in separate note)	2,269,128					
<b>Total Separately-held Investments</b>	<b>\$ 83,815,528</b>					

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 3 (CONTINUED)

The maturities on investments for the Education Trust Board are shown separately as follows:

<b>New Mexico Education Trust Board</b>				
<b>Maturities on Investments</b>				
<u>Investment</u>	<u>&lt; 1 year</u>	<u>1-5 years</u>	<u>6-10 years</u>	<u>Fair Value (In thousands)</u>
<b>The Scholar's Edge:</b>				
iShares Core U.S. Aggregate Bond ETF			6.46	22,177
MainStay MacKay High Yield Corp. Class R-6		3.90		4,382
Principal Core Fixed Income Fund Class R-6			6.08	412,049
Principal Short-term Income Fund Inst. Class		1.84		177,025
Vanguard Total Int'l. Bond Index Fund ETF			7.70	766
<b>The Education Plan:</b>				
DFA Inflation-Protected Securities - Inst. Class			7.11	1,707
iShares Core Int'l. Aggregate Bond ETF			7.32	99,425
TIAA-CREF Core Plus Bond Fund Inst. Class			6.12	6,524
Vanguard Short-term Inflation-Prot. Sec. Index Inst.		2.69		18,413
Vanguard Short-term Treasury Index Inst. Class		1.90		67,488
Vanguard Total Bond Market			6.67	13,323
Vanguard Ultra Short-term Bond Adm	0.91			1,238
Vanguard Total Bond Market II Inst.			6.66	68,804
Vanguard High-Yield Corporate Fund ADM		4.27		11,641
PGIM Global Total Return Fund Class R-6			7.30	2,036

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 3 (CONTINUED)

#### F. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment.

Exposure to foreign currency risk at June 30, 2022 was as follows:

**State of New Mexico**  
**Foreign Currency Risk**  
**International Investment Securities at Fair Value**  
*(Expressed in Thousands)*

Foreign Currency	Equity	Fixed Income	Vent. Cap., Pref. Stk., Rts., REITs, Ptshps., Wrnts.	Derivatives	Total Investments	Cash and Cash Equivalents
Argentine Peso	\$ -	\$ 121	\$ -	\$ -	\$ 121	\$ 631
Australian Dollar	230,437	8,144	-	70	238,651	827
Botswana Pula	11	-	-	-	11	1
Brazilian Real	76,809	2,040	-	1	78,850	854
British Pound Sterling	735,410	43,935	95,857	1,036	876,238	7,358
Canadian Dollar	414,454	11,841	-	(617)	425,678	2,770
Chilean Peso	2,058	133	-	-	2,191	182
Chinese Yuan Renminbi	141,488	34,146	-	-	175,634	443
Colombian Peso	1,690	660	-	40	2,390	183
Czech Koruna	2,074	296	-	-	2,370	252
Danish Krone	97,547	18,888	-	14	116,449	555
Dominican Peso	143	-	-	-	143	14
Egyptian Pound	38	-	-	-	38	3
Euro	1,557,129	167,618	1,219,313	1,186	2,945,246	38,335
Ghanian Cedi	104	-	-	-	104	-

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 3 (CONTINUED)

State of New Mexico  
Foreign Currency Risk (Continued)  
International Investment Securities at Fair Value  
(Expressed in Thousands)

Foreign Currency	Equity	Fixed Income	Vent. Cap., Pref. Stk., Rts., REITs, Ptshps., Wrnts.	Derivatives	Total Investments	Cash and Cash Equivalents
Hong Kong Dollar	\$ 539,405	\$ -	\$ -	\$ -	\$ 539,405	\$ 4,372
Hungarian Forint	4,394	163	-	11	4,568	200
Indian Rupee	44,672	-	-	-	44,672	448
Indonesian Rupiah	60,533	1,755	-	(16)	62,272	411
Israeli Shekel	34,723	465	-	-	35,188	536
Japanese Yen	1,082,150	52,387	-	(24)	1,134,513	7,893
Kenyan Shilling	5	-	-	-	5	-
Kuwaiti Dinar	2,957	-	-	-	2,957	58
Malaysian Ringgit	20,453	1,225	-	-	21,678	169
Mexican Peso	57,602	3,884	-	(674)	60,812	2,441
New Taiwan Dollar	264,552	-	-	-	264,552	2,072
New Zealand Dollar	9,857	452	-	-	10,309	464
Norwegian Krone	65,194	236	-	(41)	65,389	304
Peruvian Nuevo Sol	1,608	5,989	-	(603)	6,994	188
Philippine Peso	5,972	-	-	-	5,972	47
Polish Zloty	10,618	416	-	-	11,034	300
Qatari Riyal	9,100	-	-	-	9,100	223
Romanian Leu	1,000	190	-	-	1,190	50



# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 3 (CONTINUED)

State of New Mexico  
Foreign Currency Risk (Continued)  
International Investment Securities at Fair Value  
(Expressed in Thousands)

Foreign Currency	Equity	Fixed Income	Vent. Cap., Pref. Stk., Rts., REITs, Ptshps., Wrnts.	Derivatives	Total Investments	Cash and Cash Equivalents
Russian Ruble	\$ 453	\$ -	\$ -	\$ -	\$ 453	\$ 71
Saudi Riyal	37,121	-	-	-	37,121	147
Singapore Dollar	71,985	682	-	-	72,667	348
South African Rand	60,675	8,188	-	540	69,403	691
South Korean Won	159,326	3,931	-	-	163,257	2,354
Swedish Krona	130,872	1,261	-	-	132,133	844
Swiss Franc	563,662	2,034	-	63	565,759	564
Thai Baht	44,061	1,277	-	-	45,338	104
Tunisian Dinar	2	-	-	-	2	0
Turkish Lira	6,509	-	-	-	6,509	98
UAE Dirham	9,166	-	-	-	9,166	21
Uruguayan Peso	77	-	-	-	77	0
Subtotals	<u>\$ 6,558,096</u>	<u>\$ 372,357</u>	<u>\$ 1,315,170</u>	<u>\$ 986</u>	8,246,609	77,826
Total Investments and Cash and Cash Equivalents Subject to Foreign Currency Risk					8,246,609	<u>\$ 77,826</u>
Investments Not Subject to Foreign Currency Risk					76,429,843	
<b>Total Separately-held Investments</b>					<u>\$ 84,676,452</u>	

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

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### NOTES TO THE FINANCIAL STATEMENTS – NOTE 3 (CONTINUED)

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#### Securities Lending

The State Public Employee Retirement Association (PERA) participates in a securities lending program as authorized by State statute and its Board policies. Both the State Investment Council and the Educational Retirement Board have terminated their lending programs.

The types of securities lent are U.S. Treasury Notes and Bonds, U.S. and international equity securities, and corporate bonds and notes. Under this program, securities are transferred to an independent broker-dealer or other lending agent in exchange for collateral in the form of cash, government securities, and/or irrevocable bank letters of credit, with a simultaneous agreement to return the collateral for the same securities in the future. The collateral must equal at least 102.0 percent of the market value of the securities.

Per Board policy, PERA may invest the cash collateral in eligible securities or other investments as defined in the governing securities lending agreement. The duration of investments so made does not generally match the maturities of securities loaned. Securities received as collateral may not be pledged or sold without borrower default.

Total securities on loan at June 30, 2022, had a carrying amount and fair value of \$575.5 million. Under the agreement, the lending agent is required to indemnify the entity if the borrower fails to return the securities, if collateral is inadequate to replace the securities lent, or if the counterparty fails to pay the entity for income distributions by the securities' issuers while the securities are on loan. There were no such losses during the year ended June 30, 2022, due to borrower default.

The fair value of investments made with cash collateral is reported as an asset; the fair value of collateral received is recorded as a liability as PERA must return the cash collateral to the borrower upon the expiration of the loan. The securities lending obligations were \$299.3 million at June 30, 2022. Total cash and noncash collateral was \$611.7 million, 106.8% of the fair value of the securities on loan.

As of June 30, 2022, there had been no losses resulting from borrower defaults and PERA had no credit risk exposure to borrowers because the amounts PERA owed to borrowers did not exceed the amounts the borrowers owed to PERA. Net earnings from the securities lending program totaled \$1.7 million for the fiscal year.

#### Derivatives

Derivatives are generally defined as contracts whose value depends on, or derives from, the value of an underlying asset, reference rate, or index. The State's retirement funds' investment policies allow certain portfolio managers to trade in certain derivatives for hedging purposes.

The notional or contractual amounts of derivatives indicate the extent of the State's involvement in the various types and uses of derivative financial instruments and do not measure the State's exposure to credit or market risks, and they do not necessarily represent amounts exchanged by the parties. The amounts exchanged are determined by reference to the notional amounts and other terms of the derivatives.

The fair value balances and notional amounts of derivative instruments outstanding for PERA and ERB at June 30, 2022, classified by type, and the changes in fair value of such derivative instruments for the year then ended as reported in the financial statements are as follows:

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 3 (CONTINUED)

**Public Employees Retirement Association**  
**Derivative Financial Instruments**  
*(Expressed in Thousands)*

<u>Derivative Type</u>	<u>Change in Fair Value</u>	<u>Fair Value</u>	<u>Notional Amount</u>	<u>Unit of Value</u>
<b>Futures Contracts</b>				
Currency Futures	\$ 4,626	\$ (1,670)	\$ 85,621	\$ 79,961
Equity Index Futures	(2,976)	(3,413)	274,420	270,985
Bond Index Futures	(3,933)	(928)	366,068	367,393
Commodity Futures	(12,851)	(12,651)	(50,303)	(62,953)
Other	(335)	136	1,423	1,508
<b>Options</b>				
Fixed Income Options	\$ (1,622)	\$ (1,609)	\$ -	\$ (1,609)
<b>Swap Contracts</b>				
Return Swaps (Equity)	\$ (10,329)	\$ 20,695	\$ -	\$ (43)
Cleared Credit Default Swaps	(11,217)	(2,882)	-	-
Commodity Swaps	13,811	13,811	-	-
Cleared Inflation Swaps	(1,215)	(1,845)	-	-
Credit Default Swaps	(12)	(6)	-	-
Cleared Interest Rate Swaps	(136)	263	-	-

**Educational Retirement Board**  
**Derivative Financial Instruments - Notional Amounts**  
*(Expressed in Thousands)*

<u>Derivative Type</u>	<u>Balance at June 30, 2022</u>
Commodity Futures	\$ 1,800
Futures Contracts	21,386
FX Forward Contracts, Net	132,260
Index Futures	248
Options, Net	(5,565)
Pay Interest Rate Swaps	29,244
Receive Interest Rate Swaps	62,110

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 3 (CONTINUED)

**Educational Retirement Board**  
**Unrealized Gain/(Loss) and**  
**Fair Values of Derivative Instruments**  
*(Expressed in Thousands)*

<u>Derivative Type</u>	<u>Classification</u>	<u>Gain/Loss</u>	<u>Classification</u>	<u>Amount</u>
Commodity Futures - Long	Investment Income	\$ 3,663	Investment	\$ -
Commodity Futures - Short	Investment Income	(390)	Investment	-
Credit Default Swaps - Purch.	Investment Income	65	Investment	-
Fixed Income Futures - Long	Investment Income	(4,194)	Investment	-
Fixed Income Futures - Short	Investment Income	787	Investment	-
Fx Forwards	Investment Income	327	Investment	(316)
Index Futures - Long	Investment Income	(62,159)	Investment	-
Options - Purchased	Investment Income	527	Investment	116
Options - Written	Investment Income	(379)	Investment	(118)
Pay Interest Rate Swaps	Investment Income	2,987	Investment	1,195
Receive Interest Rate Swaps	Investment Income	(2,777)	Investment	(2,186)
Warrants	Investment Income	11	Investment	-

*Risk* – There are certain risks inherent in investments in derivatives. Counterparties to financial instruments expose the State to credit risk in the event of nonperformance. The fund managers that are authorized to invest in derivatives are given specific parameters as to the types of derivatives invested in and ratings of the counterparties, they are allowed to enter into contracts with to ensure transactions are entered into with only high-quality institutions. The State is exposed to market risk; the risk that changes in market conditions may make an investment less valuable. Exposure to market risk is managed within risk limits set by management through buying and selling of specific instruments or by entering into offsetting positions. Foreign currency risk for investments is the risk that changes in exchange rates will adversely affect the investments. Managers of these assets are given discretion to hedge this risk.

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 3 (CONTINUED)

**Educational Retirement Board**  
**Summary of Outstanding Futures, Options, and Swaps Contracts, By Currency**  
*(Expressed in Thousands)*

Transaction Type	Currency	Notional Amount	Unrealized Gain/Loss
Futures	Euro	\$ (2,614)	\$ 17
	U.S. Dollar	26,048	(1,940)
Options Purchased	U.S. Dollar	7,900	110
Options Written	U.S. Dollar	(13,465)	(107)
Swaps	Brazilian Real	23,061	(539)
	Chilean Peso	2,554	(15)
	Colombian Peso	3,058	(113)
	Czech Koruna	1,575	(318)
	Hungarian Forint	6,939	2
	Malaysian Ringgit	21,271	(115)
	Mexican Peso	5,729	(394)
	Polish Zloty	8,541	305
	South African Rand	12,930	4
	South Korean Won	4,458	(27)
	Thai Baht	1,239	(23)
	Chinese Yuan Renminbi	-	(82)
Warrants	U.S. Dollar	-	66
	<b>Totals</b>	<b>\$ 109,224</b>	<b>\$ (3,169)</b>

#### Types of Derivatives Instruments

**Foreign Currency Exchange Contracts.** The State's retirement funds may enter into forward contracts to purchase and sell foreign currencies in the normal course of its investing activities to manage the currency exposure associated with the State's foreign equity and fixed income investments. The terms of these contracts generally do not exceed one year. The credit risk associated with these contracts is minimal as they are entered into with a limited number of highly rated counterparties.

Risks associated with such contracts include movement in the value of the foreign currency relative to the U.S. dollar and the ability of the counterparty to perform. Gains and losses in foreign currency may occur to the extent that the fair value of the contracts varies from the actual contract amount, and they are recorded as incurred in the financial statements.

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 3 (CONTINUED)

The following table summarizes the foreign exchange contracts by currency held by the Education Retirement Board as of June 30, 2022:

**Educational Retirement Board**  
**Foreign Currency Exchange Contracts**  
*(Expressed in Thousands)*

<u>Currency</u>	<u>Buys</u>	<u>Unrealized Gain (Loss)</u>	<u>Sells</u>	<u>Unrealized Gain (Loss)</u>
Australian Dollar	\$ 953	\$ 83	\$ 706	\$ (67)
Brazilian Real	14,495	103	22,652	12
Canadian Dollar	258	18	253	(13)
Chilean Peso	-	30	271	(27)
Chinese Yuan Renminbi	7,996	(118)	183	(10)
Colombian Peso	-	(4)	2,077	(216)
Czech Koruna	-	45	3,717	(88)
Egyptioan Pound	-	-	374	4
Euro	8,584	379	2,505	(69)
Hungarian Forint	3,489	101	3,051	(47)
Indian Rupee	939	9	-	(46)
Indonesian Rupiah	2,739	81	-	(13)
Japanese Yen	231	37	468	(58)
Malaysian Ringgit	203	-	1,562	(14)
Mexican Peso	60	(5)	4,807	(101)
New Israeli Shekel	7,413	237	213	(12)
New Zealand Dollar	-	8	-	(9)
New Taiwan Dollar	8,408	108	-	(11)
Philippine Peso	795	(4)	5,052	(121)
Polish Zloty	952	21	5,731	(206)
Romanian Leu	110	2	1,051	(31)
Russian Ruble	-	8	-	3
Singapore Dollar	-	6	1,198	(8)
Sol	-	(21)	2,088	(25)
South African Rand	3,800	387	576	(23)
South Korean Won	3,922	60	-	(22)
Thai Baht	7,869	176	-	(74)
Turkish Lira	142	1	367	40
Ukranian Hryvnia	-	(7)	-	-
<b>Totals</b>	<b>\$ 73,358</b>	<b>\$ 1,741</b>	<b>\$ 58,902</b>	<b>\$ (1,252)</b>

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 3 (CONTINUED)

**Futures Contracts.** The State’s retirement funds enter into futures contracts in the normal course of its investing activities, including equity futures, fixed income futures, and commodities futures. They are utilized in order to manage market risk associated with equity and fixed income investments and to achieve overall investment portfolio objectives. These contracts involve elements of market risk in excess of amounts recognized in the statements of Net Position available for benefits. The credit risk associated with these contracts is minimal as they are traded on organized exchanges.

**Options.** An option is a contract in which the writer of the option grants the buyer of the option the right to purchase from (call option), or sell to (put option) the writer a designated instrument at a specified price within a specified period. Both written and purchased options were used by the State during the fiscal year. When the State purchases or writes an option, an amount equal to the premium paid or received by the State is recorded as an asset or liability and is subsequently adjusted to the current market value of the option purchased or written. Gain or loss is recognized when the option contract expires or is closed. As of June 30, 2022, there were no open written or purchased options.

**Swap Contracts.** Swap contracts are executed on a number of different bases. The two types employed by the State during the fiscal year were interest rate swap contracts and credit default swap contracts. An interest rate swap contract is an agreement between two parties to exchange periodic interest payments. One party agrees to make payments to the other based on a fixed rate of interest in exchange for payments based on a variable rate. The State employs interest rate swap contracts to adjust fixed income portfolio durations. A credit default swap contract is similar to an insurance policy; with the credit risk of an individual issuer or a basket of issuers (the “reference asset”) the insured factor. Under such a contract, two parties enter into an agreement whereby the first party pays the second party a fixed periodic payment for the specified life of the contract (analogous to an insurance premium). The other party makes no payment unless a credit event related to the reference asset occurs. If such an event takes place, the second party is obligated to make a payment to the first party. The size of the payment is linked to the decline in the reference asset’s market value following determination of the occurrence of a credit event.

**Hedge Funds.** The use of other derivatives is allowed under the Hedge Fund Investment Policy. These investments are under the management of the Hedge Fund managers who are employed in the “Hedge Fund”, “Emerging Market Debt,” and “Opportunistic Credit” classifications.

**Asset-Backed Securities.** The State invests in various forms of asset-backed securities, which fit the previous definition of derivative securities. These securities are held for investment purposes. The credit risk, interest rate risk, and foreign currency risk for these instruments are summarized in the following (expressed in thousands):

	<b>Balance</b>
<b>Derivative Type</b>	<b>at June 30, 2022</b>
Asset-backed Securities	\$ 237,226
Non-agency Mortgage-backed Securities	44,575
Foreign Asset-backed Securities	24,796
<b>Total</b>	<b>\$ 306,597</b>

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 3 (CONTINUED)

#### Discretely Presented Component Units

##### Fair Value

The fair value of investments of the discretely presented component units were as follows:

Investment	State of New Mexico Discretely Presented Component Units Fair Value of Investments (Expressed in Thousands)			
	Fair Value June 30, 2022	Quoted Prices, Active Markets (Level 1)	Observable Inputs Other Than Quoted Prices (Level 2)	Unobservable Inputs (Level 3)
<b>Equity Securities:</b>				
Domestic Common Stock	\$ 5,126	\$ 5,126	\$ -	\$ -
Equities	6,619	6,619	-	-
Exchange Traded Funds	8,569	8,569	-	-
Real Assets	3,038	866	2,172	-
Marketable Securities	7	7	-	-
Mutual Funds - Equity	23,464	23,464	-	-
Real Estate	3,814	-	-	3,814
Money Market Funds	146,364	146,364	-	-
Guaranteed Investment Contract	720	720	-	-
Life Insurance Contracts	507	-	507	-
Beneficial Interest in Trust	742	-	742	-
Total Equity Securities	<u>198,970</u>	<u>191,735</u>	<u>3,421</u>	<u>3,814</u>
<b>Debt Securities:</b>				
U.S. Government Bonds	465	453	12	-
U.S. Government Agencies	60,842	60,842	-	-
US Treasuries	491,913	491,913	-	-
Corporate Bonds	654	-	654	-
U.S. Government-sponsored Enterprise	2,073	-	2,073	-
Mutual Funds - Fixed	39,578	37,013	2,565	-
Motgage-backed Securities	578	-	578	-
Certificates of Deposit	4,657	-	4,657	-
Securitized Mortgage Loans	1,104,784	1,104,784	-	-
Fixed Income	<u>483</u>	<u>483</u>	<u>-</u>	<u>-</u>
Total Debt Securities	<u>1,706,027</u>	<u>1,695,488</u>	<u>10,539</u>	<u>-</u>
<b>Total Investments Measured</b>				
At Fair Value	<u>1,904,997</u>	<u>\$ 1,887,223</u>	<u>\$ 13,960</u>	<u>\$ 3,814</u>



# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 3 (CONTINUED)

Investments Measured At		Unfunded	Redemption	Redemption
Net Asset Value (NAV):		Commitments	Frequency	Notice Period
Real Estate Income Trust (REIT)	256	\$ -	-	-
Limited Partnerships	50,112	-	-	-
Real Estate Funds	7,039	5,339	-	-
Illiquid Real Assets Funds	7,563	5,518	-	-
Hedge Funds - Multi-strategy	4,926	-	Qtrly - Annually	45 - 60 days
Distressed/Restructuring Hedge Funds	4,376	-	Annually - Biennially	45 - 90 days
Global Macro Hedge Funds	4,001	-	Monthly	3 days
Private Equity Funds	687	-	-	-
Technology	1,938	-	Quarterly	60 days
Strategic Funds	285	-	-	-
Private Investment Funds	81,418	23,331	-	-
Mutual Funds - Equity	177,153	-	-	-
<b>Investments Measured at NAV</b>	<u>339,754</u>			
<b>Investments Measured at Amortized Cost</b>				
Money Market Funds in Endowment Pools	<u>22,571</u>			
<b>Investments Measured by the Equity Method:</b>				
Equity Investments in NM Entities	2,231			
Held in Community Foundation Pools	215			
Due From Broker	<u>8,077</u>			
<b>Investments Measured by the Equity Method</b>	<u>10,523</u>			
<b>Other Investments:</b>				
Investment Information Not Available	<u>297,894</u>			
<b>Total Investments, Discretely-presented Components</b>	<u><u>\$ 2,575,739</u></u>			

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 3 (CONTINUED)

#### Credit Risk

The investments of the discretely-presented component units were subject to credit risk as follows:

**State of New Mexico**  
**Discretely Presented Component Units**  
**Quality Ratings**  
*(Expressed in Thousands)*

<b>Investment Type</b>	<b>Rating</b>	<b>Value</b>
<b>Investments Subject to Credit Risk - S&amp;P Ratings:</b>		
U.S. Government Bonds	AA+	\$ 12
	Not Rated	453
U.S. Government Agencies	AAA	13,190
	AA+	11,562
Corporate Bonds	AA+	26
	AA	39
	A+	40
	A-	123
	BBB+	251
	BBB	119
	BBB-	56
Securitized Mortgage Loans	Gov't. Guar.	933,841
	AA+	170,943
Mortgage-backed Securities	AAA	45
	AA	2
	A	17
	Not Rated	514
U.S. Government-sponsored Enterprises	AA+	2,073
<b>Total Subject to Risk - S &amp; P Ratings</b>		<b>1,133,306</b>
<b>Investments Subject to Credit Risk - Moody's Ratings:</b>		
U.S. Government Agencies	AAAm	952
Money Market Funds	AAAm	146,298
	A+	65
	A	1
Guaranteed Invest. Contract	AAAm	71
	A+	115
	A	534
<b>Total Subject to Risk - Moody's Ratings</b>		<b>148,036</b>

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 3 (CONTINUED)

State of New Mexico  
Discretely Presented Component Units  
Quality Ratings *(Continued)*  
*(Expressed in Thousands)*

<u>Investment Type</u>	<u>Rating</u>	<u>Value</u>
Not Rated:		
Government Securities	Not Rated	\$ 35,138
U.S. Treasury Notes	Not Rated	491,913
Fixed Income Mutual Fund	Not Rated	15,756
Held in Community Frnd. Pools	Not Rated	215
Total Not Rated		<u>543,022</u>
Total Subject to Credit Risk		1,824,364
Total Not Subject to Credit Risk		84,527
Information Not Available		<u>666,848</u>
<b>Total Investments, Discretely- Presented Components</b>		<u><u>\$ 2,575,739</u></u>

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 3 (CONTINUED)

#### Interest Rate Risk

The investments of the discretely presented component units were exposed to interest rate risk as follows:

State of New Mexico Discretely Presented Component Units Maturities on Investments (Expressed in Thousands)						
Investment Type	Fair Value	Investment Maturities (in Years)				
		Less Than 1 year	1-5 years	6-10 years	Greater Than 10 Years	Life Not Available
Investments Subject to Interest Rate Risk:						
U.S. Treasury Notes/Bonds	\$ 491,913	\$ 491,550	\$ 363	\$ -	\$ -	\$ -
U.S. Government Agencies	61,307	5,881	55,164	77	185	-
Corporate Bonds	654	9	229	335	81	-
Mortgage-backed Securities	577	-	69	42	466	-
Certificates of Deposit	3,657	-	3,657	-	-	-
Fixed Income	483	-	-	455	28	-
Mutual Funds - Fixed	15,756	-	-	-	-	15,756
Money Market Funds	146,364	146,014	-	-	350	-
Guaranteed Investment Contract	720	-	-	-	720	-
U.S. Gov't-sponsored Enter.	2,074	189	1,885	-	-	-
Securitized Mortgage Loans	1,104,785	-	1,874	3,667	1,099,244	-
Real Assets	3,058	3,058	-	-	-	-
Balanced Funds	282	7	-	-	275	-
Investments Subject to Interest Rate Risk	1,831,630	<u>\$ 646,708</u>	<u>\$ 63,241</u>	<u>\$ 4,576</u>	<u>\$ 1,101,349</u>	<u>\$ 15,756</u>
Investments Not Subject to Interest Rate Risk	445,215					
Information Not Available	298,894					
<b>Total Investments, Discretely-Presented Components</b>	<b><u>\$ 2,575,739</u></b>					

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 4

#### NOTE 4. Receivables

Receivables at June 30, 2022, including the applicable allowances for uncollectible accounts, are as follows (in thousands):

	Federal	Local Governments	Accounts Receivable	Brokers	Interest	Taxes	Current Loans	Allowance	Current Receivables, Net Total	Noncurrent Loans, Net	Noncurrent Accounts Receivable	Noncurrent Receivables, Net Total	Receivables, Net Total
Governmental Activities	\$ 1,165,518	\$ 32,788	\$ 854,059	\$ 238,518	\$ 53,993	\$ 3,681,941	\$ 18,221	\$ (2,100,151)	\$ 3,944,887	\$ 1,799	\$ 181,473	\$ 183,272	\$ 4,128,159
Business-Type Activities	8,057	-	898,067	-	1,424	16,863	14,119	(114,094)	824,436	220,039	96,561	316,600	1,141,036
Fiduciary Funds	-	-	165,866	1,128,968	10,758	445,627	11,041	(1,940)	1,760,320	616	-	616	1,760,936
Component Units	-	-	20,513	-	12,453	-	161,412	-	194,378	2,035,913	1,137	2,037,050	2,231,428
<b>Governmental Funds:</b>													
General	1,162,635	25,604	943,830	52,937	38,456	3,681,941	18,923	(2,094,996)	3,829,330	1,337	11,181	12,518	3,841,848
Debt Service	-	7,312	-	-	9	-	-	-	7,321	-	-	-	7,321
Capital Projects	2,919	87	2,017	-	-	-	-	(407)	4,616	-	106	106	4,722
Severance Tax Permanent	-	-	-	37,956	15,922	-	-	-	53,878	-	-	-	53,878
Land Grant Permanent	-	-	57,835	147,625	-	-	-	-	205,460	-	-	-	205,460
Internal Service	-	-	20,107	-	-	-	-	(5,077)	15,030	-	-	-	15,030
<b>Business-type Activities:</b>													
Educational Institutions	-	-	521,096	-	-	-	-	-	521,096	24,329	32,188	56,517	577,613
Major Enterprise	7,338	-	334,461	-	-	16,863	-	(107,333)	251,329	-	-	-	251,329
Nonmajor Enterprise	719	-	42,510	-	1,424	-	14,119	(6,761)	52,011	195,710	64,373	260,083	312,094
<b>Fiduciary Funds:</b>													
Pension Trust	-	-	160,319	1,127,562	10,750	-	11,041	(227)	1,309,445	616	-	616	1,310,061
External Trust	-	-	904	1,406	-	-	-	-	2,310	-	-	-	2,310
Private Purpose Trust	-	-	724	-	8	-	-	-	732	-	-	-	732
Custodial	-	-	3,919	-	-	445,627	-	(1,713)	447,833	-	-	-	447,833
<b>Discrete Component Units:</b>													
Finance Authority	-	-	1,411	-	7,705	-	161,115	-	170,231	1,739,526	-	1,739,526	1,909,757
Mortgage Finance Authority	-	-	19	-	4,700	-	-	-	4,719	233,999	-	233,999	238,718
Other Major Component Units	-	-	11,494	-	-	-	-	-	11,494	1,211	-	1,211	12,705
Nonmajor Component Units	-	-	7,589	-	48	-	297	-	7,934	61,177	1,137	62,314	70,248

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 4 (CONTINUED)

Accounts receivable balances are an aggregation of amounts due from the federal government, customers, and others. Receivables from customers include charges for services to local governments, fees and fines issued by the courts and corrections, employer contributions for unemployment benefits, amounts from investment brokers, interest earnings, general and selective income taxes, and receivables because of overpayments to individuals receiving state assistance.

#### Leases Receivable

The implementation of GASB No. 87 – *Leases*- not only affects lessees. It also applies to lessors. Leases receivable of more than one year’s duration are affected. Many agencies have had leases in effect for the use of property, equipment, and facilities. Those leases in effect at July 1, 2022 have been recorded at the net present value of payments due, with a corresponding entry to deferred inflows – leases. The discount to net present value has been calculated using the stated rate of interest in the lease agreement. If a rate has not been stated, the agency has used its estimated incremental borrowing rate.

The following are schedules of the future minimum payments for leases receivable as of June 30, 2022 (presented in thousands):

Year	Governmental Activities		Total
	Principal	Interest	
2023	\$ 4,335	\$ 1,508	\$ 5,843
2024	3,301	1,531	4,832
2025	3,211	1,506	4,717
2026	3,052	1,482	4,534
2027	3,463	1,457	4,920
2028 - 2032	13,318	6,881	20,199
2033 - 2037	17,909	9,628	27,537
2038 - 2042	13,527	5,290	18,817
2043 - 2047	13,664	4,699	18,363
2048 - 2052	98,448	13,758	112,206
	<u>\$ 174,229</u>	<u>\$ 47,740</u>	<u>\$ 221,969</u>

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 4 (CONTINUED)

Year	Business-type Activities		Total
	Principal	Interest	
2023	\$ 7,089	\$ 1,074	\$ 8,163
2024	5,829	1,010	6,839
2025	4,796	945	5,741
2026	4,660	884	5,544
2027	3,996	822	4,818
2028 - 2032	18,513	3,250	21,763
2033 - 2037	24,464	3,053	27,517
2038 - 2042	16,196	2,131	18,327
2043 - 2047	15,179	898	16,077
2048	371	57	428
	<u>\$ 101,093</u>	<u>\$ 14,124</u>	<u>\$ 115,217</u>

Year	Discretely-presented Component Units		Total
	Principal	Interest	
2023	\$ 353	\$ 352	\$ 705
2024	323	1	324
2025	213	1	214
2026	222	1	223
2027	198	1	199
2028 - 2032	297	-	297
	<u>\$ 1,606</u>	<u>\$ 356</u>	<u>\$ 1,962</u>

#### Discrete Component Units

The following is an analysis of the allowance for loan losses as of June 30, 2022 for the two largest discretely-presented component units (in thousands):

#### NMFA & NMMFA - Loan Loss Allowance

	NM Finance Authority	NM Mortgage Fin. Auth
Beginning Balance	\$ 6,927	\$ 8,471
Provision for Loan Losses	12,685	3,011
Loans Written Off, Net of Recoveries	(363)	(1,351)
Ending Balance	<u>\$ 19,249</u>	<u>\$ 10,131</u>

**STATE OF NEW MEXICO**

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**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**For the Year Ended June 30, 2022**

**NOTES TO THE FINANCIAL STATEMENTS – NOTE 4 (CONTINUED)**

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NM Finance Authority Loans have repayment terms ranging from one to 30 years. The stated interest rates are between 0.0 – 6.0 percent. NMMFA mortgage loans have repayment terms ranging from 10 to 40 years. The stated interest rates for these programs are as follows:

**NMMFA - Loan Repayment Terms**

<b>Rental Housing Programs</b>	<b>1.98% to 7.02%</b>
<b>Other Mortgage Loans</b>	<b>0.00% to 8.41%</b>
<b>Second Mortgage Down Payment Assistance Loans</b>	<b>0.00% to 8.00%</b>

MBSs have stated interest rates ranging from 2.175% and 7.49%.



# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 5

#### NOTE 5. Interfund and Interagency Receivables, Payables, and Transfers

Interfund receivables and payables balances result from the time lags between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur; 2) transactions are recorded in the accounting system; and 3) payments between funds are made.

Transfers between funds occur when one fund collects revenue and transfers the assets to another fund for expenditure or when one fund provides working capital for another fund. All transfers must be legally authorized by the Legislature through statute or an Appropriation Act. Transfers during the year were made to finance the operations of the individual departments as authorized by the Legislature and to revert (transfers out) any unspent or unencumbered balance of the authorized appropriations. Transfers between the primary government and the fiduciary funds and component units are reclassified as expenditures in the government-wide financial statements.

The composition of interfund balances as of June 30, 2022, is as follows (in thousands):

	Due From	Due To	Transfers In	Transfers Out
<b>Governmental Activities:</b>				
General	\$ 395,414	\$ 1,510,897	\$ 1,152,136	\$ 3,113,706
Debt Service	568,908	48	744,800	1,766,084
Capital Projects	4,413	11,342	43,455	125,020
Severance Tax Permanent	221	-	1,031,916	256,353
Land Grant Permanent	520,070	-	2,320,088	945,825
Internal Service	-	-	22,988	6,551
Subtotal Government Fund Activities	<u>1,489,026</u>	<u>1,522,287</u>	<u>5,315,383</u>	<u>6,213,539</u>
Asset Transfers (Government wide level)				
General			93,910	15,480
Capital Projects			-	83,399
Subtotal Asset Transfers			<u>93,910</u>	<u>98,879</u>
Less: Net Reconciling items from fund to government wide financial statements	<u>(478)</u>	<u>-</u>	<u>(4,712)</u>	<u>-</u>
Total Governmental Activities	<u>1,488,548</u>	<u>1,522,287</u>	<u>5,404,581</u>	<u>6,312,418</u>
<b>Business-type Activities:</b>				
Educational Institutions	34,452	464	965,096	66,648
Major Enterprise	(432)	(445)	-	-
Nonmajor Enterprise	-	263	10,376	987
Total Business-type Activities	<u>\$ 34,020</u>	<u>\$ 282</u>	<u>975,472</u>	<u>67,635</u>
<b>Totals</b>	<u><u>\$ 1,522,568</u></u>	<u><u>\$ 1,522,568</u></u>	<u><u>\$ 6,380,053</u></u>	<u><u>\$ 6,380,053</u></u>

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 6

#### NOTE 6. Capital Assets

Capital and Right to Use asset activity for Governmental Activities for the year ended June 30, 2022, was as follows (in thousands):

Governmental Activities:	Beginning Balance	Restatement	Additions	Deletions	Reclass	Transfers	Ending Balance
<b>Capital and Right to Use Assets not being Depreciated/Amortized:</b>							
<b>Capital Assets not being Depreciated:</b>							
Land and Land Improvements	\$ 690,534	\$ -	\$ 25,181	\$ (82)	\$ 11,549	\$ -	\$ 727,182
Construction in Progress	893,846	17,231	588,092	(4,699)	(509,013)	(12,906)	972,551
Mineral Rights	91,876	-	-	-	-	-	91,876
Art and Other	739	-	40	-	-	-	779
<b>Right to Use Assets not being Amortized:</b>							
Lease Non-Depr Land	-	-	537	-	-	-	537
<b>Total Capital/RUA Assets not being Depreciated/Amortized:</b>	<b>1,676,995</b>	<b>17,231</b>	<b>613,850</b>	<b>(4,781)</b>	<b>(497,464)</b>	<b>(12,906)</b>	<b>1,792,925</b>
<b>Capital Assets and Right to Use Assets being Depreciated:</b>							
<b>Capital Assets being Depreciated:</b>							
Land Improvements	59,150	-	4,851	(4)	3,099	779	67,875
Equipment and Machinery	240,880	(785)	16,218	(4,737)	(5,949)	(307)	245,320
Building and Improvements	2,043,811	18	24,950	(12,786)	12,722	11,129	2,079,844
Furniture and Fixtures	24,041	-	2,182	(1,216)	1,141	373	26,523
Data Processing Equipment and Software	438,511	(2,543)	12,223	(6,781)	45,955	146	487,511
Library Books and Other	15,494	-	164	-	(26)	-	15,632
Vehicles	375,823	(63)	14,122	(7,560)	(338)	50	382,034
Infrastructure	12,856,112	-	806	(1,258,755)	440,860	(755)	12,038,268
<b>Right to Use Assets being Amortized:</b>							
Lease Depr Bldg & Imp	-	-	464,485	(1,499)	-	-	462,986
Lease Depr Air, Autos & Trucks	-	-	12,743	-	-	-	12,743
Lease Depr Equip & Mach	-	-	8,236	(61)	-	-	8,175
Lease Depr Info Tech	-	-	319	-	-	-	319
Lease Asset - Right to Use - Depreciable	-	-	3,611	-	-	-	3,611
<b>Total Capital/RUA Assets being Depreciated/Amortized:</b>	<b>16,053,822</b>	<b>(3,373)</b>	<b>564,910</b>	<b>(1,293,399)</b>	<b>497,464</b>	<b>11,415</b>	<b>15,830,839</b>
<b>Less Accumulated Depreciation/Amortization for:</b>							
<b>Accumulated Depreciation for Depreciable Capital Assets</b>							
Land Improvements	(37,475)	(355)	(2,365)	4	423	-	(39,768)
Equipment and Machinery	(147,000)	1,360	(18,284)	4,708	11,572	597	(147,047)
Building and Improvements	(1,113,793)	1,364	(58,076)	5,799	(1,588)	-	(1,166,294)
Furniture and Fixtures	(18,452)	-	(1,371)	1,084	(615)	-	(19,354)
Data Processing Equipment and Software	(288,132)	(338)	(30,672)	6,597	(9,765)	26	(322,284)
Library Books and Other	(1,307)	-	(43)	-	-	-	(1,350)
Vehicles	(284,953)	13	(23,642)	7,098	(27)	55	(301,457)
Infrastructure	(8,588,469)	-	(379,791)	1,258,740	-	-	(7,709,520)
<b>Accumulated Amortization for:</b>							
Amort Lease Land Improv	-	-	(202)	-	-	-	(202)
Amort Lease Bldg & Impr	-	-	(51,748)	1,499	-	-	(50,249)
Amort Lease Air, Auto & Truck	-	-	(2,716)	-	-	-	(2,716)
Amort Lease Equip & Mach	-	-	(2,205)	61	-	-	(2,144)
Amort Lease Info Tech	-	-	(69)	-	-	-	(69)
<b>Total Accumulated Depreciation/Amortization</b>	<b>(10,479,581)</b>	<b>2,044</b>	<b>(571,184)</b>	<b>1,285,590</b>	<b>-</b>	<b>678</b>	<b>(9,762,454)</b>
<b>Total Capital/RUA Assets being Depreciated/Amortized, Net</b>	<b>5,574,241</b>	<b>(1,328)</b>	<b>(6,274)</b>	<b>(7,809)</b>	<b>497,464</b>	<b>12,093</b>	<b>6,068,385</b>
<b>Total Capital/RUA Assets, Net</b>	<b>\$ 7,251,236</b>	<b>\$ 15,903</b>	<b>\$ 607,576</b>	<b>\$ (12,590)</b>	<b>\$ -</b>	<b>\$ (814)</b>	<b>\$ 7,861,310</b>
<b>GASB 87 Right to use Assets were put in Additions</b>							

Note: With the implementation of GASBS 87, the State of New Mexico has shown all right to use assets recorded in FY2022 as additions in the note disclosure whether the agreement was in effect as of July 1, 2022, or entered into during FY2022, therefore asset additions per the note disclosure will not tie to capital outlay in the financial statements.

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 6 (CONTINUED)

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Depreciation and Amortization expense charged to functions/programs of governmental activities was as follows (in thousands):

General Control	\$	74,802
Education		3,371
Health and Human Services		34,081
Highways and Transportation		393,579
Culture, Recreation, and Nat. Resources		19,754
Judicial		12,761
Legislative		1,923
Public Safety		29,897
Regulation and Licensing		7,289
		<hr/>
<b>Total</b>	<b>\$</b>	<b><u>577,458</u></b>

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 6 (CONTINUED)

Capital and Right to Use asset activity for Business-type Activities for the year ended June 30, 2022, was as follows (in thousands):

Business-type Activities:	Beginning Balance	Restatement	Additions	Deletions	Reclass	Transfers	Ending Balance
Capital and Right to Use Assets not being Depreciated/Amortized:							
Capital Assets not being Depreciated:							
Land and Land Improvements	\$ 100,804	\$ -	\$ 992	\$ -	\$ -	\$ -	\$ 101,796
Construction in Progress	192,821	3,079	280,084	(915)	(146,059)	121	329,131
Art and Other	2,562	-	-	-	-	-	2,561
Total Capital/RUA Assets not being Depreciated/Amortized	296,187	3,079	281,076	(915)	(146,059)	121	433,489
Capital Assets and Right to Use Assets being Depreciated:							
Capital Assets being Depreciated:							
Land Improvements	151,465	-	2,719	(48)	2,500	-	156,636
Equipment and Machinery	995,025	(2)	50,791	(37,171)	80,412	117	1,089,172
Building and Improvements	3,715,903	-	12,852	(31,390)	55,193	437	3,752,995
Furniture and Fixtures	786	-	-	-	-	-	786
Data Processing Equipment and Software	21,304	-	2,393	(44)	(35)	-	23,618
Library Books and Other	350,514	-	9,031	(740)	-	-	358,805
Vehicles	7,865	-	151	(217)	(9)	139	7,929
Infrastructure	351,787	-	3,558	(808)	7,797	-	362,334
Right to Use Assets being Amortized:							
Lease Depr Land Impr	-	-	106	-	-	-	106
Lease Depr Bldg & Imp	-	-	2,700	-	-	-	2,700
Lease Depr Equip & Mach	-	-	4,599	-	-	-	4,599
Lease Asset - Right to Use - Depreciable	-	-	48,036	-	201	-	48,237
Total Capital Assets being Depreciated	5,594,649	(2)	136,936	(70,418)	146,059	693	5,807,917
Less Accumulated Depreciation/Amortization for:							
Accumulated Depreciation for Depreciable Capital Assets							
Land Improvements	(136,201)	-	(8,428)	48	-	-	(144,580)
Equipment and Machinery	(775,723)	-	(56,161)	31,010	259	-	(800,615)
Building and Improvements	(1,775,124)	(26)	(90,494)	20,952	(167)	-	(1,844,859)
Furniture and Fixtures	(740)	-	(8)	-	-	-	(748)
Data Processing Equipment and Software	(17,822)	-	(223)	40	-	-	(18,004)
Library Books and Other	(308,268)	-	(10,746)	480	-	-	(318,534)
Vehicles	(5,900)	-	(256)	212	9	-	(5,935)
Infrastructure	(244,818)	-	(14,139)	82	-	-	(258,875)
Accumulated Amortization for:							
Accum Depr Lease Assets	-	-	(1,543)	-	-	-	(1,543)
Amort Lease Land Improv	-	-	(79)	-	-	-	(79)
Amort Lease Bldg & Impr	-	-	(1,233)	-	-	-	(1,233)
Amort Lease Equip & Mach	-	-	(1,850)	-	-	-	(1,850)
Lease Asset - Right to Use	-	-	(69)	-	(101)	-	(170)
Total Accumulated Depreciation/Amortization	(3,264,596)	(26)	(185,229)	52,824	-	-	(3,397,027)
Total Capital/RUA Assets being Depreciated/Amortized, Net	2,330,053	(28)	(48,293)	(17,594)	146,059	693	2,410,890
Total Capital/RUA Assets, Net	\$ 2,626,240	\$ 3,051	\$ 232,783	\$ (18,509)	\$ -	\$ 814	\$ 2,844,379

GASB 87 Right to use Assets were put in Additions

Note: With the implementation of GASBS 87, the State of New Mexico has shown all right to use assets recorded in FY2022 as additions in the note disclosure whether the agreement was in effect as of July 1, 2022, or entered into during FY2022, therefore asset additions per the note disclosure will not tie to capital outlay in the financial statements.

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 6 (CONTINUED)

Capital and Right to Use asset activity for Fiduciary Funds for the year ended June 30, 2022 was as follows (in thousands):

Fiduciary Funds:	Beginning Balance	Restatement	Additions	Deletions	Reclass	Transfers	Ending Balance
Capital and Right to Use Assets not being Depreciated/Amortized:							
Capital Assets not being Depreciated:							
Land and Land Improvements	\$ 2,793	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,793
Art and Other	31	-	-	-	-	-	31
Total Capital/RUA Assets not being Depreciated/Amortized:	<u>2,824</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,823</u>
Capital Assets and Right to Use Assets being Depreciated:							
Capital Assets being Depreciated:							
Land Improvements	19	-	-	-	-	-	19
Equipment and Machinery	304	-	-	-	(59)	-	245
Building and Improvements	16,082	-	-	-	-	-	16,082
Furniture and Fixtures	1,219	-	-	-	33	-	1,252
Data Processing Equipment and Software	27,442	-	29	(2,751)	26	-	24,746
Vehicles	57	-	-	-	-	-	57
Right to Use Assets being Amortized:							
Lease Depr Bldg & Imp	-	-	4,757	-	-	-	4,757
Lease Depr Equip & Mach	-	-	195	-	-	-	195
Total Capital/RUA Assets being Depreciated/Amortized:	<u>45,123</u>	<u>-</u>	<u>4,981</u>	<u>(2,751)</u>	<u>-</u>	<u>-</u>	<u>47,353</u>
Less Accumulated Depreciation/Amortization for:							
Accumulated Depreciation for Depreciable Capital Assets							
Land Improvements	(1,094)	-	(244)	-	-	-	(1,338)
Equipment and Machinery	(35)	10	(7)	-	21	-	(11)
Building and Improvements	(7,111)	-	(514)	-	-	-	(7,625)
Furniture and Fixtures	(1,183)	(7)	(13)	-	-	-	(1,203)
Data Processing Equipment and Software	(24,665)	-	(253)	2,734	(21)	-	(22,205)
Vehicles	(57)	-	-	-	-	-	(57)
Accumulated Amortization for:							
Amort Lease Bldg & Impr	-	-	(246)	-	-	-	(246)
Amort Lease Equip & Mach	-	-	(182)	-	-	-	(182)
Total Accumulated Depreciation/Amortization	<u>(34,145)</u>	<u>3</u>	<u>(1,459)</u>	<u>2,731</u>	<u>-</u>	<u>-</u>	<u>(32,867)</u>
Total Capital/RUA Assets being Depreciated/Amortized, Net	<u>10,978</u>	<u>3</u>	<u>3,522</u>	<u>(20)</u>	<u>-</u>	<u>-</u>	<u>14,486</u>
<b>Total Capital/RUA Assets, Net</b>	<u><b>\$ 13,802</b></u>	<u><b>\$ 3</b></u>	<u><b>\$ 3,522</b></u>	<u><b>\$ (20)</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 17,310</b></u>

**GASB 87 Right to use Assets were put in Additions**

Note: With the implementation of GASBS 87, the State of New Mexico has shown all right to use assets recorded in FY2022 as additions in the note disclosure whether the agreement was in effect as of July 1, 2022, or entered into during FY2022, therefore asset additions per the note disclosure will not tie to capital outlay in the financial statements.

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 6 (CONTINUED)

Capital and Right to Use asset activity for Component Units for the year ended June 30, 2022 was as follows (in thousands):

Component Units - Capital Assets	Beginning Balance	Restatement	Additions	Deletions	Reclass	Transfers	Ending Balance
Capital and Right to Use Assets not being Depreciated/Amortized:							
Capital Assets not being Depreciated:							
Land and Land Improvements	\$ 28,599	\$ -	\$ 3,092	\$ (8)	\$ (208)	\$ -	\$ 31,475
Construction Work in Progress	28,432	-	100	(2,552)	(14,112)	-	11,868
Mineral Rights	30	-	-	-	-	-	30
Art and Other	4,689	17,477	1,853	(2)	-	-	24,017
Right to Use Assets not being Amortized:							
Lease Non-Depr Assets	14	-	-	-	(14)	-	-
Lease Non-Depr Land Impr	-	-	8	-	-	-	8
<b>Total Capital/RUA Assets not being Depreciated/Amortized:</b>	<b>61,764</b>	<b>17,477</b>	<b>5,053</b>	<b>(2,562)</b>	<b>(14,334)</b>	<b>-</b>	<b>67,398</b>
Capital Assets and Right to Use Assets being Depreciated:							
Capital Assets being Depreciated:							
Building and Improvements	111,891	-	33,785	-	14,176	-	159,852
Leasehold Improvements	2,017	58	412	-	143	-	2,630
Infrastructure	17,822	-	-	-	-	-	17,822
Aircrafts	105	-	-	-	-	-	105
Vehicles	3,627	-	334	-	-	-	3,961
Machinery And Equipment	16,391	-	725	-	(148)	-	16,968
Data Processing Equipment and Software	4,154	-	225	-	(202)	-	4,177
Furniture and Fixtures	12,711	(58)	2,784	(121)	(6)	-	15,310
Right to Use Assets being Amortized:							
Lease Depr Assets	(3)	-	-	-	3	-	-
Lease Depr Bldg & Imp	-	-	56,193	-	-	-	56,193
Lease Depr Equip & Mach	-	-	1,478	-	14	-	1,492
Lease Depr Info Tech	-	-	89	-	-	-	89
<b>Total Capital Assets being Depreciated</b>	<b>168,715</b>	<b>-</b>	<b>96,025</b>	<b>(121)</b>	<b>13,980</b>	<b>-</b>	<b>278,599</b>
Less Accumulated Depreciation/Amortization for:							
Accumulated Depreciation for Depreciable Capital Assets							
Building and Improvements	(26,165)	(2)	(4,430)	-	-	-	(30,597)
Infrastructure	(11,136)	5	-	-	-	-	(11,131)
Vehicles	(2,527)	(137)	(192)	-	-	-	(2,856)
Equipment and Machinery	(10,088)	-	(52)	-	149	-	(9,991)
Leasehold Improvements	(428)	(2)	(226)	-	-	-	(656)
Data Processing Equipment and Software	(2,350)	-	(521)	-	202	-	(2,669)
Furniture and Fixtures	(7,997)	136	(1,245)	188	6	-	(8,912)
Accumulated Amortization for:							
Amort Lease Bldg & Impr	-	-	(7,554)	-	-	-	(7,554)
Amort Lease Equip & Mach	-	-	(343)	-	(3)	-	(346)
<b>Total Accumulated Depreciation/Amortization</b>	<b>(60,691)</b>	<b>-</b>	<b>(14,563)</b>	<b>188</b>	<b>354</b>	<b>-</b>	<b>(74,712)</b>
<b>Total Capital/RUA Assets being Depreciated/Amortized, Net</b>	<b>108,024</b>	<b>-</b>	<b>81,462</b>	<b>67</b>	<b>14,334</b>	<b>-</b>	<b>203,887</b>
<b>Total Capital/RUA Assets, Net</b>	<b>\$ 169,788</b>	<b>\$ 17,477</b>	<b>\$ 86,515</b>	<b>\$ (2,495)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 271,285</b>
<b>GASB 87 Right to use Assets were put in Additions</b>							

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 7

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#### NOTE 7. Deferred Outflows of Resources

##### A. Deferred Charge on Refunding

The State issued multiple series of refunding bonds in prior years to advance-refund certain older issues. Thus, the bonds which were advance-refunded are considered defeased in substance. The excess of the reacquisition price (funds required to refund the old debt) over the net carrying amount of the old debt resulted in a loss, reported as a deferred outflow of resources. For fiscal year ending June 30, 2022, the deferred outflow of resources for governmental activities and business-type activities were as follows (in thousands):

#### Deferred Charge on Refunding

	<u>Governmental</u>	<u>Business-type</u>
Beginning Balance	\$ 37,361	\$ 10,107
Additions	1,021	-
Deletions	(11,291)	(1,031)
Ending Balance	<u>\$ 27,091</u>	<u>\$ 9,076</u>

##### B. Interest Rate Swaps

In the course of bond refunding transactions, the State has entered into transactions termed interest rate swaps, which are classified as hedges. This has resulted in items classified as a deferred outflow of resources. For more information on these interest rate swaps, see Notes 8 G and 8 H.

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 8

#### NOTE 8. Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2022, are presented in the following table (in thousands). As referenced below, certain long-term liabilities are discussed in other Notes to the Financial Statements.

	Beginning Balance, Restated	Additions	Deletions	Ending Balance	Amounts Due Within One Year	Long term Debt
<b>Governmental Activities:</b>						
General Obligation Bonds	\$ 505,295	\$ -	\$ (90,930)	\$ 414,365	\$ 96,805	\$ 317,560
Severance Tax Bonds	968,485	260,900	(118,815)	1,110,570	135,715	974,855
Revenue Bonds and Loans Payable	957,444	282,085	(185,580)	1,053,950	145,075	908,874
Net Unamortized Premiums, Discounts	291,997	104,930	(78,056)	318,871	63,174	255,697
Total Bonds Payable	<u>2,723,221</u>	<u>647,915</u>	<u>(473,381)</u>	<u>2,897,756</u>	<u>440,769</u>	<u>2,456,986</u>
Insurance Claims Payable	167,336	38,696	-	206,032	111,094	94,938
Contingent Liabilities	-	20,900	-	20,900	20,900	-
Compensated Absences	94,674	85,335	(82,502)	97,507	89,945	7,562
Native American Water Settlement Liability	70,543	-	(19,252)	51,291	-	51,291
Pollution Remediation Obligation	41,067	3,286	(2,746)	41,607	1,114	40,493
Lease Liabilities	-	473,329	(36,595)	436,734	52,435	384,299
Total Other Liabilities	<u>373,620</u>	<u>621,546</u>	<u>(141,095)</u>	<u>854,071</u>	<u>275,488</u>	<u>578,583</u>
<b>Total Governmental Long-term Liabilities</b>	<u><b>\$ 3,096,841</b></u>	<u><b>\$ 1,269,461</b></u>	<u><b>\$ (614,475)</b></u>	<u><b>\$ 3,751,826</b></u>	<u><b>\$ 716,257</b></u>	<u><b>\$ 3,035,569</b></u>

Lease liabilities related to the implementation of GASB 87 were included with Additions.

Note: With the implementation of GASBS 87, the State of New Mexico has shown all lease liabilities related to right to use assets recorded in FY2022 as additions in the note disclosure whether the agreement was in effect as of July 1, 2022, or entered into during FY2022, therefore additions per the note disclosure will not tie to other financing sources related to leases in the financial statements.



# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 8 (CONTINUED)

Business-type Activities:	Beginning Balance, Restated	Additions	Deletions	Ending Balance	Amounts Due Within One Year	Long term Debt
General Obligation Bonds	\$ 2,130	\$ -	\$ (870)	\$ 1,260	\$ 540	\$ 720
Revenue Bonds	788,814	14,268	(66,767)	736,315	54,145	682,170
Bond Premium, Discount, Net	28,564	-	(4,778)	23,786	22	23,764
Total Bonds Payable	<u>819,508</u>	<u>14,268</u>	<u>(72,415)</u>	<u>761,361</u>	<u>54,707</u>	<u>706,654</u>
Compensated Absences	113,416	88,611	(94,471)	107,556	87,148	20,408
Reserve for Losses	107,530	-	(2,716)	104,814	22,534	82,280
Notes Payable	9,325	-	(1,090)	8,235	1,165	7,070
Insurance Claims Payable	5,662	5,989	-	11,651	11,651	-
Loans Payable	196,331	-	(196,331)	-	-	-
Capital Leases	173	-	(173)	-	-	-
Lease Liabilities	-	54,604	(497)	54,107	10,851	43,256
Derivative Instruments - Interest Rate Swaps	6,000	-	(3,871)	2,129	-	2,129
Student Loans	11,371	522	(2,461)	9,432	-	9,432
Environmental Cleanup	5,434	-	-	5,434	-	5,434
Total Other Liabilities	<u>455,242</u>	<u>149,726</u>	<u>(301,610)</u>	<u>303,358</u>	<u>133,349</u>	<u>170,009</u>
<b>Total Business-type Long-term Liabilities</b>	<b><u>\$ 1,274,750</u></b>	<b><u>\$ 163,994</u></b>	<b><u>\$ (374,026)</u></b>	<b><u>\$ 1,064,719</u></b>	<b><u>\$ 188,056</u></b>	<b><u>\$ 876,663</u></b>

Lease liabilities related to the implementation of GASB 87 were included with Additions.

Note: With the implementation of GASBS 87, the State of New Mexico has shown all lease liabilities related to right to use assets recorded in FY2022 as additions in the note disclosure whether the agreement was in effect as of July 1, 2022, or entered into during FY2022, therefore additions per the note disclosure will not tie to other financing sources related to leases in the financial statements.

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 8 (CONTINUED)

Fiduciary:	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Long term Debt</u>
Pension Trust Funds						
Reserve for Losses	\$ 23,303	\$ 2,117	\$ -	\$ 25,420	\$ 25,420	\$ -
Lease Liabilities	-	4,952	(343)	4,609	351	4,258
Compensated Absences	1,006	847	(646)	1,207	1,207	-
<b>Total Fiduciary Long-term Liabilities</b>	<u>\$ 24,309</u>	<u>\$ 7,916</u>	<u>\$ (989)</u>	<u>\$ 31,236</u>	<u>\$ 26,978</u>	<u>\$ 4,258</u>

Lease liabilities related to the implementation of GASB 87 were included with Additions.

Note: With the implementation of GASBS 87, the State of New Mexico has shown all lease liabilities related to right to use assets recorded in FY2022 as additions in the note disclosure whether the agreement was in effect as of July 1, 2022, or entered into during FY2022, therefore additions per the note disclosure will not tie to other financing sources related to leases in the financial statements.

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 8 (CONTINUED)

	Beginning Balance, Restated	Additions	Deletions	Ending Balance	Amounts Due Within One Year	Long term Debt
<b>Component Units:</b>						
Revenue Bonds	\$ 2,571,166	\$ 358,779	\$ (291,326)	\$ 2,638,619	\$ 164,694	\$ 2,473,925
Bond/Other LT Payables, Net of Premiums and Discounts	123,305	79,037	(13,758)	188,584	2,883	185,701
Bond Premium, Discount, Net	185,819	68,307	(13,102)	241,024	-	241,024
Total Bonds Payable	<u>2,880,290</u>	<u>506,123</u>	<u>(318,186)</u>	<u>3,068,228</u>	<u>167,577</u>	<u>2,900,651</u>
Compensated Absences	1,834	996	(904)	1,926	1,926	-
Notes Payable	75,460	97,593	(3,418)	169,634	30,098	139,537
Loans Payable	1,122	6,594	-	7,716	7,716	-
Lease Liabilities	-	51,666	(982)	50,684	7,015	43,669
Total Other Liabilities	<u>78,416</u>	<u>156,849</u>	<u>(5,304)</u>	<u>229,961</u>	<u>46,755</u>	<u>183,206</u>
<b>Total Component Unit Long-term Liabilities</b>	<u>\$ 2,958,706</u>	<u>\$ 662,972</u>	<u>\$ (323,490)</u>	<u>\$ 3,298,189</u>	<u>\$ 214,332</u>	<u>\$ 3,083,856</u>

Lease liabilities related to the implementation of GASB 87 were included with Additions.

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 8 (CONTINUED)

#### A. Restatement Summary

A summary of the restated balances of long-term liabilities follows. Only those balances which have changed are presented in this summary (in thousands):

	Ending Balance FY 21	Beginning Balance (Restated)	Change Increase (Decrease)	Reason
<b>Governmental Activities:</b>				
General Obligation Bonds	\$ 505,295	\$ 505,295	\$ -	
Severance Tax Bonds	964,035	968,485	4,450	Not a restatement - Moving between Bonds and Premiums
Revenue Bonds and Loans Payable	958,018	957,444	(574)	Not a restatement - Moving between Bonds and Premiums
Net Unamortized Premiums, Discounts	292,066	291,997	(69)	Not a restatement - Moving between Bonds and Premiums
Insurance Claims Payable	167,336	167,336	-	
Contingent Liabilities	-	-	-	
Compensated Absences	94,674	94,674	-	
Native American Water Settlement Liability	70,543	70,543	-	
Native American Water Settlement Liability	41,067	41,067	-	
Lease Liabilities	-	-	-	
Rounding	-	-	-	
Total Net Change			3,807	
Total Ending Long-term Liabilities, FY 21			3,093,034	
<b>Total Beginning Long-term Liabilities, FY 22</b>			<u>\$ 3,096,841</u>	
<b>Component Units</b>				
Revenue Bonds	\$ 2,589,748	\$ 2,571,166	\$ (18,582)	Not a restatement - Moving between Bonds and Premiums
Bond/Other LT Payables, Net of Premiums a	-	123,305	123,305	Charter Schools Error
Bond Premium, Discount, Net	-	185,819	185,819	Not a restatement - Moving between Bonds and Premiums
Compensated Absences	1,834	1,834	-	
Notes Payable	75,460	75,460	-	
Loans Payable	1,122	1,122	-	
Lease Liabilities	-	-	-	
Total Net Change			290,542	
Total Ending Long-Term Liabilities, FY 21			2,668,164	
<b>Total Beginning Long-term Liabilities, FY 22</b>			<u>\$ 2,958,706</u>	

#### B. General Obligation Bonds

The State issues general obligation bonds to provide funds for the acquisition, construction, and renovation of major capital facilities for local governments as authorized by the Legislature of the State of New Mexico. General obligation bonds are direct obligations and pledge the full faith and credit of the State. These bonds generally are issued as 10-year serial bonds with equal amounts of principal maturing each year. Funding for the payment of the debt service of the general obligation bonds is provided through the collection of property taxes levied by the local governments receiving the funding for capital spending.

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 8 (CONTINUED)

On May 27, 2021, the State issued G. O. Bonds Series 2021 in the par amount of \$166.7 thousand, with a premium of \$ 32.9 thousand, and carrying an interest rate of 5.00 percent. The proceeds of the bonds will be used for capital improvements for senior citizen centers, libraries, and higher education facilities.

General obligation bonds outstanding at year-end are as follows:

<b>General Obligation Bonds Payable</b>						
<i>(Expressed in Thousands)</i>						
<b>Bond Issue</b>	<b>Date Issued</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Original Issue</b>	<b>Balance June 30, 2022</b>	<b>Due in One Year</b>
Series 2015	3/25/15	2025	5.00	\$ 141,635	\$ 50,205	\$ 15,925
Series 2017A	8/1/17	2027	5.00	148,520	89,920	14,815
Series 2017B	8/1/17	2025	5.00	151,790	60,840	29,265
Series 2019	7/30/19	2029	5.00	139,985	68,705	15,310
Series 2021	5/27/21	2031	5.00	166,675	144,695	21,490
<b>Total General Obligation Bonds Payable</b>					<b>\$ 414,365</b>	<b>\$ 96,805</b>

<b>General Obligation Bond Premium Outstanding</b>					
<i>(Expressed in Thousands)</i>					
<b>Bond Issue</b>	<b>Date Issued</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Original Issue</b>	<b>Balance June 30, 2022</b>
Series 2015	3/25/15	2025	5.00	\$ 26,120	\$ 2,102
Series 2017A	8/1/17	2027	5.00	26,897	6,551
Series 2017B	8/1/17	2025	5.00	23,160	3,082
Series 2019	7/30/19	2029	5.00	17,947	8,697
Series 2021	5/27/21	2031	5.00	32,869	26,548
<b>Total General Obligation Bond Premium Outstanding</b>					<b>\$ 46,980</b>

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 8 (CONTINUED)

Annual debt service requirements to maturity for General Obligation Bonds are as follows:

**General Obligation Bonds**  
**Debt Service Requirements to Maturity**  
**For Fiscal Years End June 30**  
*(Expressed in Thousands)*

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 96,805	\$ 20,718	\$ 117,523
2024	74,820	15,878	90,698
2025	80,870	12,137	93,007
2026	42,765	8,094	50,859
2027	47,165	5,955	53,120
2028 - 2032	71,940	7,244	79,184
<b>Total</b>	<b>\$ 414,365</b>	<b>\$ 70,026</b>	<b>\$ 484,391</b>

#### C. Severance Tax Bonds

Severance tax bonds are used to fund the capital needs of state agencies, local governments, and public and higher education as authorized by the Legislature of the State of New Mexico. In addition, severance tax bonds have been issued to refund severance tax bonds. Funding for the payment of the debt service of the severance tax bonds is provided through the collection of severance taxes levied on the mining and production of various natural resources, such as minerals, oil, and gas. The severance tax bonds are secured by the levied taxes. This is a permanent commitment of a portion of total severance tax revenues. As authorized by State statute, severance tax revenues are transferred to the Severance Tax Bonding Fund and first pay the required debt service on severance tax bonds and supplemental severance tax bonds issued by the State, with the remainder being transferred to the Severance Tax Permanent Fund. For the year ended June 30, 2021, total severance tax revenues transferred to the Severance Tax Bonding Fund were \$631.7 million. The total principal and interest requirements were \$168.4 million for long-term debt and \$561.8 million for short-term debt for all severance tax and supplemental severance tax bonds and short-term notes.

On June 29, 2022, the State issued Severance Tax Bonds Series 2022A in the amount of \$ 260.9 million, with a premium of \$31.1 million, and carrying an interest rate of 5.00 percent. The proceeds will be used to finance capital improvements approved by the State Legislature.

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 8 (CONTINUED)

Severance tax bonds payable outstanding at year-end are as follows:

<b>Severance Tax Bonds Payable</b> <i>(Expressed in Thousands)</i>						
<b>Bond Issue</b>	<b>Date Issued</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Original Issue</b>	<b>Balance June 30, 2022</b>	<b>Due in One Year</b>
Series 2012A	6/21/2012	2023	3.00 - 5.00 %	\$ 57,990	\$ 7,965	\$ 7,965
Series 2015A	8/12/2015	2026	5.00 %	129,195	67,665	15,665
Series 2015B Supplemental	8/12/2015	2026	5.00 %	69,745	33,080	7,660
Series 2016A	6/23/2016	2027	3.00 - 5.00 %	78,750	68,635	12,390
Series 2016B	6/23/2016	2025	4.00 %	181,395	95,580	36,790
Series 2016D	11/15/2016	2028	5.00 %	26,725	26,725	4,910.00
Series 2017A	8/8/2017	2028	5.00 %	69,470	50,145	8,160
Series 2018A	6/28/2018	2029	5.00 %	122,560	93,380	11,425
Series 2020A	11/3/2020	2031	5.00 %	94,735	89,325	5,685
Series 2021A	6/29/2021	2032	5.00 %	317,170	317,170	25,065
Series 2022A	6/29/2022	2033	5.00 %	260,900	260,900	-
<b>Total Severance Tax Bonds Payable</b>					<b>\$ 1,110,570</b>	<b>\$ 135,715</b>

<b>Severance Tax Bond Premium Outstanding</b> <i>(Expressed in Thousands)</i>						
<b>Bond Issue</b>	<b>Date Issued</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Original Issue</b>	<b>Balance June 30, 2022</b>	
Series 2012 A	6/21/2012	2023	3.00 - 5.00 %	\$ 16,900	\$ 69	
Series 2014 A	6/24/2014	2025	2.00 - 5.00 %	22,619	346	
Series 2015A	8/12/2015	2026	5.00 %	23,121	2,200	
Series 2015 B Supplemental	8/12/2015	2026	5.00 %	11,428	1,087	
Series 2016 A	6/23/2016	2027	3.00 - 5.00 %	19,770	3,279	
Series 2016 B	6/23/2016	2025	4.00 %	26,924	1,835	
Series 2016 D	11/15/2016	2028	5.00 %	5,379	1,252	
Series 2017A	8/8/2017	2028	5.00 %	13,280	3,400	
Series 2018A	6/28/2018	2029	5.00 %	17,619	6,446	
Series 2020A	11/3/2020	2031	5.00 %	22,589	15,291	
Series 2021A	6/29/2021	2032	5.00 %	74,551	60,550	
Series 2022A	6/29/2022	2033	5.00 %	31,097	31,097	
<b>Total Severance Tax Bond Premium Payable</b>					<b>\$ 126,852</b>	

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 8 (CONTINUED)

Annual debt service requirements to maturity for Severance Tax Bonds are as follows:

**Severance Tax Bonds**  
**Debt Service Requirements to Maturity**  
**For Fiscal Years End June 30**  
*(Expressed in Thousands)*

Fiscal Year	Principal	Interest	Total
2023	\$ 135,715	\$ 44,914	\$ 180,629
2024	153,890	44,498	198,388
2025	141,970	37,396	179,366
2026	130,200	30,695	160,895
2027	108,030	24,739	132,769
2028 - 2032	408,425	56,013	464,438
2033 - 2037	32,340	809	33,149
<b>Total</b>	<b>\$ 1,110,570</b>	<b>\$ 239,064</b>	<b>\$ 1,349,634</b>

#### D. Short-term Debt

Per Section 7-27-8 NMSA, the Office of State Treasurer is required to transfer any money left in the Severance Tax Bond Fund every June 30 and December 31 to the Severance Tax Permanent Fund. The State Board of Finance issues short-term Severance Tax Notes, which are of one to three days duration, in order to more fully utilize the excess cash until such time as it is transferred. During the fiscal year 2021, short-term notes were sold and redeemed as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Sponge Bonds	\$ -	\$ 468,689	\$ (468,689)	\$ -



# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 8 (CONTINUED)

#### E. Revenue Bonds

The State also issues bonds where the government pledges certain revenue for the payment of debt service. These revenues are generally a particular agency's share of the governmental gross receipts tax. For those sold for the State Department of Transportation, these also include gasoline excise taxes, motor vehicle registration fees, and other fees required by law to be paid into the State Road Fund. For those issued for higher education institutions, these revenues include tuition fees, distributions from the State Permanent Fund, and other miscellaneous revenue sources.

Revenue bonds payable are as follows:

#### Governmental Activities

#### Revenue Bonds and Loans Payable - Primary Government (Expressed in Thousands)

Governmental Activities	Original Issue	Maturity Date	Interest Rate	Balance June 30, 2022	Due in One Year
The following are direct borrowings, loans issued by NM Finance Authority to various departments of the State based on the bonds issued:					
2015A PPRF - Metro Court	\$ 30,685	2025	4.00 - 5.00 %	\$ 10,715	\$ 3,395
Series 2021 Spaceport Public Project	35,439	2030	0.77%	31,350	4,399
DL - GSD 7 - Cultural Affairs	2,789	2023	0.46 - 1.42 %	411	411
2004B PPRF - Cultural Affairs Dept.	2,350	2023	0.62 - 4.18 %	163	163
Series 2003 - Energy and Minerals	7,339	2023	3.82%	518	518
2016C PPRF 3445 - General Services Dept. 8	37,320	2036	1.90 - 4.90 %	30,150	1,255
2018C1 PPRF - General Services Dept. - 4417A	11,510	2039	4.00 - 5.00 %	11,510	-
2018C1 PPRF - General Services Dept. - 4417B	7,040	2038	2.77 - 4.09 %	6,940	30
2018A PPRF - General Services Dept. - 4431	28,480	2036	4.00 - 5.00 %	24,025	1,260
PPRF - 4955 - GSD Energy Efficiency	11,500	2033	2.90 - 3.90 %	10,855	690
PPRF - 2668 -DOH 9 - Las Vegas Med. Ctr.	8,975	2037	3.80 %	7,648	79
PPRF - 4432 - Cig. Tax Ref. Bonds	5,120	2028	5.00 %	3,075	495
PPRF - 4769 - Ft. Bayard Med. Ctr.	48,635	2039	5.00 %	43,280	1,830
<b>Total direct borrowings</b>				<b>180,640</b>	<b>14,525</b>

Bond Issue	Original Issue	Maturity Date	Interest Rate	Balance June 30, 2022	Due in One Year
The following Revenue Bonds are direct placements, issued by the State Department of Transportation (DOT) with the assistance of NMFA acting in an agency capacity on behalf of DOT:					
Series 2014 A Revenue	\$ 70,110	2032	5.00 %	\$ 55,575	\$ -
Series 2014 B Revenue	79,405	2027	5.00 %	71,490	1,830
Series 2018 A Refunding	420,090	2030	5.00 %	404,820	83,805
Series 2020 A Refunding	63,180	2025	5.00%	59,585	41,935
Series 2021 A Refunding	234,600	2030	5.00%	234,600	-
Series 2022 A Refunding	47,240	2026	5.00%	47,240	2,980
<b>Total direct placements</b>				<b>873,310</b>	<b>130,550</b>
<b>Total Revenue Bonds and Loans, Governmental Activities</b>				<b>\$ 1,053,950</b>	<b>\$ 145,075</b>

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 8 (CONTINUED)

The annual debt service requirements to maturity for governmental activities revenue bonds and loans are as follows:

**Revenue Bonds and Loans - Primary Government**  
**Debt Service Requirements to Maturity**  
**For Fiscal Year End June 30**

**Governmental Activities**  
*(Expressed in Thousands)*

Fiscal Year	Principal	Interest	Total
2023	\$ 145,075	\$ 50,850	\$ 195,925
2024	171,170	43,523	214,693
2025	96,549	35,178	131,727
2026	97,221	30,565	127,786
2027	113,170	25,917	139,087
2028 - 2032	368,968	53,442	422,410
2033 - 2037	43,681	9,268	52,949
2038 - 2041	18,116	1,140	19,256
<b>Total</b>	<b>\$ 1,053,950</b>	<b>\$ 249,883</b>	<b>\$ 1,303,833</b>

Of the total of bonds and loans payable for Governmental Activities, \$180.6 thousand is payable to NM Finance Authority, a discretely-presented component unit. These loans are considered to be direct borrowings. These are various covenants in the loan agreements which protect the lender from a default. These are summarized as follows:

**Governmental Activities**  
**Bonds & Loans Payable - Payable to Others & Payable to NMFA**  
*(Expressed in Thousands)*

	Payable to		Total
	Ext. Entities	Due to NMFA	
<b>Current:</b>			
Due to NMFA	\$ -	\$ 14,525	\$ 14,525
Payable to External Entities	130,550	-	130,550
Total Current	130,550	14,525	145,075
<b>Long-term:</b>			
Due to NMFA		166,115	166,115
Payable to External Entities	742,760	-	742,760
Total Long-term	742,760	166,115	908,875
<b>Totals</b>	<b>\$ 873,310</b>	<b>\$ 180,640</b>	<b>\$ 1,053,950</b>

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 8 (CONTINUED)

Several of the loans reported are secured by prior agreement with tax revenue intercepted by the State Taxation and Revenue Department and sent directly to the NMFA. This includes the General Services Department, \$157.4 thousand.

#### *Business-type Activities*

Revenue bonds related to business-type activities are as follows:

<b>Revenue Bonds and Loans Payable - Primary Government</b> <i>(Expressed in Thousands)</i>						
<b>Business-type Activities</b>					<b>Balance</b>	
<b>Bond Issue</b>	<b>Maturity</b>	<b>Interest</b>	<b>Original</b>		<b>June 30,</b>	<b>Due in</b>
	<b>Date</b>	<b>Rate</b>	<b>Issue</b>		<b>2022</b>	<b>One Year</b>
<b>The following are direct borrowings, loans issued by NMFA to various state educational institutions, based on the bonds:</b>						
System Imp. Revenue Series 2015 A	2045	0.34 - 3.93	\$ 12,480	\$	10,390	\$ 310
System Revenue Refunding Series 2015 B	2026	0.34 - 2.44	6,175		2,370	565
System Imp. Revenue Bonds Series 2017	2038	0.09 - 3.48	5,645		4,738	244
System Imp. Revenue Bonds Series 2020	2036	1.12 - 2.75	22,445		20,295	1,025
General Obligation Bonds Series 2020	2030	0.47 - 1.25	3,000		1,260	574
System Refunding Revenue Series 2009 B	2035	5.32 - 6.07	9,230		8,715	530
System Refunding Revenue Series 2012	2034	0.93 - 4.26	18,335		11,605	780
System Revenue Series 2019	2040	4.00	8,555		8,145	535
Series 2019A Improvement	2039	1.30 - 2.89	5,181		4,710	237
Series 2019B Improvement	2044	1.30 - 3.15	6,689		6,516	127
System Refunding & Imp. Revenue Series 2013	2038	2.10 - 5.10	6,755		3,580	155
System Revenue Refunding Series 2020 A	2038	2.25	9,000		8,350	484
System Improvement Series 2020 B	2045	2.25	7,631		7,076	128
2016 A PPRF - UNM Health Sciences Ctr. - Loan	2025	1.90 - 4.90	26,200		8,845	2,925
Loan Payable	2036	1.50 - 2.50	7,000		5,565	320
Subordinate Lien System Refunding Revenue Series 2002 C	2030	Variable	37,840		22,050	2,340
UNM ADW - UNM - Green Water Project - Loan	2032	0.75	399		210	20
Subtotal					134,420	11,299
<b>The following are direct borrowing mortgage loans issued by separate financial institutions to the University of New Mexico:</b>						
Mortgage Loan	2041	1.98	106,386		100,677	5,823
Mortgage Loan	2032	0.48 - 3.53	115,000		74,250	6,285
Total direct borrowings					309,347	23,407

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 8 (CONTINUED)

Bond Issue	Maturity Date	Interest Rate	Original Issue	Balance June 30, 2022	Due in One Year
<b>The following Revenue Bonds are direct placements:</b>					
MCMC St. Perm. Fd. Rev. Imp. & Refunding Series 2013	2023	3.00 %	\$ 14,645	\$ 5,850	\$ 1,110
Refunding and Imp. Revenue Series 2013 A-C	2033	2.00 - 5.00	56,200	13,545	1,800
System Imp. Revenue Series 2017 A-C	2042	1.75 - 5.00	73,240	62,825	2,665
Refunding and Imp. Revenue Series 2019 A & B	2040	2.00 - 5.00	24,985	21,515	2,825
System Refunding Revenue Series 2021	2031	1.01	8,470	8,470	435
Series 2013A Improvement	2028	2.00 - 4.00	8,935	4,915	725
Subordinate Lien System Imp. Revenue Series 2001	2026	Variable	52,625	12,965	1,630
Subordinate Lien System Refunding Revenue Series 2002 B	2026	Variable	25,475	8,835	1,300
Subordinate Lien System Imp. Revenue Series 2014 B	2024	0.50 - 3.28	3,365	695	695
Subordinate Lien System Imp. Revenue Series 2014 C	2035	1.50 - 5.00	97,615	12,000	1,950
Subordinate Lien System Imp. Revenue Series 2016A	2046	2.00 - 5.00	158,435	144,635	4,250
Subordinate Lien System Imp. Revenue Series 2016B	2024	0.72 - 2.48	8,030	2,945	2,575
Subordinate Lien System Imp. Revenue Series 2017	2047	3.25 - 5.00	40,900	37,705	2,985
Subordinate Lien System Imp. Revenue Series 2019	2032	1.85 - 3.02	22,140	18,310	2,100
Subordinate Lien System Ref. Revenue Series 2021	2035	0.17 - 2.17	74,450	73,015	4,105
				428,225	31,150
				\$ 737,572	\$ 54,557

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 8 (CONTINUED)

The annual debt service requirements to maturity for business-type activities revenue bonds and loans are as follows:

**Revenue Bonds and Loans - Primary Government**  
**Debt Service Requirements to Maturity**  
**For Fiscal Year End June 30**

**Business-type Activities**  
*(Expressed in Thousands)*

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 54,372	\$ 24,420	\$ 78,792
2024	54,406	22,473	76,879
2025	56,352	20,514	76,866
2026	54,326	18,587	72,913
2027	54,171	18,004	72,175
2028 - 2032	239,090	61,402	300,492
2033 - 2037	157,679	28,422	186,101
2038 - 2042	40,364	10,996	51,360
2043 - 2047	26,812	3,181	29,993
<b>Total</b>	<b>\$ 737,572</b>	<b>\$ 207,999</b>	<b>\$ 945,571</b>

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 8 (CONTINUED)

Of the total of bonds and loans payable for Business-type Activities, \$134.4 thousand is payable to NM Finance Authority, a discretely-presented component unit. These loans are considered to be direct borrowings. There are various covenants in the loan agreements which protect the lender from a default. These are summarized as follows:

	<b>Business-type Activities</b>		
	<b>Bonds &amp; Loans Payable - Payable to Others &amp; Payable to NMFA</b>		
	<i>(Expressed in Thousands)</i>		
	Payable to		
	Ext. Entities	Due to NMFA	Total
<b>Current:</b>			
Direct Borrowings:			
Due to NMFA	\$ -	\$ 11,299	\$ 11,299
Due to Other Fin. Inst.	12,108	-	12,108
Payable to External Entities	31,150	-	31,150
Total Current	<u>43,258</u>	<u>11,299</u>	<u>54,557</u>
<b>Long-term:</b>			
Direct Borrowings:			
Due to NMFA	-	123,121	123,121
Due to Other Fin. Inst.	162,819	-	162,819
Payable to External Entities	397,075	-	397,075
Total Long-term	<u>559,894</u>	<u>123,121</u>	<u>683,015</u>
Totals	<u>\$ 603,152</u>	<u>\$ 134,420</u>	<u>\$ 737,572</u>

#### F. Pledged Revenue

The following listing provides more details on the types of revenue pledged for the various revenue bonds outstanding.

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 8 (CONTINUED)

#### Governmental Activities

<b>Agency:</b>	<b>State of New Mexico - Severance Tax Bonds</b>
Purpose of Bonds:	Construction and acquisition of capital projects statewide
Total Amount of Bonds Issued:	\$ 1.5 billion
Type of Revenues Pledged:	Severance tax revenues collected from oil, gas, and mineral extraction activities.
Term of Commitment:	Through June 30, 2032
Total Debt Service Remaining:	\$ 1.4 billion
Revenue Stream for Current Year:	\$ 2.2 billion
Debt Service for Current Year:	\$ 159 million

<b>Agency:</b>	<b>Energy, Minerals, and Natural Resources Department</b>
Purpose of Bonds:	Acquisition and development of state parks and recreation areas.
Total Amount of Bonds Issued:	\$ 7.4 million
Type of Revenues Pledged:	Department's share of governmental gross receipts tax revenue
Term of Commitment:	Through June 30, 2023
Total Debt Service Remaining:	\$ 540 thousand
Revenue Stream for Current Year:	\$ 7.6 million
Debt Service for Current Year:	\$ 539 thousand

<b>Agency:</b>	<b>Department of Transportation</b>
Purpose of Bonds:	Construct and improve State highway and transportation system.
Total Amount of Bonds Issued:	\$ 1.1 billion
Type of Revenues Pledged:	Gasoline excise taxes, motor vehicle registration and other fees deposited into State Road Fund, plus Federal Highway Fund revenues
Term of Commitment:	Through June 30, 2032
Total Debt Service Remaining:	\$ 1.1 billion
Revenue Stream for Current Year:	\$ 1.1 billion
Debt Service for Current Year:	\$ 162.5 million

<b>Agency:</b>	<b>Department of Cultural Affairs</b>
Purpose of Bonds & Loan:	Renovate existing museum structures, develop permanent exhibits.
Total Amount of Debt Issued:	\$5.1 million
Type of Revenues Pledged:	Department's share of governmental gross receipts tax revenue
Total Debt Service Remaining:	\$ 587 thousand
Term of Commitment:	Through June 30, 2023
Revenue Stream for Current Year:	\$ 865 thousand
Debt Service for Current Year:	\$ 557 thousand

<b>Agency:</b>	<b>Spaceport Authority</b>
Purpose of Bonds	Construction of the Spaceport America launch facility.
Total Amount of Debt Issued:	\$35.4 million
Type of Revenues Pledged:	Authority's share of governmental gross receipts tax revenue
Total Debt Service Remaining:	\$ 32.4 million
Term of Commitment:	Through June 30, 2029
Revenue Stream for Current Year:	\$ 10.8 million
Debt Service for Current Year:	\$ 4.3 million

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 8 (CONTINUED)

#### Governmental Activities (Continued)

<b>Agency:</b>	<b>Bernalillo County Metropolitan Court</b>
Purpose of Bonds	Court parking structure
Total Amount of Debt Issued:	\$ 30.7 million
Type of Revenues Pledged:	Court facilities fees collected.
Total Debt Service Remaining:	\$ 11.8 million
Term of Commitment:	Through June 30, 2025
Revenue Stream for Current Year:	\$ 2.5 million
Debt Service for Current Year:	\$ 3.9 million

<b>Agency:</b>	<b>General Services Department</b>
Purpose of Bonds	State facilities acquisition and development.
Total Amount of Debt Issued:	\$ 160.5 million
Type of Revenues Pledged:	Government gross receipts tax, cigarette tax.
Total Debt Service Remaining:	\$ 194.6million
Term of Commitment:	Through June 30, 2041
Revenue Stream for Current Year:	\$ 11.6 million
Debt Service for Current Year:	\$ 11.4 million

#### Business-type Activities

<b>Agency:</b>	<b>Miners' Colfax Medical Center</b>
Purpose of Bonds:	Improvement and expansion of medical facilities
Total Amount of Bonds Issued:	\$14.6 million
Type of Revenues Pledged:	Center's share of distributions from the State Land Grant and the Charitable, Penal, and Reform Permanent Funds
Total Debt Service Remaining:	\$ 6.3million
Term of Commitment:	Through June 30, 2027
Revenue Stream for Current Year:	\$ 7.4 million
Debt Service for Current Year:	\$ 2.2 million

<b>Agency:</b>	<b>Educational Institutions (UNM, NMSU, ENMU, WNMU, NMMI, NMHU, NM Tech)</b>
Purpose of Bonds:	Construction and improvement of various capital facilities
Total Amount of Bonds Issued:	\$ 1.1 billion
Type of Revenues Pledged:	Substantially all unrestricted revenues, including Permanent Fund distributions, student fees, and income from revenue-producing facilities, but excluding state appropriations and income from clinical operations.
Total Debt Service Remaining:	\$ 929 million
Term of Commitment:	Through June 30, 2047
Revenue Stream for Current Year:	\$ 632.0 million
Debt Service for Current Year:	\$ 74.4 million



# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 8 (CONTINUED)

#### G. Leases Payable

The State implemented GASB Statement No. 87, Leases, as of July 1, 2021. This statement requires that governmental entities record leases payable with terms of more than one year at the present value of the future payments. In addition, an intangible asset conveying a right-to-use the stated building or equipment must also be recorded. Similar requirements exist for lessors of buildings or equipment.

#### Right-to-use Assets

The State has recorded intangible right-to-use assets as a result of implementing GASB 87. The leased assets are initially measured at the amount equal to the initial measurement of the related lease liability, unless other costs are involved. Leased assets are amortized on a straight-line basis over the shorter of the useful life of the underlying asset or the lease term.

These right-to-use assets are located in the Capital Assets section of this report.

#### Lease Liability

The lease agreements have been recorded at the present value of the future lease payments as of the date of their inception or, for leases existing prior to the implementation date, at the remaining terms of the agreement, using the facts and circumstances available at July 1, 2021. If a discount rate is not stated in the agreement, the lessee's incremental borrowing rate should be used. The State has adopted the rate of 0.50% for lease terms greater than 1 year and less than 5 years, 0.75% for lease terms greater than 5 years and less than 10 years, 1.75% for lease terms greater than 10 years..

The lease liabilities are amortized using the effective-interest method, as prescribed by GASB 87.

The present value of the future minimum lease obligations under these agreements are as follows (presented in thousands):

<b>Governmental Activities</b>			
<i>(Expressed in Thousands)</i>			
<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<b>2023</b>	\$ 52,436	\$ 5,680	\$ 58,116
<b>2024</b>	51,416	5,202	56,618
<b>2025</b>	40,723	4,754	45,477
<b>2026</b>	34,329	4,337	38,665
<b>2027</b>	32,030	3,925	35,955
<b>2028 - 2032</b>	115,124	14,497	129,621
<b>2033 - 2037</b>	65,541	6,847	72,389
<b>2038 -2042</b>	39,722	1,870	41,592
<b>2043 - 2047</b>	2,591	360	2,951
<b>2048 - 2052</b>	1,919	148	2,067
<b>Thereafter</b>	902	56	958
	<b>\$ 436,733</b>	<b>\$ 47,676</b>	<b>\$ 484,409</b>

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 8 (CONTINUED)

#### Business-type Activities

*(Expressed in Thousands)*

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 10,851	\$ 1,071	\$ 11,922
2024	8,122	883	9,005
2025	6,419	722	7,141
2026	4,154	617	4,771
2027	3,762	541	4,303
2028 - 2032	14,177	1,810	15,987
2033 - 2037	4,648	931	5,579
2038 -2042	1,575	421	1,996
2043 - 2047	400	38	438
	<u>\$ 54,106</u>	<u>\$ 7,036</u>	<u>\$ 61,142</u>

#### Fiduciary Activities

*(Expressed in Thousands)*

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 351	\$ 66	\$ 417
2024	350	62	412
2025	276	58	334
2026	271	55	326
2027	281	51	332
2028 - 2032	1,320	200	1,520
2033 - 2037	1,100	109	1,209
2038 -2042	660	17	677
	<u>\$ 4,609</u>	<u>\$ 618</u>	<u>\$ 5,227</u>

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 8 (CONTINUED)

Year	Discretely-presented Component Units (Expressed in Thousands)		
	Principal	Interest	Total
2023	\$ 7,015	\$ 44	\$ 7,059
2024	7,045	24	7,069
2025	6,888	5	6,893
2026	6,523	2	6,525
2027	6,512	1	6,513
2028 - 2032	16,701	*	16,701
	<u>\$ 50,684</u>	<u>\$ 76</u>	<u>\$ 50,760</u>

\* Total interest not furnished.

#### H. Conduit Debt Component Unit

Accounting Standards define conduit debt obligations as certain limited obligation revenue bonds, certificates of participation, or similar debt instruments issued by a state or local government entity for the express purpose of providing capital financing for a specific third party that is not part of the issuer's financial reporting entity. Although the conduit debt obligations bear the name of the issuer, the entity has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf they are issued.

The New Mexico Hospital Equipment Loan Council, a discretely-presented component unit, has issued revenue bonds, lease purchase agreements, and master financing agreements to provide financing for the acquisition and construction of equipment and facilities. These bonds, lease purchase agreements and master financing agreements are secured by the property financed and are payable solely from payments received on the underlying loans. Neither the Council nor any political subdivision of the State is obligated in any manner for repayment of either the bonds or the lease purchase or master financing agreements. Accordingly, the bonds and the obligations under the lease purchase and master financing agreements are not reported as liabilities in the accompanying financial statements.

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 8 (CONTINUED)

At June 30, 2022, conduit debt obligations outstanding are as follows:

**New Mexico Hospital Equipment Loan Council**  
**Conduit Debt**  
*(Expressed in Thousands)*

	<b>Balance June 30, 2022</b>
<b>Hospital Revenue Bonds and Leases -</b>	
Dialysis Clinic, Inc. Project, Series 2000	\$ 5,000
Lovelace Women's Hospital, Series 2007	12,617
Presbyterian Healthcare Services, Series 2008 A - D	139,865
Lovelace Health Systems, Series 2011	32,800
Presbyterian Healthcare Services, Series 2012 A	75,000
La Vida Llana, Series 2012	35,490
Lovelace Health Systems, Series 2012	26,165
Gerald Champion Regional Med. Ctr., Series 2012	60,825
Presbyterian Healthcare Services Series 2015 A	201,690
San Juan Regional Medical Center, Series 2017	11,290
Presbyterian Healthcare Services, Series 2017 A - B	303,175
Haverland Carter Series 2019 A - C	110,550
Presbyterian Healthcare Series 2019 A - C	304,245
San Juan Regional Medical Center Series 2020	32,950
Haverland Carter Series 2022	30,540
Total	<u>\$ 1,382,202</u>

#### I. Other Liabilities

##### ▪ Compensated Absences

Compensated absences of governmental activities are liquidated in the General Fund. Claims liabilities of governmental activities of the Internal Services agencies are liquidated in the Internal Service Fund. Compensated absences of business-type activities are liquidated in the respective fund of obligation.

##### ▪ Pollution Remediation Obligation

The State is responsible for environmental management to reasonably protect human health and the environment in accordance with the Environmental Improvement Act, Chapter 74-1-1, NMSA 1978 (Act). Governmental Accounting Standards Board Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* (GASB 49) provides guidance in estimating and reporting the potential costs of pollution remediation.

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 8 (CONTINUED)

The following details the nature of the identified sites:

#### Leaking Petroleum Storage Tanks (LPST)

The State oversees cleanups of LPST sites and reimburses eligible parties from the PST corrective action fund, which has paid for the vast majority of LPST cleanups. However, for Priority 1 State Lead sites, in which there is an imminent danger to the public health or environment, the State has obligated itself to begin remediation cleanup activities as a result of an unwilling or unable property owner in the amount of \$1.7 million as of June 30, 2022.

#### Superfund

The Superfund Oversight Section of the State assists the United States Environmental Protection Agency (EPA) in characterization of inactive hazardous waste sites; identifies sites which warrant remedial or removal action under Superfund (CERCLA); and oversees remedial activities and provides management assistance to EPA at Superfund sites listed on the National Priorities List (NPL). There are currently 15 listed Superfund sites in New Mexico which are in various stages of investigation and remediation. One of the 15 listed Superfund sites was placed on the NPL in April 2016. The site is currently in the remedial investigation phase in which no financial obligation exists. The Department estimates it will take at least 2 or 3 years before a Record of Decision is issued by the EPA. As of June 30, 2022, this site is excluded from the estimated pollution remediation liability which for Superfund sites totals \$39.9 million.

The total pollution remediation liability for both the LPST and Superfund sites are as follows:

	<u>Balance</u> <u>June 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2022</u>
Amount Due Within One Year	\$ 1,263	\$ 874	\$ (1,023)	\$ 1,114
Amount Due in More than One Year	39,804	2,412	(1,722)	40,494
Total Pollution Remediation Liabilities	<u>\$ 41,067</u>	<u>\$ 3,286</u>	<u>\$ (2,745)</u>	<u>\$ 41,608</u>

#### ▪ Indian Water Rights Liability

New Mexico currently has three Indian water rights settlements pending implementation: the Navajo Nation Settlement in the San Juan River adjudication, the Settlement Agreement with the Pueblos of Nambe, Pojoaque, Tesuque, and San Ildefonso in the Aamodt adjudication, and the Taos Pueblo Settlement in the Rio Pueblo de Taos/Rio Hondo adjudication. For each of these three settlements, a settlement agreement was executed in 2005 or 2006 by the tribe or Pueblos and the State of New Mexico. The Aamodt and Taos Pueblo settlement agreements also were executed by other water right owning parties. Subsequent to the passage of federal legislation authorizing each of the settlements in 2009 and 2010, the Secretary of the US Department of Interior signed all three settlement agreements on behalf of the United States. Copies of the three fully-executed settlement agreements and related documents can be found at: [www.ose.state.nm.us/legal\\_ose\\_proposed\\_settlements.html](http://www.ose.state.nm.us/legal_ose_proposed_settlements.html).

Each of the agreements involves a contribution from the State of New Mexico in the form of construction of infrastructure. The value of infrastructure and mutual benefits projects contemplated in the three settlements are estimated at more than \$1.6 billion as of June 30, 2022. The State will not own the infrastructure once completed; the infrastructure and projects will be owned by tribal and local governments.

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 8 (CONTINUED)

A portion of the State's share includes \$10 million on non-mandatory expenditures for ditch rehabilitation under the Navajo Settlement. The State has met its cost share obligations under the Taos Pueblo settlement.

The State has recognized the estimated liability of \$19.2 million in the financial statements as of June 30, 2022.

A summary of the funds appropriated towards the settlements follows (*presented in thousands*):

<u>Indian Water Rights Settlement:</u>	<u>Total Cost Share</u>	<u>Appropriated Funds</u>	<u>Unappropriated Balances</u>
Aamodt	\$ 104,500	\$ 104,589	\$ (89)
Taos	20,050	20,161	(111)
Navajo	30,404	32,225	(1,821)
<b>Total</b>	<b>\$ 154,954</b>	<b>\$ 156,975</b>	<b>\$ (2,021)</b>

A summary of the funds disbursed and the remaining liability follows (*presented in thousands*):

<u>Indian Water Rights Settlement:</u>	<u>Disbursed To Date</u>	<u>Balance, June 30, 2022</u>
Aamodt	\$ 58,700	\$ 45,800
Taos	14,559	5,491
Navajo	30,404	-
<b>Total</b>	<b>\$ 103,663</b>	<b>\$ 51,291</b>

Due to the fact that the timing of the payments is subject to obtaining appropriations, the amount due for these settlements and any related cost indexing is based on best estimates.

#### J. University of New Mexico

##### ▪ Standby Purchase Agreements

Standby Purchase Agreements provide liquidity support on variable rate bonds that are remarketed weekly. The liquidity/commitment fees are based on a percentage of the outstanding bond balance, payable semiannually. Liquidity fees for the years ended June 30, 2022 and 2020 were \$273 and \$238, in thousands, respectively. An agreement with U.S. Bank was entered into on December 31, 2014 for a three year term expiring December 29, 2020. The University negotiated another three year term with US Bank (dated October 30, 2020) that ends on October 30, 2023.

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 8 (CONTINUED)

A schedule including maturities and fees is as follows (in thousands):

	US Bank			
Liquidity	Series	Series	Series	Grand
Expiration	2001	2002B	2002C	Total
10/30/2023	\$ 12,965	\$ 8,835	\$ 22,050	\$ 43,850

#### Liquidity Fees

	2001	2002B	2002C	Total
FY22	\$ 96	\$ 61	\$ 136	\$ 293

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 8 (CONTINUED)

#### ▪ Interest Rate Swap Agreements

On June 30, 2022, UNM had the following derivative instruments outstanding (in thousands):

Item/ Counter-Party	Type	Objective	Effective Date	Maturity Date	Terms	Current Fair Value	Current Notional Amount
<b>Hedging Derivatives</b>							
A - JP Morgan	Pay-Fixed/Receive Variable Interest Rate Swap	Hedge against rising SIFMA rates related to the 2001 System Improvement Revenue Bonds (Underlying Swap)	10/30/2002	6/1/2026	Receive SIFMA USD - Pay 4.2% Fixed	\$ (147)	\$ 3,241
B - JP Morgan	Pay-Fixed/Receive Variable Interest Rate Swap	Hedge against rising SIFMA rates related to the 2002C Refunding Revenue Bonds (Underlying Swap)	10/30/2002	6/1/2030	Receive SIFMA USD - Pay 3.9% Fixed	(1,461)	22,050
C - JP Morgan	Pay-Fixed/Receive Variable Interest Rate Swap	Hedge against rising SIFMA rates related to the 2002B Refunding Revenue Bonds (Underlying Swap)	1/14/2003	6/1/2026	Receive SIFMA USD - Pay 3.8% Fixed	(372)	8,835
D - RBC Royal Bank	Pay-Fixed/Receive Variable Interest Rate Swap	Hedge against rising SIFMA rates related to the 2001 System Improvement Revenue Bonds (Underlying Swap)	10/30/2002	6/1/2026	Receive SIFMA USD - Pay 4.2% Fixed	(149)	3,241
<b>Investment Derivatives</b>							
E - JP Morgan	Pay-Variable/Receive Variable Interest Rate Swap	Hedge against falling SIFMA rates related to the 2001 System Improvement Revenue Bonds (Swap Overlays)	8/15/2006	6/1/2026	Receive 63.6% of 5 year USD swap rate + 0.3% - Pay SIFMA	213	6,483
F - JP Morgan	Pay-Variable/Receive Variable Interest Rate Swap	Hedge against falling SIFMA rates related to the 2002C Refunding Revenue Bonds (Swap Overlays)	8/15/2006	6/1/2030	Receive 63.6% of 5 year USD swap rate + 0.3% - Pay SIFMA	(10)	22,050



# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2021

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 8 (CONTINUED)

#### ▪ Risks

##### *Credit Risk*

Each of UNM's derivative instruments is held with the same counterparty except for Derivative Instrument D. Deterioration of credit ratings could indicate a potential inability of the counterparty to make the required periodic payments. The credit ratings for each of the counterparties are as follows:

Entity	Moody's		S & P		Fitch	
	L/T Rating	S/T Rating	L/T Rating	S/T Rating	L/T Rating	S/T Rating
JP Morgan	Aa2	P-1	A+	A1	AA	F1+
RBC Royal Bank	A2	P-1	AA-	A-1+	AA-	F1+

##### *Interest Rate Risk*

UNM is exposed to interest rate risk on its receive-variable, pay-fixed underlying interest rate swaps. As the Securities Industry and Financial Markets Association (SIFMA) swap index decreases, the University's net payment on the underlying swaps increases. Alternatively, on its pay-variable (SIFMA), receive-variable (LIBOR) overlay interest rate swaps, as LIBOR and the SIFMA swap index increases, the University's net payment on the overlay swaps increases.

##### *Basis Risk*

The variable-rate debt hedged by UNM's derivative instruments are variable-rate demand obligation (VRDO) bonds that are remarketed every seven days. The University is exposed to basis risk on its pay-variable (SIFMA), receive-variable (USD Swap Rate) overlay interest rate swaps, because the variable-rate payments received by the University on these derivative instruments are based on a rate USD Swap Rate other than the index (SIFMA) the University pays on the VRDO bonds. At June 30, 2022, the interest rate on the University's variable-rate hedged debt (SIFMA) is 0.03 %, while the 63.55% of five year USD Swap Rate + 0.31% is 0.60 %.

##### *Termination Risk*

UNM or its counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract. In addition, UNM is exposed to termination risk on Derivative Instruments B and C because the contract provides the counterparty with a knockout option to terminate the contract if the 180-day SIFMA is equal to or greater than 7.0 percent. The 180-day SIFMA is defined as the weighted average rate taken off the USD floating SIFMA Index Rates published within the previous 180-day period. If at the time of termination, a derivative instrument were in a liability position, UNM would be liable to the counterparty for a payment equal to the liability, subject to netting arrangements.

##### *Rollover Risk*

UNM is exposed to rollover risk on hedging derivative instruments that are hedges of debt that mature or may be terminated prior to the maturity of the debt. When these derivative instruments terminate, or in the case of a termination option, if the counterparty exercises its option, UNM will be re-exposed to the risks being hedged by the derivative instrument. Derivative Instruments B and C expose UNM to rollover risk because the counterparty has the option to terminate the contract by exercising a knockout option.

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 8 (CONTINUED)

#### *Foreign Currency Risk*

UNM has no exposure to foreign currency risk from its derivative instruments.

#### ▪ **Commitments**

All of UNM's derivative instruments include provisions that require UNM to post collateral in the event its credit rating falls below certain levels. UNM has entered into a two-way Credit Support Annex (CSA) with the swap counter-parties, which is based on each party's long-term unsecured unsubordinated debt rating. The following matrix dictates the potential collateral postings if the swaps mark-to-market values are above the mandated thresholds (in thousands):

<u>Rating</u>	<u>Swap MTM Threshold for Party's A &amp; B</u>	
AA/Aa2 and >	USD	\$ 25,000
AA-/Aa3	USD	\$ 20,000
A+/A1	USD	\$ 15,000
A/A2	USD	\$ 10,000
A-/A3	USD	\$ 5,000
BBB+/Baa1 and <	USD	\$ -

The collateral to be posted is to be in the form of U.S. Treasury securities in the amount of the fair value of derivative instruments in liability positions net of the effect of applicable netting arrangements. If UNM or the counterparty does not post collateral, the derivative instrument may be terminated. UNM's credit rating is AA/Aa2 at June 30, 2022; therefore, no collateral has been posted.

#### ▪ **Derivative Instrument Payments and Hedged Debt**

As of June 30, 2022, aggregate debt service requirements of UNM's debt (fixed-rate and variable-rate) and net receipts/payments on associated hedging derivative instruments are presented below. These amounts assume that current interest rates on variable-rate bonds and current reference rates of hedging derivative instruments will remain the same for their term. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on the hedging derivative instruments will vary. The hedging derivative instruments column reflects only net receipts/payments on derivative instruments that qualify for hedge accounting (in thousands).

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 8 (CONTINUED)

**University of New Mexico**  
**Debt Service Requirements**  
**On Associated Hedging Derivative Instruments**  
*(Expressed in Thousands)*

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Hedging Derivative Instruments, Net</b>	<b>Total</b>
<b>2023</b>	\$ 6,855	\$ 43	\$ 1,619	\$ 8,517
<b>2024</b>	7,155	44	1,403	8,602
<b>2025</b>	7,465	46	1,175	8,686
<b>2026</b>	7,770	45	940	8,755
<b>2027</b>	9,900	41	703	10,644
<b>2028 - 2031</b>	11,560	61	995	12,616
	<u>\$ 50,705</u>	<u>\$ 280</u>	<u>\$ 6,835</u>	<u>\$ 57,820</u>

▪ **Fiscal Year Changes in Swap Valuations**

UNM has entered into interest rate swaps as shown in the prior schedule. The swaps were put in place starting in fiscal years 2002 and 2003. The University has recorded the swaps at their estimated fair values as of June 30, 2022. Swaps A through D are deemed cash flow hedges, and therefore, in addition to recording the liability at fair value, the University has recorded an offsetting deferred outflow of resources. Annually, the changes to the fair values are recorded as an increase or decrease to the liability and the offset to the deferred outflow of resources. The fair value change in fiscal year 2022 for the hedge instruments was a \$2.4 million increase to the liability and an equal offsetting increase to the deferred outflow of resources. Swaps E and F are not cash flow hedges, but rather are considered investment swaps, and changes in their fair value are recorded as investment gain (loss). The fair value change for swaps E and F as of June 30, 2022, was recorded to unrealized gain in the amount of \$155.

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 8 (CONTINUED)

#### K. Notes Payable

The State has issued notes payable for various purposes, mainly equipment acquisition. Details of notes payable for the fiscal year ended June 30, 2022, follow:

**Notes Payable - Business Type**  
**Debt Service Requirements to Maturity**  
**For Fiscal Years End June 30**  
*(Expressed in Thousands)*

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,165	\$ 253	\$ 1,418
2024	1,240	217	1,457
2025	1,325	179	1,504
2026	1,410	138	1,548
2027	1,500	95	1,595
2028	1,595	49	1,644
<b>Total</b>	<b>\$ 8,235</b>	<b>\$ 931</b>	<b>\$ 9,166</b>

NMSU issued a tax-exempt Subordinate Lien Improvement Revenue Note, Series 2014 on April 21, 2014 in a direct purchase with BOKF, NA dba Bank of Albuquerque. The original principal amount of the note was \$15.9 million and the interest rate is 3.07%. The note is payable solely from, and secured by, a pledge of, and a non-exclusive subordinate lien on the following revenues: student tuition and fees; sales and service revenue; other operating revenue; investment income; and building fees. The note matures April 1, 2029.

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 8 (CONTINUED)

#### L. Discretely-presented Component Units

Outstanding bonds payable for the New Mexico Finance Authority are as follows:

<b>Bonds Payable - New Mexico Finance Authority</b>				
<i>(Expressed in Thousands)</i>				
<b>Bond Series</b>	<b>Interest Rate (%)</b>	<b>Maturity Date</b>	<b>Original Issue</b>	<b>Balance June 30, 2022</b>
<b>Public Project Revolving Fund - Senior Lien:</b>				
2013 A - B	3.0 - 5.0	2023 - 2038	\$ 60,645	\$ 21,120
2014 B	3.0 - 5.0	2023 - 2035	58,235	25,435
2015 B - C	2.3 - 5.0	2023 - 2045	90,800	69,595
2016 A - F	2.0 - 5.0	2023 - 2046	315,540	189,170
2017 A - E	3.0 - 5.0	2023 - 2038	138,130	89,460
2018 A - D	2.5 - 5.0	2023 - 2038	200,170	143,310
2019 B - D	3.0 - 5.0	2023 - 2041	97,130	83,995
2020 A - B	2.0 - 5.0	2023 - 2041	113,305	96,715
2021 A - C	3.0 - 5.0	2023 - 2041	83,145	78,555
2022 A - B	2.8 - 5.0	2023 - 2042	118,785	117,065
Subtotal			1,275,885	914,420
<b>Public Project Revolving Fund - Subordinate Lien:</b>				
2014 A-1, 2	3.3 - 5.0	2023 - 2034	31,940	14,465
2015 A, D	3.0 - 5.0	2023 - 2035	92,745	51,860
2017 B - F	2.6 - 5.0	2023 - 2036	128,725	52,800
2018 C - E	3.2 - 5.0	2024 - 2039	102,780	80,930
2019 A - C	2.3 - 5.0	2023 - 2039	68,555	55,235
2020 C-1 & C-2	0.4 - 5.0	2023 - 2050	96,820	85,645
2021 B	4.0 - 5.0	2023 - 2032	31,305	29,900
Subtotal			552,870	370,835
Total Public Project Revolving Fund and Total Bonds Outstanding			\$ 1,828,755	1,285,255
Add: Net Unamortized Premium				200,457
<b>Total Bonds Payable</b>				<b>\$ 1,485,712</b>
<b>Current Portion</b>				<b>\$ 118,040</b>

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 8 (CONTINUED)

Outstanding bonds payable for the New Mexico Mortgage Finance Authority are as follows:

**Bonds Payable - New Mexico Mortgage Finance Authority**  
*(Expressed in Thousands)*

Bond Series	Interest Rate (%)	Maturity Date	Balance, September 30, 2022
<b>Single Family Mortgage Programs:</b>			
Series 2013 A - C	2.2 - 4.5	2043	24,848
Series 2014 A - B	2.8 - 5.0	2044	7,087
Series 2015 A - E	2.6 - 4.0	2045	24,692
Series 2016 A - C	1.6 - 3.8	2046	57,160
Series 2017 A - B	1.8 - 3.8	2048	37,755
Series 2018 A - D	2.2 - 4.3	2049	141,670
Series 2019 A - F	1.4 - 4.3	2050	281,530
Series 2020 A - B	0.4 - 3.5	2051	108,555
Series 2021 A - C	0.2 - 3.0	2052	283,090
Series 2022 A - D	0.4 - 5.3	2053	319,060
Subtotal			1,285,447
Unaccreted Bond Premium/Discount, Net			40,534
Total Single Family Mortgage Programs Payable			1,325,981
<b>Rental Housing Mortgage Programs:</b>			
Series 2004 A - B	5.01- 5.2	2039	1,245
Series 2005 C - F	4.7 - 5.1	2040	12,880
Series 2007 A - D	5.1 - 10.0	2043	16,558
Series 2008 A - B	0.1 - 6.0 *	2043	8,000
Series 2010 A - B	5.0	2047	780
Series 2012 A	5.0	2049	4,454
Series 2021	0.5	2024	11,000
Series 2022	4.3	2062	13,000
Subtotal			67,917
Unaccreted Bond Premium/Discount, Net			33
Total Rental Housing Mortgage Programs Payable			67,950
<b>Total Bonds Payable</b>			<b>\$ 1,393,931</b>

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 8 (CONTINUED)

Annual debt service requirements to maturity are as follows:

New Mexico Mortgage Finance Authority Notes Payable <i>(Expressed in Thousands)</i>		Balance Sept. 30, 2022	Debt Service Requirements to Maturity For Fiscal Years End September 30 <i>(Expressed in Thousands)</i>			
Note			Fiscal Year	Principal	Interest	Total
PRLF Cash and Loans		\$ 1,521	2023	\$ 29,499	\$ 241	\$ 29,740
Securities and Loans Held for Sale		29,000	2024	181	15	196
Subtotal: Debt with Pledged Collateral		30,521	2025	74	14	88
SBIC Loan Fund			2026	74	13	87
Other Direct Borrowings Without Assets Pledged		531	2027	74	12	86
<b>Total Direct Borrowings</b>		<b>\$ 31,052</b>	2028 - 2032	371	50	421
			2033 - 2037	371	32	403
			2038 - 2042	408	13	421
				<b>\$ 31,052</b>	<b>\$ 390</b>	<b>\$ 31,442</b>

The borrowings were made to raise capital to help fund the Primero Loan Program, which provides loans for nonprofit, public or tribal agency sponsored affordable

The Authority also has an unused line of credit in the amount of \$2.5 million as of Sept. 30, 2022

Details of the Mortgage Finance Authority Notes Payable follows:

New Mexico Finance Authority <i>(Expressed in Thousands)</i>				New Mexico Mortgage Finance Authority <i>(Expressed in Thousands)</i>		
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 118,700	\$ 57,010	\$ 175,710	\$ 45,994	\$ 42,826	\$ 88,820
2024	115,965	51,665	167,630	28,796	41,945	70,741
2025	113,410	46,202	159,612	38,022	41,230	79,252
2026	99,205	40,888	140,093	27,888	40,516	68,404
2027	98,535	36,247	134,782	29,065	39,795	68,860
2028 - 2032	387,275	121,474	508,749	162,443	185,950	348,393
2033 - 2037	236,615	47,425	284,040	216,767	157,021	373,788
2038 - 2042	93,085	12,054	105,139	281,657	115,745	397,402
2043 - 2047	18,330	2,570	20,900	322,886	62,452	385,338
2048 - 2052	4,135	329	4,464	192,806	16,729	209,535
2053 - 2057				3,375	1,009	4,384
2058 - 2062				3,665	545	4,210
	1,285,255	415,864	1,701,119	1,353,364	745,763	2,099,127
Unamortized Premium	200,457	-	200,457	40,567	-	40,567
<b>Total</b>	<b>\$ 1,485,712</b>	<b>\$ 415,864</b>	<b>\$ 1,901,576</b>	<b>\$ 1,393,931</b>	<b>\$ 745,763</b>	<b>\$ 2,139,694</b>

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 8 (CONTINUED)

#### Bonds Payable

#### Debt Service Requirements to Maturity

For Fiscal Years End September 30

#### New Mexico State Chartered Schools

*(Expressed in Thousands)*

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 9,386	\$ 10,818	\$ 20,204
2024	14,819	10,691	25,510
2025	9,909	10,099	20,008
2026	9,188	9,727	18,915
2027	15,460	9,183	24,643
2028-2032	36,758	41,077	77,835
2033-2037	31,271	36,460	67,731
2038-2042	38,406	25,418	63,824
2043-2047	40,824	14,084	54,908
2048-2052	27,651	3,812	31,463
2053-2057	1,177	230	1,407
	<u>234,849</u>	<u>171,599</u>	<u>406,448</u>
Unaccreted Premium	-	-	-
<b>Total</b>	<b><u>\$ 234,849</u></b>	<b><u>\$ 171,599</u></b>	<b><u>\$ 406,448</u></b>



# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 9

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#### NOTE 9. Net Position and Fund Equity

##### A. Governmental Fund Balances

Fund balances of governmental funds are classified as:

- Non-spendable – amounts that cannot be spent because they are not in a spendable form (not expected to be converted to cash) or are legally required to be intact. Examples include inventories and permanent fund principal.
- Restricted – amounts where legally enforceable constraints are imposed by an external party such as a grantor, by the State Legislature, or by the constitution at the same time the revenue is created.
- Committed – amounts where constraints are imposed by formal action of the government’s highest level of decision-making authority, the State Legislature or the Governor, which cannot be used for any other purpose unless the constraint is changed by similar action. These constraints are imposed separately from the creation of the revenue.
- Assigned – amounts where constraints are imposed on the use of resources through the intent made by any level of decision-making authority in the government if the governing body has expressly delegated that authority to the official or to a committee.
- Unassigned – the residual amount after all classifications have been considered. The General Fund is the only fund that reports a positive unassigned fund balance.

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 9 (CONTINUED)

A summary of the nature and purpose of governmental fund balances, by fund type, at June 30, 2022, follows (in thousands):

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Severance Tax</u>	<u>Land Grant</u>	<u>Total</u>
Nonspendable:						
Prepaid Expenses	\$ 7,241	\$ -	\$ -	\$ -	\$ -	\$ 7,241
Inventories	36,760	-	-	-	-	36,760
Other	8,589	-	-	-	-	8,589
Total Nonspendable	<u>\$ 52,590</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,590</u>
Restricted:						
Capital Projects	\$ -	\$ -	\$ 2,945,580	\$ -	\$ -	\$ 2,945,580
Culture, Recreation and Natural Resources	313,393	-	-	-	-	313,393
Debt Service	-	1,167,316	-	-	-	1,167,316
Education	363,336	-	-	-	-	363,336
General Control	6,649,867	-	-	6,817,994	25,172,755	38,640,617
Health and Human Services	239,445	-	-	-	-	239,445
Highway and Transportation	911,355	-	-	-	-	911,355
Judicial	35,199	-	-	-	-	35,199
Legislature	11,794	-	-	-	-	11,794
Public Safety	89,598	-	-	-	-	89,598
Regulation and Licensing	177,433	-	-	-	-	177,433
Total Restricted	<u>\$ 8,791,420</u>	<u>\$ 1,167,316</u>	<u>\$ 2,945,580</u>	<u>\$ 6,817,994</u>	<u>\$ 25,172,755</u>	<u>\$ 44,895,066</u>

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 9 (CONTINUED)

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Severance Tax Permanent</u>	<u>Land Grant Permanent</u>	<u>Total</u>
Committed:						
Culture, Recreation and Natural Resources	\$ 1,992	\$ -	\$ -	\$ -	\$ -	\$ 1,992
Education	5,826	-	20	-	-	5,846
General Control	11,361	-	-	-	-	11,361
Health and Human Services	16,371	-	-	-	-	16,371
Regulation and Licensing	1,840	-	-	-	-	1,840
Total Committed	<u>\$ 37,390</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,410</u>
Assigned:						
Health and Human Services	\$ 153,139	\$ -	\$ -	\$ -	\$ -	\$ 153,139
Judicial	2,147	-	-	-	-	2,147
Regulation and Licensing	3,465	-	-	-	-	3,465
Total Assigned	<u>\$ 158,751</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 158,751</u>
Unassigned:						
Capital Projects	\$ -	\$ -	\$ (33,656)	\$ -	\$ -	\$ (33,656)
Culture, Recreation and Natural Resources	(64,025)	-	-	-	-	(64,025)
Education	(18,850)	-	-	-	-	(18,850)
General Control	1,237,657	-	-	-	-	1,237,657
Health and Human Services	(176,641)	-	-	-	-	(176,641)
Highway and Transportation	(492,550)	-	-	-	-	(492,550)
Judicial	(137)	-	-	-	-	(137)
Legislature	(1,502)	-	-	-	-	(1,502)
Public Safety	(22,747)	-	-	-	-	(22,747)
Regulation and Licensing	(34,174)	-	-	-	-	(34,174)
Total Unassigned	<u>\$ 427,031</u>	<u>\$ -</u>	<u>\$ (33,656)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 393,375</u>

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 9 (CONTINUED)

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#### **B. Deficit Net Position/ Fund Equity**

##### **Governmental Activities**

There were no deficit overall fund balances to report for the fiscal year ended June 30, 2022.

#### **C. Net Position/Fund Balance Restatements -**

##### **1. Correction of Errors**

During the fiscal year ended June 30, 2022, the State determined that several errors in accounting and reporting had been made in the prior fiscal year. The effect of the correction of those errors together with the adoption of the new accounting principle on beginning net position and governmental fund balances follows (in thousands):

The following schedule reconciles June 30, 2022, Net Position/fund balance previously reported to beginning Net Position/fund balance, as reported in the accompanying financial statements (in thousands):

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 9 (CONTINUED)

#### Summary of Adjustments, Net Position/Fund Balance

##### Government-wide Statements -

##### Governmental Activities:

##### Adjustments

Correction of errors - PY	\$ (62,365)
	-
Total government-wide adjustments	<u>\$ (62,365)</u>

##### Governmental fund financial statements:

Debt Service - Unrecorded Cash in Previous Year	1,483
Capital Projects - Reclassification Entry Due To Final Entries	9,860
General Fund - Agency Prior Adjustments	(30,733)
Total Governmental fund adjustments	<u>\$ (19,390)</u>

##### Fiduciary Funds:

UNM Pension Trust Fund - Not Reported in PY	59,012
Custodial Funds - Correction of Error	27
	-
Total adjustments, Fiduciary Funds	<u>\$ 59,039</u>

##### Business - type Activities, Educational Institutions:

##### Correction of Errors

Restatement due to GASB 87 - Comparative Statements	\$ 452
Correction of Errors	114
Capital Asset Restatement	(3,079)
Student Aid Clearing Asset Balance	1,232
Due to Use Prior Year Numbers for Current Year	(2,059)
Late Audit - NMSD	19,519
Non - Major Component Units - Correction of Error	555
Rounding	(2)
Business - type Activities	<u>\$ 16,732</u>

##### Component Units

##### Change in Accounting Method, Adjustments, & Corrections of Errors:

Cumbres - Late Audit	\$ 822
Charter Schools - Correction of error	9
Total adjustments, Component Units	<u>\$ 831</u>

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 9 (CONTINUED)

#### Net Position/Fund Balance Restatements

<b>Governmental Activities:</b>	Net Position - Governmental Activities	Total Net Position - Internal Svc. Funds	Total Fund Balances - Governmental Funds	General Fund	Debt Service Fund	Capital Projects Fund	Severance Tax Fund	Land Grant Fund
Beg. Net Position/Fund Balances, as Previously Reported	\$ 40,053,197	\$ 33,095	39,790,254	\$ 5,038,500	\$ 629,019	\$ 2,830,646	\$ 6,421,868	\$ 24,870,221
Adjustments	(62,365)	-	(19,390)	(30,733)	1,483	9,860	-	-
Beg. Net Position/Fund Balances, as Restated	<u>\$ 39,990,832</u>	<u>\$ 33,095</u>	<u>39,770,864</u>	<u>\$ 5,007,767</u>	<u>\$ 630,502</u>	<u>\$ 2,840,506</u>	<u>\$ 6,421,868</u>	<u>\$ 24,870,221</u>
Effect on Change in Net Position/Fund Balance FYE June 30, 2021	<u>\$ (62,365)</u>	<u>\$ -</u>	<u>(19,390)</u>	<u>\$ (30,733)</u>	<u>\$ 1,483</u>	<u>\$ 9,860</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Business-type Activities:</b>	Net Position - Business-type Activities	Educational Institutions	Unemployment Insurance	Non-Major Enterprise				
Beg. Net Position, as Previously Reported	\$ 1,473,236	\$ 481,929	\$ 514,516	\$ 476,791				
Adjustments	(16,732)	3,342	(19,519)	(555)				
Beg. Net Position, as Restated	<u>\$ 1,456,504</u>	<u>\$ 485,271</u>	<u>\$ 494,997</u>	<u>\$ 476,236</u>				
Effect on Change in Net Position FYE June 30, 2021	<u>\$ (16,732)</u>	<u>\$ 3,342</u>	<u>\$ (19,519)</u>	<u>\$ (555)</u>				

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 9 (CONTINUED)

Fiduciary and Component Units:	Pension Trust Funds	External Investment Trust Funds	Private Purpose Trusts	Custodial Funds
Beg. Net Position, as Previously Reported	\$ 36,328,326	\$ 1,056,076	\$ 3,183,369	\$ 39,025
Adjustments	59,012	-	-	(27)
Beg. Net Position, as Restated	<u>\$ 36,387,338</u>	<u>\$ 1,056,076</u>	<u>3,183,369</u>	<u>38,998</u>
Effect on Change in Net Position FYE June 30, 2021	<u>\$ 59,012</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (27)</u>
Component Units:	Major Component Units	Non-Major Component Units		
Beg. Net Position, as Previously Reported	\$ 1,535,157	\$ 108,165		
Adjustments	-	831		
Beg. Net Position, as Restated	<u>\$ 1,535,157</u>	<u>\$ 108,996</u>		
Effect on Change in Net Position FYE June 30, 2021	<u>\$ -</u>	<u>\$ 831</u>		

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

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### NOTES TO THE FINANCIAL STATEMENTS – NOTE 10

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#### NOTE 10. Risk Management

The State of New Mexico manages its risks internally and sets aside assets for claim settlement through its Internal Service Fund (ISF). Coverage is provided for the following:

- Workers' Compensation
- Civil Rights and Foreign Jurisdiction
- Aircraft
- Money and Securities
- Health/Life
- General Liability
- Automobile
- Property
- Employee Fidelity Bond
- Short-term & Long-term Disability

The State of New Mexico manages its risks internally and sets aside assets for claim settlement through Enterprise Funds within the Risk Management Division (RMD) of the General Services Department. The RMD services all claims for risk of loss to which the State is exposed, including general liability, property and casualty, workers' compensation, employee health and accident, and unemployment compensation. The Department has coverage for general liability and civil rights claims through the Public Liability Fund administered by the State of New Mexico's Risk Management Division. The dollar amount "limits" of the insurance coverage are the damages caps set forth in the Tort Claims Act, NMSA Section 41-4-19, which may be amended from time to time by the legislature. All funds, agencies, and authorities of the State participate in Risk Management. Risk Management allocates the cost of providing claims servicing and claims payment by charging a "premium" to each fund, agency or public authority based on claims history and exposure of each participant. The charge considers recent trends in actual claims experience of the State as a whole and makes provision for catastrophic losses.

ISF fund liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated annually to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

Total insurance claims payable at June 30, 2022, were \$167.3 million. The amounts of the liabilities are determined by independent actuarial consultants to the ISF. The total liability is shown in the accompanying financial statements at the present value of the payments, computed at 2.0 percent annual rate, between June 30, 2022 and the date the claims are ultimately expected to be paid.

Insurance claims payable presented are actuarial computed estimates of the costs of administering, defending, and settling claims for events that had occurred as of the year-end. Since these estimates are based on historical information and various statistical measures, actual amounts paid may vary significantly from the amount estimated by the fund actuaries and reported herein. The basis of estimating the liabilities for unpaid claims is found in the independent actuarial report.



# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 10 (CONTINUED)

The following shows the reconciliation of changes in the unpaid claims in the ISF, which are stated at present value (in thousands):

	<u>Balance</u> <u>June 30, 2021</u>	<u>Incurred (Net</u> <u>of Actuarial</u> <u>Provision)</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Current</u> <u>Amount Due</u>
State Unemployment	\$ 2,423	\$ 4,327	\$ (2,988)	\$ 3,762	\$ 3,762
Local Public Body	533	1,392	(1,097)	828	827
Public Property Reserve	3,554	7,869	(6,343)	5,080	4,274
Public Liability	64,287	47,355	(21,807)	89,835	40,704
Surety Bond	3	-	-	3	2
Workers Compensation	51,390	18,137	(10,865)	58,662	13,663
Group Insurance Premium	45,146	416,902	(414,186)	47,862	47,862
<b>Total</b>	<b>\$ 167,336</b>	<b>\$ 495,982</b>	<b>\$ (457,286)</b>	<b>\$ 206,032</b>	<b>\$ 111,094</b>

	<u>Balance</u> <u>June 30, 2020</u>	<u>Incurred (Net</u> <u>of Actuarial</u> <u>Provision)</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Current</u> <u>Amount Due</u>
State Unemployment	\$ 3,690	\$ 455	\$ (1,722)	\$ 2,423	\$ 2,423
Local Public Body	812	106	(385)	533	533
Public Property Reserve	3,019	6,002	(5,466)	3,555	2,990
Public Liability	50,788	43,180	(29,681)	64,287	29,128
Surety Bond	3	-	(1)	2	2
Workers Compensation	50,750	11,827	(11,187)	51,390	11,969
Group Insurance Premium	43,330	361,089	(359,273)	45,146	45,146
<b>Total</b>	<b>\$ 152,392</b>	<b>\$ 422,659</b>	<b>\$ (407,715)</b>	<b>\$ 167,336</b>	<b>\$ 92,191</b>

It is possible that other claims against ISF may exist, but have not been asserted.

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2021

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 11

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#### NOTE 11. Pension Plans

##### A. Plan Descriptions

The State maintains five public employees' retirement systems (Systems): Four separate systems are administered by the New Mexico Public Employees' Retirement Association (PERA) and one system is administered by the New Mexico Educational Employees' Retirement Board (ERB).

PERA is the administrator of the Public Employees Retirement System (PERS), the Judicial Retirement System (JRS), the Magistrate Retirement System (MRS), and the Volunteer Firefighter Retirement System (VFRS). ERB is the administrator of the Educational Employees Retirement System (EERS). Collectively, the Systems offer an array of retirement benefit plans to state, county, and municipal employees, police, firefighters, judges, magistrates, and legislators. The laws governing the administration of the Systems are set forth in Chapter 10, NMSA 1978, and applicable Replacement Pamphlets.

PERA is directed by the Public Employees Retirement Board (Board), which consists of twelve members. Ten of the Board members are elected by PERA active and retired members under state and municipal coverage plans. Two Board members, the Secretary of State and the State Treasurer, are ex-officio members.

PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to PERA, 33 Plaza la Prensa, Santa Fe, NM 87507.

ERB is directed by the Educational Retirement Board, composed of seven members. Board members include:

- Secretary of Public Education, who is appointed by the Governor;
- State Treasurer;
- One member elected by the membership of the NM Association of Educational Retirees;
- One member elected by the membership of the National Education Association of New Mexico;
- One member elected by the membership of the American Association of University Professors;
- Two members appointed by the Governor

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 11 (CONTINUED)

The ERB issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to ERB, PO Box 26129, Santa Fe, New Mexico 87502.

The number of participating government employers, and the number of members for each system for the year ended June 30, 2021, were (not in thousands):

	PERS*	JRS	MRS	VFRS	EERS
Number of Employers					
State Agencies	122	15	12	363	11
Cities, Towns, Villages	94	-	-	-	-
Counties	38	-	-	-	-
Public Schools	-	-	-	-	89
Universities and Colleges	-	-	-	-	16
Special Schools	-	-	-	-	4
Charter Schools	-	-	-	-	100
Other	68	-	-	-	-
Totals	322	15	12	363	220
Retirees and Beneficiaries					
Receiving Benefits	42,947	202	111	1,590	53,972
Terminated Plan Members					
not yet Receiving Benefits	24,822	29	18	315	53,273
Active Plan Members	47,793	128	64	7,830	59,887

\* Note: PERA Retirement Fund includes the Legislative Fund

### B. Funding and Benefit Policies

**Public Employees Retirement System (PERS)** – This plan is a cost sharing, multiple - employer defined benefit pension plan with six divisions of members: 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. 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 10-11-3, NMSA 1978.) Except as provided for in the Volunteer Firefighter Retirement Act (Chapters 10-11A-1 to 10-11A-7, NMSA 1978), the Judicial retirement Act (Chapters 10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (Chapters 10-12C-1 to 10-12C-18, NMSA 1978), the Educational Retirement Act (Chapter 22-11, NMSA 1978), and the provisions of Chapters 29-4-1 through 29-4-11, NMSA 1978, governing the State Police Pension Fund, 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. Senate Bill 72

- Increases employer and employee contributions each year by .5 percent for State General Plan employees for fiscal year 2021, 2022, 2023 and 2024, excludes State Police and Adult Correctional Officer Plan 1 and active members with wages under \$25,000.

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

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### NOTES TO THE FINANCIAL STATEMENTS – NOTE 11 (CONTINUED)

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- For three fiscal years replaced the current compounding annual 2% COLA with a 2% non-compounding additional payment (13th check) and beginning July 1, 2023, changing to a profit sharing COLA tied to investment performance and PERA's total funded ratio.

Effective July 1, 2019, House Bill 501 increased employer contributions by .0025 percent for funds under the Public Employees Retirement Act.

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 (as defined later in these notes). 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 normal 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 2.0 percent to 3.5 percent 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 60.0 percent to 90.0 percent 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. A blended pension benefit is equal to the sum of the pension attributable to the service credit the member has accrued under each coverage plan with different pension factors, for service credit earned after July 1, 2013.

#### Cost of living adjustment (COLA)

- Eligible retired members will receive a 4% COLA.
- Graduated COLA eligibility period for those who retire:
  - Before June 30, 2014: no change to current 2 full-calendar years after retirements to receive a COLA;
  - Between July 1, 2014 and June 30, 2015: 2 full-calendar year eligibility period to receive a COLA;
  - Between July 1, 2015 and June 30, 2016: 4 full-calendar year eligibility period to receive a COLA; and
  - After July 1, 2016: 7 full-calendar year eligibility period to receive a COLA
- No change in 1-year COLA eligibility for disability retirees or retirees age 65 or older.

For 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 (applicable to those hired after July 1, 2013 – 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 credits equals at least 85, or at 67 with eight 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 0.5%. The computation of final average salary increased as the average of salary for 60 consecutive months.

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

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### NOTES TO THE FINANCIAL STATEMENTS – NOTE 11 (CONTINUED)

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Contribution rates for members vary depending on the plan under PERS. Employee contribution rates range from 4.78 % to 18.15% of annual salary, and employer rates range from 7.0% to 26.12%, Generally, Tier I regular state members contribute 7.42% to 8.92%, while employers contribute 17.24%.

#### CHANGES FOR RETIREES

##### Cost of living adjustment (COLA)

- Reduces the COLA from 3% to 2% except for:
- 2.5% COLA for members retired with 25 or more years of PERA service credit (not reciprocity) and disability retired members, whose annual pensions are less than \$20,000.

#### CHANGES FOR RE-EMPLOYED RETIREES

##### Cost of living adjustment (COLA)

- Suspends the COLA for grandfathered return-to-work retirees during reemployment with PERA-affiliated employers or retirees employed by entities covered by the Education Retirement Act.

***State Legislative Fund*** – This plan is a defined benefit pension plan which is accounted for in PERS. Eligibility for membership in the State Legislative Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, Section 43 and 43.5, NMSA 1978). State Legislators and lieutenant governors must elect to be a member no later than 180 days after first taking office to be covered under this plan. Member contributions are \$500 for each year of service credit prior to the 2012 legislative session and \$600 for each year beginning with the 2012 legislative session. Legislative service credit is earned each calendar year during which the member fulfills the obligations of the position of the legislator for more than six months of the calendar year, including the legislative session. Legislators are not required to make a member contribution until after the legislative session has ended and after PERA verifies services credit. PERA invoices legislative members to cover member contributions for each legislative session after the session ends, which is normally July or August. State funding for the State Legislative Fund is defined in Sections 10-11-43 and 10-11-43.5, NMSA 1978. The State is required to contribute sufficient amounts to finance the membership of members under state legislator coverage plan 2 on an actuarial reserve basis. The total actuarially determined amount for the State Legislative Fund for the fiscal year ended June 30, 2018 was \$0.00. Regarding the source of funding, Section 7 -1-6.43 of the Tax Administration Act states “A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the legislative retirement fund in an amount equal to two hundred thousand dollars (\$200,000) a month or, if larger, one-twelfth of the amount necessary to pay out the retirement benefits due under state legislator member coverage plan 2 and Paragraph (2) of Subsection C of Section 10-11-42 NMSA 1978 for the calendar year.” During the State of New Mexico (53<sup>rd</sup> Legislature) in 2017, House Bill 2 was passed that reduced the State’s distribution to the legislative retirement fund from \$75,000 a month to \$0.00 a month.

Age and service requirements for retirement are age 65 or older with 5 or more years of service credit or any age with 10 or more years of service credit. Legislative members who meet retirement eligibility requirements receive annual pensions equal in any calendar year to 11% of the per diem rate in effect on the first day of the calendar year that the member retires multiplied by 60 and further multiplied by credited service. The per diem rate starting January 1, 2018 is \$165.

Effective 2019 the annual contribution amount under Legislative Retirement Plan 2 the amount increases to \$1,000 per Senate Bill 307.

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

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### NOTES TO THE FINANCIAL STATEMENTS – NOTE 11 (CONTINUED)

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Cost of living adjustment (COLA) is made to eligible retirees and beneficiaries. Retirees of the Legislative fund receive a COLA yearly after retirement of two full-calendar years (January 1<sup>st</sup> through December 31<sup>st</sup>) subject to certain conditions. The 2% COLA will be effective July 1 of the following year after the two full calendar years and will be compounded for each fiscal year thereafter. The COLA for disabled retired members making less than \$20,000 and members that make less than \$20,000 and have 25 years of service credit will be 2.5%.

**Judicial Retirement Fund** – This plan is a single employer defined benefit pension plan. Eligibility for membership in the Judicial Retirement Fund is set forth in Chapter 10-12B-4, NMSA 1978. Every judge or justice becomes a member in the Judicial Retirement Fund upon election or appointment to office, unless an application for exemption has been appropriately filed or unless specifically excluded. All assets accumulated for the payment of benefits 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 the Judicial Retirement plan.

For individuals that became a member prior to July 1, 2005, benefits are available at age 64 or older to anyone having served a minimum of five years and at age 60 to anyone having served at least 15 years. The annual pension amount for those members covered prior to July 1, 2005, is determined as 75.0 percent of the salary received during the last year in office prior to retirement multiplied by the number of years of service, not to exceed 10 years divided by 10. For individuals that become a member after July 1, 2005, benefits are available at age 64 or older to anyone having served a minimum of five years and at age 55 to anyone having served at least 16 years.

For those individuals who became members subsequent to July 1, 2005, the annual pension amount is determined as 75.0 percent of salary received during the last year in office prior to retirement multiplied by 5.0 percent of the number of years in service, not exceeding 15 years, plus five years or one-twelfth of the salary received during the last year in office prior to retirement multiplied by the product of 3.75 percent times the sum of the number of years of service; provided that a pension calculated shall not exceed 75.0 percent of one-twelfth of the salary received during the last year in office.

The retirement age and service credit requirements for normal retirement for judicial members who first take the bench on or after July 1, 2014 increased with the passage of House Bill 33 Substitute in the 2014 Legislative Session. Under the new requirements, judicial members are eligible to retire at age 65 with 8 or more years of service or at age 60 with 15 or more years of service credit.

Effective July 1, 2014, judicial membership is mandatory, all judicial pension factors were reduced, employee and employer contributions increased 3 percent and the computation of final average salary increased as the average of salary for the 60 consecutive months. In addition, cost-of-living increases were suspended for two consecutive fiscal years and future cost-of-living adjustments are reduced to 2% every third year until the Fund is projected to be 100% funded. Suspends the COLA for judges and magistrates if the Funds' funded ratios fall below 100%. COLA suspensions shall only be implemented for two consecutive fiscal years.

Early retirement provisions apply to members retiring between ages 50 and 60. The plan also provides for survivors' allowances and disability benefits. Members contribute at a rate of 10.5 percent of their salaries and the member's court contributes at a rate of 15.0 percent of the member's salary. Additionally, the district court contributes \$38 for each civil case docket fee paid in the district court, \$25 from each civil docket fee paid in

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

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### NOTES TO THE FINANCIAL STATEMENTS – NOTE 11 (CONTINUED)

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metropolitan court and \$10 (not in thousands) for each jury fee paid in metropolitan court. Contribution rates are established by State statute. Various other changes took place under House Bill 33 which amended the Judicial Retirement Act. Senate Bill 122, which is effective from 2021 until fiscal year 2026 the Judicial Retirement Fund will receive \$100,000 each month from the Oil and Gas Proceeds and pass-through entity withholding tax.

**Magistrate Retirement Fund** – This plan is a single employer defined benefit pension plan. Eligibility for membership in the Magistrate Retirement Fund is set forth in Chapter 10-12C-4, NMSA 1978. All assets accumulated for the payment of benefits 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 the Magistrate Retirement plan. Every magistrate becomes a member in the Magistrate Retirement Fund upon election or appointment to office, unless an application for exemption has been appropriately filed or unless specifically excluded. Benefits are available at age 64 or older to any member having served as a magistrate for a minimum of five years. Retirement is available at age 60 to any magistrate or former magistrate having served at least 15 years or at any age with 24 or more years of service credit. The annual pension amount is determined by multiplying 75.0% of the salary received during the last year in office prior to retirement by 5.0% of the number of years of service, not exceeding 15 years, plus five years.

The retirement age and service credit requirements for normal retirement for magistrate members who first take the bench on or after July 1, 2014 increased with the passage of House Bill 216 Substitute in the 2014 Legislative Session. Under the new requirements, magistrates are eligible to retire at age 65 with eight or more years of services, at age 60 with 15 or more years of service credit or at any age with 24 years of service credit.

Effective July 1, 2014, membership is mandatory, all magistrate pension factors were reduced, employee contributions increased 3 percent, and the computation of final average salary increased as the average of salary for the 60 consecutive months prior to retirement. Employer contributions increased by 4% effective July 1, 2015. In addition, cost-of-living increases were suspended for two consecutive fiscal years, and future cost-of-living adjustments are reduced to 2% every third year until the Fund is projected to be 100% funded.

Member contributions are based on 10.5 percent of salaries and the State, through the administrative office of the courts, contributes at a rate of 11.0 percent of the member's salary. Beginning July 1, 2015, the employer contributions increased to 15 percent of the member's salary. Additionally, the magistrate or metropolitan courts contribute \$25 for each civil case docket fee paid and \$10 for each civil jury fee paid in magistrate court. Contribution rates are established by State statute. Certain other changes took place under House Bill 216 and amended the Magistrate Retirement Act. Senate Bill 122, which is effective from 2021 until fiscal year 2026 the Magistrate Retirement Fund will receive \$100,000 each month from the Oil and Gas Proceeds and pass-through entity withholding tax.

**Volunteer Firefighters Retirement Fund** – This plan is a single employer defined benefit pension plan with a special funding situation. Eligibility for membership in the Volunteer Firefighters Retirement Fund is set forth in Chapter 10-11A-2, NMSA 1978. Any volunteer non-salaried firefighter who is listed as an active member on the rolls of a fire department and who meets certain age and service credit requirements set forth in the statute is eligible for membership in the Volunteer Firefighters Retirement Fund. Benefits are available at age 55 or older to any member having served as a volunteer firefighter for a minimum of 10 years. Benefits are \$125 per month, as of July 1, 2013, with at least 10 but less than 25 years of service or \$250 per month with 25 or more years of

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

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### NOTES TO THE FINANCIAL STATEMENTS – NOTE 11 (CONTINUED)

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service. Benefits for post-retirement surviving spouse annuities are also available. Members of the Volunteer Firefighters Retirement Fund do not make individual contributions to the plan. State statutes require that the State Treasurer transfer \$750,000 during the fiscal year from the Fire Protection Fund to the Volunteer Firefighters Retirement Fund.

***Educational Employees' Retirement System (EERS)*** - The New Mexico Educational Retirement Board (ERB) was created by the Educational Retirement Act, Chapters 22-11-1 to 22-11-52, NMSA 1978, as amended, to administer and have the responsibility for operating the Educational Employees' Retirement Plan. ERB is an agency of the State. The plan administered by ERB is considered part of the State financial reporting entity and is a pension trust fund of the state.

This plan is a cost-sharing multiple employer pension plan established by statute and administered by ERB to provide retirement, disability, and death benefits for all certified teachers and other employees of the State's elementary, secondary, and higher educational institutions, junior colleges, and technical-vocational institutions. Employees who are employed more than 25% of a full-time equivalency, are required to be members of the Plan, unless specifically excluded.

Plan members whose annual salary is \$24,000 or less are required by statute to contribute 7.9% of their gross salary. For plan members whose annual salary is over \$24,000, they are required to contribute 10.7% of their gross salary to the plan in fiscal year 2021 and thereafter. Employers are required to contribute 14.15% of gross covered salaries in fiscal year 2020 and thereafter. The statutory contribution requirements can be changed by the State Legislature.

For members employed before July 1, 2010, a member is eligible to retire when one of the following events occurs:

- The member's age and earned service credit add up to the sum of 75 or more,
- The member is at least sixty-five years of age and has five or more years of earned service credit, or
- The member has service credit totaling 25 years or more.

Chapter 288, Laws of 2009 changed the eligibility requirements for new members first employed on, or after, July 1, 2010 and before July 1, 2013. The eligibility for a member who either becomes a new member on or after July 1, 2010 and before July 1, 2013, or at any time prior to July 1, 2010 refunded all member contributions and then becomes re-employed after July 1, 2010 is as follows:

- The member's age and earned service credit add up to the sum of 80 or more,
- The member is at least 67 years of age and has five or more years of earned service credit, or
- The member has service credit totaling 30 years or more.

Section 2-11-23.2, NMSA 1978 added eligibility requirements for new members who were first employed on or after July 1, 2013, or who were employed before July 1, 2013 but terminated employment and subsequently withdrew all contributions, and returned to work for an ERB employer on or after July 1, 2013. These members must meet one of the following requirements:

- The member's minimum age is 55, and has earned 30 or more years of service credit. Those who retire earlier than age 55, but with 30 years of earned service credit will have a reduction in benefits to the actuarial equivalent of retiring at age 55.



# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

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### NOTES TO THE FINANCIAL STATEMENTS – NOTE 11 (CONTINUED)

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- The member's minimum age and earned service credit add up to the sum of 80 or more. Those who retire under the age of 65, and who have fewer than 30 years of earned service credit will receive reduced retirement benefits
- The member's age is 67, and has earned 5 or more years of service credit.

Section 2-11-23.3, NMSA 1978 added eligibility requirements for new members who were first employed on or after July 1, 2019, or who were employed before July 1, 2019 but terminated employment and subsequently withdrew all contributions, and returned to work for an ERB employer on or after July 1, 2019. These members must meet one of the following requirements:

- The member is any age and has 30 years of earned service credit.
- The member is at least 67 years of age and has 5 or more years of earned service credit.
- The sum of member's age and years of earned service credit equals at least eighty.

*Forms of Payment* - The benefit is paid as a monthly life annuity with a guarantee that, if the payments made do not exceed the member's accumulated contributions plus accumulated interest, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary.

*Benefit Options* - There are three benefit options available:

Option A – Straight Life Benefit. The single life annuity option has no reductions to the monthly benefit, and there is no continuing benefit due to a beneficiary or estate, except the balance, if any, of member contributions plus interest less benefits paid prior to the member's death.

Option B – Joint 100% Survivor Benefit. The single life annuity monthly benefit is reduced to provide for a 100% survivor's benefit. The reduced benefit is payable during the life of the member, with the provision that, upon death, the same benefit is paid to the beneficiary for his or her lifetime. If the beneficiary predeceases the member, the member's monthly benefit is increased to the amount the member would have received under Option A Straight Life benefit. The member's increased monthly benefit commences in the month following the beneficiary's death.

Option C – Joint 50% Survivor Benefit. The single life annuity monthly benefit is reduced to provide for a 50% survivor's benefit. The reduced benefit is payable during the life of the member, with the provision that, upon death, the reduced 50% benefit is paid to the beneficiary for his or her lifetime. If the beneficiary predeceases the member, the member's monthly benefit is increased to the amount the member would have received under Option A Straight Life benefit. The member's increased monthly benefit commences in the month following the beneficiary's death.

*Cost of Living Adjustment (COLA)* – All retired members and beneficiaries receiving benefits receive an automatic adjustment in their benefit on July 1 following the later of 1) the year a member retires, or 2) the year a member reaches age 65 (Tier 1 and Tier 2) or age 67 (Tier 3 and Tier 4):

- Tier 1 membership is comprised of employees who became members prior to July 1, 2010
- Tier 2 membership is comprised of employees who became members after July 1, 2010, but prior to July 1, 2013
- Tier 3 membership is comprised of employees who became members on or after July 1, 2013, but prior to July 1, 2019
- Tier 4 membership is comprised of employees who became members on or after July 1, 2019

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

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### NOTES TO THE FINANCIAL STATEMENTS – NOTE 11 (CONTINUED)

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As of July 1, 2013, for current and future retirees the COLA is immediately reduced until the Plan is 100% funded. The COLA reduction is based on the median retirement benefit of all retirees excluding disability retirements. Retirees with benefits at or below the median and with 25 or more years of service credit will have a 10% COLA reduction; their average COLA will be 1.5%. Once the funding is greater than 90%, the COLA reductions will decrease. The retirees with benefits at or below the median and with 25 or more years of service credit will have a 5% COLA reduction; their average COLA will be 1.7%.

Members on disability retirement are entitled to a COLA commencing on July 1 of the third full year following disability retirement. A member on regular retirement who can prove retirement because of a disability may qualify for a COLA beginning July 1 in the third full year of retirement.

*Disability Benefit:*

Eligibility - A member is eligible for a disability benefit provided (a) he or she has credit for at least 10 years of service, and (b) the disability is approved by the Board.

Monthly Benefit - The monthly benefit is equal to 2.0 percent of FAS times years of service, but not less than the smaller of (a) one-third of FAS or (b) 2.0 percent of FAS times years of service projected to age 60.

Form of Payment - The disability benefit commences immediately upon the member's retirement. Disability benefits are payable as a monthly life annuity, with a guarantee that, if the payments made do not exceed the member's accumulated contributions, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. If the disabled member survives to age 60, the regular optional forms of payment are then applied.

*Refund of Contributions* - Members may withdraw their contributions only when they terminate covered employment in the State and certification of termination has been provided by their former employers. Interest paid to members when they withdraw their contributions following termination of employment is at a rate set by the Board. Interest is not earned on contributions credited to accounts prior to July 1, 1971, or contributions held for less than one year.

*Alternative Retirement Plan* - Effective October, 1991, the New Mexico legislature established an Alternative Retirement Plan (ARP) through the enactment of ERA Sections 22-11-47 through 52 NMSA 1978 to provide eligible employees an election to establish an alternative retirement investment plan. In contrast to the defined benefit plan administered by NMERB, the ARP is a defined contribution plan. NMERB is the trustee of the ARP which is administered by two third party contractors for NMERB. The administrators approved to offer ARP plans to eligible participants are Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA-CREF), and Fidelity Investments.

These administrators have the authority to perform record keeping, enrollment education services, and other administrative duties for the ARP. The administrators are delegated any and all powers as may be necessary or advisable to discharge their duties under the ARP, and have certain discretionary authority to decide matters under the ARP. As the ARP trustee NMERB is responsible for selecting investment options that provide a prudent rate of return, and to ensure that all investments, amounts, property, and rights under the executed Plan-Trust are held for the exclusive benefit of Plan participants and their beneficiaries, as defined in the Plan Document.

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 11 (CONTINUED)

#### C. Net Pension Liability

The total pension liability, net pension liability, and certain sensitivity information presented on the next page are based on an actuarial valuation performed as of June 30, 2021. The total pension liability was rolled forward from the valuation date to the plan year ending June 30, 2022. The net pension liability of each plan as of June 30, 2022, is as follows (in thousands):

<b>Public Employees Retirement Association and Education Retirement Board</b>					
<b>Net Pension Liability, By Fund</b>					
<i>(Expressed in Thousands)</i>					
	<b>PERA-Public Employees Retirement System</b>	<b>PERA-Judicial Retirement System</b>	<b>PERA-Magistrate Retirement System</b>	<b>PERA-Volunteer Firefighters Retirement System</b>	<b>ERB-Educational Employees Retirement System</b>
Total Pension Liability	\$ 23,581,568	\$ 203,842	\$ 75,440	\$ 52,842	\$ 23,972,413
Plan's Fiduciary Net Position	16,354,647	111,600	32,399	78,967	15,550,702
Net Pension Liability	<u>\$ 7,226,921</u>	<u>\$ 92,242</u>	<u>\$ 43,041</u>	<u>\$ (26,125)</u>	<u>\$ 8,421,711</u>
Percentage of Fiduciary Net Position to Total Pension Liability	<u>69.35%</u>	<u>54.75%</u>	<u>42.95%</u>	<u>149.44%</u>	<u>64.87%</u>

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 11 (CONTINUED)

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2021. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2022. These assumptions were adopted by the Board for use in the June 30, 2021 actuarial valuation.

	<u>PERS</u>	<u>JRS</u>	<u>MRS</u>	<u>VFRS</u>	<u>EERS</u>
Valuation date	June 30, 2021	June 30, 2021	June 30, 2021	June 30, 2021	June 30, 2021
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Percent of Pay	Level Percent of Pay, Open	Level Percent of Payroll, Open	Level Dollar, Open	Closed 30 year period, Amortization. Level percent of Payroll.
Amortization period	25 years	30 years	30 years	25 years	Closed 30 years
Asset valuation method					5 Year Smoothed Market
Actuarial Assumptions:					
Investment Rate of Return	7.25%	7.25%	7.25%	7.25%	7%
Projected Benefit Payment	100 years	89 years	86 years	100 years	
Projected Salary Increases	3.25%-13.50%	3.25%	3.25%	N/A	2.30% Inflation, plus .70% Prod, Inc.
Includes Inflation At	2.50%	2.50%	2.50%	2.50%	2.30%
Mortality Assumption	RPH-2014 Blue Collar Mortality Table	RPH-2014 Blue Collar Mortality Table	RPH-2014 Blue Collar Mortality Table	RPH-2014 Blue Collar Mortality Table	2020 GRS Southwest Region Teacher Mortality Table
Discount Rate	7.25%	7.25%	7.25%	7.25%	7.00%

All percentages are stated at an annual rate.  
Investment rate of return is net of investment expenses.

The following presents the net pension liability of the various plans, calculated using the discount rate, as well as what the Fund's net pension 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 rate:

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 11 (CONTINUED)

**Sensitivity of the Net Pension Liability to  
Changes in the Discount Rate  
(Expressed in Thousands)**

Net Pension Liability	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
PERS	\$ 10,108,705	\$ 7,226,921	\$ 4,839,024
<b>Single-Employer Funds:</b>			
	(4.96%)	(5.96%)	(6.96%)
Judicial	\$ 113,728	92,243	\$ 74,061
	(6.25%)	(7.25%)	(8.25%)
Volunteer Firefighters	\$ (20,223)	\$ (26,125)	\$ (31,052)
	(4.30%)	(5.30%)	(6.30%)
Magistrate	\$ 51,612	\$ 43,041	\$ 35,897
	(6.00%)	(7.00%)	(8.00%)
ERB	\$ 11,419,137	\$ 8,421,711	\$ 5,944,382

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

<b>Public Employees Retirement Association All Systems</b>		
Asset Class	Target Allocation	Long-term Expected Rate of Return
Global Equity	35.50 %	6.35 %
Risk Reduction & Mitigation	19.50	1.90
Credit Oriented Fixed Income	15.00	4.45
Real Assets to include Real Estate Equity	20.00	5.10
Multi-Risk Allocation	10.00	6.65
<b>Total</b>	<b>100.00 %</b>	

**ERB Asset Allocations** – ERB’s investment allocation policy is periodically reviewed and amended by the Board of Trustees, as needed. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following schedule shows the current asset allocations as well as the policy adopted on February 2022:

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 11 (CONTINUED)

Schedule of Asset Allocation Versus Policy Targets		
	Allocation	Policy Target <sup>1</sup>
<b>Equities</b>		
<i>Domestic Equities</i>		
Large cap	12%	14%
Small-mid cap	2%	3%
<i>International Equities</i>		
Developed	4%	5%
Emerging markets	6%	9%
Total equities	24%	31%
<b>Fixed Income</b>		
Core Fixed Income	5%	6%
Opportunistic credit	16%	16%
Emerging market debt	2%	2%
Total fixed income	23%	24%
<b>Alternatives</b>		
Real estate - REITS	2%	2%
Private real estate	7%	6%
Private equity	23%	15%
Global asset allocation	3%	2%
Risk parity	4%	3%
Inflation-linked assets	10%	9%
Other	5%	7%
Total alternatives	52%	44%
<b>Cash</b>	1%	1%
Total	100%	100%

1. Long-Term Policy Target approved by the Board on February 2022

2. Allocations shown here include cash held in separately managed portfolios. Totals may not add to 100% due to rounding.

**Rate of Return** – Disclosure of the annual money-weighted return is a requirement of GASB 67. It incorporates both the size and timing of cash flows to determine an internal rate of return, and expresses investment performance adjusted for the changing amounts actually invested. The requirements of the calculation are listed below.

- The rate is computed net of investment expenses, but not net of administrative expenses.
- External cash flows used as inputs should be determined on at least a monthly basis.
- Cash flows should be determined on an accrual basis of accounting.
- Cash-flow weighting should be representative of the Plan's actual external cash flow timing.

For the year ended June 30, 2022, the annual money-weighted rate of return on the PERA pension plan investments net of investment expense was (3.11%). For the ERB pension plan, it was 1%.

#### **D. Employer Reporting – Public Employees Retirement Association of New Mexico (PERA)**

##### **State – Funded Divisions of PERA**

For the fiscal year ended June 30, 2022, the State Funded Divisions of PERA were composed of State General, State Police and Legislative. The measurement date used by the State was June 30, 2021.

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 11 (CONTINUED)

**Contributions** – As stated earlier in this note, the contribution requirements of the plan members and the State are established in the state statute. Statutorily required contributions from the State to the State funded divisions of the pension plan were \$221 million for the fiscal year ended June 30, 2022.

#### ***Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

The State-Funded Divisions of PERA reported net pension liabilities as follows (in thousands):

<u>Division</u>	<u>Net Pension Liability</u>
State General	\$ (3,471,598)
State Police	456,457
Legislative	16,687
Total	<u>\$ (2,998,454)</u>

The net pension liability is further segregated in the following amounts in Governmental and Business-Types (in thousands):

Governmental Activities (including Internal Service Funds)	\$ 2,928,073
Business-type Activities (including Nonmajor enterprise funds and two educational institutions)	70,381
Total	<u>\$ 2,998,454</u>

At June 30, 2022, the State's total proportion of the PERA State Funded Divisions net pension liability was 57.10%. Total contributions for State Funded Divisions were \$188 million, \$33 million, and \$0 for the three divisions respectively. Pension expense (income) was \$378 million, (\$28) million and \$.14 million respectively.

#### **Single-Employer Funds**

The State contributes 100 percent of the contributions to three single-employer funds in the PERA System. They are the Judicial, Magistrate, and Volunteer Firefighters Retirement Funds. The measurement date used by State was June 30, 2021 (in thousands).

	<b>Judicial</b>	<b>Magistrate</b>	<b>Volunteer Firefighters</b>
Net Pension Liability (Asset)	<u>\$ 72,669</u>	<u>\$ 24,365</u>	<u>\$ (31,593)</u>

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 11 (CONTINUED)

**Contributions** – Contributions from the State to the PERA Judicial, Magistrate Retirement and Volunteer Firefighter funds were \$26 million, \$2.4 million, and \$.750 million, respectively, for the year ended June 30, 2022.

**Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - The State reported liabilities of \$72.7 million and \$24.4 million for the net pension liabilities of the Judicial and Magistrate Retirement Funds, respectively, which were 100 percent of the proportionate share. For the year ended June 30, 2022, the State recognized \$1.6 million as pension expense for the Judicial Retirement Funds. Also, for the year ended June 30, 2022, the State recognized \$6.6 million as pension income for the Magistrate Retirement Fund, respectively.

The Volunteer Firefighters Retirement Fund reported a plan net asset of \$31.6 million. Therefore, in accordance with accounting guidance, the positive net position is reported as a net pension asset in the financial statements. Pension income was \$2.2 million.

At June 30, 2022, these plans reported deferred outflow of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	Governmental		Business-type	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>PERA - State-Funded and Single-Employer Funds (Judicial and Magistrates Funds)</b>				
Differences between expected and actual experiences	\$ 280,132	\$ (39,748)	\$ 7,584	\$ (745)
Changes of assumptions	8,511	(40,991)	15	(2)
Net difference between projected and actual earnings on pension plan investments	-	(595,769)	-	(9,349)
Changes in proportion and differences between State contributions and proportionate share of contributions	-	-	-	-
State contributions subsequent to measurement date	244,807	-	4,597	-
Totals	<u>\$ 533,450</u>	<u>\$ (676,508)</u>	<u>\$ 12,195</u>	<u>\$ (10,096)</u>



# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 11 (CONTINUED)

The amounts of \$245 million for governmental activities and \$4.5 million for business-type activities, reported as deferred outflows of resources related to pensions resulting from the State's contributions subsequent to the measurement date June 30, 2021, will be recognized as a reduction of the respective net pension liability in the following fiscal year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

<u>Governmental</u>		<u>Business-type</u>	
<u>Year ended June 30:</u>		<u>Year ended June 30:</u>	
2023	\$ (40,877)	2023	\$ (263)
2024	\$ (26,920)	2024	\$ (173)
2025	\$ (70,681)	2025	\$ (455)
2026	\$ (249,386)	2026	\$ (1,606)
2027	\$ -	2027	\$ -
Thereafter	\$ -	Thereafter	\$ -

The deferred outflows and inflows of resources are presented separately for the Volunteer Firefighter's Fund because this fund reports a positive net position (in thousands).

	<u>Governmental</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<b><u>Volunteer Firefighter's Fund</u></b>		
Differences between expected and actual experiences	\$ -	\$ (6,225)
Changes of assumptions	734	(1,484)
Net difference between projected and actual earnings on pension plan investments	-	(6,372)
Changes in proportion and differences between State contributions and proportionate share of contributions	-	-
State contributions subsequent to measurement date	750	-
Totals	<u>\$ 1,484</u>	<u>\$ (14,080)</u>

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 11 (CONTINUED)

The amount of \$.75 million, reported as deferred outflows of resources related to pensions resulting from the State's contributions subsequent to the measurement date June 30, 2021, will be recognized as a reduction of the respective net pension liability in the following fiscal year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

<u>Year ended June 30</u>	
2023	\$ (2,685)
2024	\$ (2,738)
2025	\$ (2,328)
2026	\$ (3,468)
2027	\$ (831)
Thereafter	\$ (1,296)

#### E. Employer Reporting – Educational Retirement Board (ERB)

**Contributions** – As stated earlier in this note, the contribution requirements of ERB plan members and the State are established in state statute. Contributions for the fiscal year ended June 30, 2021, from the State to the ERB were \$1.4 million for governmental activities and \$ 135 million from the twelve educational institutions reported as business-type activities.

**Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2021. Therefore, the employer's portion was established as of the measurement date June 30, 2021. On June 30, 2022, the State reported a liability of \$18.7 million for its proportionate share of the net pension liability covering state employees in governmental activities, and \$1.9 billion for the collective proportionate share of the twelve educational institutions reported as business-type activities. At June 30, 2021, the proportion was .26 percent for governmental activities and 26.9 percent for business-type activities. The State's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2021. The contribution amounts were defined by Section 22-11-21, NMSA 1978.

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 11 (CONTINUED)

For the year ended June 30, 2022, the State recognized pension expenses of \$1.5 million in governmental activities and \$140 million in business-type activities. At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	Governmental		Business-type	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>ERB Fund</b>				
Differences between expected and actual experiences	\$ 1,466	\$ (46)	\$ 147,959	\$ (4,753)
Changes of assumptions	12,423	(21,255)	1,264,714	(2,142,220)
Net difference between projected and actual earnings on pension plan investments	-	(4,641)	1,067	(467,780)
Changes in proportion and differences between State contributions and proportionate share of contributions	63	(1,082)	5,119	(57,049)
State contributions subsequent to measurement date	1,352	-	135,172	-
Totals	<u>15,305</u>	<u>(27,024)</u>	<u>1,554,031</u>	<u>(2,671,802)</u>

Contributions made subsequent to the measurement date will reduce the net pension liability for the next fiscal year.

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

Governmental		Business-type	
Year ended June 30		Year ended June 30	
2023	\$ (1,227)	2023	\$ (105,317)
2024	\$ (6,034)	2024	\$ (585,646)
2025	\$ (4,261)	2025	\$ (425,597)
2026	\$ (1,549)	2026	\$ (136,383)
2027	\$ -	2027	\$ -
Thereafter	\$ -	Thereafter	\$ -

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 11 (CONTINUED)

#### Net Pension Liabilities and Related Deferred Inflows/Outflows of Resources Reconciliation to Financial Statements (in thousands)

	Net Pension Asset	Net Pension Liability		Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Governmental Activities</u>			<u>Governmental Activities</u>		
PERA - State Divisions	\$ -	\$ 2,928,073	PERA - State Divisions, Judicial & Magistrate	\$ 533,450	\$ (676,508)
PERA - Judicial	-	72,669	PERA - Volunteer Firefighters	1,484	(14,080)
PERA - Magistrate	-	24,365	ERB	15,305	(27,024)
PERA - Volunteer Firefighters	31,593	-	Rounding	-	-
ERB	-	18,663	Total Governmental Activities	550,239	(717,612)
Total Governmental Activities	31,593	3,043,770			
			<u>Business-type Activities</u>		
<u>Business-type Activities</u>			PERA - State Divisions	12,195	(10,096)
PERA - State Divisions	-	70,381	ERB	1,554,031	(2,671,802)
ERB	-	1,912,469	Rounding	-	1
Total Business-type Activities	-	1,982,850	Total Business-type Activities	1,566,226	(2,681,897)
Component Units		193,842	Component Units	193,451	(276,057)

#### F. Discount Rates and Sensitivity Analysis

**Discount Rate for the PERA, Volunteer Firefighter, Magistrate and Judicial Funds.** Previously, a select and ultimate rate of return assumption had been adopted for funding purposes but new economic assumptions were adopted for the June 30, 2021 valuations including the change to a 7.25% static rate. The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASB Statement No. 67. Therefore, the 7.25% assumed 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.

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 11 (CONTINUED)

***Sensitivity of the State’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*** - The following table provides the sensitivity of the State’s Proportionate Share of the net pension liability to changes in the discount rate. In particular, the tables present the State’s net pension liability as if it were calculated using a discount rate one percentage point lower or one percentage point higher than the single discount rate.

<b>Public Employees Retirement Association Employer Reporting Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Expressed in Thousands)</b>			
Net Pension Liability	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
State-Funded Divisions	\$ 4,305,121	\$ 2,998,454	\$ 1,907,969
<b>Single-Employer Funds:</b>			
Judicial	\$ 89,433	\$ 72,669	\$ 58,314
Volunteer Firefighters	\$ (25,606)	\$ (31,593)	\$ (36,587)
Magistrate	\$ 30,288	\$ 24,365	\$ 19,338

**ERB** - A single discount rate of 7.00% was used to measure the Total Pension Liability as of June 30, 2021. This single discount rate was based on the expected rate of return on pension plan investments of 7.00%. Based on the stated assumptions and the projection of cash flows, the pension plan’s fiduciary net position and future contributions were sufficient to finance all projected future benefit payments of current plan members. As a result, 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 single discount rate used at June 30, 2021 differs from the rate used at June 30, 2020 which was 3.89%. The single discount rate was based on an expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.45%. Based on the stated assumptions and the projection of cash flows, the pension plan’s Fiduciary Net Position and future contributions were sufficient to finance the benefit payments through the year 2045. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2045 and the municipal bond rate was applied to all benefit payments after that date. The projection 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. Additionally, contributions received through Alternative Retirement Plan and the Return to Work Program are included in the projection of cash flows. These contributions are assumed to remain a level percentage of NMERB payroll, where the percentage of payroll is based on the most recent five-year contribution history.

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 11 (CONTINUED)

***Sensitivity of the State's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate -***

The following table provides the sensitivity of the State's Proportionate Share of the net pension liability to changes in the discount rate. In particular, the tables present the State's net pension liability as if it were calculated using a discount rate one percentage point lower or one percentage point higher than the single discount rate.

<b>Educational Retirement Board Employer Reporting Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Expressed in Thousands)</b>			
Net Pension Liability	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
State Employees (Governmental Activities)	\$ 68,913	\$ 18,663	\$ 43,026
Educational Institution Employees (Business-type Activities)	\$ 6,859,138	\$ 1,912,469	\$ 4,282,506
<b>Total Primary Government- ERB</b>	<b>\$ 6,928,051</b>	<b>1,931,132</b>	<b>4,325,533</b>

#### NOTE 12

##### Post-Employment Benefits Other Than Pensions

###### A. Plan Description

In addition to pension benefits as described in Note 12, the State provides other post-employment benefits (OPEB). The following is in accordance with the provisions of *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

The New Mexico Retiree Health Care Authority (RHCA) was formed February 13, 1990 under the New Mexico Retiree Health Care Act (Act), Chapters 10-7C-1 to 10-7C-19, NMSA 1978, to administer the retiree health care fund which was created to provide comprehensive group health insurance coverage for individuals (and their spouses, dependents, and surviving spouses) who have retired or will retire from public service in New Mexico. The Retiree Health Care Act established a cost-sharing multi-employer defined benefit postemployment health care plan (Plan) that provides comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The Retiree Health Care Act created a governing board composed of 11 members (a twelfth member was added through an amendment). RHCA issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to RHCA, 6300 Jefferson Street NE, Suite 150, Albuquerque, NM 87109.

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 12

The legislation establishing RHCA specifically did not intend to create formal trust relationships among the participating employees, retirees, employers and RHCA administering the Act. However, the substantive plan created by the Act contains all requisite elements to be considered as the equivalent of a trust arrangement. These elements include irrevocable contributions to the Plan, plan assets are dedicated to providing benefits to retirees and their beneficiaries in accordance with the terms of the Plan, and plan assets are legally protected from creditors of employers or the Plan administrator. Additionally, there is no provision for a participating government entity to withdraw membership, and all risks and costs including benefit costs are shared and are not attributed individually to employers, and a single contribution rate applies to employers. RHCA received a legal opinion that the manner of legal organization of RHCA is substantially equivalent to a trust. As such, RHCA was required to apply GASB Statement No. 74 (GASB 74) *Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans* which was implemented by the State effective for fiscal year ending June 30, 2018. The Net Position of the RHCA is reported as restricted per GASB Statement No. 46 and Chapter 10-7-C-14, NMSA 1978.

Eligible employers are institutions of higher education, school districts, or other entities participating in the public school insurance authority, and state agencies, state courts, magistrate courts, municipalities, or counties, which are affiliated under or covered by the Educational Retirement Act, or the Magistrate Retirement Act, or the Public Employees Retirement Act.

<b>Plan Membership (Not in Thousands):</b>	
Current Retirees and Surviving Spouses	53,092
Inactive and Eligible for Deferred Benefit	11,759
Current Active Members	92,520
<b>Total</b>	<b>157,371</b>
<b>Active Membership:</b>	
State General	18,691
State Police and Corrections	1,919
Municipal General	20,357
Municipal Police	1,573
Municipal Fire	756
ERB	49,224
<b>Total</b>	<b>92,520</b>
<b>Total Number of Participating Employers</b>	<b>302</b>

#### **B. Single Employer Post-Employment Plans**

##### **Plan Description for UNM**

*Plan description:* The University of New Mexico Retiree Welfare Benefit Trust (VEBA Trust) administers the University of New Mexico Retiree Welfare Benefit Plan (VEBA Plan) – a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for all eligible employees of the University. The University is the fiduciary of the VEBA Trust, and the VEBA Trust’s financial statements and required supplementary information are included in the University’s financial report.

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

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### NOTES TO THE FINANCIAL STATEMENTS – NOTE 12 (CONTINUED)

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Management of the VEBA Plan is vested in the VEBA Trust's VEBA Committee, which consists of nine members:

- UNM Controller or Designee
- UNM Vice President of Human Resources or Designee
- Two Faculty Appointees (appointed by the UNM President)
- Two Staff Appointees (appointed by the UNM President)
- Member of the Debt Investment Advisory Committee (ex-officio, appointed by the UNM President)
- Two UNM Presidential Appointees

*Plan membership:* In order for a retiree of the University to be eligible for OPEB other than basic life insurance, the employee must have been hired prior to July 1, 2015 and contribute to the VEBA Trust for at least five continuous years immediately prior to retirement. If hired prior to July 1, 2013 and retiring prior to July 1, 2018, employees must continually contribute to the VEBA Trust. Employees were automatically enrolled into the VEBA Trust upon its establishment unless they requested to opt out. Opportunities to opt out will occur annually during the benefits open enrollment period. Employees hired on or after July 1, 2015 are not eligible for OPEB other than basic life insurance. Contributions to the VEBA Trust are not required for the basic life insurance benefit since these benefits are not funded through the VEBA Trust.

At the valuation date of January 1, 2021 the VEBA Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments 4,486, active plan members 7,177 and total plan members 11,663

Total active plan members include 3,453 members hired on or after July 1, 2015 who are not eligible to receive postretirement health benefits but may be eligible to receive postretirement life insurance benefits.

#### **Plan Description for New Mexico State University**

*Plan Description.* New Mexico State University is a single employer that offers employees and their eligible dependents retiree benefits. This is an unfunded OPEB plan operating on a pay as you go basis. The authority to establish and amend the benefit provisions rests with the Board of Regents. Retirees, who have had 10 consecutive years of health insurance coverage with the University at the time of retirement, are offered the opportunity to participate in a fully-insured PPO medical plan, including prescription drugs. Medicare retirees (for retirees 65 years of age and over) are offered the opportunity to participate in a Medicare carve-out medical plan, including prescription drugs. Eligible retired employees may select a Life Insurance benefit up to \$10,000. All premiums for life insurance are paid by the retiree. The University currently pays 60% of the monthly medical and prescription premium for retirees and their eligible dependents until the retiree reaches age 70, at which time the University reduces their contribution to 30%. As of June 30, 2021, 1,438 retirees met the eligibility requirements for health insurance. Employees hired after June 30, 2016 are not offered this benefit.

*Plan Participation Percentage.* The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 85% of all pre Medicare employees and their dependents who are eligible for early retirement will participate in the retiree medical plan. It is also assumed that 80% of those enrolled in the pre Medicare plans will continue on the plan once Medicare eligible. Lastly, it is assumed that 88% of all pre Medicare employees who are eligible for the retiree life insurance benefit will participate, and 91% of those enrolled will continue on the plan once Medicare eligible. This assumes that a one-time irrevocable election to participate is made at retirement. Employees covered by benefit terms - At June 30, 2021, the following employees were covered by the benefit terms: Current retirees receiving benefits – 1,880 and current active members – 1,938.



# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

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### NOTES TO THE FINANCIAL STATEMENTS – NOTE 12 (CONTINUED)

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#### Plan Description for NM Institute of Mining and Technology

*Plan Description:* The Board of Regents authorized the creation of the New Mexico Tech Employee Benefit Trust (Trust or Plan), a contributory benefit plan, to operate, control and maintain a program to provide certain health and life insurance benefits to the employees of the Institute and their families. Retired employees may participate in the Plan. The Plan is considered a postemployment benefit plan as defined by GASB 74, *Financial Reporting for Postemployment Benefit Other than Pension Plans* which was implemented for June 30, 2020. The Trust is recorded as a fiduciary fund in the accompanying financial statements and as a blended component unit. The Board of Regents serves as trustee and has delegated the day-to-day operations of the Trust to the executive staff of the Institute. The Trustees and Institutes management have designated a third-party administrator to process the claims submitted by covered participants.

Effective January 1, 2019, the Institute is no longer using the Trust, a contributory benefit plan, to operate, control and maintain a program to provide the health insurance benefits to the employees of the Institute and their families. The Board of Regents made a resolution approving an agreement for participating with New Mexico Public School Insurance Authority (NMPSIA), for employee health benefits for its employees, retirees and their families. The Trust will continue to operate, control and maintain the life insurance and flexible benefits to the employees of the Institute and their families. The Trust issues standalone audited financial statements that can be obtained by request or via the Office of the State Auditor's website at [www.saonm.org](http://www.saonm.org).

#### C. Funding and Benefit Policies

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the Plan on the person's behalf, unless that person retires before the employer's effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years. Employees of RHCA are allowed to participate in the Plan.

The New Mexico Retiree Health Care Act (Chapter 10-7C-13, NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service-based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars (not in thousands) if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100.0 percent of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from NMRHCA or viewed on their website at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

*Contributions* - The New Mexico Retiree Health Care Act (Chapter 10-7C-15, NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The contributions are set by legislation and are not based on an actuarial calculation. The Legislature periodically reviews the contribution rates pursuant to Chapter 10-7C-15, NMSA 1978.

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 12 (CONTINUED)

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For the fiscal year ended June 30, 2021, for regular state employees, the statute required each participating employer to contribute 2.0 percent of each participating employee's annual salary; each participating employee was required to contribute 1.0 percent of their salary.

For employees who were members of an enhanced retirement plan (state police, adult correctional officers, firefighters and judges) during the fiscal year ended June 30, 2021, the statute required each participating employer to contribute 2.5 percent of each participating employee's annual salary, and each participating employee was required to contribute 1.25 percent of their salary.

Current retirees are required to make monthly contributions for individual basic medical coverage. Retiree premium contribution increases are no longer limited by the Act, which the RHCA health care trend's will be the basis for any rate increases for the New Mexico basic plan of benefits. The Board may designate other plans as "optional coverages." Optional and/or voluntary coverages are not subject to the 9.0 percent cap, which expired in fiscal year 2008 per Chapter 10-7C-13, NMSA 1978.

Contributions from participating employers and participating employees become the property of the Retiree Health Care Fund and are not refundable under any circumstances, including termination of employment or termination of the participating employer's operations or participation in the Plan. The employer, employee and retiree contributions are required to be remitted to NMRHCA on a monthly basis.

#### **D. Funding and Benefit Policies for Single Employer Plans**

##### **UNM**

*Benefits provided:* The VEBA Plan provides health, dental, and life insurance coverage to eligible retirees and their covered dependents. Eligible retirees of the University receive healthcare coverage through a self-insured medical plan, including prescription drugs, available through UNM Health, Presbyterian Health Plan, BCBS of New Mexico, and Express Scripts. Eligible Medicare retirees (for retirees 65 years of age and over) receive healthcare coverage through one of seven fully insured medical/prescription plans: Humana PPO, Aetna PPO ESA, Blue Cross Blue Shield HMO I (Enhanced), Blue Cross Blue Shield HMO II (Standard), Presbyterian HMO-POS, Presbyterian HMO-POS, and UHC AARP supplemental. Eligible retirees are also offered one of two dental insurance benefit options: Premier High Option and PPO Low Option. Basic life insurance benefits are available to retirees of the University without the requirement to opt in to the VEBA Trust. The authority to establish and amend the benefit provisions rests with the Board of Regents.

*Contributions:* The contribution requirements of VEBA Plan members and the University are established and may be amended by the Board of Regents. Retiree contributions for medical and dental insurance are required for both retiree and dependent coverage. Retirees are required to pay the full premiums less a subsidy provided by the University. Retirees 65 years of age and over are required to contribute a percentage of the premiums based on their number of VEBA service credit years. Retirees under the age of 65 are required to contribute a percentage of the premiums based on their number of VEBA service credit years and their preretirement annual salary. Benefits-eligible employees, who do not opt-out of the VEBA Trust, contribute 0.75% of their salary to the VEBA Trust in order to ensure that the health benefits continue into retirement. The University matches the 0.75% contribution made by the employee.

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

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### NOTES TO THE FINANCIAL STATEMENTS – NOTE 12 (CONTINUED)

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#### NMSU

*Funding Policy:* The University does not use a trust fund to administer the financing and payment of benefits. The retired employees that elect to participate in post-employment benefits are required to make contributions in the form of monthly premiums based on current rates established under the medical and life plans. The University funds the plan on a pay-as-you-go basis. The pay-as-you-go expense is the net expected cost of providing retiree benefits, and includes all expected claims and related expenses and is offset by retiree contributions. The pay-as-you-go expenses for fiscal year 2022 were \$6.7 million, net of retiree contributions.

#### NMIMT

*Benefits Provided* – Retirees are offered \$10,000 of retiree basic life insurance. In addition, the Trust is used to pay premiums for life insurance coverage on eligible participants and to administer the Flexible Benefits Plan (the Flex Plan). The Flex Plan, which is fully funded by employees, provides reimbursement of certain employee health and dependent care expenses. The Trust also holds Employee Assistance Plan (EAP) and Commuter Benefits Holding funds.

*Contributions* – The Trust is funded by contributions from both the Institute and employees of the Institute. Flex Plan contributions consist of employee-only contributions and are based on amounts elected by the employees up to specified limits, and are withheld from employee pay. All other contributions, including employee and employer contributions, are based on amounts determined by the Trust Committee as necessary to cover the expenses of the Trust. Contributions are funded on a monthly basis.

#### E. Funded Status

*Investments and Fair Value Measurements:* The assets or liabilities fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used as of June 30, 2022.

The RHCA invested in a number of investment pools offered by New Mexico State Investment Council (NMSIC). Each pool consists of units of participation of unlimited quantity. The pools are held in NMSIC's name. No unit in the pool has priority or preference over any other unit and represents an equal beneficial interest in the pool. The valuation of the RHCA's units in the investment pool is provided by the NMSIC on a monthly basis and represents the fair market value as of that date. Therefore, RHCA has determined that all the investments are measured at Net Asset Value as a practical expedient (NAV practical expedient).

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 12 (CONTINUED)

The table below summarizes the investments valued at NAV practical expedient and other pertinent liquidity information:

Investments Measured at NAV Practical Expedient	Fair Value June 30, 2022	Redemption Frequency	Redemption Notice Period
U.S. Large Cap Index Pool	\$ 160,808	Daily	5 business days
Non U.S. Emerging Markets Index Pool	84,129	Daily	6 business days
Non U.S. Developed Markets Index Pool	128,531	Daily	5 business days
Private Equity Pool	170,464	4 times per year	3 months
Credit and Structured Finance Pool	161,595	4 times per year	3 months
Real Estate Pool	131,967	4 times per year	3 months
U.S. Small/Mid Cap Active Pool	21,888	Daily	7 business days
Real Asset Pool	52,299	4 times per year	3 months
Core Bond Pool	179,633	Daily	5 business days
	<u>\$ 1,091,314</u>		

There are requirements for frequency and timing of actuarial valuations, as well as actuarial methods and assumptions that are acceptable for financial reporting. The Authority obtains actuarial valuations at least biannually and a single actuarial valuation covers all plan members.

***RHCA Asset Allocations*** – RHCA’s investment allocation policy is periodically reviewed and amended by the Board of Trustees, as needed. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan.

Further detail of the individual Investment Pools and their management can be obtained from a publicly available financial report that includes financial statements and required supplementary information for the post-employment healthcare plan at RHCA website <https://www.nmrhca.state.nm.us>.

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 12 (CONTINUED)

The actuarial methods and assumptions for the Plan at June 30, 2022, were as follows:

Valuation Date	June 30, 2021
Actuarial cost method	Entry age normal, level of percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets

Actuarial Assumptions:

Inflation	2.30% for ERB; 2.50% for PERA
Projected payroll increases	3.00% to 13.00% based on years of service, including inflation
Investment rate of return	7.00%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Discount rate	5.42%
Health care cost trend rate:	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 years for Medicare medical plan costs

#### Schedule of Annual Money-Weighted Rate of Return

<u>Year Ended June 30,</u>	<u>Annual Money- Weighted Rate Of Return</u>
2022	-0.86%

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 12 (CONTINUED)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which the expected future real rates of return (net of investment fees and inflation) are developed for each major asset class. These returns 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, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumptions. The following schedule summarizes the current investment allocation policy as of June 30, 2022:

<u>Asset Class</u>	<u>Target Allocations</u>
U.S. core fixed income	20%
U.S. equity - large cap	20%
Non U.S. - emerging markets	15%
Non U.S. - developed equities	12%
Credit and structured finance	10%
Private equity	10%
Real estate	5%
Absolute return	5%
U.S. equity - small/mid cap	3%
	<u>100%</u>

Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The best estimates for the long-term expected rate of return is summarized as follows:

<u>Asset Class</u>	<u>Long-Term Rate of Return</u>
U.S. core fixed income	0.4%
U.S. equity - large cap	6.6%
Non U.S. - emerging markets	9.2%
Non U.S. - developed equities	7.3%
Private equity	10.6%
Credit and structured finance	3.1%
Real estate	3.7%
Absolute return	2.5%
U.S. equity - small/mid cap	6.6%

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 12 (CONTINUED)

#### F. Net OPEB Liability

**Net OPEB liability** - The net OPEB liability and the plan's actuarial valuation were calculated by the Authority's independent actuary as of June 30, 2022. The plan's valuation and measurement of the total OPEB liability and related net OPEB liability were performed in accordance with GASB 74 requirements at the request of the Authority.

The discount rate used to measure the total OPEB liability is 5.42% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates.

For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members are not included. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2052. Thus, the 7% assumed investment return on Plan assets, which includes the assumed inflation rate of 2.50%, was used to calculate the net OPEB liability through 2052. Beyond 2052, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Thus 5.42% is the blended discount rate.

The following presents the net OPEB liability, calculated using the discount rate of 5.42%, as well as what the Fund's net OPEB liability would be if it were calculated using a discount rate that is 1-percent lower or 1-percent higher than the current rate (in thousands):

1% Decrease (4.42%)	Current Discount Rate (5.42%)	1% Increase (6.42%)
\$ 2,876,648	\$ 2,311,603	\$ 1,861,093

The following presents the net OPEB liability calculated using the current healthcare cost trend rates as well as what Fund's net OPEB liability would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate (in thousands):

1% Decrease	Current Trend	1% Increase
\$ 1,852,196	\$ 2,311,603	\$ 2,703,138

The total OPEB liability, net OPEB liability, and certain sensitivity information presented are based on an actuarial valuation performed as of June 30, 2021. The total OPEB liability was rolled forward from the valuation date to the plan year ending June 30, 2022. The component of net OPEB liability as of June 30, 2022, is as follows:

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 12 (CONTINUED)

	<u>June 30, 2022</u>
Total OPEB liability	\$ 3,467,299
Plan fiduciary net position	<u>1,155,695</u>
Net OPEB liability	<u>\$ 2,311,604</u>
Plan fiduciary net position as a percentage of the total OPEB liability	 33.33%

#### G. Employer Reporting Net OPEB Liability – RHCA

**Contributions** – As stated earlier in this note, the contribution requirements of RHCA plan members and the State are established in state statute. Statutorily required contributions for the fiscal year ended June 30, 2022, from the State to the RHCA were \$24.8 million for governmental activities and \$ 3.1 million for business-type activities.

**OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** - The total RHCA OPEB liability, net OPEB liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2021. Therefore, the employer’s portion was established as of the measurement date June 30, 2021. At June 30, 2022, the State reported a liability of \$782 million for its proportionate share of the net OPEB liability covering state employees in governmental activities, and \$102 million for its proportionate share of the net OPEB liability covering state employees business-type activities. At June 30, 2021, the proportion was 24.12% for governmental activities and 2.75% for business-type activities. The State’s proportion of the net OPEB liability is based on the employer contributing entity’s percentage of total employer contributions for the fiscal year ended June 30, 2021.

For the year ended June 30, 2022, the State recognized a reduction to OPEB expense of \$85.4 million in governmental activities and a reduction to OPEB expense of \$11.5 million in business-type activities.

At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):



# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 12 (CONTINUED)

	Governmental		Business-type	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>RHCA</b>				
Differences between expected and actual experiences	\$ 11,438	\$ (124,754)	\$ 1,348	\$ (16,446)
Changes of assumptions	156,616	(282,815)	20,386	(35,078)
Net difference between projected and actual earnings on pension plan investments	-	(22,423)		(2,643)
Changes in proportion and differences between State contributions and proportionate share of contributions	6,425	(6,788)	4,363	(9,444)
State contributions subsequent to measurement date	24,820	-	3,099	
Totals	<u>\$ 199,299</u>	<u>\$ (436,780)</u>	<u>\$ 29,196</u>	<u>\$ (63,611)</u>

Contributions made subsequent to the measurement date will reduce the net OPEB liability for the next fiscal year.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

Governmental		Business-type	
Year ended June 30:		Year ended June 30:	
2023	\$ (111,429)	2023	\$ (16,129)
2024	\$ (70,115)	2024	\$ (10,828)
2025	\$ (40,209)	2025	\$ (6,360)
2026	\$ (8,836)	2026	\$ (1,502)
2027	\$ (31,713)	2027	\$ (2,696)
Thereafter	\$ -	Thereafter	\$ -

***Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates.*** The following presents the net State's Proportionate Share of the OPEB liability of the State, as well as what the State's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.62 percent) or 1-percentage-point higher (4.62 percent) than the current discount rate:

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 12 (CONTINUED)

<b>Employer Reporting</b>			
<b>Sensitivity of the Net Pension Liability to</b>			
<b>Changes in the Discount Rate</b>			
<i>(Expressed in Thousands)</i>			
	1% Decrease (2.62%)	Current Discount Rate (3.62%)	1% Increase (4.62%)
<u>Net OPEB Liability</u>			
Governmental Activities	\$ 982,891	\$ 782,224	\$ 626,191
Business-type Activities	\$ 124,963	\$ 102,012	\$ 79,612
<b>Total Primary Government- RHCA</b>	<b>\$ 1,107,854</b>	<b>\$ 884,236</b>	<b>\$ 705,803</b>

The following presents the net OPEB liability of the State, as well as what the State'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:

<b>Employer Reporting</b>			
<b>Sensitivity of the Net Pension Liability to</b>			
<b>Changes in the Trend Rate</b>			
<i>(Expressed in Thousands)</i>			
	1% Decrease	Current Rate	1% Increase
<u>Net OPEB Liability</u>			
Governmental Activities	\$ 629,189	\$ 782,224	\$ 905,528
Business-type Activities	\$ 79,994	\$ 102,012	\$ 115,127
<b>Total Primary Government- RHCA</b>	<b>\$ 709,183</b>	<b>\$ 884,236</b>	<b>\$ 1,020,654</b>

#### **H. Single Employer Plans - OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

##### **UNM**

The University's net OPEB liability was measured as of July 1, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2020, but adjusted for a change in the discount rate. The components of the net OPEB liability of the University at June 30, 2021 was as follows:

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 12 (CONTINUED)

	<b>2022</b>
	<i>In thousands</i>
Total OPEB Liability	\$ 165,894
Plan fiduciary net position	\$ 59,012
University's net OPEB liability	\$ 106,882
Plan fiduciary net pension as a percentage of the total OPEB liability	 35.57%

**Actuarial assumptions:** Actuarial assumptions: The total OPEB liability was determined by an actuarial valuation as of January 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	2.0%
Investment rate of return	8.0%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Pre-Medicare: 6.1% initially, reduced by decrements to a rate of 4.5% after nine years Post-Medicare: 6.4% initially, reduced by decrements to a rate of 4.5% after nine years Dental: 4.0%

Mortality rates were based on the PUB-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

**Discount rate:** The discount rate was determined by blending the University's long-term rate of return on assets and the interest rate reported under the 20-Year Municipal Bond Index. GASB 75 requires the use of an interest rate based on the 20-Year Municipal Bond Index for payments expected to be made outside of the VEBA trust assets. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was used for the determination of this rate. The interest rate is the index rate that is reported on the last Friday prior to the measurement date. A blended discount rate was calculated based on separating the projected future payments between those paid from the VEBA Trust and those paid from general assets. The VEBA Trust assets were projected using the expected employer and employee payroll contributions and the expected long-term rate of return. Payments from the VEBA Trust were assumed to begin when the projected asset amount is fully-funded and all future projected benefit payments will be paid from the VEBA Trust. The VEBA Trust is expected to be fully-funded in the year 2030. The blended discount rates used for the fiscal year ending June 30, 2022 and 2021 are 6.80% and 7.09% respectively

***Sensitivity of the net OPEB liability to changes in the discount rate:***

The following presents the University's net OPEB liability at June 30, 2022, which was measured using the discount rate of 6.80%, as well as what the net OPEB liability would have been if it were calculated using a discount rate that was one percentage point lower (5.8%) or one percentage point higher (7.8%) than the current discount rate.

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 12 (CONTINUED)

	Year Ended June 30, 2022 (in thousands)		
	1% Decrease (5.8%)	Current Discount Rate (6.8%)	1% Increase (7.8%)
Net OPEB liability	125,730	106,882	89,311

***Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates:***

The following presents the University's net OPEB liability at June 30, 2021, which was measured using the current healthcare cost trend rates (Pre-Medicare: 5.5% decreasing to 5%, Post-Medicare: 5.4% decreasing to 5%, Dental: 4%), as well as what the net OPEB liability would have been if it were calculated using healthcare cost trend rates that were one percentage point lower (Pre-Medicare: 4.5% decreasing to 4%, Post-Medicare: 4.4% decreasing to 4%, Dental: 3%) or one percentage point higher (Pre-Medicare: 6.5% decreasing to 6%, Post-Medicare: 6.4% decreasing to 6%, Dental: 5%) than the current healthcare cost trend rates.

***Changes in Net OPEB Liability***

	Year Ended June 30, 2022 (in thousands)		
	1% Decrease (Pre-Medicare: 5.1% decreasing to 3.5%, Post- Medicare: 5.4% decreasing to 3.5%, Dental: 3%)	Current Discount (Pre-Medicare: 6.1% decreasing to 4.5%, Post- Medicare: 6.4% decreasing to 4.5%, Dental: 4%)	1% Increase (Pre-Medicare: 7.1% decreasing to 5.5%, Post- Medicare: 7.4% decreasing to 5%, Dental: 5%)
Net OPEB liability	88,525	106,882	126,808

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

For the year ended June 30, 2022, the University recognized OPEB expense of \$.2 million. At June 30, 2022 the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 12 (CONTINUED)

	<b>Year Ended June 30, 2022 (in thousands)</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 19,075	\$ 17,761
Changes of assumptions	6,949	8,723
Net difference between projected and actual earnings on OPEB plan investments	-	5,216
contributions subsequent to the measurement date	7,383	-
<b>Total</b>	<b>\$ 33,407</b>	<b>\$ 31,700</b>

The \$7.4 million reported as deferred outflows of resources related to OPEB resulting from University contributions subsequent to the measurement date of July 1, 2021 will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

<b>Year ending June 30 (In Thousands):</b>	
2023	(5,190)
2024	(4,935)
2025	(1,616)
2026	2,518
2027	3,547
Thereafter	0
Total	<u>\$ (5,676)</u>

#### NMSU

The University's annual other postemployment benefit (OPEB) Service/Interest cost (expense) is the portion of the Actuarial Present Value of plan benefits and expenses for active employees which is allocated to a valuation year by the Actuarial Cost Method. The following table shows the components of the University's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the University's net OPEB obligation related for fiscal year 2022:

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 12 (CONTINUED)

	Increases (Decreases) <i>in thousands</i>		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Total OPEB Liability - Start of Year (July 1, 2021)	\$ 171,693		\$ 171,693
Changes for the year			
Service cost	6,726	-	6,726
Interest cost	3,801	-	3,801
Differences between expected and actual experience	(20,103)		
Changes in assumptions or other inputs	(27,753)	-	(27,753)
Benefit payments	(4,845)	-	(4,845)
Net change in total OPEB liability	(42,174)	-	(42,174)
Net OPEB Liability - End of Year (June 30,2022)	\$ 129,519	\$ -	\$ 129,519

**Actuarial Methods and Assumptions.** Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The Entry Age Normal Actuarial Cost Method was used based on level percentage of projected salary. The OPEB liability is based on an actuarial valuation performed as of June 30, 2022, conducted in accordance with generally accepted actuarial principles.

The actuarial methods and assumptions used to determine the total OPEB liability included in the measurement are as follows:

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 12 (CONTINUED)

Valuation Date	June 30, 2022
Measurement Date	June 30, 2022
Discount Rate	3.54% per annum (EOY) Source: Bond Buyer 20-Bond GO Index
Salary Increase Rate	2.5% per annum
Medicare Eligibility	All current and future retirees are assumed to be eligible for Medicare at age 65
Health Care Cost Trend Rate	The actuarial valuation assumes an annual health care cost trend on a select and ultimate basis. Medical and prescription benefits on a select basis at 5.5% for retirees 65 years of age and under and 4.5% for retirees over 65 years of age and on an ultimate basis at 4.25%. The select trend rates are reduced .5% each year until reaching the ultimate trend.
Per Capita Health Claim Cost	Expected pre Medicare retiree claim costs were developed by applying age adjustments to the current fully insured premiums. The annual age 60 claim costs retirees and their spouses is \$7,704. The age 70 costs for retirees is \$3,132.
Mortality Rate	PUB-2010 mortality table with generational scale MP-2021.

**Discount Rate.** A single discount rate of 3.54% was used to measure the total OPEB liability as of June 30, 2022.

**Other Information.** The discount rate was updated from the prior valuation. Termination rates were updated to the rates from the 2021 NMERB Actuarial Valuation. The trend rates were rest to an initial rate of 6.50% (5.50% for post-Medicare), grading down by 0.25% per year until reaching the ultimate rate of 4.25% based on current Healthcare Analytics Consulting. The mortality projection scale was updated from MP-2019 to MP-2020 to reflect the Society of Actuaries' recent mortality study. The Plan participation rates were updated to reflect the participation trend. Currently, the plans are considered to be unfunded as there are no assets and retiree benefits are expected to be paid annually on a cash basis.

**Health Care Trend Sensitivity Analysis.** The following schedules measure the Net OPEB Liability if the health care cost trend rate used was 1% higher than the assumed health care cost trend rate and 1% lower than the assumed health care cost trend rate for June 30, 2022.

	Year Ended June 30, 2022 (in thousands)		
	1% Decrease	Current Trend	1% Increase
New Mexico State University's net OPEB liability	\$ 113,174	\$ 129,520	\$ 150,009

**Discount Rate Sensitivity Analysis.** The following tables show the sensitivity of the OPEB liability to changes

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 12 (CONTINUED)

in the discount rate as of fiscal year end 2022. In particular, the table presents the University's OPEB liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower, (2.54%) or one percentage point higher, (4.54%) than the single discount rate for June 30, 2022.

	<b>Year Ended June 30, 2022 (in thousands)</b>		
	<b>1% Decrease (2.54%)</b>	<b>Current Discount Rate (3.54%)</b>	<b>1% Increase (4.54%)</b>
New Mexico State University's net OPEB liability	\$ 113,703	\$ 129,520	\$ 149,116

For the year ended June 30, 2022, the University recognized an OPEB expense of \$3.9 million. At June 30, 2022, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<i>(Amounts in thousands)</i>	
	<b>2022</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience		\$ 18,263
Changes of assumptions	\$ 8,123	\$ 21,532
Total	\$ 8,123	\$ 39,795

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

<b>Year Ending June 30,</b>	<i>(Amounts in thousands)</i>
2023	6,661
2024	10,543
2025	11,129
2026	3,339
	<u>31,672</u>



# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 12 (CONTINUED)

#### NMIMT

The Institute's net OPEB liability was measured as of July 1, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2022.

The components of the Institute's net OPEB liability at June 30, were as follows:

<u>Components of the Institute's net OPEB liability</u>	<i>(Amounts in thousands)</i> <u>June 30, 2022</u>
Total OPEB Liability	64,294
Plan Fiduciary Net Position	<u>5,040</u>
The Institute's net OPEB liability	<u><u>59,254</u></u>
Plan fiduciary net position as a percentage of total OPEB liability	8%

**Actuarial Methods and Assumptions.** Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

The total OPEB liability was determined by an actuarial valuation as of January 1, 2022, using the following actuarial assumptions, applied to all prior periods included in the measurement, unless otherwise specified:

Salary increases	3.0%
Investment rate of return	6.0%
Healthcare cost trend rates	Medical Pre-Medicare: 7% initially, reduced by decrements to a rate of 4.5% after nine years Medical Post-Medicare: 6.5% initially, reduced by decrements to a rate of 4.5% after 9 years consistent for next seven years Pharmacy: 8.5% initially, reduced by decrement to a rate of 4.5% after nine years Dental and Vision: 3.0%

Mortality rate were based on the PUB-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

**Discount Rate.** The discount rate used to measure the total OPEB liability was 2.17%, which is a blended rate of the Institute's long-term rate of return on assets and the interest rate reported under the 20-Year Municipal Bond Index. A blended discount rate was calculated based on separating the projected future payments between those paid from the Trust and those paid from general assets. The Trust assets were projected using the expected long-term rate of return. Payments from the Trust were assumed to begin when the projected assets value is fully-funded and all future projected benefit payments will be paid from the Trust.

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 12 (CONTINUED)

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.** The following presents the Institute’s net OPEB liability at June 30, 2022, which was measured using the discount rate of 2.17% percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.17 percent) or 1-percentage-point higher (3.17 percent) than the current rate:

	Year Ended June 30, 2022 (in thousands)		
	1% Decrease	Current Discount	1% Increase
	(1.17%)	Rate (2.17%)	(3.17%)
Net OPEB liability	\$ 73,012	\$ 59,254	\$ 48,583

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates.** The following presents the Institute’s net OPEB liability at June 30, 2022, which was measured using the current healthcare cost trend rate of (Pre-Medicare: 7.00% decreasing to 4.50%, Post-Medicare: 6.50% decreasing to 4.50%, Pharmacy: 8.50% decreasing to 4.50%, and Dental and Vision: 3%), as well as what the 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 rate:

	Year Ended June 30, 2022 (in thousands)		
	1% Decrease	Current Discount	1% Increase
	(Pre-Medicare: 6% decreasing to 3.5%, Post-Medicare: 5.50% decreasing to 3.50% Pharmacy: 7.50% decreasing to 3.50%, Dental & Vision: 2.00%)	(Pre-Medicare: 7% decreasing to 4.5%, Post-Medicare: 6.50% decreasing to 4.50% Pharmacy: 8.50% decreasing to 4.50%, Dental & Vision: 3.00%)	(Pre-Medicare: 8% decreasing to 5.5%, Post-Medicare: 7.50% decreasing to 5.50% Pharmacy: 9.50% decreasing to 5.50%, Dental & Vision: 4.00%)
Net OPEB liability	\$ 47,637	\$ 59,254	\$ 74,709

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.** For the year ended June 30, 2022, the Institute recognized OPEB expenses of \$5.5 million. At June 30, 2022, the Institute reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Amounts in thousands	
	2022	2022
	Deferred Outflow of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ 10,892	\$ 3,801
Net difference between projected and actual earnings on OPEB plan investment	-	209
Changes of assumptions	13,388	2,356
Institute contribution subsequent to the measurement date	804	-
Total	\$ 25,084	\$ 6,366

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 12 (CONTINUED)

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The \$.8 million reported as deferred outflows of resources related to OPEB resulting from Institute contributions subsequent to the measurement date of July 1, 2021 will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in Thousands):

<b>Year ending June 30:</b>	<i>Amounts are in thousands</i>
2023	2,186
2024	2,174
2025	2,153
2026	2,119
2027	2,526
Thereafter	6,756
Total	<u>\$ 17,914</u>

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 13 and NOTE 14

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#### **NOTE 13. Deferred Compensation Plan**

The State of New Mexico offers state, local government, and school district employees a deferred compensation plan (Deferred Plan) under Chapters 10-7A-1 to 10-7A-12, NMSA 1978, the “Deferred Compensation Act,” in accordance with Internal Revenue Code Section 457. The Deferred Plan permits employees to defer a portion of their income until future years. Deferred compensation is not available until termination, retirement, death, or unforeseeable emergency.

PERA is the trustee of the Deferred Plan; however, the Deferred Plan uses a third party administrator, acting under contract with PERA. All costs of administration and funding are borne by the Deferred Plan participants. The Administrator has authority to control and manage the operation of the Deferred Plan. The Administrator is delegated any and all powers as may be necessary or advisable to discharge its duties under the Deferred Plan, and has certain discretionary authority to decide all matters under the Deferred Plan. As Deferred Plan trustee, PERA’s primary responsibility is to select investment options that are safe and provide a reasonable rate of return and to ensure that all investments, amounts, property, and rights under the executed Deferred Plan-Trust are held for the exclusive benefit of Deferred Plan participants and their beneficiaries, as defined in the Deferred Plan. The assets of the Deferred Plan are not assets of the State, but are held in trust for the exclusive benefit of Deferred Plan participants and their beneficiaries. The State has no liability for losses under the Deferred Plan but does have the duty of due care that would be required of a fiduciary agent.

The Deferred Plan issues a publicly available stand-alone financial report which can be obtained by writing to the Public Employees Retirement Association of New Mexico, 33 Plaza la Prensa, Santa Fe, NM 87507. This report is also available online at: <http://www.nmpera.org/deferred-compensation>.

#### **NOTE 14. Arbitrage on Tax-Exempt Bonds**

Arbitrage is the excess interest earned by a state or local government on proceeds from the sale of its bonds over interest paid to bondholders. The Tax Reform Act of 1986 TRA required rebate of such arbitrage to the U.S. Treasury Department on governmental bonds issued after August 31, 1986, and on private activity bonds issued after December 31, 1984, when the proceeds were held for six months or longer. These rebates must be calculated annually and paid at the end of every fifth year until the bonds are retired.

The Revenue Reconciliation Act of 1989 amended the six-month rule. For bonds issued after December 19, 1989, the rebate requirement does not apply if, both, all of the gross proceeds of the issue, other than the reserve fund, are spent within the six-month period following the date of issue, and the rebate requirement is satisfied for the reserve fund after the six-month period. The term gross proceeds for purposes of the rule includes both the sale proceeds received from the bonds purchaser on the issue date and investment earnings on such proceeds during the six month period. Gross proceeds deposited in a reserve fund or bona fide debt service fund, however, are not subject to the expenditure requirement.

The Office of the State Treasurer compiles this information and files all required reports in compliance with regulations issued by the United States Internal Revenue Service.

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 15

#### NOTE 15. Segment Information

	Educational Institutions								
	State Fair Commission	Miners' Colfax Medical Center	New Mexico State University	Eastern New Mexico University	New Mexico Highlands University	New Mexico Institute of Mining and Technology	New Mexico Military Institute	Western New Mexico University	University of New Mexico
<b>Condensed Statement of Net Position:</b>									
Current Assets	\$ 3,972	\$ 14,793	\$ 164,497	\$ 77,722	\$ 13,631	\$ 84,843	\$ 39,956	\$ 35,956	\$ 1,359,184
Other Assets	63,483	1,002	177,327	23,307	11,189	82,823	54,820	2,184	689,658
Capital Assets, Net	38,107	22,787	478,095	188,502	93,275	156,022	86,153	68,266	1,575,751
<b>Total Assets</b>	<b>105,562</b>	<b>38,582</b>	<b>819,919</b>	<b>289,531</b>	<b>118,095</b>	<b>323,688</b>	<b>180,929</b>	<b>106,406</b>	<b>3,624,592</b>
Deferred Outflows of Resources	1,086	7,473	360,979	70,810	53,748	99,510	27,976	35,812	958,061
Current Liabilities	984	6,950	71,361	20,913	10,429	18,630	8,311	6,497	583,047
Long-term Liabilities	5,924	46,455	688,694	146,029	90,063	175,509	57,206	71,404	1,820,128
<b>Total Liabilities</b>	<b>6,908</b>	<b>53,405</b>	<b>760,055</b>	<b>166,942</b>	<b>100,492</b>	<b>194,139</b>	<b>65,517</b>	<b>77,901</b>	<b>2,403,175</b>
Deferred Inflows of Resources	67,513	11,436	675,077	132,765	86,451	136,356	50,954	65,147	1,650,177
Net Investment in Capital Assets	38,106	14,969	376,102	149,449	72,139	139,654	60,804	48,668	994,286
Restricted	647	2,088	70,818	20,240	17,965	47,129	47,822	14,231	234,822
Unrestricted	(6,526)	(35,843)	(701,157)	(109,055)	(105,204)	(94,080)	(16,192)	(63,729)	(699,807)
<b>Total Net Position</b>	<b>\$ 32,227</b>	<b>\$ (18,786)</b>	<b>\$ (254,237)</b>	<b>\$ 60,634</b>	<b>\$ (15,100)</b>	<b>\$ 92,703</b>	<b>\$ 92,434</b>	<b>\$ (830)</b>	<b>\$ 529,301</b>
<b>Condensed Statement of Activities:</b>									
Operating Revenues:									
Charges for Services	\$ 8,773	\$ 26,917	\$ 22,022	\$ 5,011	\$ 1,092	\$ 4,916	\$ 5,983	\$ 3,645	\$ 122,223
Net Student Tuition and Fees	-	-	46,809	19,198	16,373	5,670	2,896	10,849	91,066
Loan and Other Income	-	-	-	-	-	-	-	-	-
State, Local, Private Grants/Contracts	-	-	-	-	-	-	-	-	-
Patient Income	-	-	-	-	-	-	-	-	1,657,610
Federal Funds	-	-	99,476	10,899	22,336	60,234	2,221	2,732	343,072
Other Operating Revenues	-	-	34,122	7,638	6,987	28,837	2,013	4,709	133,615
<b>Total Operating Revenue</b>	<b>8,773</b>	<b>26,917</b>	<b>202,429</b>	<b>42,746</b>	<b>46,788</b>	<b>99,657</b>	<b>13,113</b>	<b>21,935</b>	<b>2,347,586</b>

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 15 (CONTINUED)

	<u>Educational Institutions</u>								
	<u>State Fair Commission</u>	<u>Miners' Colfax Medical Center</u>	<u>New Mexico State University</u>	<u>Eastern New Mexico University</u>	<u>New Mexico Highlands University</u>	<u>New Mexico Institute of Mining and Technology</u>	<u>New Mexico Military Institute</u>	<u>Western New Mexico University</u>	<u>University of New Mexico</u>
<b>Condensed Statement of Activities</b>									
<b>(Continued)</b>									
<b>Operating Expenses:</b>									
Operating Expenses	\$ 12	\$ 191	\$ 379,007	\$ 71,096	\$ 39,998	\$ 62,734	\$ 18,593	\$ 32,584	\$ 2,487,955
Depreciation Expense	2,102	2,178	34,262	10,314	5,951	12,601	3,351	4,072	107,479
General and Administrative	12,484	38,686	184,790	24,463	40,895	91,143	17,460	19,966	296,417
<b>Total Operating Expenses</b>	<b>14,598</b>	<b>41,055</b>	<b>598,059</b>	<b>105,873</b>	<b>86,844</b>	<b>166,478</b>	<b>39,404</b>	<b>56,622</b>	<b>2,891,851</b>
Operating Income (Loss)	(5,825)	(14,138)	(395,630)	(63,127)	(40,056)	(66,821)	(26,291)	(34,687)	(544,265)
<b>Nonoperating Revenue (Expense)</b>									
Government Grants and Contracts	5,000	1,366	99,074	12,077	-	-	-	6,833	274,119
Net Investment Income	503	44	(7,181)	(3,217)	(1,342)	(10,489)	(8,893)	(466)	(27,933)
Other Revenue	25	511	57,399	-	(53)	10,600	122	-	11,357
Interest Expense	-	-	(3,861)	(1,031)	(1,031)	-	(448)	-	(17,268)
Private Grants And Gifts	-	-	10,655	-	-	2,853	-	-	68,465
State Permanant Fund Income	-	-	-	-	-	-	-	-	-
Gain (Loss) On Sale Of Capital Assets	-	-	(1,021)	-	-	-	-	(81)	(34)
<b>Total Nonoperating Income (Expense)</b>	<b>5,528</b>	<b>1,921</b>	<b>155,065</b>	<b>7,829</b>	<b>(2,426)</b>	<b>2,964</b>	<b>(9,219)</b>	<b>6,286</b>	<b>308,706</b>
Capital Contributions	-	-	6,353	1,536	-	2,575	(2,721)	-	43
Permanent Fund Contributions	-	-	-	-	-	-	-	-	-
Net Transfers	1,272	9,104	284,529	60,151	37,966	51,710	31,920	29,982	349,076
Special Item - Loss on Discontinuance of Oparations	-	-	(88,267)	-	-	-	-	-	-
Change in Net Position	975	(3,113)	(37,950)	6,389	(4,516)	(9,572)	(6,311)	1,581	113,560
Net Position, Beginning, restated	31,252	(15,673)	(216,287)	54,245	(10,584)	102,275	98,745	(2,411)	415,741
<b>Net Position, Ending</b>	<b>\$ 32,227</b>	<b>\$ (18,786)</b>	<b>\$ (254,237)</b>	<b>\$ 60,634</b>	<b>\$ (15,100)</b>	<b>\$ 92,703</b>	<b>\$ 92,434</b>	<b>\$ (830)</b>	<b>\$ 529,301</b>

# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 15 (CONTINUED)

	Educational Institutions								
	State Fair Commission	Miners' Colfax Medical Center	New Mexico State University	Eastern New Mexico University	New Mexico Highlands University	New Mexico Institute of Mining and Technology	New Mexico Military Institute	Western New Mexico University	University of New Mexico
<b>Condensed Statement of Cash Flows:</b>									
Net Cash Provided (Used) by:									
Operating Activities	\$ (3,571)	\$ (8,397)	\$ (383,732)	\$ (60,707)	\$ (34,878)	\$ (53,757)	\$ (23,722)	\$ (27,427)	\$ (536,500)
Noncapital Financing Activities	6,297	11,199	352,282	67,846	37,966	57,087	31,920	35,153	623,302
Capital and Related Financing Activities	(972)	(2,498)	(25,375)	(12,849)	(5,412)	(8,596)	(4,915)	(6,720)	(273,748)
Investing Activities	503	(393)	(14,028)	2,507	(1,759)	6,967	92	1,535	26,997
Cash and Cash Equivalents at Beginning of Year	(561)	10,117	191,269	70,262	10,795	54,199	31,503	18,988	791,331
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 1,696</b>	<b>\$ 10,028</b>	<b>\$ 120,416</b>	<b>\$ 67,059</b>	<b>\$ 6,712</b>	<b>\$ 55,900</b>	<b>\$ 34,878</b>	<b>\$ 21,529</b>	<b>\$ 631,382</b>

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

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### NOTES TO THE FINANCIAL STATEMENTS – NOTE 16 and NOTE 17

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#### NOTE 16. State General Fund Investment Pool

The Financial Control Division (FCD), within the Department of Finance and Administration (DFA), in collaboration with the New Mexico State Treasurer's Office (STO), implemented a comprehensive reconciliation model that compared aggregated agency claims on the State General Fund Investment Pool (SGFIP) to the associated resources held by STO. There have been many reviews of the process and each review has deemed it to be adequate and in compliance with established procedures. For fiscal year 2022, the following assertions are provided:

- 1) Resources held in the pool are equivalent to the corresponding business unit claims on those resources.
- 2) All claims, as recorded in SHARE, shall be honored at face value.

For cash management and investment purposes, funds of various state agencies are deposited in the SGFIP, which is managed by STO. The SGFIP is reported as a fiduciary fund in the financial statements of STO. Claims on the SGFIP are reported as assets by the various agencies investing in the SGFIP. By statute, the DFA is responsible for reconciling the SGFIP balances.

#### NOTE 17. Tax Abatements:

In fiscal year 2017, the State adopted *Statement No. 77 of the Government Accounting Standards Board, entitled, Tax Abatement Disclosures*. Statement No. 77 requires the governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients.
- The gross dollar amount of taxes abated during the period.
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

Governments should also recognize those disclosures by major tax abatement programs and may disclose information for individual tax abatement agreements within those programs.

Tax abatement agreements of other governments should be organized by the government that entered into the tax abatement agreement and the specific tax being abated. Governments may disclose information for individual tax abatement agreements of other governments within the specific tax being abated. For those tax abatement agreements, a reporting government should disclose:

- The names of the governments that entered into the agreements.
- The specific taxes being abated.
- The gross dollar amount of taxes abated during the period.



# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

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### NOTES TO THE FINANCIAL STATEMENTS – NOTE 17 (CONTINUED) and NOTE 18

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The State has provided the following disclosure of tax abatements affecting the State of New Mexico. Tax receipts processed by the Department of Taxation and Revenue are recognized as revenue in various departments of the State. Abatements affecting local governments are disclosed in the financial statements of each local governmental entity, and can be obtained from the accounting department of each local government.

As allowed by state statute, the various local governments in the State participate in various Industrial Revenue Bond Programs/Industrial Development Projects (IRBs/IDPs) which result in reduced revenues for all participating governments. Various local governments have identified the State of New Mexico as a governmental entity which has been impacted by reduced revenues. The specific amount of loss revenues of the State as a result of these various programs has not been determined; however, it is deemed to be insignificant to the State of New Mexico as a whole.

#### *New Mexico Hospital Equipment Loan Council*

At June 30, 2022, there were three bond issues, for a total of \$ 71.6 million, outstanding for which the financed property was exempt from property tax based on the Hospital Equipment Loan Act. The amount of the abatement is determined by the assessed value of the property and the locale where the property is located.

#### **NOTE 18. Commitments**

##### **A. Construction Commitments**

The State has active construction projects as of June 30, 2022. The projects include highway construction, university infrastructure, and facilities construction and renovation. At year-end, the State's commitments for construction were \$639.6 million for governmental activities and \$275.4 million for business-type activities.

##### **B. Loan Commitments**

###### *New Mexico Environment Department*

The New Mexico Environment Department had loan commitments at June 30, 2022 of the following:

Wastewater Loan Construction Fund – the agency has executed binding commitments to disburse \$9.1 million for future loans.

Rural Infrastructure Loan Fund – the agency has executed binding commitments to disburse \$1.1 million for loans and grants.

###### *New Mexico Energy, Mineral, and Natural Resources Department*

Carlsbad Brine Well remediation estimated cost for project completion is \$72.1 million

##### **C. Capital Commitments**

###### *State of New Mexico Investment Council*

The State of New Mexico Investment Council has commitments for capital contributions to various private equity partnerships and real estate/real asset investments. As of June 30, 2022, unfunded commitments to private equity partnerships were approximately \$1.32 billion, and unfunded commitments to real estate and real asset investments

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

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### NOTES TO THE FINANCIAL STATEMENTS – NOTE 18 (CONTINUED) and NOTE 19

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were approximately \$1.65 billion. Unfunded commitments to the Credit and Structured Finance Pool were \$1.06 billion. Subsequent to June 30, 2022, the Council approved an additional \$985 million of commitments to private equity, real estate, and real assets partnerships.

#### NOTE 19. Contingencies

##### A. Contingent Liabilities

###### *Public Education Department*

The State did not meet its required level of financial support for the Special Education Cluster of programs for fiscal years 2011 and 2012. As a result, the Department may have a one-time reduction of future federal funding. Management's estimate of the potential one-time reduction in federal funding ranges from \$0 to \$64.57 million. The sum of \$20.9 million has been set aside as a contingent liability.

###### *New Mexico Mortgage Finance Authority*

The New Mexico Mortgage Finance Authority (NMMFA) entered into a risk-sharing agreement with the U.S. Department of Housing and Urban Development (HUD) under Section 542(c) of the Housing and Community Development Act of 1992, whereby HUD and the NMMFA provide credit enhancements for third party multifamily housing project loans. HUD has assumed 90% of the risk and the NMMFA guarantees the remaining 10% risk of loss in the event of default on specific loans. As of September 30, 2022 and 2021, NMMFA is committed to assume a risk of approximately \$4.3 million and \$4.6 million for the 34 and 36 loans closed, respectively. These loans are considered in the NMMFA's assessment for the allowance for mortgage loan losses. As of September 30, 2022, of the 34 loans closed, 3 of the loans are not included in the Authority's financial statements because they are 100% participations with Fannie Mae. Of the \$4.4 million risk assumed as of September 30, 2022, the Authority's assumed risk approximated \$151 thousand for these off balance sheet loans. The end dates for the guarantees range from 2027-2058. In situations where the Authority is called upon to honor its guarantee, the Authority will take possession of and sell the loan collateral. HUD and the NMMFA will make up any shortfall resulting from the sale of the collateral on a 90%/10% pro rata basis.

The NMMFA also entered into a risk-sharing agreement with the U.S. Department of Agriculture under Section 538 Rural Rental Housing Guaranteed Loan Program. The Rural Housing Service (RHS), Department of Agriculture (USDA) provides credit enhancements to encourage private and public lenders to make new loans for affordable rental properties that meet program standards. The USDA has assumed 90% of the risk in the one loan closed and funded by the Authority as of September 30, 2022. The NMMFA assumes 10% of the risk of loss and as of September 30, 2022 and 2021, is committed to assume risk of \$103 thousand and \$106 thousand respectively for the one loan closed, respectively.

##### B. Other Matters

###### *Federal Funds*

The State received funding from federal sources for specific purposes. The funds are subject to audit, which may result in expenses that are disallowed, or other noncompliance findings under the terms of the funding source's guidelines. The State believes that such disallowances or other noncompliance findings, if any, would not be material to the State's financial position.

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 20

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#### NOTE 20. Subsequent Events

##### A. Bond Issues

###### *New Mexico Mortgage Finance Authority*

On December 15, 2022, the Authority issued \$75 million (2022 Series E) of Single Family Mortgage Program Class I Bonds under the 2005 General Indenture. The 2022 Series E Bonds will be used to finance certain qualifying mortgage loans under the Single Family Mortgage Program. A portion of the 2022 Series E Bonds was sold at a premium generating \$2.2 million, which will be used to purchase 2022 Series E Certificates, to fund 2022 Series E Participation Loans and to fund a portion of bond expenses..

###### *New Mexico Finance Authority*

November 2022, Finance Authority issued PPRF 2022C bonds in amount of \$67.5 million. May 2023, Finance Authority Issued another PPRF 2023A bond in the amount of \$76.2 million.

###### *New Mexico Department of Finance and Administration*

During FY 2023, the State Board of Finance authorized and sold Severance Tax Bond Series 2022 B for \$317.2 million, General Obligation Bonds Series 2023 for \$258.8 million, Short-Term Severance Tax Notes Series 2022S-C for 12.5 and Short-Term Severance Tax Notes Series 2022S-D for 339.2 million.

###### *New Mexico State University*

November 2022, New Mexico State University issued \$28.1 million of improvement revenue bonds in a private placement with the New Mexico Finance Authority. The bond proceeds will be used to improve athletic facilities at the university.

##### B. Other Events

###### *New Mexico Finance Authority (NMFA)*

NMFA has transferred to the State in amount of \$77.5 million from various program funds at the start of the Fiscal year 2023 as mandated by the State which will have a significant effect on a financial position or result of operation.

###### *State of New Mexico*

The Laws of 2020, 1st Special Session, Chapter 5, Section 14 appropriated \$750 million dollars from the federal Coronavirus Aid, Relief and Economic Security relief fund allocation to the State General Fund for statewide COVID relief efforts. The Laws of 2021, Chapter 137, Section 5, Item 33 extended the expiration date of this appropriation to December 31, 2021. As of June 30, 2021, \$667 million of these funds have been transferred to state agencies for expenditure pursuant to guidance provided by the state legislature and federal government.

# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2022

### NOTES TO THE FINANCIAL STATEMENTS – NOTE 20 (CONTINUED)

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The State Legislature passed a law in FY2023 reclassifying certain prior year ARPA appropriations from Federal to GF. These reclassifications will affect FY23 activity, not FY22, but it should be noted these are substantial amounts. This will impact the General Fund, HED, DCA and UNM. The amounts, by project, being converted to GF in FY23 are shown below.

- HED ZG1051 – \$30 million
- HED ZG1052 – \$50 million
- UNM – ZG1055 – \$5 million
- DCA ZG1102 – \$10 million

Total estimated impact to the General Fund in FY23 is \$95 million.

Additionally, the Laws of 2022, Regular Session, Chapter 47, Section 4 provided relief payments defined as personal income tax rebates to eligible taxpayers in the amount of \$500 for heads of household, surviving spouses and married individuals filing joint returns with adjusted gross income of less than \$150,000 or \$250 for single individuals and married individuals filing separate returns with adjusted gross income of less than \$75,000. Rebates from both pieces of legislation were recorded as a reduction to Fiscal Year 2022 General Fund revenue. The total amount of revenue reduced was \$897.6 million. The remaining allowable rebates will be disbursed during fiscal year 2023. In addition, rebates in the amount of \$27.4 million have been held by the New Mexico Taxation & Revenue Department pending the outcome of researching amounts potentially owed to the State for other obligations. Once a determination is made, these rebates will be sent to the taxpayer, abated, or distributed to the statutory recipient of the associated tax.

#### *General Service Division*

Since, the GSD Fiscal Year (FY) 2022 audit was finalized, the Risk Management Division (RMD) has been focusing on the transition plan that will be developed as a result of the signing of Senate Bill 16, which establishes the Health Care Authority and will absorb the Employee Benefits Bureau to include staff, contracts and financials. The execution of the law for this legislation will invoice all Local Public Body (LPB) participants for their other state funds share of the amounts as stated in the Laws of 2023, Chapter 210, Section 6, item 15, 16, and 17. The impact of this language is to have LPB's contribute \$32.7 million to the approximately \$90 million revenue for the Health benefits and Life Insurance Funds. The transfer of the employee benefits bureau will reduce the RMD budget by approximately \$421 million.

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STATE OF NEW MEXICO  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

# FINANCIAL SECTION

## REQUIRED SUPPLEMENTARY INFORMATION



GILA CLIFF DWELLINGS, GILA NATIONAL PARK  
SOURCE - [WWW.EVERYTHINGNEWMEXICO.COM](http://WWW.EVERYTHINGNEWMEXICO.COM)

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE GENERAL FUND

For the Year Ended June 30, 2022

(In Thousands)

	Budgetary Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Taxes	\$ 674,946	\$ 683,320	\$ 832,914	\$ 149,594
Federal Revenue	8,270,361	11,688,972	10,589,636	(1,099,336)
Investment Income	11,439	11,439	65,123	53,684
Rentals and Royalties	18,930	18,930	2,414,491	2,395,561
Charges for Services	183,395	195,796	190,338	(5,458)
Licenses, Fees, and Permits	152,829	155,527	308,979	153,452
Assessments	12,702	12,952	46,817	33,865
Miscellaneous and Other	165,473	491,113	124,805	(366,308)
Operating Transfers In	7,647,041	7,706,386	(1,888,293)	(9,594,679)
<b>Total Revenues and Other Financing Sources</b>	<b>17,137,116</b>	<b>20,964,435</b>	<b>12,684,810</b>	<b>(8,279,625)</b>
Fund Balance Budgeted	297,626	654,598		
Total	17,434,742	21,619,033		
	(41,236)	(40,941)		
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
<b>Culture, Recreation, and Natural Resources</b>				
Museums and Monuments	27,702	30,028	26,784	3,244
Preservation	3,371	3,506	2,506	1,000
Library Services	5,247	7,901	7,285	616
Program Support	4,241	4,242	4,204	38
Water Resource Allocation	17,331	17,630	13,820	3,810
Interstate Stream Compact Compliance and Water Development	21,119	30,190	9,702	20,488
Litigation and Adjudication	10,911	10,911	6,161	4,750
Program Support	4,940	4,940	4,113	827
Commissioner of Public Lands	19,793	20,979	2,352,654	(2,331,675)
Livestock inspection	6,925	7,501	6,558	943
Youth Conservation Corps	5,194	5,274	2,351	2,923
Office of the Natural Resources Trustee	5,359	5,359	940	4,419
Sport Hunting and Fishing	9,976	9,976	9,269	707
Conservation Services	23,530	26,187	23,349	2,838
Wildlife Depredation and Nuisance Abatement	1,041	1,041	741	300
Program Support	7,918	7,918	7,417	501
Renewable Energy and Energy Efficiency	3,262	4,279	2,411	1,868
Healthy Forests	16,315	26,500	13,067	13,433
Parks and Recreation	17,655	18,553	14,900	3,653
Mine Reclamation	8,355	8,420	4,138	4,282
Oil and Gas Conservation	11,560	24,770	17,286	7,484
Program Leadership and Support	5,035	5,035	4,147	888
Arts	2,038	2,389	2,092	297
Intertribal Ceremonial	161	245	163	82
Special Appropriations	35,745	35,745	1,600	34,145
<b>Total Culture, Recreation, and Natural Resources</b>	<b>274,724</b>	<b>319,519</b>	<b>2,537,658</b>	<b>(2,218,139)</b>
<b>Education</b>				
Operations	54,607	60,956	50,578	10,378
Student Financial Aid	72,160	75,637	77,870	(2,233)
Administrative Services	5,030	5,030	4,680	350
Rehab Services	27,467	27,467	18,846	8,621
Independent Living	1,542	1,628	1,526	102
Disability Determination	16,936	16,936	12,466	4,470
SDE Operation	40,761	41,611	18,154	23,457
Public Schools Facilities Auth	5,822	5,822	5,467	355
Special Appropriations	3,769,454	3,827,623	3,294,007	533,616
<b>Total Education</b>	<b>3,993,779</b>	<b>4,062,710</b>	<b>3,483,594</b>	<b>579,116</b>

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE

### GENERAL FUND

For the Year Ended June 30, 2022

(In Thousands)

	Budgetary Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
<b>EXPENDITURES AND OTHER FINANCING USES (CONT.)</b>				
<b>General Control</b>				
Policy Development, Budget Oversight and Educational Accountability	\$ 3,679	\$ 3,679	\$ 3,442	\$ 237
Program Support	2,005	2,005	1,013	992
Community Development, Local Government Assistance and Fiscal Oversight	39,203	54,431	42,416	12,015
Fiscal Management and Oversight	52,845	52,845	7,243	45,602
Program Support	20,486	20,526	19,105	1,421
Tax Administration	32,134	32,164	28,963	3,201
Motor Vehicle	49,797	51,344	30,562	20,782
Property Tax	5,326	5,326	4,629	697
Compliance Enforcement	1,643	1,643	1,384	259
State Purchasing	2,314	2,634	2,448	186
Facilities Management Division	15,542	15,542	30,492	(14,950)
Office of the Attorney General	37,961	37,961	19,548	18,413
Medicaid Fraud Program	3,768	3,768	3,348	420
State Auditor	4,041	4,041	3,161	880
State Investment Program	55,727	59,727	51,563	8,164
Criminal & Juvenile Justice	1,241	1,307	1,101	206
Governor	4,633	4,633	3,869	764
Lieutenant Governor	588	588	536	52
Records Info & Archival Mgmt.	2,498	2,498	2,337	161
Secretary of State	3,814	3,814	3,772	42
New Mexico State Personnel	3,876	3,881	3,756	125
State Treasurer	4,296	4,296	3,893	403
Public Employees Labor Relations Board	246	246	246	-
Elections	14,578	18,961	16,269	2,692
Compliance and Project Management	1,805	3,305	1,900	1,405
Administrative Hearings Office	1,979	2,010	1,942	68
Special Appropriations	175,658	175,268	(3,860,926)	4,036,194
<b>Total General Control</b>	<b>541,683</b>	<b>568,443</b>	<b>(3,571,988)</b>	<b>4,140,431</b>
<b>Health and Human Services</b>				
Administration	15,550	319,090	232,449	86,641
Financial Oversight	181,350	298,748	224,531	74,217
Epidemiology and Response	53,991	126,806	81,926	44,880
Laboratory Services	14,855	18,698	15,643	3,055
Program Area 6 - Facilities	168,414	171,681	141,619	30,062
Developmental Disabilities Support	174,949	171,949	44,809	127,140
Health Certification, Licensing and Oversight	15,632	16,223	15,485	738
Program Support	61,137	63,333	59,297	4,036
Child Support Enforcement	32,917	32,917	24,215	8,702
Medical Assistance Program	6,351,845	7,428,000	7,310,821	117,179
Income Support Program	1,080,403	2,265,424	1,956,928	308,496
Resource Management	8,656	8,742	33,361	(24,619)
Water Quality	30,279	31,063	20,189	10,874
Environmental Health	16,664	17,004	13,400	3,604
Environmental Protection	28,393	31,058	22,003	9,055
Program Support	19,528	19,599	15,505	4,094
Juvenile Justice Facilities	72,221	72,524	64,692	7,832
Protective Services	180,241	188,453	171,859	16,594
Program Support	6,004	6,063	5,097	966



# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE GENERAL FUND

For the Year Ended June 30, 2022

(In Thousands)

	Budgetary Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
<b>EXPENDITURES AND OTHER FINANCING USES (CONT.)</b>				
<b>Health and Human Services (Continued)</b>				
Consumer and Elder Rights	\$ 5,001	\$ 5,430	\$ 4,169	\$ 1,261
Adult Protective Services	13,848	13,848	10,666	3,182
Community Involvement	43,488	45,461	41,736	3,725
Administration	102,368	103,261	61,706	41,555
Office of African-American Affairs	66,708	69,012	55,788	13,224
Family Support & Early Inter	465,435	552,634	419,539	133,095
Childhood Services	49,857	49,857	-	49,857
Early Childhood Services	779	874	557	317
Commission For Deaf and Hard of Hearing	4,940	4,940	1,669	3,271
Martin Luther King Jr., Commission	329	329	305	24
Blind Services Program	7,981	7,981	6,896	1,085
Indian Affairs Department	2,692	2,692	2,216	476
Workers' Compensation Administration	11,237	11,237	9,463	1,774
Governor's Commission On Disability	1,743	1,743	1,144	599
Brain Injury Advisory Council	189	189	151	38
Veterans' Services Department	6,070	6,271	5,395	876
Developmental Disabilities Planning Council	1,332	1,332	1,176	156
Office of Guardianship	6,305	6,305	5,784	521
Medicaid Behavioral Health	678,205	763,797	669,403	94,394
Behavioral Health Services	81,474	107,778	77,915	29,863
Workforce Transition Services	14,165	19,865	18,240	1,625
Labor Relations	2,990	3,080	2,373	707
Workforce Technology	25,249	25,249	22,347	2,902
Business Services	22,554	31,782	23,666	8,116
Program Support	42,818	42,818	36,098	6,720
Uninsured Employers Fund	889	1,139	851	288
Early Childhood Services	2,517	2,611	2,309	302
Early Childhood Services	45,698	46,975	38,963	8,012
Special Revenue	4,982	4,982	-	4,982
Early Childhood Services	46,187	47,017	10,933	36,084
Special Appropriations	159,925	159,820	126,089	33,731
<b>Total Health and Human Services</b>	<b>10,430,984</b>	<b>13,427,684</b>	<b>12,111,376</b>	<b>1,316,308</b>
<b>Highways &amp; Transportation</b>				
Construction Program	610,687	1,439,344	646,544	792,800
Maintenance Program	279,736	347,520	262,685	84,835
Program Support	44,260	44,960	39,846	5,114
MODAL	78,759	171,532	61,104	110,428
<b>Total Highways and Transportation</b>	<b>1,013,442</b>	<b>2,003,356</b>	<b>1,010,179</b>	<b>993,177</b>
<b>Judicial</b>				
Supreme Court Law Library	-	-	-	-
New Mexico Compilation Commission	1,585	1,585	1,074	511
Judicial Standards Commission	896	896	878	18
Court of Appeals	6,702	6,702	6,668	34
Supreme Court	6,625	6,625	6,550	75
First Judicial District Court	12,053	12,247	11,636	611
Second Judicial District Court	32,402	32,554	30,726	1,828
Third Judicial District Court	11,782	12,100	11,865	235
Fourth Judicial District Court	4,275	4,608	4,450	158
Fifth Judicial District Court	11,574	11,613	11,445	168
Sixth Judicial District Court	5,886	6,069	5,978	91
Seventh Judicial District Court	4,633	4,633	4,406	227
Eighth Judicial District Court	5,081	5,324	5,190	134
Ninth Judicial District Court	5,987	6,021	5,948	73

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE GENERAL FUND

For the Year Ended June 30, 2022

(In Thousands)

	Budgetary Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
<b>EXPENDITURES AND OTHER FINANCING USES (CONT.)</b>				
<b>Judicial (Continued)</b>				
Tenth Judicial District Court	\$ 1,868	\$ 1,868	\$ 1,860	\$ 8
Eleventh Judicial District Court	12,055	12,379	12,072	307
Twelfth Judicial District Court	5,658	5,662	5,524	138
Thirteenth Judicial District Court	12,543	12,964	12,516	448
Bernalillo County Metropolitan Court	29,512	30,112	28,469	1,643
First Judicial District Attorney	6,522	6,898	6,502	396
Second Judicial District Attorney	27,921	27,921	26,693	1,228
Third Judicial District Attorney	6,200	6,200	5,870	330
Fourth Judicial District Attorney	3,713	3,713	3,695	18
Fifth Judicial District Attorney	6,568	6,558	6,527	31
Sixth Judicial District Attorney	3,588	3,634	3,619	15
Seventh Judicial District Attorney	2,933	2,933	2,874	59
Eighth Judicial District Attorney	3,285	3,285	3,267	18
Ninth Judicial District Attorney	3,619	3,619	3,614	5
Tenth Judicial District Attorney	1,597	1,597	1,590	7
Eleventh Judicial District Attorney-Division I	5,568	5,568	5,334	234
Twelfth Judicial District Attorney	4,228	4,228	4,190	38
Thirteenth Judicial District Attorney	6,281	6,416	6,230	186
Administrative Office of the District Attorneys	2,783	3,088	2,655	433
Eleventh Judicial District Attorney-Division II	3,116	3,116	2,727	389
Administrative Support	18,371	21,071	16,093	4,978
Administrative Support	10,634	10,894	8,273	2,621
Statewide Judiciary Automation	14,386	14,386	5,491	8,895
Administrative Support	58,595	58,803	53,631	5,172
Special Appropriations	23,103	23,403	12,447	10,956
<b>Total Judicial</b>	<b>384,128</b>	<b>391,293</b>	<b>348,577</b>	<b>42,716</b>
<b>Legislative</b>				
Leg Analysis/Oversight Program	4,510	4,555	4,441	114
Education Study Committee	1,358	1,358	1,271	87
Special Appropriations	14,190	14,190	15,868	(1,678)
<b>Total Legislative</b>	<b>20,058</b>	<b>20,103</b>	<b>21,580</b>	<b>(1,477)</b>
<b>Public Safety</b>				
Program Support	7,629	8,829	6,183	2,646
Law Enforcement	131,155	131,155	126,725	4,430
Program Support	12,915	12,943	11,943	1,000
Inmate Management and Control	298,376	299,391	281,084	18,307
Community Offender Management	41,712	41,913	36,121	5,792
Parole Board	571	571	506	65
Juvenile Parole Board	8	8	2	6
Victim Compensation	8,244	8,244	8,040	204
Federal Grant Administration	16,334	22,666	14,090	8,576
National Guard Support	26,897	29,499	20,896	8,603
Homeland Security and Emergency Management Department	23,586	27,955	15,713	12,242
State Law Enforcement Support Program	22,151	22,151	17,384	4,767
Special Appropriations	15,789	15,643	(25,310)	40,953
<b>Total Public Safety</b>	<b>605,367</b>	<b>620,968</b>	<b>513,377</b>	<b>107,591</b>

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE GENERAL FUND

For the Year Ended June 30, 2022

(In Thousands)

<b>Budget Basis to GAAP Basis Reconciliation</b>		
Net Change in Fund Balance (Budgetary Basis)	\$	(3,906,844)
<b>Differences:</b>		
Taxes - Bud Refs other than 122 and 922		8,037,645
Investment Income - Bud Refs 122 and 922		(156,346)
Rent and Royalties - Bud Refs other than 122 and 922		2,256,718
Charges for Services - Bud Refs other than 122 and 922		718
Licenses, Fees and Permits - Bud Refs other than 122 and 922		37,759
Assessments - Bud Refs other than 122 and 922		614
Misc. and Other Revenue - Bud Refs other than 122 and 922		41,021
Federal Revenue - Bud Refs other than 122 and 922		1,295,808
Transfers In - Bud Refs other than 122 and 922		3,774,870
Non Budgeted - Transfers In - Component Units		41,471
Transfers In - Bud Refs other than 122 and 922 (Ref. Bond Proceeds)		-
NonBudgeted Revenue - Bond Issuances & Premiums		302,402
NonBudgeted Revenue - Sale of Capital Assets		3,307
NonBudgeted Revenue - Tobacco Settlement - 497101		34,971
Expenses - Bud Refs other than 122 and 922		(1,725,165)
Transfers Out - Bud Refs other than 122 and 922		(12,558,845)
NonBudgeted Expenditure - 569000 In-Kind Expenditure		(35,109)
NonBudgeted Expenditure - 565200 Distr. To Beneficiaries		(11,179)
NonBudgeted Expenditure - 566100 & 566109 (Reversions)		27,473
Non Budgeted Expenditure - 555102 (OFU - NonBudgeted)		-
Non Budgeted Expenditure - 555210 (OFU CU-NonBudgeted)		-
NonBudgeted Expenditure Adj. - 577100 (General Fund Allotments)		7,283,792
NonBudgeted Expenditure Adj. - 577200 (General Fund Allotments-CUs)		-
NonBudgeted Expenditure Adj. - 577300 (General Fund Allotments-Ext)		(130,500)
NonBudgeted Expenditure - 560300 (Refunds)		-
975001 - Indirect Memo Expense Account		(7,522)
No Function - Expenditures		(375)
Function Exclusions - Expenditures		-
A Code Expenditures not included in Budgetary Comparison Actuals		<u>(147,269)</u>
<b>Total Net Change in Fund Balance as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances</b>	<b>\$</b>	<b><u>4,459,415</u></b>

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE GENERAL FUND

For the Year Ended June 30, 2022

(In Thousands)

	Budgetary Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
<b>EXPENDITURES AND OTHER FINANCING USES (CONT.)</b>				
<b>Regulation and Licensing</b>				
Administration	\$ 916	\$ 956	\$ 843	\$ 113
Economic Development	9,319	39,992	16,856	23,136
Film	828	1,016	952	64
Program Support	3,028	3,028	3,026	2
Program Support	1,325	1,325	1,262	63
Outreach	2,323	2,384	2,191	193
Marketing and Promotion	14,237	14,237	14,100	137
Construction Industries and Manufactured Housing	9,947	9,947	8,888	1,059
Financial Institutions and Securities	4,058	4,058	2,321	1,737
Alcohol and Gaming	1,303	1,303	1,139	164
Program Support	4,229	4,229	3,774	455
Policy and Regulation	8,669	8,479	7,694	785
Public Safety	1,595	1,595	1,490	105
Program Support	1,781	1,971	1,870	101
Special Revenues	1,677	1,677	-	1,677
Board of Examiners for Architects	417	438	353	85
New Mexico Border Authority	514	602	550	52
Medical Board	2,552	2,552	2,101	451
Board of Nursing	3,106	3,230	2,770	460
ASD/PEPS	1,149	1,149	874	275
Gaming Control Board	5,270	5,270	4,505	765
State Racing Commission	4,071	4,071	2,490	1,581
Board of Veterinary Medicine	481	699	562	137
Office of Military Base Planning and Support	237	237	75	162
Spaceport Authority	12,182	12,182	8,591	3,591
Special Revenue	6,698	7,080	-	7,080
Insurance Operations Program	11,900	13,620	10,791	2,829
Boards and Commission	17,095	17,565	7,762	9,803
Securities Division	2,103	2,103	1,613	490
Outdoor Recreation	484	584	464	120
Special Appropriations	78,319	78,319	27,394	50,925
<b>Total Regulation and Licensing</b>	<b>211,813</b>	<b>245,898</b>	<b>137,301</b>	<b>108,597</b>
<b>Total Expenditures and Other Financing Uses</b>	<b>17,475,978</b>	<b>21,659,974</b>	<b>16,591,654</b>	<b>\$ 5,068,320</b>
<b>Net Change in Fund Balance</b>	<b>\$ (41,236)</b>	<b>\$ (40,941)</b>	<b>\$ (3,906,844)</b>	

# STATE OF NEW MEXICO

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## REQUIRED SUPPLEMENTARY INFORMATION NOTES TO BUDGETARY REPORTING

For the Year Ended June 30, 2022

(In Thousands)

### **Budget Process**

The State Legislature makes annual appropriations, which lapse at fiscal year-end. Legal compliance is monitored through the establishment of a budget (Modified Accrual Budgetary Basis) and a financial control system, which permits a budget to actual expenditures comparison. Expenditures may not legally exceed appropriations for each budget at the program appropriation unit level. Program appropriation unit is identified in the State's accounting records and in the budgetary schedules as P-Codes, such as "P523 Child Support Enforcement." Budgeted program appropriation unit amounts may be amended upon approval from the Budget Division of the State of New Mexico Department of Finance and Administration within the limitations as specified in the General Appropriations Act. The budget amounts shown in the financial statements represent the final authorized amounts. Administrative line item expenditures (personnel, contractual, and other) may legally exceed amounts budgeted; however, the total budget category expenditures may not legally exceed the approved budget for the program appropriation. Chapter 6-3, NMSA 1978, sets forth the process used to develop the budget for the State of New Mexico. The process is as follows:

1. No later than September 1, the appropriation request is submitted to the Legislative Finance Committee (LFC), and the Budget Division of the Department of Finance and Administration (DFA), for the fiscal year commencing the following July 1. The appropriation request includes proposed expenditures and the means of financing them.
2. Budget hearings are scheduled before the New Mexico House Appropriations and Senate Finance Committees. The final outcomes of those hearings are incorporated in the State's General Appropriations Act (Act).
3. The Act is signed into law by the Governor of the State of New Mexico within the legally prescribed time limit, at which time the approved budget becomes a legally binding document.
4. Not later than May 1, an annual operating budget is submitted to DFA by appropriation unit and object code based upon the appropriation authorized by the Legislature. DFA reviews and approves the operating budget, which becomes effective on July 1.
5. Formal budgetary integration is employed as a management control device during the fiscal year for the General and Special Revenue Funds.

### **Budgetary Basis of Accounting**

The budget is adopted on the modified accrual basis of accounting, per statute; however; accounts payable which are not recorded in a timely manner (before the statutory fiscal year-end deadline) will not be paid from the current year appropriation, and they are thus not recorded as a budgetary expenditure. Instead, they must be paid out of the next year's budget. This budgetary basis is not consistent with generally accepted accounting principles (GAAP). Balances remaining at the end of the fiscal year from appropriations made from the State General Fund shall revert to the appropriate fund, unless otherwise indicated in the appropriations act or otherwise provided by law. Encumbrances do not carry over to the next year for operating budgets.

# STATE OF NEW MEXICO

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## REQUIRED SUPPLEMENTARY INFORMATION NOTES TO BUDGETARY REPORTING

For the Year Ended June 30, 2022

(In Thousands)

### **Multiple Year Appropriation – Capital Projects Budgets and Special Appropriation Budgets**

Budgets for multiple year monies are not made on an annual basis, but are adopted on a project length basis. Budgets for the Capital Projects Fund may be established for periods from two to five years depending on the nature of the project or appropriation. These non-operating budgets primarily serve as a management control purpose, and because related appropriations are continuing in nature, no comparison between budgeted and actual amounts for funds budgeted on this basis is provided.

### **Budget to GAAP Reconciliation**

The budgetary comparison schedules of the various funds present comparisons of the original estimated budget and legally adopted budget with actual data on a budgetary basis. Both the budget and actual amounts represent single year activity based on the budget reference assigned to the particular transaction. Since accounting principles applied for the purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a budget to GAAP reconciliation is presented following the budgetary comparison schedules.

In the accompanying budgetary schedules, budget and actual expenditures are reported only for appropriated activities for the operating budgets. Expenditures are classified in the financial control system based on whether the appropriation is from the operating or multiple year budgets (special or capital). Expenditures funded by the operating budget appropriations are reported as current expenditures classified by the function of the agency receiving the appropriation.

However, in the governmental operating statements, all governmental funds are included and expenditures are classified according to what was actually purchased. Capital outlays are fixed asset acquisitions such as land, buildings, and equipment. Debt service expenditures are principal and interest payments. Current expenditures are all other governmental fund expenditures classified based on the function of the agency making the expenditures. Additionally, certain governmental activities are excluded from the budgetary schedules because they are not appropriated.

Because of perspective differences between this budgetary comparison and the general fund statement of revenues, expenditures, and changes in fund balance, this schedule is presented as required supplementary information (RSI.)

The State's component appropriation accounts do not adopt an annual appropriated budget; however, the expenditures of the component appropriations by law must equal the individual amounts appropriated in the various appropriation acts. Other activities designated as non-appropriated (not budgeted) by the Legislature are the Severance Tax Fund, the Land Grant Fund, and the following Enterprise Funds: State Fair Commission, Environment Department, State Infrastructure Bank, and Unemployment Insurance Funds.

### **Excess of Expenses/Expenditures Over Budget**

For the fiscal year ended June 30, 2022, there were none of the State agency's P-codes reporting expenses/expenditures exceeding budget authority.

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN NET PENSION LIABILITY PUBLIC EMPLOYEES RETIREMENT SYSTEM

For the Last Ten Years (a) Ending June 30,  
(In Thousands)

	Fiscal Year Ended June 30, 2022	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2019	Fiscal Year Ended June 30, 2018	Fiscal Year Ended June 30, 2017	Fiscal Year Ended June 30, 2016	Fiscal Year Ended June 30, 2015	Fiscal Year Ended June 30, 2014
<b>Total Pension Liability</b>									
Service Cost	\$ 452,128	\$ 409,242	\$ 401,166	\$ 403,879	\$ 376,310	\$ 405,561	\$ 390,221	\$ 389,053	\$ 418,996
Interest	1,636,653	1,556,071	1,547,097	1,504,991	1,462,669	1,452,723	1,393,557	1,335,950	1,286,996
Benefit Changes	3,658	-	(710,227)	-	-	-	-	-	-
Difference Between Expected and Actual Experience	(146,670)	310,352	213,521	(54,005)	113,712	(584,186)	330,751	59,112	-
Changes of Assumptions	-	-	(222)	-	545,510	(62,778)	424,792	-	(91,857)
Benefit Payments	(1,367,738)	(1,314,820)	(1,255,018)	(1,193,943)	(1,133,418)	(1,084,818)	(1,024,399)	(966,237)	(905,329)
Refunds of Contributions	(57,591)	(40,354)	(44,903)	(54,337)	(50,288)	(44,396)	(44,938)	(46,010)	(47,377)
Net Change in Total Pension Liability	520,440	920,491	151,414	606,585	1,314,495	82,106	1,469,984	771,868	661,429
Total Pension Liability - Beginning	23,061,128	22,140,637	21,989,224	21,382,639	20,068,144	19,986,038	18,516,054	17,744,187	17,082,758
Total Pension Liability - Ending	23,581,568	23,061,128	22,140,638	21,989,224	21,382,639	20,068,144	19,986,038	18,516,055	17,744,187
<b>Plan Net Position</b>									
Contributions - Employer	395,408	379,185	368,425	339,676	319,499	332,473	324,752	317,164	370,765
Contributions - Member	326,720	309,552	297,153	281,643	282,847	272,829	265,529	258,920	174,037
Special Fund Appropriation	2,414	-	55,000	-	-	-	-	-	-
Net Investment Income	(745,218)	3,799,141	(223,545)	935,561	1,004,227	1,500,759	47,445	251,488	2,118,285
Benefit Payments	(1,367,738)	(1,314,820)	(1,255,018)	(1,193,944)	(1,133,418)	(1,084,818)	(1,024,399)	(966,236)	(905,329)
Administrative Expenses	(16,010)	(12,730)	(14,318)	(13,583)	(12,667)	(11,506)	(10,754)	(9,886)	(10,336)
Refunds of Contributions	(57,591)	(40,354)	(44,903)	(54,337)	(50,288)	(44,396)	(44,938)	(46,010)	(47,377)
Other	2,713	1,991	1,646	2,047	2,110	471	12,318	25,296	17,006
Net Change in Plan Net Position	(1,459,302)	3,121,964	(815,560)	297,063	412,310	965,812	(430,047)	(169,264)	1,717,051
Plan Net Position - Beginning	17,813,948	14,691,984	15,507,545	15,210,482	14,798,917	13,826,658	14,255,528	14,424,793	12,707,741
Prior Period Adjustments	-	-	-	-	(745)	6,447	1,177	-	-
Plan Net Position - beginning, restated	17,813,948	14,691,984	15,507,545	15,210,482	14,798,172	13,833,105	14,256,705	14,424,793	12,707,741
Plan Net Position - Ending	16,354,646	17,813,948	14,691,984	15,507,545	15,210,482	14,798,917	13,826,658	14,255,529	14,424,792
<b>Net Pension Liability - Ending</b>	<b>\$ 7,226,922</b>	<b>\$ 5,247,180</b>	<b>\$ 7,448,653</b>	<b>\$ 6,481,679</b>	<b>\$ 6,172,157</b>	<b>\$ 5,269,227</b>	<b>\$ 6,159,380</b>	<b>\$ 4,260,526</b>	<b>\$ 3,319,394</b>

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the State will only present information for those years for which information is available.

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN NET PENSION LIABILITY JUDICIAL RETIREMENT SYSTEM

For the Last Ten Years (a) Ending June 30,  
(In Thousands)

	Fiscal Year Ended June 30, 2022	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2019	Fiscal Year Ended June 30, 2018	Fiscal Year Ended June 30, 2017	Fiscal Year Ended June 30, 2016	Fiscal Year Ended June 30, 2015	Fiscal Year Ended June 30, 2014
<b>Total Pension Liability</b>									
Service Cost	\$ 3,928	\$ 6,281	\$ 5,286	\$ 4,282	\$ 4,488	\$ 5,492	\$ 3,245	\$ 3,344	\$ 3,793
Interest	12,276	9,424	10,211	10,341	9,867	9,066	10,238	9,900	10,798
Benefit Changes	-	-	-	-	-	-	-	-	(16,059)
Difference Between Expected and Actual Experience	3,893	4,992	(3,901)	7,420	(1,358)	(2,474)	4,737	755	-
Changes of Assumptions	22,932	(57,672)	18,400	19,033	(2,892)	(17,241)	46,155	-	(1,004)
Benefit Payments	(13,080)	(12,538)	(12,013)	(11,352)	(10,585)	(10,096)	(9,813)	(9,373)	(8,770)
Refunds of Contributions	-	(1)	(8)	(100)	-	(11)	(45)	(40)	(52)
Net Change in Total Pension Liability	29,949	(49,514)	17,975	29,624	(480)	(15,264)	54,517	4,586	(11,294)
Total Pension Liability - Beginning	173,895	223,409	205,435	175,811	176,291	191,555	137,038	132,452	143,746
Total Pension Liability - Ending	203,844	173,895	223,409	205,435	175,811	176,291	191,555	137,038	132,452
<b>Plan Net Position</b>									
Contributions - Employer	25,619	5,626	4,683	4,731	4,723	4,524	4,237	4,196	3,741
Contributions - Member	1,956	1,838	1,783	1,692	1,632	1,636	1,582	1,579	1,086
Net Investment Income	(4,096)	21,502	(1,252)	5,528	6,020	9,012	232	1,512	13,197
Benefit Payments	(13,080)	(12,538)	(12,013)	(11,352)	(10,585)	(10,096)	(9,813)	(9,373)	(8,770)
Administrative Expenses	(88)	(71)	(82)	(79)	(75)	(69)	(64)	(60)	(64)
Refunds of Contributions	-	(1)	(8)	(100)	-	(11)	(45)	(40)	(53)
Other	63	-	-	10	-	-	72	33	486
Net Change in Plan Net Position	10,374	16,356	(6,889)	430	1,715	4,996	(3,799)	(2,153)	9,623
Plan Net Position - Beginning	101,228	84,872	91,761	91,331	89,616	84,932	88,989	91,142	81,519
Prior Period Adjustments	-	-	-	-	-	(312)	(257)	-	-
Plan Net Position - beginning, restated	101,228	84,872	91,761	91,331	89,616	84,620	88,732	91,142	81,519
Plan Net Position - Ending	111,602	101,228	84,872	91,761	91,331	89,616	84,933	88,989	91,142
<b>Net Pension Liability - Ending</b>	<b>\$ 92,242</b>	<b>\$ 72,667</b>	<b>\$ 138,538</b>	<b>\$ 113,674</b>	<b>\$ 84,480</b>	<b>\$ 86,675</b>	<b>\$ 106,623</b>	<b>\$ 48,050</b>	<b>\$ 41,310</b>



# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN NET PENSION LIABILITY MAGISTRATE RETIREMENT SYSTEM

For the Last Ten Years (a) Ending June 30,  
(In Thousands)

	Fiscal Year Ended June 30, 2022	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2019	Fiscal Year Ended June 30, 2018	Fiscal Year Ended June 30, 2017	Fiscal Year Ended June 30, 2016	Fiscal Year Ended June 30, 2015	Fiscal Year Ended June 30, 2014
<b>Total Pension Liability</b>									
Service Cost	\$ 1,365	\$ 1,258	\$ 1,656	\$ 1,466	\$ 1,354	\$ 1,537	\$ 1,118	\$ 948	\$ 1,428
Interest	4,209	4,092	3,436	3,494	3,487	3,192	3,452	3,445	3,689
Benefit Changes	-	-	-	-	-	-	-	-	(7,528)
Difference Between Expected and Actual Experience	1,776	(95)	(1,286)	2,209	(237)	(1,539)	1,571	6,703	-
Changes of Assumptions	12,882	-	(18,414)	5,255	2,874	(8,114)	8,832	-	(7,644)
Benefit Payments	(4,321)	(4,294)	(4,204)	(4,026)	(3,951)	(3,966)	(3,976)	(3,956)	(3,690)
Refunds of Contributions	-	(50)	-	(56)	(63)	-	(15)	(5)	(15)
Net Change in Total Pension Liability	15,911	911	(18,812)	8,342	3,464	(8,890)	10,982	7,135	(13,760)
Total Pension Liability - Beginning	59,529	58,618	77,434	69,092	65,628	74,518	63,536	56,401	70,161
Total Pension Liability - Ending	75,440	59,529	58,618	77,434	69,092	65,628	74,518	63,536	56,401
<b>Plan Net Position</b>									
Contributions - Employer	2,385	2,348	1,293	1,236	1,232	1,282	1,280	937	793
Contributions - Member	673	652	650	640	580	603	587	490	266
Net Investment Income	(1,470)	7,463	(437)	1,938	2,156	3,290	70	579	5,199
Benefit Payments	(4,321)	(4,294)	(4,204)	(4,026)	(3,951)	(3,966)	(3,977)	(3,956)	(3,690)
Administrative Expenses	(32)	(25)	(28)	(28)	(27)	(25)	(24)	(23)	(24)
Refunds of Contributions	-	(50)	-	(56)	(63)	-	(15)	(5)	(15)
Other	-	-	-	-	14	3	27	(19)	217
Net Change in Plan Net Position	(2,765)	6,094	(2,727)	(296)	(59)	1,187	(2,052)	(1,997)	2,746
Plan Net Position - Beginning	35,165	29,071	31,798	32,094	32,226	31,038	33,187	35,185	32,439
Prior Period Adjustments	-	-	-	-	(73)	-	(98)	-	-
Plan Net Position - beginning, restated	35,165	29,071	31,798	32,094	32,153	31,038	33,089	35,185	32,439
Plan Net Position - Ending	32,400	35,165	29,071	31,798	32,094	32,226	31,038	33,187	35,185
<b>Net Pension Liability - Ending</b>	<b>\$ 43,040</b>	<b>\$ 24,364</b>	<b>\$ 29,547</b>	<b>\$ 45,636</b>	<b>\$ 36,998</b>	<b>\$ 33,402</b>	<b>\$ 43,480</b>	<b>\$ 30,349</b>	<b>\$ 21,216</b>

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN NET PENSION LIABILITY VOLUNTEER FIREFIGHTERS RETIREMENT SYSTEM

For the Last Ten Years (a) Ending June 30,  
(In Thousands)

	Fiscal Year Ended June 30, 2022	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2019	Fiscal Year Ended June 30, 2018	Fiscal Year Ended June 30, 2017	Fiscal Year Ended June 30, 2016	Fiscal Year Ended June 30, 2015	Fiscal Year Ended June 30, 2014
<b>Total Pension Liability</b>									
Service Cost	\$ 2,047	\$ 2,040	\$ 2,250	\$ 2,194	\$ 2,204	\$ 2,337	\$ 1,440	\$ 1,251	\$ 1,254
Interest	3,823	3,663	3,715	3,594	3,555	3,584	3,376	3,105	2,872
Benefit Changes	-	-	-	-	-	-	-	-	-
Difference Between Expected and Actual Experience	(3,306)	(1,725)	(2,143)	(1,573)	(2,504)	(4,101)	(498)	874	-
Changes of Assumptions	-	-	(1,853)	-	1,363	-	1,976	-	408
Benefit Payments	(2,847)	(2,758)	(2,626)	(2,457)	(2,319)	(222)	(1,836)	(1,633)	(1,419)
Refunds of Contributions	-	-	-	-	-	(2,031)	-	-	-
Net Change in Total Pension Liability	(283)	1,221	(655)	1,758	2,299	(433)	4,458	3,597	3,115
Total Pension Liability - Beginning	53,126	51,905	52,560	50,802	48,503	48,936	44,478	40,881	37,766
Total Pension Liability - Ending	52,843	53,126	51,905	52,560	50,802	48,503	48,936	44,478	40,881
<b>Plan Net Position</b>									
Contributions - Employer	750	750	750	750	750	750	750	750	750
Contributions - Member	-	-	-	-	-	-	-	-	-
Net Investment Income	(3,579)	17,950	(1,057)	4,318	4,512	6,682	206	1,094	8,920
Benefit Payments	(2,847)	(2,758)	(2,626)	(2,457)	(2,319)	(2,031)	(1,835)	(1,633)	(1,419)
Administrative Expenses	(77)	(60)	(67)	(63)	(58)	(52)	(47)	(43)	(44)
Refunds of Contributions	-	-	-	-	-	-	-	-	-
Other	-	-	-	1	1	1	51	12	404
Net Change in Plan Net Position	(5,753)	15,882	(3,000)	2,549	2,886	5,350	(875)	180	8,611
Plan Net Position - Beginning	84,718	68,836	71,836	69,287	66,399	61,049	62,103	61,923	53,312
Prior Period Adjustments	-	-	-	-	-	-	(179)	-	-
Plan Net Position - beginning, restated	84,718	68,836	71,836	69,287	66,399	61,049	61,924	61,923	53,312
Plan Net Position - Ending	78,965	84,718	68,836	71,836	69,287	66,399	61,049	62,103	61,923
<b>Net Pension Liability - Ending</b>	<b>\$ (26,122)</b>	<b>\$ (31,591)</b>	<b>\$ (16,931)</b>	<b>\$ (19,276)</b>	<b>\$ (18,485)</b>	<b>\$ (17,896)</b>	<b>\$ (12,113)</b>	<b>\$ (17,626)</b>	<b>\$ (21,042)</b>

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN NET PENSION LIABILITY EDUCATIONAL EMPLOYEES RETIREMENT SYSTEM

For the Last Ten Years (a) Ending June 30,  
(In Thousands)

	Fiscal Year Ended June 30, 2022	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2019	Fiscal Year Ended June 30, 2018	Fiscal Year Ended June 30, 2017	Fiscal Year Ended June 30, 2016	Fiscal Year Ended June 30, 2015	Fiscal Year Ended June 30, 2014
<b>Total Pension Liability</b>									
Service Cost	\$ 431,266	\$ 916,076	\$ 388,501	\$ 523,132	\$ 494,876	\$ 357,631	\$ 356,874	\$ 346,956	\$ 350,248
Interest	1,610,271	1,288,041	1,501,193	1,396,376	1,375,676	1,424,586	1,367,647	1,321,048	1,254,730
Benefit Changes	-	-	-	(4,381,849)	-	-	-	-	-
Difference Between Expected and Actual Experience	(196,600)	685,735	177,584	(112,652)	(184,090)	(207,789)	42,492	(86,722)	(114,508)
Changes of Assumptions	-	(11,462,883)	11,316,076	-	659,788	4,371,800	-	299,085	-
Benefit Payments	(1,321,515)	(1,263,064)	(1,220,261)	(1,164,645)	(1,107,441)	(1,052,675)	(1,012,731)	(957,185)	(907,214)
Refunds of Contributions	-	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	523,422	(9,836,096)	12,163,093	(3,739,638)	1,238,809	4,893,553	754,282	923,182	583,256
Total Pension Liability - Beginning	23,448,992	33,285,087	21,121,996	24,861,634	23,622,825	18,729,272	17,974,989	17,051,807	16,468,551
Total Pension Liability - Ending	23,972,414	23,448,992	33,285,087	21,121,996	24,861,634	23,622,825	18,729,272	17,974,989	17,051,807
<b>Plan Net Position</b>									
Contributions - Employer	511,944	452,872	451,556	406,549	388,724	395,844	396,989	395,130	362,463
Contributions - Member	347,917	330,067	329,725	303,442	287,324	292,809	295,946	294,561	271,514
Net Investment Income	(336,188)	3,834,540	(75,980)	1,037,882	900,132	1,350,389	364,571	429,738	1,444,233
Benefit Payments	(1,321,515)	(1,263,064)	(1,220,261)	(1,164,645)	(1,107,441)	(1,052,675)	(1,012,731)	(957,183)	(907,214)
Administrative Expenses	(12,982)	(12,088)	(10,878)	(9,326)	(9,908)	(9,848)	(9,661)	(10,598)	(16,619)
Refunds of Contributions	-	-	-	-	-	-	-	-	-
Other	-	-	343	487	2,116	-	-	-	-
Net Change in Plan Net Position	(810,824)	3,342,327	(525,494)	574,390	460,947	976,519	35,115	151,648	1,154,377
Plan Net Position - Beginning	16,361,526	13,019,199	13,544,692	12,970,303	12,509,357	11,532,839	11,497,724	11,346,076	10,191,699
Prior Period Adjustments	-	-	-	-	-	-	-	-	-
Plan Net Position - beginning, restated	16,361,526	13,019,199	13,544,693	12,970,303	12,509,357	11,532,839	11,497,724	11,346,076	10,191,699
Plan Net Position - Ending	15,550,702	16,361,526	13,019,199	13,544,692	12,970,303	12,509,357	11,532,839	11,497,724	11,346,076
<b>Net Pension Liability - Ending</b>	<b>\$ 8,421,712</b>	<b>\$ 7,087,466</b>	<b>\$ 20,265,891</b>	<b>\$ 7,577,302</b>	<b>\$ 11,891,331</b>	<b>\$ 11,113,468</b>	<b>\$ 7,196,433</b>	<b>\$ 6,477,266</b>	<b>\$ 5,705,731</b>

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN NET OPEB LIABILITY NEW MEXICO RETIREE HEALTH CARE AUTHORITY For the Last Ten Years (a) Ending June 30, (In Thousands)

	Fiscal Year Ended June 30, 2022	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2019	Fiscal Year Ended June 30, 2018	Fiscal Year Ended June 30, 2017
<b>Total OPEB Liability</b>						
Service Cost	\$ 155,315	\$ 171,993	\$ 123,905	\$ 156,598	\$ 188,372	\$ 265,229
Interest	163,469	147,283	169,239	208,666	199,584	187,563
Benefit Changes	-	802	6,624	14,004	-	-
Difference Between Expected and Actual Experience	(36,122)	57,770	(150,535)	(754,197)	(145,524)	(210,436)
Changes of Assumptions	(1,125,436)	(894,202)	989,793	(535,457)	(225,363)	(958,756)
Claims and Premiums	(99,777)	(102,376)	(109,584)	(96,487)	(122,199)	(113,698)
Net Change in Total OPEB Liability	(942,551)	(618,731)	1,029,442	(1,006,873)	(105,130)	(830,098)
Total OPEB Liability - Beginning	4,409,850	5,028,581	3,999,139	5,006,012	5,111,142	5,941,240
Total OPEB Liability - Ending	3,467,299	4,409,850	5,028,581	3,999,139	5,006,012	5,111,142
<b>Plan Net Position</b>						
Contributions - Employer	101,585	96,585	96,504	88,516	85,402	85,858
Contributions - Member	231,293	225,347	226,384	216,528	210,650	196,393
Net Investment Income	(49,544)	217,737	10,837	41,663	49,758	67,760
Claims and Premiums	(323,816)	(315,956)	(316,936)	(296,417)	(321,480)	(294,393)
Administrative Expenses	(3,467)	(3,404)	(3,687)	(4,148)	(3,672)	(4,180)
Other	80,144	69,519	59,821	52,949	57,530	55,556
Net Change in Plan Net Position	36,195	289,828	72,923	99,093	78,188	106,994
Plan Net Position - Beginning	1,119,501	829,673	756,750	657,657	579,469	472,475
Prior Period Adjustments	-	-	579,469	-	-	-
Plan Net Position - beginning, restated	1,119,501	829,673	1,336,219	657,657	579,469	472,475
Plan Net Position - Ending	1,155,696	1,119,501	829,673	756,750	657,657	579,469
<b>Net OPEB Liability - Ending</b>	<b>\$ 2,311,603</b>	<b>\$ 3,290,349</b>	<b>\$ 4,198,908</b>	<b>\$ 3,242,389</b>	<b>\$ 4,348,355</b>	<b>\$ 4,531,673</b>

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF NET PENSION LIABILITY PUBLIC EMPLOYEES RETIREMENT SYSTEM

For the Last Ten Years (a) Ending June 30,  
(In Thousands)

	Fiscal Year Ended June 30, 2022	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2019	Fiscal Year Ended June 30, 2018	Fiscal Year Ended June 30, 2017	Fiscal Year Ended June 30, 2016	Fiscal Year Ended June 30, 2015	Fiscal Year Ended June 30, 2014
Total Pension Liability	\$ 23,581,568	\$ 23,061,128	\$ 22,140,637	\$ 21,989,225	\$ 21,382,639	\$ 20,068,143	\$ 19,986,038	\$ 18,516,055	\$ 17,744,187
Plan Net Position	16,354,647	17,813,948	14,691,984	15,507,546	15,210,483	14,798,918	13,826,658	14,255,529	14,424,793
Net Pension Liability	\$ 7,226,921	\$ 5,247,180	\$ 7,448,653	\$ 6,481,679	\$ 6,172,156	\$ 5,269,225	\$ 6,159,380	\$ 4,260,526	\$ 3,319,394
Percentage of Plan Net Position to Total Pension Liability	69.35%	77.25%	66.36%	70.52%	71.13%	73.74%	69.18%	76.99%	81.29%
Covered Payroll	\$ 2,460,174	\$ 2,482,249	\$ 2,339,923	\$ 2,287,712	\$ 2,265,036	\$ 2,193,889	\$ 2,326,943	\$ 2,248,254	\$ 2,102,265
Net Pension Liability as a Percentage of Covered Payroll	293.76%	211.39%	318.33%	283.33%	272.50%	240.18%	264.70%	189.50%	157.90%

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF NET PENSION LIABILITY

### JUDICIAL RETIREMENT SYSTEM

For the Last Ten Years (a) Ending June 30,

(In Thousands)

	Fiscal Year Ended June 30, 2022	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2019	Fiscal Year Ended June 30, 2018	Fiscal Year Ended June 30, 2017	Fiscal Year Ended June 30, 2016	Fiscal Year Ended June 30, 2015	Fiscal Year Ended June 30, 2014
Total Pension Liability	\$ 203,842	\$ 173,894	\$ 223,409	\$ 205,435	\$ 175,810	\$ 176,291	\$ 191,555	\$ 137,038	\$ 132,452
Plan Net Position	111,600	101,227	84,871	91,760	91,331	89,616	84,932	88,988	91,141
Net Pension Liability	<u>\$ 92,242</u>	<u>\$ 72,667</u>	<u>\$ 138,538</u>	<u>\$ 113,675</u>	<u>\$ 84,479</u>	<u>\$ 86,675</u>	<u>\$ 106,623</u>	<u>\$ 48,050</u>	<u>\$ 41,311</u>
Percentage of Plan Net Position to Total Pension Liability	<u>54.75%</u>	<u>58.21%</u>	<u>37.99%</u>	<u>44.67%</u>	<u>51.95%</u>	<u>50.83%</u>	<u>44.34%</u>	<u>64.94%</u>	<u>68.81%</u>
Covered Payroll	<u>\$ 17,681</u>	<u>\$ 16,985</u>	<u>\$ 16,090</u>	<u>\$ 16,292</u>	<u>\$ 15,126</u>	<u>\$ 15,493</u>	<u>\$ 15,612</u>	<u>\$ 15,084</u>	<u>\$ 13,163</u>
Net Pension Liability as a Percentage of Covered Payroll	<u>521.70%</u>	<u>427.83%</u>	<u>861.00%</u>	<u>697.74%</u>	<u>558.50%</u>	<u>559.45%</u>	<u>682.95%</u>	<u>318.54%</u>	<u>313.83%</u>

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF NET PENSION LIABILITY MAGISTRATE RETIREMENT SYSTEM

For the Last Ten Years (a) Ending June 30,  
(In Thousands)

	Fiscal Year Ended June 30, 2022	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2019	Fiscal Year Ended June 30, 2018	Fiscal Year Ended June 30, 2017	Fiscal Year Ended June 30, 2016	Fiscal Year Ended June 30, 2015	Fiscal Year Ended June 30, 2014
Total Pension Liability	\$ 75,440	\$ 59,529	\$ 58,618	\$ 77,431	\$ 69,090	\$ 65,628	\$ 74,519	\$ 63,536	\$ 56,401
Plan Net Position	32,399	35,165	29,071	31,798	32,093	32,225	31,038	33,187	35,185
Net Pension Liability	\$ 43,041	\$ 24,364	\$ 29,547	\$ 45,633	\$ 36,997	\$ 33,403	\$ 43,481	\$ 30,349	\$ 21,216
Percentage of Plan Net Position to Total Pension Liability	42.95%	59.07%	49.59%	41.07%	46.45%	49.10%	41.65%	52.23%	62.38%
Covered Payroll	\$ 6,289	\$ 6,092	\$ 6,025	\$ 6,025	\$ 5,638	\$ 5,633	\$ 5,243	\$ 5,066	\$ 3,516
Net Pension Liability as a Percentage of Covered Payroll	684.39%	399.93%	490.39%	757.37%	656.17%	592.97%	829.29%	599.09%	603.49%

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF NET PENSION LIABILITY VOLUNTEER FIREFIGHTERS RETIREMENT SYSTEM For the Last Ten Years (a) Ending June 30, (In Thousands)

	Fiscal Year Ended June 30, 2022	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2019	Fiscal Year Ended June 30, 2018	Fiscal Year Ended June 30, 2017	Fiscal Year Ended June 30, 2016	Fiscal Year Ended June 30, 2015	Fiscal Year Ended June 30, 2014
Total Pension Liability	\$ 52,842	\$ 53,126	\$ 51,905	\$ 52,561	\$ 50,802	\$ 48,503	\$ 48,936	\$ 44,478	\$ 40,881
Plan Net Position	78,966	84,718	68,837	71,836	69,287	66,401	61,050	62,103	61,923
Net Pension Liability	\$ (26,123)	\$ (31,591)	\$ (16,932)	\$ (19,275)	\$ (18,485)	\$ (17,898)	\$ (12,114)	\$ (17,625)	\$ (21,042)
Percentage of Plan Net Position to Total Pension Liability	149.44%	159.47%	132.62%	136.67%	136.39%	136.90%	124.76%	139.63%	151.47%
Covered Payroll	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A



# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF NET PENSION LIABILITY EDUCATIONAL EMPLOYEES RETIREMENT SYSTEM

For the Last Ten Years (a) Ending June 30,  
(In Thousands)

	Fiscal Year Ended June 30, 2022	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2019	Fiscal Year Ended June 30, 2018	Fiscal Year Ended June 30, 2017	Fiscal Year Ended June 30, 2016	Fiscal Year Ended June 30, 2015	Fiscal Year Ended June 30, 2014
Total Pension Liability	\$ 23,972,414	\$ 23,448,992	\$ 33,285,087	\$ 21,121,994	\$ 24,861,632	\$ 23,622,824	\$ 18,729,271	\$ 17,974,989	\$ 17,051,807
Plan Net Position	15,550,702	16,361,526	13,019,197	13,544,692	12,970,301	12,509,356	11,532,838	11,497,723	11,346,076
Net Pension Liability	\$ 8,421,712	\$ 7,087,466	\$ 20,265,890	\$ 7,577,302	\$ 11,891,331	\$ 11,113,468	\$ 7,196,433	\$ 6,477,266	\$ 5,705,731
Percentage of Plan Net Position to Total Pension Liability	64.87%	69.77%	39.11%	64.13%	52.17%	52.95%	61.58%	63.97%	66.54%
Covered Payroll	\$ 3,214,178	\$ 3,057,979	\$ 3,048,404	\$ 2,797,686	\$ 2,678,215	\$ 2,728,362	\$ 2,740,527	\$ 2,730,320	\$ 2,718,101
Net Pension Liability as a Percentage of Covered Payroll	262.02%	231.77%	664.80%	270.84%	444.00%	407.33%	262.59%	237.23%	209.92%

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF NET OPEB LIABILITY NEW MEXICO RETIREE HEALTH CARE AUTHORITY For the Last Ten Years (a) Ending June 30, (In Thousands)

	Ended June 30, 2022	Ended June 30, 2021	Ended June 30, 2020	Ended June 30, 2019	Ended June 30, 2018	Ended June 30, 2017
Total OPEB Liability	\$ 3,467,299	\$ 4,409,850	\$ 5,028,581	\$ 3,999,138	\$ 5,006,012	\$ 5,111,142
Plan Net Position	1,155,696	1,119,501	829,673	756,749	657,657	579,469
Net OPEB Liability	\$ 2,311,603	\$ 3,290,349	\$ 4,198,908	\$ 3,242,389	\$ 4,348,355	\$ 4,531,673
Percentage of Plan Net Position to Total OPEB Liability	33.33%	25.39%	16.50%	18.92%	13.14%	11.34%
Covered Payroll	\$ 4,745,116	\$ 4,614,244	\$ 4,298,116	\$ 4,172,929	\$ 4,290,617	\$ 4,165,647
Net OPEB Liability as a Percentage of Covered Payroll	48.72%	71.31%	97.69%	77.70%	101.35%	108.79%

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF NET OPEB LIABILITY THE UNIVERSITY OF NEW MEXICO For the Last Ten Years (a) Ending June 30, (Amounts in Thousands)

Amounts are in thousands

	2022	2021	2020	2019	2018	2017
<b>Total OPEB liability</b>						
Service cost	1,742	1,891	3,267	3,501	3,526	3,019
Interest	9,366	892	10,640	10,007	9,469	9,058
Changes of benefit terms	-	-	-	-	-	-
Differences between expected & actual experience	23,091	-	(38,575)	-	-	-
Changes of assumptions	4,104	(6,534)	7,729	(7,105)	(6,444)	7,114
Benefit payments	(5,444)	(5,296)	5,298	(4,913)	(4,841)	(4,818)
<b>Net change in total OPEB liability</b>	<b>32,859</b>	<b>(1,018)</b>	<b>(22,236)</b>	<b>1,490</b>	<b>1,710</b>	<b>14,373</b>
<b>Total OPEB liability- beginning</b>	<b>133,035</b>	<b>134,053</b>	<b>156,289</b>	<b>154,799</b>	<b>153,089</b>	<b>138,715</b>
<b>Total OPEB liability- ending (a)</b>	<b>165,894</b>	<b>133,035</b>	<b>134,053</b>	<b>156,289</b>	<b>154,799</b>	<b>153,089</b>
<b>Plan fiduciary net position</b>						
Contributions- employer	7,490	7,460	7,513	7,322	7,467	7,675
Contributions- member	2,047	2,164	2,215	2,408	2,625	2,856
Net investment income	11,408	1,854	2,111	2,080	1,615	895
Benefit payments	(5,444)	(5,296)	(5,298)	(4,913)	(4,841)	(4,818)
Administrative expense	(9)	(3)	(5)	(5)	-	-
<b>Net change in plan fiduciary net position</b>	<b>15,492</b>	<b>6,179</b>	<b>6,536</b>	<b>6,892</b>	<b>6,866</b>	<b>6,608</b>
<b>Plan fiduciary net position- beginning</b>	<b>43,520</b>	<b>37,341</b>	<b>30,805</b>	<b>23,913</b>	<b>17,045</b>	<b>10,435</b>
<b>Plan fiduciary net position- ending (b)</b>	<b>59,012</b>	<b>43,520</b>	<b>37,341</b>	<b>30,805</b>	<b>23,913</b>	<b>17,045</b>
<b>University's net OPEB liability- ending (a)-(b)</b>	<b>106,882</b>	<b>89,515</b>	<b>96,712</b>	<b>125,484</b>	<b>130,886</b>	<b>136,044</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	<b>35.57%</b>	<b>32.71%</b>	<b>27.86%</b>	<b>19.71%</b>	<b>15.45%</b>	<b>11.13%</b>
<b>Covered-employee payroll</b>	<b>272,863</b>	<b>288,544</b>	<b>295,345</b>	<b>321,166</b>	<b>350,452</b>	<b>383,432</b>
<b>University's net OPEB liability as a percentage of covered-employee payroll</b>	<b>39.17%</b>	<b>31.02%</b>	<b>32.75%</b>	<b>39.07%</b>	<b>37.35%</b>	<b>35.48%</b>

Benefit changes: None

Differences between expected and actual experience: There is no change in the Total OPEB Liability from the fiscal year ended June 30, 2020 to the fiscal year ended June 30, 2021 due to differences in expected and actual experience. The \$23.1 million increase in liability from June 30, 2021 to June 30, 2022 is due to changes in the census, claims and premiums experience, including an adjustment to pre-65 claims costs to align with the change in pre-65 retiree premiums rating being fully blended with the active employees.

Changes of assumptions: The \$6.5 million decrease in the liability from the fiscal year ending June 30, 2020 to the fiscal year ending June 30, 2021 is due to the increase in the assumed discount rate from 6.6% as of June 30, 2020 to 7.09% as of June 30, 2021. The \$4.1 million increase in the liability from June 30, 2021 to June 30, 2022 is due to the decrease in the assumed discount rate from 7.09% as of June 30, 2021 to 6.80% as of June 30, 2022, as well as updates to the trend, excise tax, and mortality assumptions.

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF NET OPEB LIABILITY NEW MEXICO STATE UNIVERSITY For the Last Ten Years (a) Ending June 30, (Amounts are in Thousands)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability</b>					
Service cost	6,726	6,497	5,787	5,127	4,936
Interest	3,802	3,745	5,208	5,268	5,291
<b>Current Recognized deferred outflows/(inflows):</b>					
Difference between expected and actual experienc	(20,103)	-	(13,724)	-	-
Changes in assumptions or other inputs	(27,754)	1,340	28,160	7,135	(5,357)
Benefit payments	(4,845)	(5,718)	(5,274)	(5,758)	(5,523)
<b>Net change in total OPEB liability</b>	<u>(42,174)</u>	<u>5,864</u>	<u>20,157</u>	<u>11,772</u>	<u>(653)</u>
<b>Total OPEB liability- beginning</b>	<u>171,693</u>	<u>165,829</u>	<u>145,672</u>	<u>133,899</u>	<u>134,552</u>
<b>Total OPEB liability- ending</b>	<u><u>129,519</u></u>	<u><u>171,693</u></u>	<u><u>165,829</u></u>	<u><u>145,672</u></u>	<u><u>133,899</u></u>
<b>Covered-employee payroll</b>	116,865	135,947	131,987	153,961	150,205
<b>University's net OPEB liability as a percentage of covered-employee payroll</b>	111%	126%	126%	95%	89%

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF NET OPEB LIABILITY NEW MEXICO INSTITUTE OF MINING AND TECHNOLOGY For the Last Ten Years (a) Ending June 30, (In Thousands)

	2022	2021	2020	2019	2018	2017
<b>Total OPEB liability</b>						
Service cost	2,993	2,182	1,999	2,317	2,697	2,149
Interest cost	1,377	1,388	1,518	1,377	1,225	1,194
Changes of benefit terms	-	-	-	-	-	-
Differences between expected & actual experience	12,357	-	(5,898)	-	-	-
Changes of assumptions	7,720	6,895	2,050	(1,486)	(3,354)	3,706
Benefit payments	(1,477)	(1,273)	(61)	(649)	(1,490)	(930)
<b>Net change in total OPEB liability</b>	<b>22,970</b>	<b>9,192</b>	<b>(392)</b>	<b>1,559</b>	<b>(922)</b>	<b>6,119</b>
<b>Total OPEB liability- beginning</b>	<b>41,323</b>	<b>32,131</b>	<b>32,523</b>	<b>30,964</b>	<b>31,886</b>	<b>25,765</b>
<b>Total OPEB liability- ending (a)</b>	<b>64,293</b>	<b>41,323</b>	<b>32,131</b>	<b>32,523</b>	<b>30,964</b>	<b>31,886</b>
<b>Plan fiduciary net position</b>						
Contributions- employer	689	705	2,239	3,997	4,998	4,936
Contributions- member	735	650	1,632	3,386	3,706	3,628
Net investment income	715	85	149	173	208	29
Benefit payments	(1,477)	(1,273)	(61)	(649)	(1,490)	(930)
Administrative expense	(97)	(88)	(306)	(359)	(378)	(388)
Other	147	6	(3,714)	(5,899)	(6,132)	(5,963)
<b>Net change in plan fiduciary net position</b>	<b>712</b>	<b>85</b>	<b>(61)</b>	<b>649</b>	<b>912</b>	<b>1,312</b>
<b>Plan fiduciary net position- beginning</b>	<b>4,328</b>	<b>4,243</b>	<b>4,304</b>	<b>3,655</b>	<b>2,743</b>	<b>1,431</b>
<b>Plan fiduciary net position- ending (b)</b>	<b>5,040</b>	<b>4,328</b>	<b>4,243</b>	<b>4,304</b>	<b>3,655</b>	<b>2,743</b>
<b>University's net OPEB liability- ending (a)-(b)</b>	<b>59,253</b>	<b>36,995</b>	<b>27,888</b>	<b>28,219</b>	<b>27,309</b>	<b>29,143</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	7.8%	10.5%	13.2%	13.2%	11.8%	8.6%
<b>Covered-employee payroll</b>	48,653	30,619	29,916	28,337	28,142	27,958
<b>University's net OPEB liability as a percentage of covered-employee payroll</b>	122%	121%	93%	100%	97%	104%

### Notes to the Schedule:

Changes in assumptions: The \$7.7 million increase in liability from the fiscal year ending June 30, 2021 to the fiscal year ending June 30, 2022 is due mainly to the increase in the assumed discount rate as of the measurement date. The \$9.2 million increase in the liability from the fiscal year ending June 30, 2021 to the fiscal year ending June 30, 2022 is due to the decrease in the assumed discount rate.

Benefits changes: None

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION PUBLIC EMPLOYEES RETIREMENT SYSTEM

For the Last Ten Years (a) Ending June 30,  
(In Thousands)

	Fiscal Year					
	2022	2021	2020	2019	2018	2017
Statutory Required Contributions	\$ 531,398	\$ 379,185	\$ 368,425	\$ 339,676	\$ 319,499	\$ 332,473
Actual Employer Contributions	395,408	379,185	368,425	339,676	319,499	332,473
Annual Contribution Deficiency	\$ 135,990	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 2,460,174	\$ 2,482,249	\$ 2,339,923	\$ 2,287,712	\$ 2,265,036	\$ 2,193,889
Annual Contribution as a Percentage of Covered Payroll	16.07%	15.28%	15.75%	14.85%	14.11%	15.15%

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONTINUED)

For the Last Ten Years (a) Ending June 30,  
(In Thousands)

	Fiscal Year				
	2016	2015	2014	2013	2012
Statutory Required Contributions	\$ 324,752	\$ 317,164	\$ 370,766	\$ 285,560	\$ 274,906
Actual Employer Contributions	<u>324,752</u>	<u>317,164</u>	<u>370,766</u>	<u>285,560</u>	<u>274,906</u>
Annual Contribution Deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 2,326,943</u>	<u>\$ 2,248,254</u>	<u>\$ 2,102,265</u>	<u>\$ 2,049,738</u>	<u>\$ 1,994,280</u>
Annual Contribution as a Percentage of Covered Payroll	<u>13.96%</u>	<u>14.11%</u>	<u>17.64%</u>	<u>13.93%</u>	<u>13.78%</u>

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION JUDICIAL RETIREMENT SYSTEM

For the Last Ten Years (a) Ending June 30,  
(In Thousands)

	Fiscal Year					
	2022	2021	2020	2019	2018	2017
Statutory Required Contributions	\$ 7,205	\$ 5,858	\$ 6,045	\$ 5,881	\$ 4,908	\$ 4,975
Actual Employer Contributions	25,619	5,626	4,683	4,731	4,723	4,524
Annual Contribution Deficiency (Excess)	<u>\$ (18,414)</u>	<u>\$ 232</u>	<u>\$ 1,362</u>	<u>\$ 1,150</u>	<u>\$ 185</u>	<u>\$ 451</u>
Covered Payroll	<u>\$ 17,681</u>	<u>\$ 16,985</u>	<u>\$ 16,090</u>	<u>\$ 16,292</u>	<u>\$ 15,126</u>	<u>\$ 15,493</u>
Annual Contribution as a Percentage of Covered Payroll	<u>144.90%</u>	<u>33.12%</u>	<u>29.11%</u>	<u>29.04%</u>	<u>31.22%</u>	<u>29.20%</u>



# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION JUDICIAL RETIREMENT SYSTEM (CONTINUED)

For the Last Ten Years (a) Ending June 30,  
(In Thousands)

	Fiscal Year				
	2016	2015	2014	2013	2012
Statutory Required Contributions	\$ 4,816	\$ 4,919	\$ 6,413	\$ 7,235	\$ 5,835
Actual Employer Contributions	4,237	4,196	3,741	3,527	3,266
Annual Contribution Deficiency (Excess)	\$ 579	\$ 723	\$ 2,672	\$ 3,708	\$ 2,569
Covered Payroll	\$ 15,612	\$ 15,084	\$ 13,163	\$ 13,226	\$ 12,691
Annual Contribution as a Percentage of Covered Payroll	27.14%	27.82%	28.42%	26.67%	25.74%

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION MAGISTRATE RETIREMENT SYSTEM

For the Last Ten Years (a) Ending June 30,  
(In Thousands)

	Fiscal Year					
	2022	2021	2020	2019	2018	2017
Statutory Required Contributions	\$ 2,396	\$ 2,306	\$ 1,923	\$ 1,862	\$ 1,588	1,576
Actual Employer Contributions	2,385	2,348	1,293	1,236	1,232	1,282
Annual Contribution Deficiency (Excess)	\$ 11	\$ (42)	\$ 630	\$ 626	\$ 356	294
Covered Payroll	\$ 6,289	\$ 6,092	\$ 6,025	\$ 6,025	\$ 5,638	5,633
Annual Contribution as a Percentage of Covered Payroll	37.91%	38.53%	21.45%	20.52%	21.85%	22.76%

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION MAGISTRATE RETIREMENT SYSTEM (CONTINUED)

For the Last Ten Years (a) Ending June 30,  
(In Thousands)

	Fiscal Year				
	2016	2015	2014	2013	2012
Statutory Required Contributions	\$ 1,463	\$ 1,967	\$ 1,992	\$ 2,286	\$ 1,793
Actual Employer Contributions	<u>1,280</u>	<u>937</u>	<u>793</u>	<u>805</u>	<u>676</u>
Annual Contribution Deficiency (Excess)	<u>\$ 183</u>	<u>\$ 1,030</u>	<u>\$ 1,199</u>	<u>\$ 1,481</u>	<u>\$ 1,117</u>
Covered Payroll	<u>\$ 5,243</u>	<u>\$ 5,066</u>	<u>\$ 3,516</u>	<u>\$ 3,137</u>	<u>\$ 3,214</u>
Annual Contribution as a Percentage of Covered Payroll	<u>24.42%</u>	<u>18.49%</u>	<u>22.56%</u>	<u>25.67%</u>	<u>21.04%</u>

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION VOLUNTEER FIREFIGHTERS RETIREMENT SYSTEM

For the Last Ten Years (a) Ending June 30,  
(In Thousands)

	Fiscal Year					
	2022	2021	2020	2019	2018	2017
Statutory Required Contributions	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750
Actual Employer Contributions	750	750	750	750	750	750
Annual Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Annual Contribution as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION VOLUNTEER FIREFIGHTERS RETIREMENT SYSTEM (CONTINUED)

For the Last Ten Years (a) Ending June 30,  
(In Thousands)

	Fiscal Year				
	2016	2015	2014	2013	2012
Statutory Required Contributions	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750
Actual Employer Contributions	750	750	750	750	750
Annual Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Annual Contribution as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION EDUCATIONAL EMPLOYEE RETIREMENT SYSTEM

For the Last Ten Years (a) Ending June 30,  
(In Thousands)

	Fiscal Year					
	2022	2021	2020	2019	2018	2017
Statutory Required Contributions	\$ 627,461	\$ 656,732	\$ 586,452	\$ 587,331	\$ 546,593	\$ 477,840
Actual Employer Contributions	511,944	452,872	451,556	406,549	388,724	395,844
Annual Contribution Deficiency (Excess)	\$ 115,517	\$ 203,860	\$ 134,895	\$ 180,782	\$ 157,869	\$ 81,996
Covered Payroll	\$ 3,214,178	\$ 3,057,979	\$ 3,048,404	\$ 2,797,686	\$ 2,678,215	\$ 2,728,362
Annual Contribution as a Percentage of Covered Payroll	15.93%	14.81%	14.81%	14.53%	14.51%	14.51%

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION EDUCATIONAL EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

For the Last Ten Years (a) Ending June 30,  
(In Thousands)

	Fiscal Year				
	2016	2015	2014	2013	2012
Statutory Required Contributions	\$ 465,341	\$ 450,951	\$ 479,884	\$ 480,700	\$ 400,461
Actual Employer Contributions	396,989	395,130	362,463	299,658	253,845
Annual Contribution Deficiency (Excess)	<u>\$ 68,352</u>	<u>\$ 55,821</u>	<u>\$ 117,421</u>	<u>\$ 181,042</u>	<u>\$ 146,616</u>
Covered Payroll	<u>\$ 2,740,527</u>	<u>\$ 2,730,320</u>	<u>\$ 2,718,101</u>	<u>\$ 2,706,170</u>	<u>\$ 2,495,300</u>
Annual Contribution as a Percentage of Covered Payroll	<u>14.49%</u>	<u>14.47%</u>	<u>13.34%</u>	<u>11.07%</u>	<u>10.17%</u>

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB NEW MEXICO RETIREE HEALTH CARE AUTHORITY For the Last Ten Years (a) Ending June 30, (In Thousands)

	Fiscal Year					
	2022	2021	2020	2019	2018	2017
Statutory Required Contributions	\$ 101,585	\$ 96,585	\$ 96,504	\$ 88,516	\$ 85,402	\$ 85,858
Actual Employer Contributions	101,585	96,585	96,504	88,516	85,402	85,858
Annual Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 4,745,116	\$ 4,614,244	\$ 4,298,116	\$ 4,172,929	\$ 4,290,617	\$ 4,165,647
Annual Contribution as a Percentage of Covered Payroll	2.14%	2.09%	2.25%	2.12%	1.99%	2.06%



# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB THE UNIVERSITY OF NEW MEXICO For the Last Ten Years (a) Ending June 30 (In Thousands)

	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	7,383	7,490	7,459	7,513	7,322	7,467
Contributions in relation to the actuarially determined contribution	7,383	7,490	7,459	7,513	7,322	7,467
Contribution deficiency (excess)	-	-	-	-	-	-
Covered employee payroll	262,303	272,863	288,544	295,345	321,166	350,452
Contributions as a percentage of payroll	2.81%	2.74%	2.59%	2.54%	2.28%	2.13%

Notes to Schedule:

Valuation date January 1, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal – level % of salary

Asset valuation method Market value of assets

Healthcare cost trend rates Medical Pre-Medicare: 6.1% initially, reduced by decrements to a rate of 4.5% after nine years  
Medical Post-Medicare: 6.4% initially, reduced by decrements to a rate of 4.5% after nine years  
Dental: 4.0%

Salary increases 2.0%

Investment rate of return 8.0%, net of OPEB plan investment expense, including inflation

Retirement age 63

Mortality PUB-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using scale MP-2018.

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB NEW MEXICO INSTITUTE OF MINING AND TECHNOLOGY For the Last Ten Years (a) Ending June 30, (In Thousands)

	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	803	689	705	2,239	3,997	4,998
Contributions in relation to the actuarially determined contribution	803	689	705	2,239	3,997	4,998
Contribution deficiency (excess)	-	-	-	-	-	-
Covered employee payroll	48,653	31,793	30,619	14,433	28,337	28,142
Contributions as a percentage of payroll	1.7%	2.2%	2.3%	15.5%	14.1%	17.8%

### Notes to Schedule:

Valuation date January 1, 2022

### Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal – level % of salary

Asset valuation method Market value of assets

Healthcare cost trend rates Medical Pre-Medicare: 7.00% initially, reduced by decrements to a rate of 4.5% after nine years  
Medical Post-Medicare: 6.50% initially, reduce by decrements to a rate of 4.50% after nine years  
Pharmacy: 8.50% initially, reduced by decrement to a rate of 4.50% after nine years  
Dental and Vision: 3.0%

Salary increases 3.0%

Investment rate of return 6.0%

Retirement age 64

Mortality PUB-2010 "General" Classification head count-weighted mortality Table with fully generation mortality improvement projections from the central year using Scale MP-2021

# STATE OF NEW MEXICO

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## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF INVESTMENT RETURNS - PENSION PUBLIC EMPLOYEES RETIREMENT SYSTEM For the Last Ten Years (a) Ending June 30,

	Fiscal Year								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual Money-weighted Rate of Return, Net of Investment Expenses	<u>-3.11%</u>	<u>25.36%</u>	<u>-2.70%</u>	<u>5.60%</u>	<u>6.50%</u>	<u>10.60%</u>	<u>0.70%</u>	<u>1.70%</u>	<u>17.40%</u>

\* Information for prior years not available.

# STATE OF NEW MEXICO

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## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF INVESTMENT RETURNS - PENSION EDUCATIONAL EMPLOYEE RETIREMENT SYSTEM For the Last Ten Years (a) Ending June 30,

	Fiscal Year										
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Annual Money-weighted Rate of Return, Net of Investment Expenses	<u>1.00%</u>	<u>28.76%</u>	<u>-0.97%</u>	<u>7.29%</u>	<u>8.38%</u>	<u>11.91%</u>	<u>2.68%</u>	<u>4.06%</u>	<u>14.71%</u>	<u>11.12%</u>	<u>1.87%</u>

**STATE OF NEW MEXICO**

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**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF INVESTMENT RETURNS - OPEB  
NEW MEXICO RETIREE HEALTH CARE AUTHORITY  
For the Last Ten Years (a) Ending June 30,**

	<b>Fiscal Year</b>					
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Annual Money-weighted Rate of Return, Net of Investment Expenses	<u>-0.86%</u>	<u>22.59%</u>	<u>1.43%</u>	<u>6.53%</u>	<u>9.06%</u>	<u>13.98%</u>

# STATE OF NEW MEXICO

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## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF INVESTMENT RETURNS - OPEB THE UNIVERSITY OF NEW MEXICO For the Last Ten Years (a) Ending June 30,

	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	-17.43%	26.04%	4.55%	6.18%	6.77%	11.26%

\* Information for prior years not available.

# STATE OF NEW MEXICO

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## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF INVESTMENT RETURNS - OPEB NEW MEXICO INSTITUTE OF MINING AND TECHNOLOGY For the Last Ten Years (a) Ending June 30,

	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	-11.83%	36.75%	3.70%	7.10%	9.40%	11.30%

\* Information for prior years not available.

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF ACTUARIAL METHODS AND ASSUMPTIONS

### ALL RETIREMENT SYSTEMS

Fiscal Year Ending June 30, 2022

(In Thousands)

	<u>PERS</u>	<u>JRS</u>	<u>MRS</u>	<u>VFRS</u>	<u>EERS</u>
Valuation date	June 30, 2021	June 30, 2021	June 30, 2021	June 30, 2021	June 30, 2021
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Percent of Pay	Level Percent of Pay, Open	Level Percent of Payroll, Open	Level Dollar, Open	Closed 30 year period, Amortization. Level percent of Payroll.
Amortization period	25 years	30 years	30 years	25 years	Closed 30 years
Asset valuation method					5 Year Smoothed Market
Actuarial Assumptions:					
Investment Rate of Return	7.25%	7.25%	7.25%	7.25%	7%
Projected Benefit Payment	100 years	89 years	86 years	100 years	
Projected Salary Increases	3.25%-13.50%	3.25%	3.25%	N/A	2.30% Inflation, plus .70% Prod, Inc.
Includes Inflation At	2.50%	2.50%	2.50%	2.50%	2.30%
Mortality Assumption	RPH-2014 Blue Collar Mortality Table	RPH-2014 Blue Collar Mortality Table	RPH-2014 Blue Collar Mortality Table	RPH-2014 Blue Collar Mortality Table	2020 GRS Southwest Region Teacher Mortality Table
Discount Rate	7.25%	7.25%	7.25%	7.25%	7.00%

All percentages are stated at an annual rate.

Investment rate of return is net of investment expenses.



# STATE OF NEW MEXICO

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## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF ACTUARIAL METHODS AND ASSUMPTIONS NEW MEXICO RETIREE HEALTH CARE AUTHORITY Fiscal Year Ending June 30, 2022 (In Thousands)

Valuation Date	June 30, 2021
Actuarial cost method	Entry age normal, level of percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets
<u>Actuarial Assumptions:</u>	
Inflation	2.30% for ERB; 2.50% for PERA
Projected payroll increases	3.00% to 13.00% based on years of service, including inflation
Investment rate of return	7.00%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Discount rate	5.42%
Health care cost trend rate:	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 years for Medicare medical plan costs

The Following Presents Required Supplementary Information for the Employer Reporting of  
Pension and OPEB Amounts

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE STATE OF NEW MEXICO'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

For the Year Ended June 30,  
(In Thousands)

PERA - State-Funded Divisions	Measurement Date								
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	
State proportion of the net pension liability	57.14%	51.17%	51.29%	52.74%	52.52%	51.25%	52.70%	54.10%	
State proportionate share of the net pension liability	\$ 2,998,454	\$ 3,811,182	\$ 3,324,673	\$ 3,255,419	\$ 2,767,431	\$ 3,156,785	\$ 2,243,965	\$ 1,795,898	
State covered payroll (b)	\$ 1,135,523	\$ 1,111,517	\$ 1,024,186	\$ 987,851	\$ 1,030,651	\$ 1,192,558	\$ 1,184,830	\$ 1,137,325	
State proportionate share of the net pension liability as a percentage of its covered payroll	264.06%	342.88%	324.62%	329.55%	268.51%	264.71%	189.39%	157.91%	
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%	

(a) The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the State will only present information for those years for which information is available.

(b) Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF THE STATE OF NEW MEXICO'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)

For the Last Ten Years (a) Ending June 30,  
(In Thousands)

PERA - Judicial Fund	Measurement Date								
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	
State proportion of the net pension liability	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
State proportionate share of the net pension liability	\$ 72,669	\$ 138,539	\$ 113,675	\$ 84,479	\$ 86,675	\$ 106,623	\$ 48,050	\$ 41,311	
State covered payroll (b)	\$ 16,985	\$ 16,090	\$ 16,291	\$ 15,126	\$ 15,493	\$ 15,612	\$ 15,084	\$ 13,163	
State proportionate share of the net pension liability as a percentage of its covered payroll	427.84%	861.03%	697.78%	558.50%	559.45%	682.95%	318.54%	313.83%	
Plan fiduciary net position as a percentage of the total pension liability	58.21%	37.99%	44.67%	51.95%	50.83%	44.34%	64.94%	68.81%	

(a) The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the State will only present information for those years for which information is available.

(b) Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE STATE OF NEW MEXICO'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)

For the Last Ten Years (a) Ending June 30,  
(In Thousands)

PERA - Magistrate Fund	Measurement Date								
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	
State proportion of the net pension liability	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
State proportionate share of the net pension liability	\$ 24,365	\$ 29,547	\$ 45,634	\$ 36,998	\$ 33,403	\$ 43,481	\$ 30,349	\$ 21,216	
State covered payroll (b)	\$ 6,092	\$ 6,025	\$ 6,025	\$ 5,638	\$ 5,633	\$ 5,243	\$ 5,066	\$ 3,516	
State proportionate share of the net pension liability as a percentage of its covered payroll	399.95%	490.41%	757.41%	656.23%	592.99%	829.29%	599.09%	603.49%	
Plan fiduciary net position as a percentage of the total pension liability	59.07%	49.59%	41.07%	46.45%	49.10%	41.65%	52.23%	62.38%	

(a) The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the State will only present information for those years for which information is available.

(b) Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF THE STATE OF NEW MEXICO'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)

For the Last Ten Years (a) Ending June 30,  
(In Thousands)

PERA - Volunteer Firefighters Fund	Measurement Date									
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
State proportion of the net pension liability (asset)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
State proportionate share of the net pension liability	\$ (31,593)	\$ (16,932)	\$ (19,276)	\$ (18,485)	\$ (17,898)	\$ (12,114)	\$ (17,625)	\$ (21,042)	\$ (21,042)	\$ (21,042)
State covered payroll (b)	*	*	*	*	*	*	*	*	*	*
State proportionate share of the net pension liability as a percentage of its covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(a) The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the State will only present information for those years for which information is available.

(b) Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.

\* There is no covered payroll. The State Legislature provides a contribution of \$750 thousand per year.

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE STATE OF NEW MEXICO'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)

For the Last Ten Years (a) Ending June 30,  
(In Thousands)

ERB - State Agencies	Measurement Date								
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	
State proportion of the net pension liability	0.26%	0.27%	0.29%	0.29%	0.27%	0.30%	0.34%	0.34%	
State proportionate share of the net pension liability	\$ 18,663	\$ 54,568	\$ 22,005	\$ 34,028	\$ 30,486	\$ 21,580	\$ 22,015	\$ 19,127	
State covered payroll (b)	\$ 8,438	\$ 8,601	\$ 8,489	\$ 8,000	\$ 8,561	\$ 9,662	\$ 9,240	\$ 9,242	
State proportionate share of the net pension liability as a percentage of its covered payroll	221.18%	634.44%	259.22%	425.35%	356.10%	223.35%	238.26%	206.96%	
Plan fiduciary net position as a percentage of the total pension liability	69.77%	39.11%	64.13%	52.17%	52.95%	61.58%	63.97%	66.54%	

(a) The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the State will only present information for those years for which information is available.

(b) Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.

ERB - Educational Institutions	Measurement Date								
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	
State proportion of the net pension liability	26.98%	26.80%	27.87%	28.73%	28.80%	28.65%	28.85%	29.19%	
State proportionate share of the net pension liability	\$ 1,912,469	\$ 5,431,257	\$ 2,111,751	\$ 3,416,362	\$ 3,200,504	\$ 2,061,616	\$ 1,868,432	\$ 1,665,276	
State covered payroll (b)	\$ 855,428	\$ 856,014	\$ 814,496	\$ 802,777	\$ 818,187	\$ 819,993	\$ 804,471	\$ 930,167	
State proportionate share of the net pension liability as a percentage of its covered payroll	223.57%	634.48%	259.27%	425.57%	391.17%	251.42%	232.26%	179.03%	
Plan fiduciary net position as a percentage of the total pension liability	69.77%	39.11%	64.13%	52.17%	52.95%	61.58%	63.97%	66.54%	

(a) The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the State will only present information for those years for which information is available.

(b) Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE STATE OF NEW MEXICO'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

For the Last Ten Years (a) Ending June 30,  
(In Thousands)

<u>Retiree Health Care - State-Funded Divisions</u>	<u>Measurement Date</u>				
	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
State proportion of the net OPEB liability	24.12%	24.03%	24.22%	24.13%	24.12%
State proportionate share of the net OPEB liability	\$ 793,748	\$ 1,008,906	\$ 785,609	\$ 1,049,291	\$ 1,093,162
State covered payroll (b)	\$ 1,190,400	\$ 1,149,050	\$ 1,035,350	\$ 1,030,100	\$ 1,035,550
State proportionate share of the net OPEB liability as a percentage of its covered payroll	66.68%	87.80%	75.88%	101.86%	105.56%
Plan fiduciary net position as a percentage of the total OPEB liability	25.39%	16.50%	18.92%	13.14%	11.34%

(a) The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the State will only present information for those years for which information is available.

(b) Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.



# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE STATE OF NEW MEXICO'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (CONTINUED)

For the Last Ten Years (a) Ending June 30,  
(In Thousands)

<u>Retiree Health Care - Educational Institutions</u>	Measurement Date				
	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
State proportion of the net OPEB liability	2.75%	2.67%	2.73%	2.86%	\$ 2.89
State proportionate share of the net OPEB liability	\$ 90,524	\$ 112,118	\$ 88,554	\$ 124,460	\$ 130,892
State covered payroll (b)	\$ 129,350	\$ 127,700	\$ 122,700	\$ 128,727	\$ 123,997
State proportionate share of the net OPEB liability as a percentage of its covered payroll	69.98%	87.80%	72.17%	96.69%	105.56%
Plan fiduciary net position as a percentage of the total OPEB liability	25.39%	16.50%	18.92%	13.14%	11.34%

(a) The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the State will only present information for those years for which information is available.

(b) Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.

The Following Presents Required Supplementary Information for the State as Employer

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE STATE'S CONTRIBUTIONS

For the Last Ten Years (a) Ending June 30,  
(In Thousands)

<u>PERA - State-Funded Divisions</u>	<u>FY2022</u>	<u>FY2021</u>	<u>FY2020</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>
Contractually Required contribution	\$ 221,400	\$ 209,237	\$ 200,231	\$ 181,674	\$ 174,957	\$ 184,801	\$ 171,144	\$ 176,397
Contributions in relation to contractually required contributions	\$ 221,400	\$ 209,237	200,231	181,674	174,957	184,801	171,144	176,397
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State covered payroll	\$ 1,151,862	\$ 1,135,523	\$ 1,111,517	\$ 1,024,186	\$ 987,851	\$ 1,030,651	\$ 1,192,558	\$ 1,184,830
Contributions as a percentage of covered payroll	19.22%	18.43%	18.01%	17.74%	17.71%	17.93%	14.35%	14.89%

(a) The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the State will only present information for those years for which information is available.

(b) Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE STATE'S CONTRIBUTIONS (CONTINUED)

For the Last Ten Years (a) Ending June 30,  
(In Thousands)

<u>PERA - Judicial Fund</u>	<u>FY2022</u>	<u>FY2021</u>	<u>FY2020</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>	<u>FY2014</u>
Contractually Required contribution	\$ 7,205	\$ 5,858	\$ 6,045	\$ 5,881	\$ 4,908	\$ 4,975	\$ 4,816	\$ 4,919	\$ 6,413
Contributions in relation to contractually required contributions	25,619	5,626	4,683	4,731	4,723	4,524	4,237	4,196	3,741
Contribution deficiency	<u>\$ (18,414)</u>	<u>\$ 232</u>	<u>\$ 1,362</u>	<u>\$ 1,150</u>	<u>\$ 185</u>	<u>\$ 451</u>	<u>\$ 579</u>	<u>\$ 723</u>	<u>\$ 2,672</u>
State covered payroll	\$ 17,681	\$ 16,985	\$ 16,090	\$ 16,292	\$ 15,126	\$ 15,493	\$ 15,612	\$ 15,084	\$ 13,163
Contributions as a percentage of covered payroll	144.91%	33.13%	29.11%	29.04%	31.23%	29.20%	27.14%	27.82%	28.42%

(a) The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the State will only present information for those years for which information is available.

(b) Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE STATE'S CONTRIBUTIONS (CONTINUED)

For the Last Ten Years (a) Ending June 30,  
(In Thousands)

<b>PERA - Magistrate Fund</b>	<b>FY2022</b>	<b>FY2021</b>	<b>FY2020</b>	<b>FY2019</b>	<b>FY2018</b>	<b>FY2017</b>	<b>FY2016</b>	<b>FY2015</b>	<b>FY2014</b>
Contractually Required contribution	\$ 2,396	\$ 2,306	\$ 1,923	\$ 1,862	\$ 1,588	\$ 1,576	\$ 1,463	\$ 1,967	\$ 1,992
Contributions in relation to contractually required contributions	2,385	2,348	1,293	1,236	1,232	1,282	1,280	937	793
Contribution deficiency	<u>\$ 11</u>	<u>\$ (42)</u>	<u>\$ 630</u>	<u>\$ 626</u>	<u>\$ 356</u>	<u>\$ 294</u>	<u>\$ 183</u>	<u>\$ 1,030</u>	<u>\$ 1,199</u>
State covered payroll	\$ 6,290	\$ 6,092	\$ 6,025	\$ 6,025	\$ 5,638	\$ 5,633	\$ 5,243	\$ 5,066	\$ 3,516
Contributions as a percentage of covered payroll	37.92%	38.54%	21.45%	20.51%	21.85%	22.76%	24.42%	18.49%	22.56%

(a) The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the State will only present information for those years for which information is available.

(b) Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE STATE'S CONTRIBUTIONS (CONTINUED)

For the Last Ten Years (a) Ending June 30,  
(In Thousands)

<b>PERA - Volunteer Firefighters Fund</b>	<b>FY2022</b>	<b>FY2021</b>	<b>FY2020</b>	<b>FY2019</b>	<b>FY2018</b>	<b>FY2017</b>	<b>FY2016</b>	<b>FY2015</b>	<b>FY2014</b>
Statutorily determined contribution *	\$ -	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750
Contributions in relation to statutorily determined contributions	750	750	750	750	750	750	750	750	750
Contribution deficiency	<u>\$ (750)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
State covered payroll	*	*	*	*	*	*	*	*	*
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(a) The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the State will only present information for those years for which information is available.

(b) Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.

\* There is no covered payroll. The State Legislature provides a contribution of \$750 thousand per year.

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE STATE'S CONTRIBUTIONS (CONTINUED)

For the Last Ten Years (a) Ending June 30,  
(In Thousands)

<u>ERB - State Agencies</u>	<u>FY2022</u>	<u>FY2021</u>	<u>FY2020</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>
Contractually Required contribution	\$ 1,352	\$ 1,194	\$ 1,217	\$ 1,180	\$ 1,112	\$ 1,190	\$ 1,343	\$ 1,215
Contributions in relation to contractually required contributions	1,352	1,194	1,217	1,180	1,112	1,190	1,343	1,215
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
State covered payroll	8,924	8,438	8,601	8,489	8,000	8,561	9,662	9,240
Contributions as a percentage of covered payroll	15.15%	14.15%	14.15%	13.90%	13.90%	13.90%	13.90%	13.15%

(a) The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the State will only present information for those years for which information is available.

<u>ERB - Educational Institutions</u>	<u>FY2022</u>	<u>FY2021</u>	<u>FY2020</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>
Contractually Required contribution	\$ 135,172	\$ 121,043	\$ 121,126	\$ 113,215	\$ 111,586	\$ 113,728	\$ 113,979	\$ 105,788
Contributions in relation to contractually required contributions	135,172	121,043	121,126	113,215	111,586	113,728	113,979	105,788
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Educational Institutions' covered payroll	892,224	855,428	856,014	814,496	802,777	818,187	819,993	804,471
Contributions as a percentage of covered payroll	15.15%	14.15%	14.15%	13.90%	13.90%	13.90%	13.90%	13.15%

(a) The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the State will only present information for those years for which information is available.

(b) Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.

# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE STATE'S CONTRIBUTIONS (CONTINUED)

For the Last Ten Years (a) Ending June 30,  
(In Thousands)

### SCHEDULE OF THE STATE'S CONTRIBUTIONS Last Ten Fiscal Years (a)

<u>Retiree Health Care - State-Funded Divisions</u>	<u>FY2022</u>	<u>FY2021</u>	<u>FY2020</u>	<u>FY2019</u>	<u>FY2018</u>
Contractually Required contribution	\$ 25,168	\$ 23,808	\$ 22,981	\$ 20,707	\$ 20,602
Contributions in relation to contractually required contribution	25,168	23,808	22,981	20,707	20,602
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
State covered payroll	\$ 1,258,400	\$ 1,190,400	\$ 1,149,050	\$ 1,035,350	\$ 1,030,100
Contributions as a percentage of covered payroll	2.00%	2.00%	2.00%	2.00%	2.00%

(a) The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the State will only present information for those years for which information is available.

(b) Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.



# STATE OF NEW MEXICO

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE STATE'S CONTRIBUTIONS (CONTINUED)

For the Last Ten Years (a) Ending June 30,  
(In Thousands)

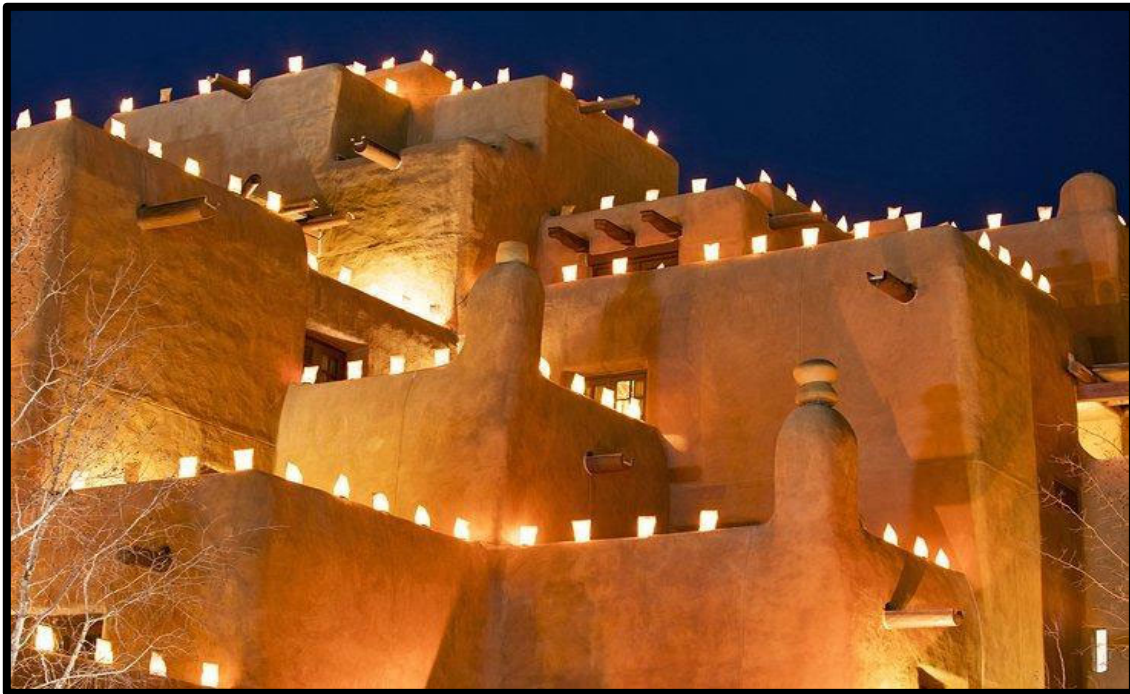
<b>Retiree Health Care - Educational Institutions</b>	<b>FY2022</b>	<b>FY2021</b>	<b>FY2020</b>	<b>FY2019</b>	<b>FY2018</b>
Contractually Required contribution	\$ 2,752	\$ 2,587	\$ 2,554	\$ 2,454	\$ 2,575
Contributions in relation to contractually required contribution	2,752	2,587	2,554	2,454	2,575
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -
State covered payroll	\$ 137,600	\$ 129,350	\$ 127,700	\$ 122,700	\$ 128,727
Contributions as a percentage of covered payroll	2.00%	2.00%	2.00%	2.00%	2.00%

(a) The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the State will only present information for those years for which information is available.

(b) Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.

STATE OF NEW MEXICO  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

# FINANCIAL SECTION OTHER SUPPLEMENTARY INFORMATION



CITY OF SANTA FE  
SOURCE - PLANETWARE.COM

# STATE OF NEW MEXICO

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## **OTHER SUPPLEMENTARY INFORMATION NONMAJOR PROPRIETARY FUNDS COMBINING FINANCIAL STATEMENTS**

### **Enterprise Funds**

Enterprise funds report the activities for which fees are charged to external users for goods and services. Enterprise Funds are presented beginning on page 279.

### **Internal Service Funds**

Internal service funds account for goods and services provided primarily to other agencies or funds of the State, rather than to the general public. Internal Service Funds are presented beginning on page 291.

# STATE OF NEW MEXICO

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## OTHER SUPPLEMENTARY INFORMATION NONMAJOR ENTERPRISE FUNDS COMBINING FINANCIAL STATEMENTS

**Industries for the Blind** – The New Mexico Commission for the Blind’s mission is to encourage and enable the State’s blind citizens to achieve vocational, economic, and social equality. This proprietary fund is used to provide career training and other assistance for New Mexico’s blind citizens and entails the operations of the Albuquerque Training Center.

**Corrections Industries Revolving Fund** – This fund is used to account for certain activities of the Corrections Industries Division of the Department of Corrections. These activities include the manufacture of furniture and textiles, production of agricultural crops, and data entry services.

**Environment Department** – This fund is used to account for revolving loans for wastewater and drinking water facilities.

**New Mexico Magazine** – New Mexico Magazine is a program of the Department of Tourism. The fund accounts for the publishing and distribution of the monthly New Mexico Magazine.

**New Mexico Public Schools Insurance Authority (NMPSIA)** – NMPSIA is a self-insurance pool that provides various benefits and risk coverage to participating public schools, school board members and public school employees, plus retired board members and employees. Coverage provided includes property, casualty, workers’ compensation, health, life, and disability.

**State Infrastructure Bank** – The State Infrastructure Bank is a proprietary fund administered by the Department of Transportation. The fund is used to account for loans made for road projects.

**Miners’ Colfax Medical Center** – Miners’ Colfax Medical Center is a State owned medical facility in Raton, New Mexico. The current organization is a result of a merger between the Miners’ Hospital and Northern Colfax County Hospital. Miners’ Colfax operates a 25-bed acute care hospital; a 37 bed extended care facility and various outpatient clinics in Raton, New Mexico. Miners’ Colfax has programs that serve both miners and non-miners.

**State Fair Commission** – This fund administers the operations of the annual New Mexico State Fair and the use of the Fairgrounds facilities during the year

**Department of Cultural Affairs** – This fund administers the enterprise operations of the Department of Cultural Affairs.

**Education Trust Board** – The Education Trust Board of New Mexico operates as a self-sustaining entity which is administratively connected to the NM Department of Higher Education. This fund administers New Mexico’s Section 529 College Savings Plans under rules promulgated by the Board. The financial statements of the two savings plans are presented as a private purpose fiduciary trust fund.

# STATE OF NEW MEXICO

## OTHER SUPPLEMENTARY INFORMATION COMBINING STATEMENT OF NET POSITION

### NONMAJOR ENTERPRISE FUNDS

June 30, 2022

(In Thousands)

	Industries for the Blind	Corrections Industries Revolving Fund	Environment Department	New Mexico Magazine	New Mexico Public Schools Insurance Authority	State Infrastructure Bank
<b>ASSETS</b>						
Current Assets:						
Cash and Cash Equivalents	\$ -	\$ 1	\$ -	\$ -	\$ 56,260	\$ -
Cash and Cash Equivalents - Restricted	-	-	-	-	-	-
Investment in the State General Fund Investment Pool	192	815	189,817	610	683	11,882
Investment in the Local Government Investment Pool	-	-	-	-	22,965	-
Prepaid Expenses and Other Assets	-	-	-	40	256	-
Receivables, Net	198	792	15,232	580	29,024	93
Inventories	-	752	-	-	-	-
<b>Total Current Assets</b>	<u>390</u>	<u>2,360</u>	<u>205,049</u>	<u>1,230</u>	<u>109,188</u>	<u>11,975</u>
Noncurrent Assets:						
Loans Receivable	-	889	185,304	-	-	10,407
Investments	-	-	-	-	39,962	-
Nondepreciable Capital Assets	-	-	-	-	237	-
Capital Assets, Net	1	761	-	-	13	-
<b>Total Noncurrent Assets</b>	<u>1</u>	<u>1,650</u>	<u>185,304</u>	<u>-</u>	<u>40,212</u>	<u>10,407</u>
<b>Total Assets</b>	<u>391</u>	<u>4,010</u>	<u>390,353</u>	<u>1,230</u>	<u>149,400</u>	<u>22,382</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred Outflows - OPEB	14	156	-	108	125	-
Deferred Outflows - Pension	35	800	-	265	306	-
<b>Total Deferred Outflows</b>	<u>49</u>	<u>956</u>	<u>-</u>	<u>373</u>	<u>431</u>	<u>-</u>

# STATE OF NEW MEXICO

## OTHER SUPPLEMENTARY INFORMATION COMBINING STATEMENT OF NET POSITION NONMAJOR ENTERPRISE FUNDS (CONTINUED)

June 30, 2022

(In Thousands)

	Miners' Colfax Medical Center	State Fair Commission	Dept. of Cultural Affairs	Education Trust Board	Total
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 787	\$ 166	\$ -	\$ -	\$ 57,214
Cash and Cash Equivalents - Restricted	-	1,005	-	-	1,005
Investment in the State General Fund Investment Pool	9,241	525	833	689	215,287
Investment in the Local Government Investment Pool	-	-	-	10,373	33,338
Prepaid Expenses and Other Assets	-	-	-	-	296
Receivables, Net	3,679	2,276	-	137	52,011
Inventories	1,086	-	-	-	1,838
<b>Total Current Assets</b>	<u>14,793</u>	<u>3,972</u>	<u>833</u>	<u>11,199</u>	<u>360,989</u>
Noncurrent Assets:					
Loans Receivable	-	63,483	-	-	260,083
Investments	1,002	-	-	-	40,964
Nondepreciable Capital Assets	710	1,099	-	-	2,046
Capital Assets, Net	22,077	37,008	354	241	60,455
<b>Total Noncurrent Assets</b>	<u>23,789</u>	<u>101,590</u>	<u>354</u>	<u>241</u>	<u>363,548</u>
<b>Total Assets</b>	<u>38,582</u>	<u>105,562</u>	<u>1,187</u>	<u>11,440</u>	<u>724,537</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Outflows - OPEB	2,164	308	-	52	2,927
Deferred Outflows - Pension	5,309	778	-	128	7,621
<b>Total Deferred Outflows</b>	<u>7,473</u>	<u>1,086</u>	<u>-</u>	<u>180</u>	<u>10,548</u>

# STATE OF NEW MEXICO

## OTHER SUPPLEMENTARY INFORMATION COMBINING STATEMENT OF NET POSITION NONMAJOR ENTERPRISE FUNDS (CONTINUED)

June 30, 2022

(In Thousands)

	Industries for the Blind	Corrections Industries Revolving Fund	Environment Department	New Mexico Magazine	New Mexico Public Schools Insurance Authority	State Infrastructure Bank
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts Payable	\$ 185	\$ 235	\$ -	\$ 128	\$ 800	\$ -
Accrued Liabilities	4	46	-	29	33	-
Unearned Revenue	-	10	-	391	94	-
Due to Other Funds	-	-	-	-	-	-
Due to Higher Education	-	-	-	-	-	-
Funds Held for Others	-	-	-	-	-	-
Bonds Payable - Current Portion	-	-	-	-	-	-
Other Liabilities - Current Portion	1	70	-	487	36,428	-
<b>Total Current Liabilities</b>	<u>190</u>	<u>361</u>	<u>-</u>	<u>1,035</u>	<u>37,355</u>	<u>-</u>
Noncurrent Liabilities:						
Bonds Payable	-	-	-	-	-	-
Net Pension Liability	208	3,442	-	1,568	1,811	-
Net OPEB Liability	56	612	-	424	489	-
Other Liabilities	-	5	-	148	82,280	-
<b>Total Noncurrent Liabilities</b>	<u>264</u>	<u>4,059</u>	<u>-</u>	<u>2,140</u>	<u>84,580</u>	<u>-</u>
<b>Total Liabilities</b>	<u>454</u>	<u>4,420</u>	<u>-</u>	<u>3,175</u>	<u>121,935</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Inflows - Pension	44	65	-	334	386	-
Deferred Inflows - OPEB	31	342	-	236	273	-
Deferred Inflows - Lease	-	1,032	-	-	-	-
Deferred Inflows - Other	-	-	-	-	-	-
<b>Total Deferred Inflows</b>	<u>75</u>	<u>1,439</u>	<u>-</u>	<u>570</u>	<u>659</u>	<u>-</u>
<b>NET POSITION</b>						
Net Investment in Capital Assets	-	751	-	-	250	-
Restricted for:						
Loans	-	-	390,353	-	-	-
Other Purposes	202	1,860	-	-	29,066	22,382
Unrestricted (Deficit)	(291)	(3,504)	-	(2,142)	(2,079)	-
<b>Total Net Position</b>	<u>\$ (89)</u>	<u>\$ (893)</u>	<u>\$ 390,353</u>	<u>\$ (2,142)</u>	<u>\$ 27,237</u>	<u>\$ 22,382</u>

# STATE OF NEW MEXICO

## OTHER SUPPLEMENTARY INFORMATION COMBINING STATEMENT OF NET POSITION NONMAJOR ENTERPRISE FUNDS (CONTINUED)

June 30, 2022

(In Thousands)

	Miners' Colfax Medical Center	State Fair Commission	Dept. of Cultural Affairs	Education Trust Board	Total
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	\$ 2,696	\$ 368	\$ -	\$ 233	\$ 4,645
Accrued Liabilities	720	89	-	14	935
Unearned Revenue	-	105	-	-	600
Due to Other Funds	-	196	-	-	196
Due to Higher Education	67	-	-	-	67
Funds Held for Others	164	69	-	-	233
Bonds Payable - Current Portion	1,110	-	-	-	1,110
Other Liabilities - Current Portion	2,193	157	-	71	39,407
<b>Total Current Liabilities</b>	<u>6,950</u>	<u>984</u>	<u>-</u>	<u>318</u>	<u>47,193</u>
Noncurrent Liabilities:					
Bonds Payable	4,740	-	-	-	4,740
Net Pension Liability	31,446	4,606	-	761	43,842
Net OPEB Liability	8,492	1,209	-	206	11,488
Other Liabilities	1,777	109	-	213	84,532
<b>Total Noncurrent Liabilities</b>	<u>46,455</u>	<u>5,924</u>	<u>-</u>	<u>1,180</u>	<u>144,602</u>
<b>Total Liabilities</b>	<u>53,405</u>	<u>6,908</u>	<u>-</u>	<u>1,498</u>	<u>191,795</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Inflows - Pension	6,694	981	-	162	8,666
Deferred Inflows - OPEB	4,742	675	-	115	6,414
Deferred Inflows - Lease	-	65,673	-	-	66,705
Deferred Inflows - Other	-	184	-	-	184
<b>Total Deferred Inflows</b>	<u>11,436</u>	<u>67,513</u>	<u>-</u>	<u>277</u>	<u>81,969</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets	14,969	38,106	354	-	54,430
Restricted for:					
Loans	-	-	-	-	390,353
Other Purposes	2,088	647	-	10,907	67,152
Unrestricted (Deficit)	(35,843)	(6,526)	833	(1,062)	(50,614)
<b>Total Net Position</b>	<u>\$ (18,786)</u>	<u>\$ 32,227</u>	<u>\$ 1,187</u>	<u>\$ 9,845</u>	<u>\$ 461,321</u>



# STATE OF NEW MEXICO

## OTHER SUPPLEMENTARY INFORMATION COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION NONMAJOR ENTERPRISE FUNDS For the Year Ended June 30, 2022 (In Thousands)

	Industries for the Blind	Corrections Industries Revolving Fund	Environment Department	New Mexico Magazine	New Mexico Public Schools Insurance Authority	State Infrastructure Bank
<b>OPERATING REVENUES</b>						
Charges for Services	\$ 7,193	\$ 4,357	\$ -	\$ 3,910	\$ 413,906	\$ -
Federal Revenue	-	-	-	397	-	-
Loan and Other Income	-	-	1,566	-	-	112
Other Operating Revenues	42	-	-	-	-	-
<b>Total Operating Revenues</b>	<b>7,235</b>	<b>4,357</b>	<b>1,566</b>	<b>4,307</b>	<b>413,906</b>	<b>112</b>
<b>OPERATING EXPENSES</b>						
Benefits, Claims, and Premiums	-	-	-	-	(2,716)	-
General and Administrative Expenses	121	1,857	5,466	4,496	442,290	-
Depreciation Expense	2	113	-	-	6	-
Other Operating Expenses	7,092	3,022	-	405	-	-
<b>Total Operating Expenses</b>	<b>7,215</b>	<b>4,992</b>	<b>5,466</b>	<b>4,901</b>	<b>439,580</b>	<b>-</b>
<b>Operating Income (Loss)</b>	<b>20</b>	<b>(635)</b>	<b>(3,900)</b>	<b>(594)</b>	<b>(25,674)</b>	<b>112</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Interest and Investment Income	-	(1)	366	-	(6,654)	21
Government Grants and Contracts	-	-	7,779	-	15,000	-
Other Revenue (Expenses)	3	72	2,389	-	49	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>3</b>	<b>71</b>	<b>10,534</b>	<b>-</b>	<b>8,395</b>	<b>21</b>
<b>Income (Loss) Before Transfers</b>	<b>23</b>	<b>(564)</b>	<b>6,634</b>	<b>(594)</b>	<b>(17,279)</b>	<b>133</b>
<b>TRANSFERS</b>						
Transfers In	-	-	-	-	-	-
Transfer Out Components of State	-	-	-	-	-	-
<b>Total Transfers</b>	<b>-</b>	<b>-</b>	<b>(987)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Net Position</b>	<b>23</b>	<b>(564)</b>	<b>5,647</b>	<b>(594)</b>	<b>(17,279)</b>	<b>133</b>
<b>Net Position - Beginning, as Restated</b>	<b>(112)</b>	<b>(329)</b>	<b>384,706</b>	<b>(1,548)</b>	<b>44,516</b>	<b>22,249</b>
<b>Net Position - Ending</b>	<b>\$ (89)</b>	<b>\$ (893)</b>	<b>\$ 390,353</b>	<b>\$ (2,142)</b>	<b>\$ 27,237</b>	<b>\$ 22,382</b>

# STATE OF NEW MEXICO

## OTHER SUPPLEMENTARY INFORMATION COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION NONMAJOR ENTERPRISE FUNDS (CONTINUED)

For the Year Ended June 30, 2022

(In Thousands)

	Miners' Colfax Medical Center	State Fair Commission	Dept. of Cultural Affairs	Education Trust Board	Total
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 26,917	\$ 8,773	\$ 19	\$ 2,790	\$ 467,865
Federal Revenue	-	-	-	-	397
Loan and Other Income	-	-	-	-	1,678
Other Operating Revenues	-	-	-	-	42
<b>Total Operating Revenues</b>	<u>26,917</u>	<u>8,773</u>	<u>19</u>	<u>2,790</u>	<u>469,982</u>
<b>OPERATING EXPENSES</b>					
Benefits, Claims, and Premiums	-	-	-	-	(2,716)
General and Administrative Expenses	38,686	12,484	-	2,875	508,275
Depreciation Expense	2,178	2,102	89	40	4,530
Other Operating Expenses	191	12	-	10	10,732
<b>Total Operating Expenses</b>	<u>41,055</u>	<u>14,598</u>	<u>89</u>	<u>2,925</u>	<u>520,821</u>
<b>Operating Income (Loss)</b>	<u>(14,138)</u>	<u>(5,825)</u>	<u>(70)</u>	<u>(135)</u>	<u>(50,839)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest and Investment Income	44	503	-	21	(5,700)
Government Grants and Contracts	1,366	5,000	-	-	29,145
Other Revenue (Expenses)	511	25	-	41	3,090
<b>Total Nonoperating Revenues (Expenses)</b>	<u>1,921</u>	<u>5,528</u>	<u>-</u>	<u>62</u>	<u>26,535</u>
<b>Income (Loss) Before Transfers</b>	<u>(12,217)</u>	<u>(297)</u>	<u>(70)</u>	<u>(73)</u>	<u>(24,304)</u>
<b>TRANSFERS</b>					
Transfers In	9,104	1,272	-	-	10,376
Transfer Out Components of State	-	-	-	-	-
<b>Total Transfers</b>	<u>9,104</u>	<u>1,272</u>	<u>-</u>	<u>-</u>	<u>9,389</u>
<b>Change in Net Position</b>	<u>(3,113)</u>	<u>975</u>	<u>(70)</u>	<u>(73)</u>	<u>(14,915)</u>
<b>Net Position - Beginning, as Restated</b>	<u>(15,673)</u>	<u>31,252</u>	<u>1,257</u>	<u>9,918</u>	<u>476,236</u>
<b>Net Position - Ending</b>	<u>\$ (18,786)</u>	<u>\$ 32,227</u>	<u>\$ 1,187</u>	<u>\$ 9,845</u>	<u>\$ 461,321</u>

# STATE OF NEW MEXICO

## OTHER SUPPLEMENTARY INFORMATION COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS For the Year Ended June 30, 2022 (In Thousands)

	Industries for the Blind	Corrections Industries Revolving Fund	Environment Department	New Mexico Magazine	New Mexico Public Schools Insurance Authority	State Infrastructure Bank
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash Received from:						
Fees for Service	\$ 7,051	\$ 4,365	\$ 1,427	\$ 3,964	\$ 399,356	\$ -
Sale of Products	-	-	-	(1,493)	-	-
Gifts, Grants, and Contracts	-	-	-	-	-	-
Loan and Note Repayments	-	-	12,940	-	-	766
Other Sources	-	193	-	-	-	112
Cash Payments to or for:						
Suppliers	(6,317)	(3,787)	(10,172)	(3,137)	(435,254)	-
Employees	(116)	(1,467)	-	-	-	-
Other Payments	-	(159)	(5,378)	-	-	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>18</b>	<b>(855)</b>	<b>(1,183)</b>	<b>(666)</b>	<b>(35,898)</b>	<b>878</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	(987)	-	-	-
Gifts for Other Than Capital Purposes	-	-	-	-	-	-
Intergovernmental Receipts	-	-	7,779	-	15,000	-
Other - Capital Asset Transfer In	-	-	-	-	-	-
Other Noncapital Financing	-	96	2,390	2	47	-
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>-</b>	<b>96</b>	<b>9,182</b>	<b>2</b>	<b>15,047</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition of Capital Assets	3	(378)	-	-	-	-
Capital Debt Service Payments - Principal	-	-	-	-	-	-
Other Capital Financing	-	(23)	(88)	-	-	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>3</b>	<b>(401)</b>	<b>(88)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Receipts of Interest and Dividends of Investments	-	11	366	-	(8,763)	22
Purchase of Investments	-	-	-	-	-	-
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>-</b>	<b>11</b>	<b>366</b>	<b>-</b>	<b>(8,763)</b>	<b>22</b>
<b>Net Increase (Decrease) in Cash</b>	<b>21</b>	<b>(1,149)</b>	<b>8,277</b>	<b>(664)</b>	<b>(29,614)</b>	<b>900</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>171</b>	<b>1,965</b>	<b>181,540</b>	<b>1,274</b>	<b>109,522</b>	<b>10,982</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 192</b>	<b>\$ 816</b>	<b>\$ 189,817</b>	<b>\$ 610</b>	<b>\$ 79,908</b>	<b>\$ 11,882</b>
<b>Cash and Cash Equivalents</b>						
Unrestricted	\$ -	\$ 1	\$ -	\$ -	\$ 56,260	\$ -
Restricted	-	-	-	-	-	-
Investment in State Gen. Fund Investment Pool	192	815	189,817	610	683	11,882
Investment in Local Government Invest Pool	-	-	-	-	22,965	-
Deficiency in SGFIP	-	-	-	-	-	-
<b>Total Cash and Cash Equivalents</b>	<b>\$ 192</b>	<b>\$ 816</b>	<b>\$ 189,817</b>	<b>\$ 610</b>	<b>\$ 79,908</b>	<b>\$ 11,882</b>

# STATE OF NEW MEXICO

## OTHER SUPPLEMENTARY INFORMATION COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS (CONTINUED) For the Year Ended June 30, 2022 (In Thousands)

	Miners' Colfax Medical Center	State Fair Commission	Dept. of Cultural Affairs	Education Trust Board	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Received from:					
Fees for Service	\$ 26,760	\$ 7,068	\$ 18	\$ -	\$ 450,009
Sale of Products	-	-	-	-	(1,493)
Gifts, Grants, and Contracts	-	-	-	2,893	2,893
Loan and Note Repayments	-	-	-	-	13,706
Other Sources	144	1,858	-	-	2,307
Cash Payments to or for:					
Suppliers	(13,983)	(6,155)	(1)	(2,476)	(481,882)
Employees	(21,318)	(6,342)	-	(326)	(29,569)
Other Payments	-	-	-	-	(5,537)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(8,397)</b>	<b>(3,571)</b>	<b>17</b>	<b>91</b>	<b>(49,566)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers In	9,104	458	-	-	9,562
Transfers Out	-	-	-	-	(987)
Gifts for Other Than Capital Purposes	729	-	-	-	729
Intergovernmental Receipts	1,366	5,011	-	-	29,156
Other - Capital Asset Transfer In	-	814	-	-	814
Other Noncapital Financing	-	14	-	56	2,605
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>11,199</b>	<b>6,297</b>	<b>-</b>	<b>56</b>	<b>41,879</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of Capital Assets	(1,186)	(972)	-	-	(2,533)
Capital Debt Service Payments - Principal	(1,085)	-	-	-	(1,085)
Other Capital Financing	(227)	-	-	(41)	(379)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(2,498)</b>	<b>(972)</b>	<b>-</b>	<b>(41)</b>	<b>(3,997)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Receipts of Interest and Dividends of Investments	44	503	-	15	(7,802)
Purchase of Investments	(437)	-	-	-	(437)
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>(393)</b>	<b>503</b>	<b>-</b>	<b>15</b>	<b>(8,239)</b>
<b>Net Increase (Decrease) in Cash</b>	<b>(89)</b>	<b>2,257</b>	<b>17</b>	<b>121</b>	<b>(19,923)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>10,117</b>	<b>(561)</b>	<b>816</b>	<b>10,941</b>	<b>326,767</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 10,028</b>	<b>\$ 1,696</b>	<b>\$ 833</b>	<b>\$ 11,062</b>	<b>\$ 306,844</b>
<b>Cash and Cash Equivalents</b>					
Unrestricted	\$ 787	\$ 166	\$ -	\$ -	\$ 57,214
Restricted	-	1,005	-	-	1,005
Investment in State Gen. Fund Investment Pool	9,241	525	833	689	215,287
Investment in Local Government Invest Pool	-	-	-	10,373	33,338
Deficiency in SGFIP	-	-	-	-	-
<b>Total Cash and Cash Equivalents</b>	<b>\$ 10,028</b>	<b>\$ 1,696</b>	<b>\$ 833</b>	<b>\$ 11,062</b>	<b>\$ 306,844</b>

# STATE OF NEW MEXICO

## OTHER SUPPLEMENTARY INFORMATION COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS (CONTINUED)

For the Year Ended June 30, 2022

(In Thousands)

	Industries for the Blind	Corrections Industries Revolving Fund	Environment Department	New Mexico Magazine	New Mexico Public Schools Insurance Authority	State Infrastructure Bank
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>						
Operating Income (Loss)	\$ 20	\$ (635)	\$ (3,900)	\$ (594)	\$ (25,674)	\$ 112
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used)						
by Operating Activities:						
Depreciation	2	113	-	-	6	-
Realized (Gain) Loss on Disposal of Assets	-	-	9	-	-	-
Change in net pension liability	6	-	-	267	264	-
Change in net OPEB liability	(9)	(146)	-	21	(2,710)	-
Change in deferred inflows of resources	-	1,032	-	-	-	-
Bad Debt Expense	-	-	-	-	-	-
Net Changes in Assets and Liabilities Related to Operating Activities:						
Receivables/Due From Other Funds	(184)	230	445	(477)	(14,550)	768
Notes/Loans	-	-	2,263	-	-	-
Inventories	-	(27)	-	-	-	-
Prepaid Items/Other Assets	-	-	-	64	-	-
Claims Payable	-	-	-	-	5,982	-
Accounts Payable/Accrued Liabilities/Due To Other Funds	183	(387)	-	(303)	805	(2)
Loss Adjustments	-	(1,035)	-	-	-	-
Unearned Revenue	-	-	-	356	(21)	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 18</b>	<b>\$ (855)</b>	<b>\$ (1,183)</b>	<b>\$ (666)</b>	<b>\$ (35,898)</b>	<b>\$ 878</b>

# STATE OF NEW MEXICO

## OTHER SUPPLEMENTARY INFORMATION COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS (CONTINUED)

For the Year Ended June 30, 2022

(In Thousands)

	Miners' Colfax Medical Center	State Fair Commission	Dept. of Cultural Affairs	Education Trust Board	Total
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ (14,138)	\$ (5,825)	\$ (70)	\$ (135)	\$ (50,839)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used)					
by Operating Activities:					
Depreciation	2,178	2,102	89	40	4,530
Realized (Gain) Loss on Disposal of Assets	-	-	-	-	9
Change in net pension liability	2,490	370	-	105	3,502
Change in net OPEB liability	(693)	(146)	-	1	(3,682)
Change in deferred inflows of resources	-	-	-	-	1,032
Bad Debt Expense	1,459	-	-	-	1,459
Net Changes in Assets and Liabilities Related to Operating Activities:					
Receivables/Due From Other Funds	(1,468)	196	-	23	(15,017)
Notes/Loans	-	-	-	-	2,263
Inventories	(104)	-	-	-	(131)
Prepaid Items/Other Assets	-	-	-	-	64
Claims Payable	-	-	-	-	5,982
Accounts Payable/Accrued Liabilities/Due To Other Funds	1,879	(268)	(2)	57	1,962
Loss Adjustments	-	-	-	-	(1,035)
Unearned Revenue	-	-	-	-	335
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (8,397)</b>	<b>\$ (3,571)</b>	<b>\$ 17</b>	<b>\$ 91</b>	<b>\$ (49,566)</b>

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# STATE OF NEW MEXICO

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## OTHER SUPPLEMENTARY INFORMATION NONMAJOR INTERNAL SERVICE FUNDS COMBINING FINANCIAL STATEMENTS

June 30, 2022

**Fleet Operations** – This fund accounts for the operations of the Transportation Motor Pool and the State Aircraft Pool, which provide ground and air transportation services to all state agencies on a fee basis.

**Risk Management** – This fund provides insurance coverage for all state agencies. Areas covered include public liability, workers compensation, group health and life, unemployment compensation, surety bond, and property insurance. Agencies are charged a premium based on several factors, including history and number of employees.

**Printing and Records** – This fund accounts for the provision of printing services of all kinds to state agencies according to an approved fee schedule. The fund also includes services for the retention and storage of public records for all state agencies, which pay an assessment based on size and usage.

**Communications Services** – This fund provides voice and data telecommunications services to all state agencies, which are assessed an annual fee based on size and prior usage.

**Information Processing** – This fund provides automated data processing services for all state agencies, which are assessed an annual fee based on size and prior usage.



# STATE OF NEW MEXICO

## OTHER SUPPLEMENTARY INFORMATION COMBINING STATEMENT OF NET POSITION NONMAJOR INTERNAL SERVICE FUNDS

June 30, 2022

(In Thousands)

	Fleet Operations	Risk Management	Printing and Records	Communication Services	Information Processing	Eliminations	Total
<b>ASSETS</b>							
Current Assets:							
Investment in the State General Fund							
Investment Pool	\$ 5,725	\$ 60,633	\$ 2,986	\$ 23,077	\$ 50,222	\$ -	\$ 142,643
Due From Other Funds	-	-	-	-	9,543	(9,543)	-
Receivables, Net	2	9,160	21	5,817	30	-	15,030
Inventories and Other Assets	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<u>5,727</u>	<u>69,793</u>	<u>3,007</u>	<u>28,894</u>	<u>59,795</u>	<u>(9,543)</u>	<u>157,673</u>
Noncurrent Assets:							
Nondepreciable Capital Assets	-	-	-	3,390	-	-	3,390
Capital Assets, Net	18,221	-	1,986	39,401	18,000	-	77,608
<b>Total Noncurrent Assets</b>	<u>18,221</u>	<u>-</u>	<u>1,986</u>	<u>42,791</u>	<u>18,000</u>	<u>-</u>	<u>80,998</u>
<b>Total Assets</b>	<u>23,948</u>	<u>69,793</u>	<u>4,993</u>	<u>71,685</u>	<u>77,795</u>	<u>(9,543)</u>	<u>238,671</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred Outflows - OPEB	204	534	717	1,379	297	-	3,131
Deferred Outflows - Pension	500	1,311	1,759	3,383	728	-	7,681
<b>Total Deferred Outflows</b>	<u>704</u>	<u>1,845</u>	<u>2,476</u>	<u>4,762</u>	<u>1,025</u>	<u>-</u>	<u>10,812</u>
<b>LIABILITIES</b>							
Current Liabilities:							
Accounts Payable	869	19,064	289	765	570	-	21,557
Accrued Liabilities	52	154	143	412	66	-	827
Unearned Revenue	-	330	1	-	-	-	331
Due to Other Funds	-	-	-	9,543	-	(9,543)	-
Due To Higher Educational Institutions	-	-	-	-	-	-	-
Funds Held for Others	-	-	-	-	-	-	-
Other Liabilities	3,574	111,386	561	1,086	124	-	116,731
<b>Total Current Liabilities</b>	<u>4,495</u>	<u>130,934</u>	<u>994</u>	<u>11,806</u>	<u>760</u>	<u>(9,543)</u>	<u>139,446</u>
Noncurrent Liabilities:							
Net Pension Liability	2,959	7,763	10,420	20,039	4,311	-	45,492
Net OPEB Liability	763	2,097	2,814	5,412	1,165	-	12,251
Other Liabilities	6,911	94,938	1,392	4,573	-	-	107,814
<b>Total Noncurrent Liabilities</b>	<u>10,633</u>	<u>104,798</u>	<u>14,626</u>	<u>30,024</u>	<u>5,476</u>	<u>-</u>	<u>165,557</u>
<b>Total Liabilities</b>	<u>15,128</u>	<u>235,732</u>	<u>15,620</u>	<u>41,830</u>	<u>6,236</u>	<u>(9,543)</u>	<u>305,003</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred Inflows - Pension	630	1,652	2,218	4,266	917	-	9,683
Deferred Inflows - OPEB	446	1,171	1,571	3,022	650	-	6,860
Deferred Inflows - Lease	-	-	-	-	-	-	-
<b>Total Deferred Inflows</b>	<u>1,076</u>	<u>2,823</u>	<u>3,789</u>	<u>7,288</u>	<u>1,567</u>	<u>-</u>	<u>16,543</u>
<b>NET POSITION</b>							
Net Investment in Capital Assets	7,862	-	1,616	38,007	18,000	-	65,485
Restricted for Other Purposes	-	-	-	17,299	59,036	-	76,335
Unrestricted (Deficit)	586	(166,917)	(13,556)	(27,977)	(6,019)	-	(213,883)
<b>Total Net Position</b>	<u>\$ 8,448</u>	<u>\$ (166,917)</u>	<u>\$ (11,940)</u>	<u>\$ 27,329</u>	<u>\$ 71,017</u>	<u>\$ -</u>	<u>\$ (72,063)</u>

# STATE OF NEW MEXICO

## OTHER SUPPLEMENTARY INFORMATION COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION NONMAJOR INTERNAL SERVICE FUNDS For the Year Ended June 30, 2022 (In Thousands)

	Fleet Operations	Risk Management	Printing and Records	Communication Services	Information Processing	Eliminations	Total
<b>OPERATING REVENUES</b>							
Charges for Services	\$ 8,389	\$ 419,761	\$ 2,927	\$ 58,360	\$ 9,601	\$ -	\$ 499,038
Federal Revenues	-	15,000	-	-	-	-	15,000
Other Operating Revenues	-	442	-	-	-	-	442
<b>Total Operating Revenues</b>	<b>8,389</b>	<b>435,203</b>	<b>2,927</b>	<b>58,360</b>	<b>9,601</b>	<b>-</b>	<b>514,480</b>
<b>OPERATING EXPENSES</b>							
General and Administrative Expenses	5,063	552,412	6,053	52,937	(322)	-	616,143
Depreciation Expense	4,806	-	434	9,694	3,166	-	18,100
Other Operating Expenses	47	3,167	17	702	-	-	3,933
<b>Total Operating Expenses</b>	<b>9,916</b>	<b>555,579</b>	<b>6,504</b>	<b>63,333</b>	<b>2,844</b>	<b>-</b>	<b>638,176</b>
<b>Operating Income (Loss)</b>	<b>(1,527)</b>	<b>(120,376)</b>	<b>(3,577)</b>	<b>(4,973)</b>	<b>6,757</b>	<b>-</b>	<b>(123,696)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Interest and Investment Income	-	263	-	-	76	-	339
Gain (Loss) on Sale of Capital Assets	236	-	185	-	-	-	421
Nonoperating Revenues (Expenses)	3	1,292	8	38	-	-	1,341
<b>Total Nonoperating Revenues (Expenses)</b>	<b>239</b>	<b>1,555</b>	<b>193</b>	<b>38</b>	<b>76</b>	<b>-</b>	<b>2,101</b>
<b>Income (Loss) Before Transfers</b>	<b>(1,288)</b>	<b>(118,821)</b>	<b>(3,384)</b>	<b>(4,935)</b>	<b>6,833</b>	<b>-</b>	<b>(121,595)</b>
<b>TRANSFERS</b>							
Transfers In	4,515	10,000	4,594	7,262	10,459	(13,842)	22,988
Transfers Out	(1,710)	(4,064)	(60)	(9,543)	(5,016)	13,842	(6,551)
<b>Total Transfers</b>	<b>2,805</b>	<b>5,936</b>	<b>4,534</b>	<b>(2,281)</b>	<b>5,443</b>	<b>-</b>	<b>16,437</b>
<b>Change in Net Position</b>	<b>1,517</b>	<b>(112,885)</b>	<b>1,150</b>	<b>(7,216)</b>	<b>12,276</b>	<b>-</b>	<b>(105,158)</b>
<b>Net Position - Beginning, as Restated</b>	<b>6,931</b>	<b>(54,032)</b>	<b>(13,090)</b>	<b>34,545</b>	<b>58,741</b>	<b>-</b>	<b>33,095</b>
<b>Net Position - Ending</b>	<b>\$ 8,448</b>	<b>\$ (166,917)</b>	<b>\$ (11,940)</b>	<b>\$ 27,329</b>	<b>\$ 71,017</b>	<b>\$ -</b>	<b>\$ (72,063)</b>

# STATE OF NEW MEXICO

## OTHER SUPPLEMENTARY INFORMATION COMBINING STATEMENT OF CASH FLOWS NONMAJOR INTERNAL SERVICE FUNDS For the Year Ended June 30, 2022 (In Thousands)

	Fleet Operations	Risk Management	Printing and Records	Communication Services	Information Processing	Eliminations	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Cash Received from:							
Fees for Service	\$ 8,388	\$ 421,461	\$ 2,982	\$ 60,831	\$ 9,581	\$ -	\$ 503,243
Other Sources	3	15,443	1	-	-	-	15,447
Cash Payments to or for:							
Suppliers	(2,934)	(45,552)	(3,000)	(32,768)	(5,094)	-	(89,348)
Employees	(1,726)	(4,397)	(3,990)	(11,928)	(1,885)	-	(23,926)
Claims	-	(457,286)	(13)	-	-	-	(457,299)
Other Payments	-	-	-	-	-	-	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>3,731</b>	<b>(70,331)</b>	<b>(4,020)</b>	<b>16,135</b>	<b>2,602</b>	<b>-</b>	<b>(51,883)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Transfers In	1,835	10,000	4,572	-	9,717	(13,842)	12,282
Transfers Out	(361)	(3,939)	-	(9,543)	-	13,842	(1)
Other Noncapital Financing	247	1,554	13	(7,221)	(1,913)	-	(7,320)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>1,721</b>	<b>7,615</b>	<b>4,585</b>	<b>(16,764)</b>	<b>7,804</b>	<b>-</b>	<b>4,961</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Other - Capital Asset Transfer In	2,680	-	22	7,262	742	-	10,706
Other - Capital Asset Transfer Out	(1,349)	(125)	(60)	-	(5,016)	-	(6,550)
Capital Debt Service Payments - Principal	-	-	(93)	-	-	-	(93)
Other Capital Financing	-	-	208	(127)	-	-	81
Acquisition of Capital Assets	(5,386)	-	(209)	-	-	-	(5,595)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(4,055)</b>	<b>(125)</b>	<b>(132)</b>	<b>7,135</b>	<b>(4,274)</b>	<b>-</b>	<b>(1,451)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Receipts of Interest and Dividends of Investments	-	-	-	-	76	-	76
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76</b>	<b>-</b>	<b>76</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents at Beginning of Year, as Restated</b>	<b>1,397</b>	<b>(62,841)</b>	<b>433</b>	<b>6,506</b>	<b>6,208</b>	<b>-</b>	<b>(48,297)</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>4,328</b>	<b>123,474</b>	<b>2,553</b>	<b>16,571</b>	<b>44,014</b>	<b>-</b>	<b>190,940</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 5,725</b>	<b>\$ 60,633</b>	<b>\$ 2,986</b>	<b>\$ 23,077</b>	<b>\$ 50,222</b>	<b>\$ -</b>	<b>\$ 142,643</b>
<b>Cash and Cash Equivalents</b>	<b>5,725</b>	<b>60,633</b>	<b>2,986</b>	<b>23,077</b>	<b>50,222</b>	<b>-</b>	<b>142,643</b>
Investment in the State General Fund Investment Pool	5,725	60,633	2,986	23,077	50,222	-	142,643
<b>Total Cash and Cash Equivalents</b>	<b>\$ 5,725</b>	<b>\$ 60,633</b>	<b>\$ 2,986</b>	<b>\$ 23,077</b>	<b>\$ 50,222</b>	<b>\$ -</b>	<b>\$ 142,643</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>							
Operating Income (Loss)	\$ (1,527)	\$ (120,376)	\$ (3,577)	\$ (4,973)	\$ 6,757	\$ -	\$ (123,696)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Depreciation	4,806	-	434	9,694	3,165	-	18,099
Change in net pension liability	56	664	(251)	5,605	(4,220)	-	1,854
Change in net OPEB liability	(170)	(152)	(646)	1,117	(1,863)	-	(1,714)
Net Changes in Assets and Liabilities Related to Operating Activities:							
Receivables/Due From Other Funds	5	1,700	53	2,422	(2,184)	-	1,996
Prepaid Items/Other Assets	-	-	-	-	9	-	9
Insurance Claims Payable	-	38,695	-	-	-	-	38,695
Accounts Payable/Accrued Liabilities/Due To Other Funds	561	9,138	(33)	2,270	938	-	12,874
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 3,731</b>	<b>\$ (70,331)</b>	<b>\$ (4,020)</b>	<b>\$ 16,135</b>	<b>\$ 2,602</b>	<b>\$ -</b>	<b>\$ (51,883)</b>

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# STATE OF NEW MEXICO

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## OTHER SUPPLEMENTARY INFORMATION

### FIDUCIARY FUNDS

### PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS FINANCIAL STATEMENTS

**Public Employees Retirement Association - (PERA)** – PERA is a qualified, defined benefit, government retirement plan established by the State of New Mexico to provide pension benefits for all State, County, and Municipal employees, police, firefighters, judges, magistrates and legislators. PERA is comprised of four separate systems which offer an array of retirement benefit plans to state, county, and municipal employees, police, firefighters, judges, magistrates, and legislators.

**Educational Employees' Retirement System (EERS)** – EERS is a qualified, defined benefit, governmental retirement plan established and administered by the State of New Mexico to provide pension benefits for all state certified employees, teachers and other employees of the State educational institutions, junior colleges, and technical vocational institutes.

**New Mexico Retiree Health Care Authority (RHCA)** – RHCA is a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that provides comprehensive core group health insurance for persons who have retired from public service with entities in the State of New Mexico.

**Deferred Compensation Plan (IRC 457)** – The State of New Mexico offers its employees a deferred compensation plan (Plan) under Chapters 10-7A-1 to 10-7A-12, NMSA 1978, the “Deferred Compensation Act,” is in accordance with Internal Revenue Code Section 457. The Plan permits employees to defer a portion of their income until future years. Deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Public Employee’s Retiree Association is the trustee of the Plan; however, the Plan is administered by a third party administrator acting under contract with PERA.

**University of New Mexico Retiree Welfare Benefit Trust** - The University of New Mexico Retiree Welfare Benefit Trust (VEBA Trust) is a voluntary employees’ beneficiary association (VEBA) trust that is tax-exempt under Section 501(c)(9) of the Internal Revenue Code (IRC) and is presented as a fiduciary fund in the University’s financial statements. The VEBA Trust was established to provide a funding vehicle to which participants and the University contribute to prefund, in part, the cost of other postemployment benefits (OPEB) for eligible retirees of the University.

# STATE OF NEW MEXICO

## OTHER SUPPLEMENTARY INFORMATION COMBINING STATEMENT OF FIDUCIARY NET POSITION PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS

June 30, 2022

(In Thousands)

	Public Employees Retirement	Educational Employees Retirement System	New Mexico Retiree Health Care Authority	Deferred Compensation (IRC 457) Plan	UNM Retiree Welfare Benefit Trust	Total
<b>ASSETS</b>						
Cash and Short-Term Investments	\$ 767,613	\$ 217,138	\$ -	\$ -	\$ 52,206	\$ 1,036,957
Investment in State General Fund Investment Pool	37,013	10,374	71,262	92	-	118,741
Investments:						
U.S. Gov't. and Agency Securities	500,835	298,623	-	-	-	799,458
International Securities	2,139,942	200,444	212,659	-	-	2,553,045
Corporate Equity Securities	2,246,586	2,458,943	182,696	-	-	4,888,225
Corporate and Municipal Bonds	2,357,217	171,369	231,932	-	-	2,760,518
Partnerships and Other Investments	8,682,595	12,080,056	464,025	-	-	21,226,676
Securities Lending Collateral Invest.	299,345	-	-	-	-	299,345
Deferred Comp. Plan Invest.	-	-	-	705,295	-	705,295
Receivables:						
Brokers	986,514	141,048	-	-	-	1,127,562
Accrued Interest and Other	-	10,750	-	-	-	10,750
Accounts Receivable	29,026	109,731	21,334	-	1	160,092
Participant Loans	-	-	65	10,976	-	11,041
Long Term Receivables	-	-	616	-	-	616
Capital Assets, Net	11,793	3,477	2,040	-	-	17,310
<b>Total Assets</b>	<b>18,058,479</b>	<b>15,701,953</b>	<b>1,186,629</b>	<b>716,363</b>	<b>52,207</b>	<b>35,715,631</b>
<b>LIABILITIES</b>						
Accounts Payable	4,693	3,791	3,955	-	-	12,439
Accrued Liabilities	267	295	68	3	-	633
Due to Brokers	1,170,855	143,948	-	-	-	1,314,803
Unearned Revenue	-	-	299	-	-	299
Deposits Held in Trust	2,856	33	-	-	-	2,889
Other Liabilities	302,196	3,184	26,612	10	-	332,002
<b>Total Liabilities</b>	<b>1,480,867</b>	<b>151,251</b>	<b>30,934</b>	<b>13</b>	<b>-</b>	<b>1,663,065</b>
<b>NET POSITION</b>						
Restricted for:						
Pension Benefits	16,577,612	15,550,702	-	-	-	32,128,314
Other Employee Benefits	-	-	1,155,695	-	52,207	1,207,902
Defined Contribution	-	-	-	716,350	-	716,350
<b>Net Position</b>	<b>\$ 16,577,612</b>	<b>\$ 15,550,702</b>	<b>\$ 1,155,695</b>	<b>\$ 716,350</b>	<b>\$ 52,207</b>	<b>\$ 34,052,566</b>

# STATE OF NEW MEXICO

## OTHER SUPPLEMENTARY INFORMATION COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS

For the Year Ended June 30, 2022

(In Thousands)

	Public Employees Retirement	Educational Employees Retirement System	New Mexico Retiree Health Care Authority	Deferred Compensation (IRC 457) Plan	UNM Retiree Welfare Benefit Trust	Eliminations	Total
<b>ADDITIONS</b>							
Contributions:							
Employee Contributions	\$ 327,900	\$ 347,921	\$ 180,500	\$ 44,773	\$ 1,967	\$ -	\$ 903,061
Employer Contributions	426,176	511,944	152,432	-	1,967	-	1,092,519
Other	9	-	-	-	-	(9)	-
<b>Total Contributions</b>	<u>754,085</u>	<u>859,865</u>	<u>332,932</u>	<u>44,773</u>	<u>3,934</u>	<u>(9)</u>	<u>1,995,580</u>
Investment Income (Loss):							
Net Increase in Fair Value of Investments	(814,629)	(253,889)	(49,645)	(113,557)	(11,616)	-	(1,243,336)
Interest and Dividends	150,251	104,388	100	28,713	883	-	284,335
	(664,378)	(149,501)	(49,545)	(84,844)	(10,733)	-	(959,001)
Less Investment Expense	89,998	187,488	-	-	-	-	277,486
<b>Net Investment Income</b>	<u>(754,376)</u>	<u>(336,989)</u>	<u>(49,545)</u>	<u>(84,844)</u>	<u>(10,733)</u>	<u>-</u>	<u>(1,236,487)</u>
Other Additions:							
Other Operating Revenues	4,665	799	80,091	107	-	-	85,662
<b>Total Other Additions</b>	<u>4,665</u>	<u>799</u>	<u>80,091</u>	<u>107</u>	<u>-</u>	<u>-</u>	<u>85,662</u>
<b>Total Additions</b>	<u>4,374</u>	<u>523,675</u>	<u>363,478</u>	<u>(39,964)</u>	<u>(6,799)</u>	<u>(9)</u>	<u>844,755</u>
<b>DEDUCTIONS</b>							
Benefits and Claims	1,387,986	1,270,822	-	54,059	-	-	2,712,867
Refunds	57,591	50,693	337	-	-	-	108,621
General and Administrative Expenses	15,381	12,715	326,525	1,874	6	-	356,501
Other Operating Expenses	860	267	420	-	-	(9)	1,538
<b>Total Deductions</b>	<u>1,461,818</u>	<u>1,334,497</u>	<u>327,282</u>	<u>55,933</u>	<u>6</u>	<u>(9)</u>	<u>3,179,527</u>
<b>Change in Net Position</b>	(1,457,444)	(810,822)	36,196	(95,897)	(6,805)	-	(2,334,772)
<b>Net Position - Beginning, as Restated</b>	18,035,056	16,361,524	1,119,499	812,247	59,012	-	36,387,338
<b>Net Position - Ending</b>	<u>\$ 16,577,612</u>	<u>\$ 15,550,702</u>	<u>\$ 1,155,695</u>	<u>\$ 716,350</u>	<u>\$ 52,207</u>	<u>\$ -</u>	<u>\$ 34,052,566</u>

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# STATE OF NEW MEXICO

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## OTHER SUPPLEMENTARY INFORMATION

### FIDUCIARY FUNDS

#### EXTERNAL INVESTMENT TRUST FUNDS FINANCIAL STATEMENTS

**State Investment Council** – The State Investment Council (Council) is responsible for the investment activities of certain State of New Mexico Trust Funds. Pursuant to New Mexico law, the Council created the following investment pools: Large Capitalization Active, Large Capitalization Index, Core Bonds, Structured Credit, Mid\Small Capitalization, Non-U.S. Equity Securities, Non-U.S. Emerging Markets, and Absolute Bonds. The investment pools provide long-term investment opportunities for state agencies and designated institutions that have funds available for a long-term investment program that will extend for more than one year. Only the portion of the fund that is not owned by the State is presented as an External Trust Fund. Other portions of the fund that are owned by State entities are presented in both the Governmental Funds and Proprietary Funds as assets of those respective entities.

**State Treasurer** – The Office of the State Treasurer holds and invests monies for other state agencies and local governments through the Local Government Investment Pool. Only the portion of the fund that is not owned by the State is presented as an External Trust Fund. Other portions of the fund that are owned by the State are presented in both the Governmental Funds and Proprietary Funds as assets of those respective entities.

# STATE OF NEW MEXICO

## OTHER SUPPLEMENTARY INFORMATION COMBINING STATEMENT OF FIDUCIARY NET POSITION EXTERNAL INVESTMENT TRUST FUNDS

June 30, 2022

(In Thousands)

	State Investment Council	State Treasurer	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,408	\$ 94,109	\$ 95,517
Investment in Local Government Investments	112,347	1,129,214	1,241,561
Receivables	1,721	589	2,310
<b>Total Assets</b>	<u>115,476</u>	<u>1,223,912</u>	<u>1,339,388</u>
<b>LIABILITIES</b>			
Other Liabilities	2,847	26,117	28,964
<b>Total Liabilities</b>	<u>2,847</u>	<u>26,117</u>	<u>28,964</u>
<b>NET POSITION</b>			
Held in Trust for External Investment Pool Participants	112,629	1,197,795	1,310,424
<b>Net Position</b>	<u>\$ 112,629</u>	<u>\$ 1,197,795</u>	<u>\$ 1,310,424</u>

# STATE OF NEW MEXICO

## OTHER SUPPLEMENTARY INFORMATION COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION EXTERNAL INVESTMENT TRUST FUNDS For the Year Ended June 30, 2022 (In Thousands)

	State Investment Council	State Treasurer	Total
<b>ADDITIONS</b>			
Pool Participant Deposits	\$ 19,180	\$ 809,372	\$ 828,552
Investment Income (Loss):			
Interest and Dividends	(24,205)	742	(23,463)
<b>Total Additions</b>	<b>(5,025)</b>	<b>810,114</b>	<b>805,089</b>
<b>DEDUCTIONS</b>			
Distributions	4,231	546,510	550,741
<b>Total Deductions</b>	<b>4,231</b>	<b>546,510</b>	<b>550,741</b>
<b>Change in Net Position</b>	<b>(9,256)</b>	<b>263,604</b>	<b>254,348</b>
<b>Net Position - Beginning, as Restated</b>	<b>121,885</b>	<b>934,191</b>	<b>1,056,076</b>
<b>Net Position - Ending</b>	<b>\$ 112,629</b>	<b>\$ 1,197,795</b>	<b>\$ 1,310,424</b>

\* The pool participant deposits reported for the State Treasurer above is net of actual pool participant deposits and withdrawals.

\*\* Includes reduction of interfund investments.

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# STATE OF NEW MEXICO

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## OTHER SUPPLEMENTARY INFORMATION

### FIDUCIARY FUNDS

#### PRIVATE PURPOSE TRUST FUNDS FINANCIAL STATEMENTS

**Scholarship Fund** – This grouping includes scholarship trust funds administered by the Higher Education Department and the Public Education Department.

**Higher Education Savings Fund** – The 529 Higher Education Savings Plan is a variable return college savings program that enables individuals to save and invest in order to fund future higher education expenses of a child or beneficiary. The program is designed to be a qualified tuition program under Section 529 of the Internal Revenue Code of 1986, as amended, and is maintained by the Education Trust Board.

**Bartlett Trust Fund** – The Cultural Affairs Department is the administrator of a trust fund which was privately endowed for the benefit of the Museum of International Folk Art.

**Office of Superintendent of Insurance** – This fund is comprised of two funds:

- a) Patient's Compensation Fund – This is a medical malpractice insurance risk – assuming fund mandated by the Medical Malpractice Act.
- b) Trust Fund for Policyholders and Creditors of insurance companies which have entered into receivership.

**Affordable Housing Charitable Trust** - The New Mexico Mortgage Finance Authority board of directors approved the creation of the New Mexico Affordable Housing Charitable Trust, a 501(c)3 entity. The purpose of the Trust is to support the purposes and programs of the Authority, to seek gifts and grants of property, to borrow money, and to lend, lease, sell, exchange, or otherwise transfer or distribute property for affordable housing.

# STATE OF NEW MEXICO

## OTHER SUPPLEMENTARY INFORMATION COMBINING STATEMENT OF FIDUCIARY NET POSITION PRIVATE PURPOSE TRUST FUNDS

June 30, 2022

(In Thousands)

	Scholarship	Higher Education Savings	Bartlett Trust	Office of State Insurance	Affordable Housing Charitable Trust	Total
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 20	\$ 9,095	\$ -	\$ 3,833	\$ 757	13,705
Investment in State General Fund Investment Pool	49	-	113	110,570	-	110,732
Investments:						
Investment Pools	-	2,269,128	-	579,615	-	2,848,743
Receivables:						
Accrued Interest and Other	-	8	-	-	-	8
Accounts Receivable	-	-	-	97	-	97
Other Receivables	-	-	-	627	-	627
Other Assets	-	-	-	1,688	146	1,834
<b>Total Assets</b>	<b>69</b>	<b>2,278,231</b>	<b>113</b>	<b>696,430</b>	<b>903</b>	<b>2,975,746</b>
<b>LIABILITIES</b>						
Accounts Payable	-	-	-	2,245	-	2,245
Accrued Liabilities	-	1,556	-	2	-	1,558
Other Liabilities	-	111	-	193,990	19	194,120
<b>Total Liabilities</b>	<b>-</b>	<b>1,667</b>	<b>-</b>	<b>196,237</b>	<b>19</b>	<b>197,923</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Inflows of Resources	-	-	-	26,965	-	26,965
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,965</b>	<b>-</b>	<b>26,965</b>
<b>NET POSITION</b>						
Held in Trust for Other Purposes	69	2,276,564	113	473,228	884	2,750,858
<b>Net Position</b>	<b>\$ 69</b>	<b>\$ 2,276,564</b>	<b>\$ 113</b>	<b>\$ 473,228</b>	<b>\$ 884</b>	<b>\$ 2,750,858</b>

# STATE OF NEW MEXICO

## OTHER SUPPLEMENTARY INFORMATION COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

### PRIVATE PURPOSE TRUST FUNDS

For the Year Ended June 30, 2022

(In Thousands)

	Scholarship	Higher Education Savings	Bartlett Trust	Office of State Insurance	Affordable Housing Charitable Trust	Total
<b>ADDITIONS</b>						
Member Contributions	\$ -	\$ 196,084	\$ -	\$ 155,053	\$ -	\$ 351,137
Total Contributions	-	196,084	-	155,053	-	351,137
Investment Income:						
Net Increase (Decrease) in Fair Value of Investments	-	(306,751)	-	(63,737)	-	(370,488)
Interest and Dividends	-	43,116	-	162	-	43,278
	-	(263,635)	-	(63,575)	-	(327,210)
Less Investment Expense	-	2,177	-	-	-	2,177
Net Investment Income	-	(265,812)	-	(63,575)	-	(329,387)
Other Additions:						
Other Operating Revenues	-	-	-	80,572	214	80,786
Total Other Additions	-	-	-	80,572	214	80,786
<b>Total Additions</b>	-	(69,728)	-	172,050	214	102,536
<b>DEDUCTIONS</b>						
Distributions	-	340,018	-	132,499	-	472,517
General and Administrative Expenses	-	9,047	-	53,277	206	62,530
<b>Total Deductions</b>	-	349,065	-	185,776	206	535,047
<b>Change in Net Position</b>	-	(418,793)	-	(13,726)	8	(432,511)
<b>Net Position - Beginning, as Restated</b>	69	2,695,357	113	486,954	876	3,183,369
<b>Net Position - Ending</b>	\$ 69	\$ 2,276,564	\$ 113	\$ 473,228	\$ 884	\$ 2,750,858

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# STATE OF NEW MEXICO

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**OTHER SUPPLEMENTARY INFORMATION**  
**COMBINING STATEMENT OF NET POSITION**  
**NON-MAJOR COMPONENT UNITS**  
**June 30, 2022**  
(In Thousands)

**Non-major Component Units**

There were seventeen non-major component units at June 30, 2022. They are as follows: UNM Alumni Association; UNM Lobo Club; UNM Anderson School of Management Foundation; New Mexico Tech Foundation; New Mexico Highlands University (NMHU) Foundation; Western New Mexico University Foundation; Eastern New Mexico University (ENMU) Foundation; ENMU Roswell Foundation; ENMU Ruidoso Foundation; Northern New Mexico College Foundation; New Mexico Military Institute Foundation; New Mexico School for the Visually Impaired Foundation; Cumbres & Toltec Scenic Railroad Commission; New Mexico Renewable Transmission Authority; the New Mexico Small Business Investment Corporation; State-chartered Charter Schools; and New Mexico Hospital Equipment Loan Council.

# STATE OF NEW MEXICO

## OTHER SUPPLEMENTARY INFORMATION COMBINING STATEMENT OF NET POSITION NON-MAJOR COMPONENT UNITS (CONTINUED)

June 30, 2022

(In Thousands)

	UNM Alumni Association	UNM Lobo Club	UNM- Anderson Schools of Mgt. Foundation	New Mexico Tech Foundation	New Mexico Highlands University Foundation	Western New Mexico University Foundation	Eastern New Mexico University Foundation	ENMU - Roswell Foundation	ENMU - Ruidoso Foundation
<b>ASSETS</b>									
Current Assets:									
Cash and Cash Equivalents	\$ 825	\$ 6,544	\$ -	\$ 1,755	\$ 932	\$ 674	\$ 302	\$ 89	\$ 345
Investment in Local Government Investment Pool	-	-	-	-	-	-	-	-	-
Restricted Cash and Cash Equivalents	-	-	-	-	-	897	-	-	-
Investments	-	-	-	23,296	-	-	-	-	-
Due From Primary Government	-	-	-	-	-	-	-	-	-
Due From Other Components	-	250	-	-	-	-	-	-	-
Receivables, Net	39	14	-	1,190	-	4	14	-	12
Loans Receivable, Current	-	-	-	-	214	-	-	-	-
Other Current Assets	-	-	-	9	106	-	-	-	-
Prepaid Expenses	37	7	-	-	7	41	6	-	-
Inventory	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>901</b>	<b>6,815</b>	<b>-</b>	<b>26,250</b>	<b>1,259</b>	<b>1,616</b>	<b>322</b>	<b>89</b>	<b>357</b>
Noncurrent Assets:									
Restricted Cash and Cash Equivalents	-	-	-	-	1,413	597	-	-	-
Restricted Investments	-	-	-	-	-	-	-	-	-
Loans Receivable, Net	-	-	-	258	-	-	-	-	-
Investments	9,043	-	-	8,537	10,111	10,890	24,680	14,944	353
Other Noncurrent Assets	-	-	-	2,191	-	-	-	-	-
Nondepreciable Capital Assets	-	-	-	568	6,615	267	872	-	-
Other Capital Assets, Net	-	-	-	696	865	14	-	-	-
<b>Total Noncurrent Assets</b>	<b>9,043</b>	<b>-</b>	<b>-</b>	<b>12,250</b>	<b>19,004</b>	<b>11,768</b>	<b>25,552</b>	<b>14,944</b>	<b>353</b>
<b>Total Assets</b>	<b>9,944</b>	<b>6,815</b>	<b>-</b>	<b>38,500</b>	<b>20,263</b>	<b>13,384</b>	<b>25,874</b>	<b>15,033</b>	<b>710</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>									
Deferred Charge on Refunding	-	-	-	-	-	-	-	-	-
Deferred Outflows - OPEB	-	-	-	-	-	-	-	-	-
Deferred Outflows - Pension	-	-	-	-	-	-	-	-	-
<b>Total Deferred Outflows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# STATE OF NEW MEXICO

## OTHER SUPPLEMENTARY INFORMATION COMBINING STATEMENT OF NET POSITION NON-MAJOR COMPONENT UNITS (CONTINUED)

June 30, 2022

(In Thousands)

	Northern New Mexico College Foundation	New Mexico Military Institute Foundation	New Mexico School for Visually Impaired Foundation	Cumbres & Toltec Scenic RR Commission	New Mexico Renewable Transmission Authority	New Mexico Small Business Investment Corp.	Charter Schools	New Mexico Hospital Equipment Loan Council	Total Nonmajor Component Units
<b>ASSETS</b>									
Current Assets:									
Cash and Cash Equivalents	\$ 166	\$ 42	\$ 27	\$ 2,744	\$ 866	\$ 126	\$ 83,807	\$ 73	99,317
Investment in Local Government									
Investment Pool	-	-	-	-	126	58,526	-	-	58,652
Restricted Cash and Cash Equivalents	947	814	-	-	62	-	45,513	-	48,233
Investments	-	-	-	-	-	9,458	189	-	32,943
Due From Primary Government	-	-	-	2	-	-	18,195	-	18,197
Due From Other Components	-	-	-	-	-	-	-	-	250
Receivables, Net	5	66	-	1,351	1,100	45	3,692	105	7,637
Loans Receivable, Current	-	-	-	-	-	-	83	-	297
Other Current Assets	-	-	-	-	-	-	-	-	115
Prepaid Expenses	-	2	-	27	3	15	-	1	146
Inventory	-	-	-	215	-	-	-	-	215
<b>Total Current Assets</b>	<b>1,118</b>	<b>924</b>	<b>27</b>	<b>4,339</b>	<b>2,157</b>	<b>68,170</b>	<b>151,479</b>	<b>179</b>	<b>266,002</b>
Noncurrent Assets:									
Restricted Cash and Cash Equivalents	-	-	-	-	-	-	-	-	2,010
Restricted Investments	-	48,339	-	-	-	-	-	-	48,339
Loans Receivable, Net	-	-	-	(2)	11,326	49,853	879	-	62,314
Investments	3,769	21,343	215	-	-	2,231	-	2,608	108,724
Other Noncurrent Assets	-	1,643	-	-	-	-	-	-	3,834
Nondepreciable Capital Assets	-	-	-	897	-	-	38,626	-	47,845
Other Capital Assets, Net	-	-	-	15,198	63	-	179,651	-	196,487
<b>Total Noncurrent Assets</b>	<b>3,769</b>	<b>71,325</b>	<b>215</b>	<b>16,093</b>	<b>11,389</b>	<b>52,084</b>	<b>219,156</b>	<b>2,608</b>	<b>469,553</b>
<b>Total Assets</b>	<b>4,887</b>	<b>72,249</b>	<b>242</b>	<b>20,432</b>	<b>13,546</b>	<b>120,254</b>	<b>370,635</b>	<b>2,787</b>	<b>735,555</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>									
Deferred Charge on Refunding	-	-	-	-	-	-	324	-	324
Deferred Outflows - OPEB	-	-	-	-	-	-	33,228	-	33,228
Deferred Outflows - Pension	-	-	-	-	-	-	193,451	-	193,451
<b>Total Deferred Outflows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>227,003</b>	<b>-</b>	<b>227,003</b>

# STATE OF NEW MEXICO

## OTHER SUPPLEMENTARY INFORMATION COMBINING STATEMENT OF NET POSITION NON-MAJOR COMPONENT UNITS (CONTINUED)

June 30, 2022

(In Thousands)

	UNM Alumni Association	UNM Lobo Club	UNM- Anderson Schools of Mgt. Foundation	New Mexico Tech Foundation	New Mexico Highlands University Foundation	Western New Mexico University Foundation	Eastern New Mexico University Foundation	ENMU - Roswell Foundation	ENMU - Ruidoso Foundation
<b>LIABILITIES</b>									
Current Liabilities:									
Accounts Payable	18	-	-	24	6	6	77	-	15
Accrued Liabilities	-	91	-	-	-	-	106	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-
Due to Primary Government	-	3,061	-	1,503	-	349	-	-	-
Funds Held for Others	-	-	-	-	-	513	-	-	-
Bonds Payable	-	-	-	-	-	-	-	-	-
Other Liabilities	-	-	-	-	599	-	-	-	-
<b>Total Current Liabilities</b>	<b>18</b>	<b>3,152</b>	<b>-</b>	<b>1,527</b>	<b>605</b>	<b>868</b>	<b>183</b>	<b>-</b>	<b>15</b>
Noncurrent Liabilities:									
Bonds Payable	-	-	-	-	-	-	-	-	-
Net Pension Liability	-	-	-	-	-	-	-	-	-
Net OPEB Liability	-	-	-	-	-	-	-	-	-
Other Liabilities	-	-	-	-	2,773	-	-	-	-
<b>Total Noncurrent Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,773</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>18</b>	<b>3,152</b>	<b>-</b>	<b>1,527</b>	<b>3,378</b>	<b>868</b>	<b>183</b>	<b>-</b>	<b>15</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Deferred Inflow - Pension	-	-	-	-	-	-	-	-	-
Deferred Inflow - OPEB	-	-	-	-	-	-	-	-	-
Deferred Inflow - Leases	-	-	-	335	213	-	-	-	-
Deferred Inflow - Other	-	795	-	-	-	-	-	-	-
<b>Total Deferred Inflows</b>	<b>-</b>	<b>795</b>	<b>-</b>	<b>335</b>	<b>213</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>									
Net Investment in Capital Assets	-	-	-	1,264	6,882	281	-	-	-
Restricted:									
Nonexpendable	-	-	-	11,831	6,774	11,486	11,623	1,990	281
Expendable:									
Other Purposes	-	-	-	2,747	2,076	383	12,272	5,809	128
Unrestricted Net Position (Deficit)	9,926	2,868	-	20,796	940	366	1,796	7,234	286
<b>Total Net Position (Deficit)</b>	<b>\$ 9,926</b>	<b>\$ 2,868</b>	<b>\$ -</b>	<b>\$ 36,638</b>	<b>\$ 16,672</b>	<b>\$ 12,516</b>	<b>\$ 25,691</b>	<b>\$ 15,033</b>	<b>\$ 695</b>

# STATE OF NEW MEXICO

## OTHER SUPPLEMENTARY INFORMATION COMBINING STATEMENT OF NET POSITION NON-MAJOR COMPONENT UNITS (CONTINUED)

June 30, 2022

(In Thousands)

	Northern New Mexico College Foundation	New Mexico Military Institute Foundation	New Mexico School for Visually Impaired Foundation	Cumbres & Toltec Scenic RR Commission	New Mexico Renewable Transmission Authority	New Mexico Small Business Investment Corp.	Charter Schools	New Mexico Hospital Equipment Loan Council	Total Nonmajor Component Units
<b>LIABILITIES</b>									
Current Liabilities:									
Accounts Payable	-	3	2	430	38	-	6,452	23	7,094
Accrued Liabilities	-	-	-	124	-	-	14,342	-	14,663
Unearned Revenue	5	-	-	1,612	62	-	175	-	1,854
Due to Primary Government	239	364	-	-	-	-	31	-	5,547
Funds Held for Others	-	-	-	-	-	-	-	-	513
Bonds Payable	-	-	-	-	-	-	2,883	-	2,883
Other Liabilities	-	415	-	1,178	68	6,595	6,729	-	15,584
<b>Total Current Liabilities</b>	<b>244</b>	<b>782</b>	<b>2</b>	<b>3,344</b>	<b>168</b>	<b>6,595</b>	<b>30,612</b>	<b>23</b>	<b>48,138</b>
Noncurrent Liabilities:									
Bonds Payable	-	-	-	-	-	-	185,701	-	185,701
Net Pension Liability	-	-	-	-	-	-	193,842	-	193,842
Net OPEB Liability	-	-	-	-	-	-	59,642	-	59,642
Other Liabilities	-	-	-	-	25	-	42,713	-	45,511
<b>Total Noncurrent Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25</b>	<b>-</b>	<b>481,898</b>	<b>-</b>	<b>484,696</b>
<b>Total Liabilities</b>	<b>244</b>	<b>782</b>	<b>2</b>	<b>3,344</b>	<b>193</b>	<b>6,595</b>	<b>512,510</b>	<b>23</b>	<b>532,834</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Deferred Inflow - Pension	-	-	-	-	-	-	276,057	-	276,057
Deferred Inflow - OPEB	-	-	-	-	-	-	37,317	-	37,317
Deferred Inflow - Leases	-	-	-	-	-	-	937	-	1,485
Deferred Inflow - Other	-	-	-	71	-	-	-	-	866
<b>Total Deferred Inflows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71</b>	<b>-</b>	<b>-</b>	<b>314,311</b>	<b>-</b>	<b>315,725</b>
<b>NET POSITION</b>									
Net Investment in Capital Assets	-	-	-	16,095	-	-	20,431	-	44,953
Restricted:									
Nonexpendable	-	28,910	-	-	-	-	47,170	-	120,065
Expendable:									
Other Purposes	4,716	20,643	194	-	13,353	113,659	-	-	175,980
Unrestricted Net Position (Deficit)	(73)	21,914	46	922	-	-	(296,784)	2,764	(226,999)
<b>Total Net Position (Deficit)</b>	<b>\$ 4,643</b>	<b>\$ 71,467</b>	<b>\$ 240</b>	<b>\$ 17,017</b>	<b>\$ 13,353</b>	<b>\$ 113,659</b>	<b>\$ (229,183)</b>	<b>\$ 2,764</b>	<b>113,999</b>

# STATE OF NEW MEXICO

## OTHER SUPPLEMENTARY INFORMATION COMBINING STATEMENT OF ACTIVITIES NON-MAJOR COMPONENT UNITS (CONTINUED)

For the Year Ended June 30, 2022

(In Thousands)

	UNM Alumni Association	UNM Lobo Club	UNM Anderson Schools of Mgt. Foundation	New Mexico Tech Foundation	New Mexico Highlands University Foundation	Western New Mexico University Foundation	Eastern New Mexico University Foundation	ENMU - Roswell Foundation	ENMU - Ruidoso Foundation
Expenses	\$ 814	\$ 5,813	\$ -	\$ 3,158	\$ 1,071	\$ 946	\$ 1,607	\$ 264	\$ 114
Program Revenues:									
Charges for Services	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	517	6,506	-	1,685	1,047	389	1,069	1,248	197
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-
Total Program Revenues	517	6,506	-	1,685	1,047	389	1,069	1,248	197
Net (Expenses) Revenues	(297)	693	-	(1,473)	(24)	(557)	(538)	984	83
Other Revenues & Expenses:									
Payment from State of New Mexico	-	-	-	-	-	-	-	-	-
Other	246	-	-	88	(61)	222	1,819	163	70
Investment Income	(1,631)	22	-	(2,776)	(1,175)	(1,228)	(4,135)	(1,369)	(17)
Total General Revenues	(1,385)	22	-	(2,688)	(1,236)	(1,006)	(2,316)	(1,206)	53
Special Item									
Gain (Loss) on Discontinuance of Operations	-	-	(4,466)	-	-	-	-	-	-
Change in Net Position	(1,682)	715	(4,466)	(4,161)	(1,260)	(1,563)	(2,854)	(222)	136
Net Position - Beginning, as Restated	11,608	2,153	4,466	40,799	17,932	14,079	28,545	15,255	559
Net Position - Ending (Deficit)	\$ 9,926	\$ 2,868	\$ -	\$ 36,638	\$ 16,672	\$ 12,516	\$ 25,691	\$ 15,033	\$ 695

# STATE OF NEW MEXICO

## OTHER SUPPLEMENTARY INFORMATION COMBINING STATEMENT OF ACTIVITIES NON-MAJOR COMPONENT UNITS (CONTINUED)

For the Year Ended June 30, 2022

(In Thousands)

	Northern New Mexico College Foundation	New Mexico Military Institute Foundation	New Mexico School for Visually Impaired Foundation	Cumbres & Toltec Scenic RR Commission	New Mexico Renewable Transmission Authority	New Mexico Small Business Investment Corp.	Charter Schools	New Mexico Hospital Equipment Loan Council	Total Nonmajor Component Units
Expenses	\$ 335	\$ 2,264	\$ 21	\$ 5,284	\$ 1,125	\$ 424	\$ 252,970	\$ 131	\$ 276,341
Program Revenues:									
Charges for Services	-	360	-	2,552	13,339	-	1,217	147	17,615
Operating Grants and Contributions	153	1,513	36	479	565	-	65,379	-	80,783
Capital Grants and Contributions	-	-	-	1,362	-	-	-	-	1,362
Total Program Revenues	153	1,873	36	4,393	13,904	-	66,596	147	99,760
Net (Expenses) Revenues	(182)	(391)	15	(891)	12,779	(424)	(186,374)	16	(176,581)
Other Revenues & Expenses:									
Payment from State of New Mexico	-	-	-	-	100	17,877	169,090	-	187,067
Other	-	-	-	65	-	-	18,515	(7)	21,120
Investment Income	(363)	(8,942)	3	3	187	(604)	-	(112)	(22,137)
Total General Revenues	(363)	(8,942)	3	68	287	17,273	187,605	(119)	186,050
Special Item									
Gain (Loss) on Discontinuance of Operations	-	-	-	-	-	-	-	-	(4,466)
Change in Net Position	(545)	(9,333)	18	(823)	13,066	16,849	1,231	(103)	5,003
Net Position - Beginning, as Restated	5,188	80,800	222	17,840	287	96,810	(230,414)	2,867	108,996
Net Position - Ending (Deficit)	\$ 4,643	\$ 71,467	\$ 240	\$ 17,017	\$ 13,353	\$ 113,659	\$ (229,183)	\$ 2,764	\$ 113,999

STATE OF NEW MEXICO  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

# STATISTICAL SECTION



HATCH CHILE  
SOURCE - NEW MEXICO MAGAZINE



# STATE OF NEW MEXICO

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 202

### INDEX TO STATISTICAL SECTION

The Statistical Section provides additional historical context and detail to aid in using the information in the financial statements, notes to the financial statements and required supplementary information for the primary government of the State of New Mexico in understanding and assessing the State's overall financial health.

#### Financial Trends Information

These schedules present trend information to help the reader understand how the State's financial performance and fiscal health have changed over time.

Schedule A-1	Net Position by Component	318
Schedule A-2	Changes in Net Position	320
Schedule A-3	Fund Balances, Governmental Funds	326
Schedule A-4	Changes in Fund Balances, Governmental Funds	328

#### Revenue Capacity Information

These schedules contain information to help the reader understand the State's capacity to raise revenues and the sources of those revenues.

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#### Debt Capacity Information

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#### Demographics and Economic Information

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Schedule D-4	Public Higher Education Enrollment	357

#### Operating Information

These schedules offer operating data to help the reader understand how the information in the State's financial report relates to the services it provides and the activities it performs.

Schedule E-1	Full-Time Equivalent State Employees by Function	359
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# STATE OF NEW MEXICO

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 202

### INDEX TO STATISTICAL SECTION

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#### **Other Information**

These graphs and schedules offer a historical view of expenditures in constant dollars.

Schedule F-1 Expenditures – Historical and Constant Dollars 369

Schedule F-2 Per Capita Expenditures – Historical and Constant Dollars 370

Sources: Unless otherwise noted, the information in the following schedules is derived from the State of New Mexico Annual Financial Report.

Note: The statements which comprise the Statistical Section have not been audited.

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# STATE OF NEW MEXICO

## NET POSITION BY COMPONENT

Last Ten Fiscal Years

(In Thousands)

	Fiscal Year				
	2022	2021	2020	2019	2018
<b>Governmental Activities</b>					
Net Investment in Capital Assets	\$ 6,533,650	\$ 6,212,235	\$ 5,971,617	\$ 5,826,283	\$ 5,866,806
Restricted	42,996,897	37,944,662	30,024,134	27,579,790	25,740,851
Unrestricted	(3,860,356)	(4,103,700)	(4,658,434)	(3,216,115)	(4,690,920)
<b>Total Governmental Activities Net Position</b>	<u>\$ 45,670,191</u>	<u>\$ 40,053,197</u>	<u>\$ 31,337,317</u>	<u>\$ 30,189,958</u>	<u>\$ 26,916,737</u>
<b>Business-type Activities</b>					
Net Investment in Capital Assets	\$ 2,031,156	\$ 1,845,399	\$ 1,808,184	\$ 1,770,690	\$ 1,755,991
Restricted	1,576,707	1,519,236	1,113,160	1,386,077	1,319,357
Unrestricted	(2,014,143)	(1,891,399)	(970,769)	(1,905,986)	(1,547,653)
<b>Total Business-type Activities Net Position</b>	<u>\$ 1,593,720</u>	<u>\$ 1,473,236</u>	<u>\$ 1,950,575</u>	<u>\$ 1,250,781</u>	<u>\$ 1,527,695</u>
<b>Primary Government</b>					
Net Investment in Capital Assets	\$ 8,564,806	\$ 8,057,634	\$ 7,779,801	\$ 7,596,973	\$ 7,622,797
Restricted	44,573,604	39,463,898	31,137,294	28,965,865	27,060,209
Unrestricted	(5,874,499)	(5,995,099)	(5,629,204)	(5,122,101)	(6,238,579)
<b>Total Primary Government Net Position</b>	<u>\$ 47,263,911</u>	<u>\$ 41,526,433</u>	<u>\$ 33,287,891</u>	<u>\$ 31,440,739</u>	<u>\$ 28,444,427</u>

\* Implementation of GASB 68 - Effective FY15

# STATE OF NEW MEXICO

## SCHEDULE A-1

(Accrual Basis of Accounting)

	Fiscal Year				
	2017	2016	2015	2014	2013
<b>Governmental Activities</b>					
Net Investment in Capital Assets	\$ 5,904,225	\$ 5,930,820	\$ 5,356,468	\$ 5,164,435	\$ 5,552,572
Restricted	23,268,593	18,311,421	12,658,737	6,925,810	4,774,368
Unrestricted	(3,311,309)	(326,978)	7,158,005	1,464,494	2,417,608
<b>Total Governmental Activities Net Position</b>	<u>\$ 25,861,508</u>	<u>\$ 23,915,263</u>	<u>\$ 25,173,210</u>	<u>\$ 13,554,739</u>	<u>\$ 12,744,548</u>
<b>Business-type Activities</b>					
Net Investment in Capital Assets	\$ 1,742,099	\$ 1,654,692	\$ 1,589,677	\$ 1,517,364	\$ 1,507,921
Restricted	1,251,369	1,317,251	987,021	2,919,494	2,143,068
Unrestricted	(846,457)	(975,829)	(827,718)	139,334	697,511
<b>Total Business-type Activities Net Position</b>	<u>\$ 2,147,011</u>	<u>\$ 1,996,114</u>	<u>\$ 1,748,980</u>	<u>\$ 4,576,192</u>	<u>\$ 4,348,500</u>
<b>Primary Government</b>					
Net Investment in Capital Assets	\$ 7,646,323	\$ 7,585,511	\$ 6,946,145	\$ 6,681,799	\$ 7,060,493
Restricted	24,519,962	19,628,672	13,645,758	9,845,304	6,917,436
Unrestricted	(4,157,768)	(1,302,806)	6,330,287	1,603,828	3,115,119
<b>Total Primary Government Net Position</b>	<u>\$ 28,008,517</u>	<u>\$ 25,911,377</u>	<u>\$ 26,922,190</u>	<u>\$ 18,130,931</u>	<u>\$ 17,093,048</u>

\* Implementation of GASB 68 - Effective FY15

# STATE OF NEW MEXICO

## CHANGES IN NET POSITION

Last Ten Fiscal Years  
(In Thousands)

## SCHEDULE A-2

(Accrual Basis of Accounting)

	Fiscal Year				
	2022	2021	2020	2019	2018
<b>Program Expenses</b>					
Governmental Activities:					
General Control	\$ 1,146,779	\$ 2,091,970	\$ 946,145	\$ 949,925	\$ 1,244,170
Culture, Recreation, and Natural Resources	326,191	260,481	294,254	263,383	247,368
Highway and Transportation	920,656	871,871	952,604	876,159	805,736
Judicial	358,032	313,217	367,458	341,818	306,806
Legislative	26,873	24,595	26,741	28,024	24,068
Public Safety	632,544	519,118	593,994	548,909	534,228
Regulation and Licensing	165,869	434,683	207,749	194,956	175,084
Health and Human Services	12,410,828	10,784,332	9,447,582	7,864,173	7,982,533
Education	4,654,985	3,989,681	3,929,465	3,483,071	3,167,364
Interest	135,183	132,809	112,126	130,183	123,439
Special Items					
Reduction of Receivable, Internal Service Fund	-	-	-	-	-
<b>Total Governmental Activities Expenses</b>	<u>20,777,940</u>	<u>19,422,757</u>	<u>16,878,118</u>	<u>14,680,602</u>	<u>14,610,795</u>
Business-type Activities:					
Educational Institutions	4,012,425	4,881,052	2,802,996	3,844,396	3,645,245
Public Schools Insurance	439,580	404,049	397,157	370,389	354,996
Environmental Loans	5,466	2,638	1,387	2,726	1,526
Miners' Colfax Medical Center	41,055	32,893	40,490	37,506	34,807
Unemployment Insurance	425,382	2,716,542	1,547,564	137,995	166,040
State Fair	14,598	8,691	15,007	15,919	16,357
Other Business-type Activities	20,122	16,479	19,248	22,845	20,536
Special Items -	-	-	-	-	-
<b>Total Business-type Activity Expenses</b>	<u>4,958,628</u>	<u>8,062,344</u>	<u>4,823,850</u>	<u>4,431,776</u>	<u>4,239,508</u>
<b>Total Primary Government Expenses</b>	<u>\$ 25,736,568</u>	<u>\$ 27,485,101</u>	<u>\$ 21,701,968</u>	<u>\$ 19,112,379</u>	<u>\$ 18,850,302</u>

# STATE OF NEW MEXICO

## SCHEDULE A-2 (CONTINUED)

(Actual Basis of Accounting)

	Fiscal Year				
	2017 as Restated	2016	2015	2014 as Restated	2013 as Restated
<b>Program Expenses</b>					
Governmental Activities:					
General Control	\$ 1,722,398	\$ 1,706,181	\$ 993,220	\$ 918,870	\$ 1,254,250
Culture, Recreation, and Natural Resources	247,510	239,104	203,319	228,000	187,209
Highway and Transportation	824,522	987,512	1,051,567	1,230,707	1,023,696
Judicial	304,097	315,829	255,761	242,449	235,363
Legislative	26,834	23,184	29,626	23,751	25,774
Public Safety	552,421	498,391	480,286	457,119	469,359
Regulation and Licensing	124,269	118,405	126,917	112,770	104,919
Health and Human Services	8,008,413	8,008,413	7,401,005	6,284,737	5,777,302
Education	3,286,148	3,554,909	4,024,669	3,223,837	3,215,643
Interest	115,594	123,083	131,154	127,001	110,413
Special Items					
Reduction of Receivable, Internal Service Fund	-	-	977	-	-
<b>Total Governmental Activities Expenses</b>	<u>15,212,206</u>	<u>15,575,011</u>	<u>14,698,501</u>	<u>12,849,241</u>	<u>12,403,928</u>
Business-type Activities:					
Educational Institutions	3,383,288	3,126,892	3,041,713	2,901,959	2,845,355
Public Schools Insurance	383,282	395,579	363,373	349,589	331,783
Environmental Loans	1,949	2,266	441	294	673
Miners' Colfax Medical Center	33,180	31,295	24,967	29,650	23,229
Unemployment Insurance	178,334	195,506	193,479	261,763	356,558
State Fair	16,124	14,841	15,417	14,671	14,613
Other Business-type Activities	18,869	16,524	18,199	11,409	9,934
Special Items -	-	866	-	-	-
<b>Total Business-type Activity Expenses</b>	<u>4,015,026</u>	<u>3,783,769</u>	<u>3,657,589</u>	<u>3,569,335</u>	<u>3,582,145</u>
<b>Total Primary Government Expenses</b>	<u>19,227,232</u>	<u>\$ 19,358,780</u>	<u>\$ 18,356,090</u>	<u>\$ 16,418,576</u>	<u>\$ 15,986,073</u>

- Implementation of GASB 68 – Effective FY15

STATE OF NEW MEXICO

SCHEDULE A-2 (CONTINUED)

(Accrual Basis of Accounting)

	Fiscal Year				
	2022	2021	2020	2019	2018
<b>Program Revenues</b>					
Governmental Activities:					
Charges for Services					
General Control	\$ 2,608,228	\$ 1,170,449	\$ 2,227,030	\$ 2,795,908	\$ 1,958,862
Culture, Recreation, and Natural Resources	2,461,709	1,297,090	66,086	57,330	70,071
Highway and Transportation	117,602	116,341	108,044	115,639	111,792
Judicial	13,584	12,505	15,655	17,873	17,706
Public Safety	9,434	8,273	11,753	44,304	12,641
Regulation and Licensing	94,658	80,805	44,733	41,915	41,178
Health and Human Services	226,341	219,276	199,137	167,077	173,479
Education	11,515	7,383	6,464	6,474	6,862
Operating Grants and Contributions	11,394,256	10,609,948	7,750,233	6,453,390	6,850,440
Capital Grants and Contributions	484,294	480,552	462,264	376,591	-
<b>Total Governmental Activities</b>					
<b>Program Revenues</b>	<u>17,421,621</u>	<u>14,002,622</u>	<u>10,891,399</u>	<u>10,076,501</u>	<u>9,243,031</u>
Business-type Activities:					
Charges for Services					
Educational Institutions	2,019,164	1,976,449	1,768,685	1,732,441	1,665,364
Public Schools Insurance	413,906	403,369	393,010	375,555	373,489
Environmental Loans	1,566	2,088	-	-	-
Miners' Colfax Medical Center	26,917	17,859	13,001	16,875	22,031
Unemployment Insurance	113,048	780,811	121,004	189	243
State Fair	8,773	390	10,239	12,182	11,469
Other Business-type Activities	18,425	17,184	18,814	22,099	20,666
Nonmajor Enterprise Funds					
Operating Grants and Contributions	1,157,358	2,908,576	1,919,974	663,285	697,032
Capital Grants and Contributions	12,869	31,836	7,751	22,997	12,437
<b>Total Business-type Activities</b>					
<b>Program Revenues</b>	<u>3,772,026</u>	<u>6,138,562</u>	<u>4,252,478</u>	<u>2,845,623</u>	<u>2,802,731</u>
<b>Total Primary Government</b>					
<b>Program Revenues</b>	<u>\$ 21,193,647</u>	<u>\$ 20,141,184</u>	<u>\$ 15,143,877</u>	<u>\$ 12,922,124</u>	<u>\$ 12,045,762</u>
<b>Net (Expense)/Revenue</b>					
Governmental Activities	\$ (3,356,319)	\$ (5,420,135)	\$ (5,986,719)	\$ (4,693,510)	\$ (5,367,765)
Business-type Activities	<u>(1,186,602)</u>	<u>(1,923,782)</u>	<u>(571,372)</u>	<u>(1,586,154)</u>	<u>(1,436,776)</u>
<b>Total Primary Government Net Expense</b>	<u>\$ (4,542,921)</u>	<u>\$ (7,343,917)</u>	<u>\$ (6,558,091)</u>	<u>\$ (6,279,664)</u>	<u>\$ (6,804,541)</u>



# STATE OF NEW MEXICO

## SCHEDULE A-2 (CONTINUED)

(Accrual Basis of Accounting)

	Fiscal Year				
	2017 as Restated	2016	2015	2014 as Restated	2013 as Restated
<b>Program Revenues</b>					
Governmental Activities:					
Charges for Services					
General Control	1,581,393	\$ 1,457,352	\$ 1,880,869	\$ 796,337	\$ 784,337
Culture, Recreation, and Natural Resources	64,956	63,474	59,392	94,694	89,063
Highway and Transportation	109,835	110,754	105,215	301,126	185,593
Judicial	17,011	15,620	6,243	5,040	109,660
Public Safety	9,326	9,345	9,162	26,711	263,568
Regulation and Licensing	34,304	35,218	45,558	75,308	65,646
Health and Human Services	159,894	147,373	135,431	365,016	133,060
Education	7,346	7,362	8,726	7,535	5,329
Operating Grants and Contributions	6,595,050	6,855,527	6,356,248	4,932,895	4,777,647
Capital Grants and Contributions	-	-	-	400,212	210,500
<b>Total Governmental Activities</b>					
<b>Program Revenues</b>	<u>8,579,115</u>	<u>8,702,025</u>	<u>8,606,844</u>	<u>7,004,874</u>	<u>6,624,403</u>
Business-type Activities:					
Charges for Services					
Educational Institutions	1,642,869	1,521,460	1,567,129	1,380,232	1,359,675
Public Schools Insurance	378,957	363,949	351,731	342,725	321,549
Environmental Loans	-	-	-	3,905	4,423
Miners' Colfax Medical Center	21,396	26,672	17,450	25,025	21,784
Unemployment Insurance	235	361	-	215,699	223,057
State Fair	11,722	11,928	11,556	12,142	12,142
Other Business-type Activities	17,280	13,954	16,304	10,523	10,562
Nonmajor Enterprise Funds					
Operating Grants and Contributions	896,071	595,057	627,067	771,706	751,861
Capital Grants and Contributions	11,607	6,906	12,524	25,541	8,392
<b>Total Business-type Activities</b>					
<b>Program Revenues</b>	<u>2,980,137</u>	<u>2,540,287</u>	<u>2,603,761</u>	<u>2,787,498</u>	<u>2,713,445</u>
<b>Total Primary Government</b>					
<b>Program Revenues</b>	<u>\$ 11,559,252</u>	<u>\$ 11,242,312</u>	<u>\$ 11,210,605</u>	<u>\$ 9,792,372</u>	<u>\$ 9,337,848</u>
<b>Net (Expense)/Revenue</b>					
Governmental Activities	\$ (6,633,091)	\$ (6,872,986)	\$ (6,091,657)	\$ (5,844,367)	\$ (5,779,525)
Business-type Activities	<u>(1,034,889)</u>	<u>(1,243,482)</u>	<u>(1,053,828)</u>	<u>(781,837)</u>	<u>(868,700)</u>
<b>Total Primary Government Net Expense</b>	<u>\$ (7,667,980)</u>	<u>\$ (8,116,468)</u>	<u>\$ (7,145,485)</u>	<u>\$ (6,626,204)</u>	<u>\$ (6,648,225)</u>

# STATE OF NEW MEXICO

## SCHEDULE A-2 (CONTINUED)

(Accrual Basis of Accounting)

	Fiscal Year				
	2022	2021	2020	2019	2018
<b>General Revenues and Other Changes in Net Position</b>					
Governmental Activities:					
Taxes					
Individual Income Tax	\$ 1,424,390	\$ 1,837,492	\$ 1,715,499	\$ 1,713,643	\$ 1,581,590
Corporate Income Tax	335,978	147,434	63,000	179,781	(67,093)
Gross Receipts Taxes	3,640,515	3,000,606	3,115,214	2,869,466	2,541,586
Business Privilege	5,757,836	3,069,393	2,530,032	2,531,119	2,212,070
Unemployment Insurance	-	-	-	18,510	14,529
Other Taxes	48,333	15,087	35,080	4,849	7,154
Investment Income	(1,531,190)	6,671,245	316,768	1,407,043	1,949,319
Capital Gain	(35)	139	7,703	7,792	404
Non Operating Investment Income and Other	-	-	-	-	155
Other Financing Sources(Uses) Related to Leases	201	-	-	-	-
Other Revenue (Expense)	267,488	298,326	298,789	201,773	234,541
Special Item - Potential Loss SGFIP	-	-	-	-	-
Special Item - Indian Water Rights Settlement	-	-	(15)	-	-
Special Item - AZ Water Settlement	-	-	-	-	-
Transfers	(907,838)	(914,694)	(940,448)	(843,055)	(727,311)
<b>Total Governmental Activities</b>	<u>9,035,678</u>	<u>14,125,028</u>	<u>7,141,622</u>	<u>8,090,920</u>	<u>7,746,944</u>
Business-type Activities:					
Taxes					
Other Taxes	-	-	-	126,103	167,975
Investment Income (Loss)	(62,068)	125,456	22,741	23,776	14,276
Special Item loss of Discontinuance	(88,267)	(7,482)	-	-	-
Non Operating Investment Income and Other	-	-	34,408	50,206	27,865
Other Financing Sources(Uses) Related to Leases	41	-	-	-	-
Other Revenue	566,280	415,326	275,299	258,532	260,061
Transfers	907,838	914,694	940,448	843,055	727,311
<b>Total Business-type Activities</b>	<u>1,323,824</u>	<u>1,447,994</u>	<u>1,272,896</u>	<u>1,301,673</u>	<u>1,197,489</u>
<b>Total Primary Government</b>	<u>\$ 10,359,502</u>	<u>\$ 15,573,022</u>	<u>\$ 8,414,517</u>	<u>\$ 9,392,593</u>	<u>\$ 8,944,432</u>
<b>Change in Net Position</b>					
Governmental Activities	5,679,360	8,704,893	1,154,903	3,397,410	2,379,179
Business-type Activities	137,222	(475,788)	701,524	(284,481)	(239,287)
<b>Total Primary Government</b>	<u>\$ 5,816,581</u>	<u>\$ 8,229,105</u>	<u>\$ 1,856,427</u>	<u>\$ 3,112,929</u>	<u>\$ 2,139,893</u>

STATE OF NEW MEXICO

SCHEDULE A-2 (CONTINUED)

(Accrual Basis of Accounting)

	Fiscal Year				
	2017 as Restated	2016	2015	2014 as Restated	2013 as Restated
<b>General Revenues and Other Changes in Net Position</b>					
Governmental Activities:					
Taxes					
Individual Income Tax	1,418,070	\$ 1,320,154	\$ 1,451,288	\$ 1,236,674	\$ 1,236,015
Corporate Income Tax	76,274	118,502	262,600	196,762	277,029
Gross Receipts Taxes	2,168,168	2,109,889	4,238,670	2,133,540	1,985,601
Business Privilege	1,863,055	1,622,513	-	-	-
Unemployment Insurance	7,200	18,970	-	-	-
Other Taxes	3,545	7,055	33,424	2,048,944	1,736,620
Investment Income	2,548,331	909,846	1,212,060	1,351,182	1,208,035
Capital Gain	-	-	-	-	-
Non Operating Investment Income and Other	68	34	-	-	-
Other Financing Sources(Uses) Related to Leases	-	-	-	-	-
Other Revenue (Expense)	629,959	629,959	129,035	355,202	271,525
Special Item - Potential Loss SGFIP	-	-	100,000	(30,000)	-
Special Item - Indian Water Rights Settlement	-	(12,436)	(15,561)	-	-
Special Item - AZ Water Settlement	9,040	9,040	9,040	-	-
Transfers	(1,084,495)	(1,084,495)	(797,559)	(687,979)	(647,222)
<b>Total Governmental Activities</b>	<b>7,639,216</b>	<b>5,649,032</b>	<b>6,622,997</b>	<b>6,604,325</b>	<b>6,067,603</b>
Business-type Activities:					
Taxes					
Other Taxes	205,143	342,488	269,593	-	-
Investment Income (Loss)	13,742	9,838	9,292	220,411	214,413
Special Item loss of Discontinuance	-	-	-	-	-
Non Operating Investment Income and Other	47,929	21,465	-	-	-
Other Financing Sources(Uses) Related to Leases	-	-	-	-	-
Other Revenue	123,959	242,772	244,201	140,737	139,051
Transfers	831,243	831,243	797,559	687,979	647,222
<b>Total Business-type Activities</b>	<b>1,222,016</b>	<b>1,447,806</b>	<b>1,320,645</b>	<b>1,049,127</b>	<b>1,000,686</b>
<b>Total Primary Government</b>	<b>\$ 8,861,232</b>	<b>\$ 7,096,838</b>	<b>\$ 7,943,642</b>	<b>\$ 7,653,452</b>	<b>\$ 7,068,289</b>
<b>Change in Net Position</b>					
Governmental Activities	1,006,124	(1,223,955)	531,340	759,958	288,078
Business-type Activities	187,127	204,324	266,817	267,290	131,986
<b>Total Primary Government</b>	<b>1,193,253</b>	<b>\$ (1,019,629)</b>	<b>\$ 798,157</b>	<b>\$ 1,027,248</b>	<b>\$ 420,064</b>

# STATE OF NEW MEXICO

## FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(In Thousands)

	Fiscal Year				
	2022	2021	2020	2019	2018
<b>General Fund</b>					
Nonspendable	\$ 52,590	\$ 52,580	\$ 46,026	\$ 47,309	\$ 61,378
Restricted	8,791,420	4,556,671	3,389,316	1,389,540	1,159,544
Committed	37,390	48,062	45,460	35,352	38,294
Assigned	158,751	25,065	12,923	15,472	11,572
Unassigned	427,031	356,122	532,328	1,607,072	882,313
<b>Total General Fund</b>	<b>\$ 9,467,182</b>	<b>\$ 5,038,500</b>	<b>\$ 4,026,053</b>	<b>\$ 3,094,745</b>	<b>\$ 2,153,101</b>
<b>All Other Governmental Funds</b>					
Post-GASB 54 Implementation					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	36,103,646	34,773,091	26,933,416	26,689,046	24,609,102
Committed	20	20	-	-	514
Assigned	-	-	41	150	-
Unassigned (Deficit)	(33,657)	(21,357)	(6,817)	(3)	9,553
<b>Total All Other Governmental Funds</b>	<b>\$ 36,070,010</b>	<b>\$ 34,751,754</b>	<b>\$ 26,926,640</b>	<b>\$ 26,689,193</b>	<b>\$ 24,619,169</b>
<b>All Governmental Funds</b>					
Post-GASB 54 Implementation					
Nonspendable	\$ 52,590	\$ 52,580	\$ 46,026	\$ 47,309	\$ 61,378
Restricted	44,895,066	39,329,762	30,322,732	28,078,586	25,768,646
Committed	37,410	48,082	45,460	35,352	38,808
Assigned	158,751	25,065	12,964	15,622	11,572
Unassigned (Deficit)	393,375	334,765	525,513	1,607,069	891,866
<b>Total All Governmental Funds</b>	<b>\$ 45,537,192</b>	<b>\$ 39,790,255</b>	<b>\$ 30,952,693</b>	<b>\$ 29,783,938</b>	<b>\$ 26,772,270</b>

# STATE OF NEW MEXICO

## SCHEDULE A-3

(Modified Accrual Basis of Accounting)

	Fiscal Year				2013 as Restated
	2017	2016	2015	2014	
<b>General Fund</b>					
Nonspendable	\$ 59,626	\$ 64,166	\$ 52,433	\$ 54,809	\$ 5,968
Restricted	835,483	890,206	916,201	864,359	67,315
Committed	388,030	250,021	695,182	220,535	23,159
Assigned	9,088	9,989	16,395	9,881	488
Unassigned	4,895	(120,451)	189,932	626,317	769,738
<b>Total General Fund</b>	<b>\$ 1,297,122</b>	<b>\$ 1,093,931</b>	<b>\$ 1,870,143</b>	<b>\$ 1,775,901</b>	<b>\$ 866,668</b>
<b>All Other Governmental Funds</b>					
Post-GASB 54 Implementation					
Nonspendable	\$ -	\$ -	\$ 10,000,000	\$ 5,687,834	\$ 5,006,506
Restricted	22,503,741	20,783,582	10,987,671	318,808	540,063
Committed	1,959	11,315	10,758	1,190,318	1,413,633
Assigned	-	-	-	-	989
Unassigned (Deficit)	(3,329)	(9,342)	-	-	18,242
<b>Total All Other Governmental Funds</b>	<b>\$ 22,502,371</b>	<b>\$ 20,785,555</b>	<b>\$ 20,998,429</b>	<b>\$ 7,196,960</b>	<b>\$ 6,979,433</b>
<b>All Governmental Funds</b>					
Post-GASB 54 Implementation					
Nonspendable	\$ 59,626	\$ 64,166	\$ 10,052,433	\$ 5,742,643	\$ 5,012,474
Restricted	23,339,224	21,673,788	11,903,872	1,183,167	607,378
Committed	389,989	261,336	705,940	1,410,853	1,436,792
Assigned	9,088	9,989	16,395	9,881	1,477
Unassigned (Deficit)	1,566	(129,793)	189,932	626,317	787,980
<b>Total All Governmental Funds</b>	<b>\$ 23,799,493</b>	<b>\$ 21,879,486</b>	<b>\$ 22,868,572</b>	<b>\$ 8,972,861</b>	<b>\$ 7,846,101</b>

# STATE OF NEW MEXICO

## CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(In Thousands)

	Fiscal Year				
	2022	2021	2020	2019	2018
<b>Revenues</b>					
Taxes	\$ 11,163,043	\$ 8,020,634	\$ 7,402,984	\$ 7,096,167	\$ 6,401,737
Federal	11,913,097	11,028,954	8,207,807	6,734,473	6,848,354
Interest and Other Investment Income (Loss)	(1,531,551)	6,671,007	311,027	1,402,273	1,948,254
Rentals and Royalties	4,671,215	2,064,447	1,871,338	2,246,843	1,403,151
Charges for Services	193,778	177,892	165,893	168,392	173,087
Licenses, Fees, and Permits	348,939	338,765	310,474	318,456	319,293
Assessments *	47,430	43,215	46,289	14,983	12,803
Other Revenues	251,044	285,083	321,663	388,654	257,393
<b>Total Revenues</b>	<b>27,056,995</b>	<b>28,629,997</b>	<b>18,637,475</b>	<b>18,370,240</b>	<b>17,364,072</b>
<b>Expenditures</b>					
Current:					
Culture, Recreation, and Natural Resources	321,970	263,873	271,368	243,938	228,675
Education	4,441,370	3,995,767	3,926,195	3,480,930	3,166,486
General Control	828,625	1,546,468	414,139	467,422	550,302
Health and Human Services	12,395,672	10,880,703	9,408,746	7,855,655	7,975,718
Highways and Transportation	585,769	519,970	556,756	503,931	420,625
Judicial	372,489	345,789	347,330	325,644	300,587
Legislative	28,171	26,532	25,855	27,331	23,992
Public Safety	646,520	557,020	574,944	540,565	515,112
Regulation and Licensing	165,249	437,354	200,198	188,274	169,142
Land Grant	-	-	-	-	-
Severance Tax	-	-	-	-	-
Capital Outlay	792,061	649,771	543,938	487,503	405,338
Debt Service:					
Principal	858,409	730,374	892,163	567,644	382,549
Interest	119,189	94,305	114,062	120,424	190,182
<b>Total Expenditures</b>	<b>21,555,494</b>	<b>20,047,926</b>	<b>17,275,695</b>	<b>14,809,261</b>	<b>14,328,708</b>
<b>Excess (Deficiency) of Revenues</b>					
<b>Over Expenditures</b>	<b>5,501,501</b>	<b>8,582,071</b>	<b>1,361,780</b>	<b>3,560,979</b>	<b>3,035,364</b>
<b>Other Financing Sources (Uses)</b>					
Bonds Issued	964,189	974,808	701,709	310,118	539,370
Bond Premium	100,393	130,009	17,947	7,170	154,128
Refunding Bond Issue	51,777	107,346	-	-	420,096
Proceeds from the Sale of Capital Assets	3,307	1,057	1,836	1,577	1,751
Operating Transfers In	5,292,395	3,095,754	1,502,549	2,172,675	8,604,858
Operating Transfers Out	(6,206,988)	(4,016,147)	(2,449,323)	(3,019,190)	(9,336,219)
Payment to Refunded Bond Escrow Agent	(51,981)	(113,803)	-	-	(450,865)
Miscellaneous Other Financing Sources (Uses)	111,735	-	-	-	-
Nonoperating Revenues (Expenditures)	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>264,827</b>	<b>179,024</b>	<b>(225,282)</b>	<b>(527,650)</b>	<b>(66,881)</b>
<b>Special Item</b>					
Reduction of Loss Contingency	-	-	-	-	-
Native American Water Rights Settlement	-	-	-	-	-
Arizona Water Settlement	-	-	-	-	-
<b>Total Special Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Other Financing and Special Items</b>	<b>264,827</b>	<b>179,024</b>	<b>(225,282)</b>	<b>(527,650)</b>	<b>(66,881)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 5,766,328</b>	<b>\$ 8,761,095</b>	<b>\$ 1,136,498</b>	<b>\$ 3,033,329</b>	<b>\$ 2,968,483</b>
Debt Service as a Percentage of					
Noncapital Expenditures	4.7%	4.3%	6.0%	4.8%	4.1%

STATE OF NEW MEXICO

SCHEDULE A-4

(Modified Accrual Basis of Accounting)

	Fiscal Year				
	2017 as Restated	2016	2015	2014	2013 as Restated
<b>Revenues</b>					
Taxes	\$ 5,472,102	\$ 5,197,084	\$ 5,923,849	\$ 5,626,421	\$ 5,235,786
Federal	6,595,840	6,856,707	6,363,684	5,338,059	4,981,084
Interest and Other Investment Income (Loss)	2,540,517	912,262	1,211,998	1,521,022	1,247,937
Rentals and Royalties	1,002,692	888,424	1,281,002	647,438	568,227
Charges for Services	164,565	119,509	124,674	162,757	160,931
Licenses, Fees, and Permits	294,482	307,532	295,282	364,594	364,371
Assessments *	13,820	14,389	-	-	-
Other Revenues	781,248	633,628	202,935	363,411	332,323
<b>Total Revenues</b>	<u>16,865,266</u>	<u>14,929,535</u>	<u>15,403,424</u>	<u>14,023,702</u>	<u>12,890,659</u>
<b>Expenditures</b>					
Current:					
Culture, Recreation, and Natural Resources	230,478	223,328	210,368	185,317	193,639
Education	3,285,298	3,554,249	4,025,302	3,220,213	3,214,923
General Control	981,271	1,600,674	487,468	403,590	494,668
Health and Human Services	7,737,341	7,996,609	7,355,734	6,270,002	5,756,574
Highways and Transportation	448,401	740,977	462,267	591,824	398,836
Judicial	298,224	306,727	250,360	236,575	229,405
Legislative	26,725	23,022	27,696	21,810	23,954
Public Safety	535,834	482,558	470,406	440,897	454,250
Regulation and Licensing	116,252	111,747	121,567	108,442	101,355
Land Grant	-	-	-	-	37,757
Severance Tax	-	-	-	183,216	176,173
Capital Outlay	352,204	118,018	444,308	507,435	583,782
Debt Service:					
Principal	298,168	282,120	284,766	407,074	317,991
Interest	123,810	109,886	128,197	150,738	130,755
<b>Total Expenditures</b>	<u>14,434,007</u>	<u>15,549,915</u>	<u>14,268,439</u>	<u>12,727,133</u>	<u>12,114,062</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>2,431,259</u>	<u>(620,380)</u>	<u>1,134,985</u>	<u>1,296,569</u>	<u>776,597</u>
<b>Other Financing Sources (Uses)</b>					
Bonds Issued	45,815	474,018	141,635	371,440	137,220
Bond Premium	5,463	82,239	43,146	50,051	45,400
Refunding Bond Issue	-	181,395	79,405	-	220,400
Proceeds from the Sale of Capital Assets	1,226	1,803	1,136	2,053	1,950
Operating Transfers In	8,030,490	7,182,543	7,233,253	6,789,132	6,135,227
Operating Transfers Out	(8,739,680)	(7,918,883)	(8,035,458)	(7,483,788)	(6,774,851)
Payment to Refunded Bond Escrow Agent	-	(208,143)	(96,083)	-	(261,769)
Miscellaneous Other Financing Sources (Uses)	-	-	-	-	-
Nonoperating Revenues (Expenditures)	-	-	-	-	(5,211)
<b>Total Other Financing Sources (Uses)</b>	<u>(656,687)</u>	<u>(205,028)</u>	<u>(632,966)</u>	<u>(271,112)</u>	<u>(501,634)</u>
<b>Special Item</b>					
Reduction of Loss Contingency	-	-	93,479	(30,000)	-
Native American Water Rights Settlement	-	(12,436)	-	-	-
Arizona Water Settlement	-	(9,040)	-	-	-
<b>Total Special Items</b>	<u>-</u>	<u>(21,476)</u>	<u>93,479</u>	<u>(30,000)</u>	<u>-</u>
<b>Total Other Financing and Special Items</b>	<u>(656,687)</u>	<u>(226,504)</u>	<u>(539,487)</u>	<u>(301,112)</u>	<u>(501,634)</u>
<b>Net Change in Fund Balances</b>	<u>\$ 1,774,572</u>	<u>\$ (846,884)</u>	<u>\$ 595,498</u>	<u>\$ 995,457</u>	<u>\$ 274,963</u>
Debt Service as a Percentage of					
Noncapital Expenditures	<u>3.0%</u>	<u>2.5%</u>	<u>3.0%</u>	<u>4.6%</u>	<u>3.9%</u>

# STATE OF NEW MEXICO

## SCHEDULE OF REVENUES, STATE GENERAL FUND

## SCHEDULE B-1

Last Ten Fiscal Years  
(In Thousands)

	Fiscal Year				
	2022	2021 as Restated	2020 as Restated	2019 as Restated	2018 as Restated
<b>REVENUES</b>					
<b>Taxes and License Fees</b>					
General and Selective Sales Taxes:					
Gross Receipts	\$ 3,424,014	\$ 2,799,239	\$ 2,942,128	\$ 2,669,415	\$ 2,381,082
Compensating	63,139	63,893	63,578	78,380	56,102
Tobacco (Luxury)	82,813	90,529	88,809	75,424	78,368
Alcoholic Beverage	25,023	24,575	24,610	25,295	23,811
Insurance	320,850	292,664	259,170	216,347	213,597
Fire Protection	-	-	-	-	1,020
Racing	-	-	-	765	1,084
Private Car	999	762	552	931	860
Motor Vehicle and Other Excise Tax	155,261	174,061	137,769	152,523	154,008
Gaming Tax	68,365	24,655	46,005	64,886	62,054
Leased Vehicles Gross Receipts and Surcharge	3,286	3,099	4,711	5,727	5,528
Gasoline Tax	2,547	851	596	971	358
Telecommunications Relay Surcharge	95	203	113	66	58
Boat Excise Tax	360	441	290	282	347
Other Tax	-	-	-	-	-
<b>Total General and Selective Sales Tax</b>	<u>4,146,752</u>	<u>3,474,972</u>	<u>3,568,332</u>	<u>3,291,012</u>	<u>2,978,277</u>
<b>Income Taxes</b>					
Gross Withholding	198,996	159,802	100,329	166,318	923,665
Final Settlements	1,194,645	1,643,503	1,577,189	1,500,831	614,620
Less:					
Transfer - Retiree Health Care	-	-	-	-	(26,507)
Transfer - PIT Suspense and Others	-	-	-	-	-
Net Personal Income Taxes	<u>1,393,641</u>	<u>1,803,304</u>	<u>1,677,518</u>	<u>1,667,149</u>	<u>1,511,778</u>
Corporate Taxes	343,853	149,666	63,198	22,808	106,601
Net Corporate Income Taxes	<u>343,853</u>	<u>149,666</u>	<u>63,198</u>	<u>22,808</u>	<u>106,601</u>
Estate Taxes	-	-	-	-	-
Fiduciary Taxes	34,979	3,107	14,343	4,865	7,180
<b>Total Income Taxes</b>	<u>1,772,471</u>	<u>1,956,077</u>	<u>1,755,060</u>	<u>1,694,822</u>	<u>1,625,559</u>
<b>Severance Taxes</b>					
Oil and Gas School Tax	1,865,805	763,113	388,671	555,356	450,787
7% Oil Conservation	99,655	39,597	29,510	28,702	22,885
Resources Excise	8,716	6,751	7,148	7,834	8,569
Natural Gas Processors	10,195	10,504	14,764	15,125	10,841
<b>Total Severance Taxes</b>	<u>1,984,370</u>	<u>819,965</u>	<u>440,093</u>	<u>607,017</u>	<u>493,082</u>
<b>Total Taxes</b>	<u>7,903,594</u>	<u>6,251,014</u>	<u>5,763,485</u>	<u>5,592,851</u>	<u>5,096,918</u>



## STATE OF NEW MEXICO

## SCHEDULE B-1 (CONTINUED)

	Fiscal Year				
	2017 as Restated	2016	2015	2014	2013
<b>REVENUES</b>					
<b>Taxes and License Fees</b>					
General and Selective Sales Taxes:					
Gross Receipts	\$ 2,013,548	\$ 1,975,416	\$ 2,095,153	\$ 1,992,035	\$ 1,917,660
Compensating	48,529	46,882	71,840	78,271	50,911
Tobacco (Luxury)	77,887	79,819	82,348	78,479	86,058
Alcoholic Beverage	7,376	6,732	26,263	26,357	26,240
Insurance	227,464	207,904	189,953	115,067	107,520
Fire Protection	-	15,069	15,156	16,082	18,316
Racing	1,096	1,130	670	821	942
Private Car	663	703	660	620	563
Motor Vehicle and Other Excise Tax	145,238	150,395	138,701	133,275	125,504
Gaming Tax	59,523	63,050	70,409	66,455	63,073
Leased Vehicles Gross Receipts and Surcharge	5,489	5,536	5,236	5,204	5,125
Gasoline Tax	(380)	867	(1,152)	1,227	(4,516)
Telecommunications Relay Surcharge	59	69	123	86	91
Boat Excise Tax	325	195	184	184	257
Other Tax	-	-	-	99	4
<b>Total General and Selective Sales Tax</b>	<b>2,586,817</b>	<b>2,553,767</b>	<b>2,695,544</b>	<b>2,514,262</b>	<b>2,397,748</b>
<b>Income Taxes</b>					
Gross Withholding	872,299	1,200,151	1,179,123	1,116,249	1,077,952
Final Settlements	504,741	508,566	535,298	506,245	517,862
Less:					
Transfer - Retiree Health Care	-	(29,519)	(26,678)	(24,141)	(21,876)
Transfer - PIT Suspense and Others	-	(359,043)	(355,541)	(351,365)	(340,381)
Net Personal Income Taxes	1,377,040	1,320,155	1,332,202	1,246,988	1,233,557
Corporate Taxes	70,156	118,502	254,477	196,762	267,157
Net Corporate Income Taxes	70,156	118,502	254,477	196,762	267,157
Estate Taxes	-	1	1	32	-
Fiduciary Taxes	3,635	7,053	7,510	7,951	7,388
<b>Total Income Taxes</b>	<b>1,450,831</b>	<b>1,445,711</b>	<b>1,594,190</b>	<b>1,451,733</b>	<b>1,508,102</b>
<b>Severance Taxes</b>					
Oil and Gas School Tax	304,262	236,818	375,423	500,659	379,899
7% Oil Conservation	17,368	11,375	20,091	27,244	20,775
Resources Excise	9,649	11,203	13,345	13,013	13,486
Natural Gas Processors	10,307	20,354	18,594	16,197	24,197
<b>Total Severance Taxes</b>	<b>341,586</b>	<b>279,750</b>	<b>427,453</b>	<b>557,113</b>	<b>438,357</b>
<b>Total Taxes</b>	<b>4,379,234</b>	<b>4,279,228</b>	<b>4,717,187</b>	<b>4,523,108</b>	<b>4,344,207</b>

# STATE OF NEW MEXICO

## SCHEDULE B-1 (CONTINUED)

	Fiscal Year				
	2022	2021 as Restated	2020 as Restated	2019 as Restated	2018 as Restated
<b>REVENUES (CONTINUED)</b>					
<b>Taxes and License Fees (Continued)</b>					
<b>License Fees</b>					
Manufactured Housing	\$ -	\$ -	\$ 70	\$ 462	\$ 432
Trade and Professions License	-	-	23,457	-	-
Corporate Filing	5,103	4,278	4,176	3,881	4,042
Alcoholic Beverages and Gaming	-	-	-	4,960	4,075
Financial Institutions	-	-	3,396	3,747	3,564
Corporate Special	-	-	-	-	-
Construction Industries	(1)	-	4,890	4,909	5,543
Gaming License and Permit Fees	345	299	313	373	6,365
Securities Receipts	-	-	2,531	22,340	22,267
Public Utilities	15,545	17,067	11,464	14,493	14,538
Pipeline Fees	306	164	170	242	207
Motor Vehicles Miscellaneous Fees	(1,115)	368	228	596	401
MVD Penalty Assessments	3,600	3,323	3,771	4,484	4,632
<b>Total License Fees</b>	<b>23,785</b>	<b>25,499</b>	<b>54,464</b>	<b>60,487</b>	<b>66,066</b>
<b>Total Taxes and License Fees</b>	<b>7,927,379</b>	<b>6,276,514</b>	<b>5,817,949</b>	<b>5,653,338</b>	<b>5,162,984</b>
<b>Other Revenue Sources</b>					
<b>Investment Income</b>					
State Land Grant Permanent Fund Income	-	-	-	-	-
Earnings on State Balances	(118,318)	5,348	91,751	86,880	5,945
Severance Tax Permanent Fund Earnings	-	-	-	-	-
<b>Total Interest Earnings</b>	<b>(118,318)</b>	<b>5,348</b>	<b>91,751</b>	<b>86,880</b>	<b>5,945</b>
<b>Rents and Royalties</b>					
Federal Mineral Leasing	2,256,717	811,496	817,116	1,146,800	564,232
Land Office	-	-	69,858	132,454	111,845
Tribal Revenue Sharing	71,434	48,166	51,677	78,430	68,092
<b>Total Rents and Royalties</b>	<b>2,328,151</b>	<b>859,662</b>	<b>938,651</b>	<b>1,357,684</b>	<b>744,169</b>

STATE OF NEW MEXICO

SCHEDULE B-1 (CONTINUED)

	Fiscal Year				
	2017	2016	2015	2014	2013
<b>REVENUES (CONTINUED)</b>					
<b>Taxes and License Fees (Continued)</b>					
<b>License Fees</b>					
Manufactured Housing	\$ 419	\$ 375	\$ 753	\$ 357	\$ 336
Trade and Professions License	-	-	-	-	-
Corporate Filing	3,437	3,327	4,020	4,262	3,151
Alcoholic Beverages and Gaming	4,186	4,028	3,931	3,770	4,544
Financial Institutions	3,480	3,455	3,556	3,195	3,107
Corporate Special	2,984	2,955	3,308	3,672	3,963
Construction Industries	4,700	6,092	6,199	3,902	4,034
Gaming License and Permit Fees	577	353	416	373	362
Securities Receipts	22,399	22,016	21,267	20,201	19,065
Public Utilities	11,021	12,040	12,129	11,759	11,275
Pipeline Fees	137	153	196	65	50
Motor Vehicles Miscellaneous Fees	-	20	100	111	125
MVD Penalty Assessments	4,271	4,009	5,658	5,982	6,018
<b>Total License Fees</b>	<u>57,611</u>	<u>58,823</u>	<u>61,533</u>	<u>57,649</u>	<u>56,030</u>
<b>Total Taxes and License Fees</b>	<u>4,436,845</u>	<u>4,338,051</u>	<u>4,778,720</u>	<u>4,580,757</u>	<u>4,400,237</u>
<b>Other Revenue Sources</b>					
<b>Investment Income</b>					
State Land Grant Permanent Fund Income	-	555,103	502,757	449,382	440,876
Earnings on State Balances	(3,230)	25,224	24,160	42,293	35,925
Severance Tax Permanent Fund Earnings	-	193,510	182,723	170,473	176,173
<b>Total Interest Earnings</b>	<u>(3,230)</u>	<u>773,837</u>	<u>709,640</u>	<u>662,148</u>	<u>652,974</u>
<b>Rents and Royalties</b>					
Federal Mineral Leasing	435,692	47,817	42,235	569,860	459,631
Land Office	71,490	390,005	542,184	47,481	44,632
Tribal Revenue Sharing	62,717	64,413	67,178	67,582	70,709
<b>Total Rents and Royalties</b>	<u>569,899</u>	<u>502,235</u>	<u>651,597</u>	<u>684,923</u>	<u>574,972</u>

STATE OF NEW MEXICO

SCHEDULE B-1 (CONTINUED)

	Fiscal Year				
	2022	2021 as Restated	2020 as Restated	2019 as Restated	2018 as Restated
<b>Miscellaneous Receipts and Fees</b>					
Environment Department Filing Fees	\$ 5,370	\$ 1,847	\$ 677	\$ 1,082	\$ 1,260
Administrative Fees	-	2,728	-	-	-
Media Lease Payments	-	-	-	-	-
Fines and Forfeitures	2,717	2,528	3,107	3,563	3,932
Birth and Death Certificates	1,203	1,232	1,192	1,175	1,260
District Judge Receipts	812	893	1,010	1,095	1,146
Notary Public Fees	(168)	653	46	683	658
Legislative Receipts	-	591	9	22	13
Workmen's Compensation Fees	578	751	884	699	390
Health Care Quality Surchage	36	78	1,096	-	-
Law Enforcement Protection	-	-	-	-	-
Small County Assistance	-	-	-	-	-
Supreme Court Fees	-	-	0	1	1
Unclaimed Property	27,111	29,481	15,565	28,089	20,113
Restitution Payments	291	251	204	91	42
<b>Total Miscellaneous Receipts and Fees</b>	<u>37,949</u>	<u>41,034</u>	<u>23,790</u>	<u>36,499</u>	<u>28,815</u>
<b>Other Revenues</b>					
Miscellaneous Nonrecurring	22	482	219	138	173
Transfers - Reversions	-	-	-	-	-
<b>Total Other Revenues</b>	<u>22</u>	<u>482</u>	<u>219</u>	<u>138</u>	<u>173</u>
<b>Total Other Revenue Sources</b>	<u>2,247,804</u>	<u>906,525</u>	<u>1,054,412</u>	<u>1,481,201</u>	<u>779,102</u>
<b>Total Revenues</b>	<u>\$ 10,175,182</u>	<u>\$ 7,183,038</u>	<u>\$ 6,872,360</u>	<u>\$ 7,134,539</u>	<u>\$ 5,942,086</u>

Source: General Fund Financial Audit (30600) - Schedule of Revenue by Source  
Department of Finance and Administration General Fund Report

\* Alcohol is down due to sending a portion to the lottery scholarship fund

STATE OF NEW MEXICO

SCHEDULE B-1 (CONTINUED)

	Fiscal Year				
	2017	2016	2015	2014	2013
<b>Miscellaneous Receipts and Fees</b>					
Environment Department Filing Fees	\$ 747	\$ 1,241	\$ 4,212	\$ 1,322	\$ 3,350
Administrative Fees	-	-	-	-	-
Media Lease Payments	22	18	19	18	21
Fines and Forfeitures	4,241	4,514	5,241	5,567	5,708
Birth and Death Certificates	1,184	1,043	1,019	1,010	1,045
District Judge Receipts	1,096	947	925	936	1,051
Notary Public Fees	743	984	681	628	648
Legislative Receipts	26	14	28	18	35
Workmen's Compensation Fees	7	3	5	268	4
Health Care Quality Surchage	-	-	-	-	-
Law Enforcement Protection	-	15,297	7,641	3,936	4,576
Small County Assistance	-	11	5,809	3,748	1,537
Supreme Court Fees	1	1	1	-	-
Unclaimed Property	23,030	19,789	24,644	21,516	16,833
Restitution Payments	176	201	269	354	446
<b>Total Miscellaneous Receipts and Fees</b>	<u>31,273</u>	<u>44,063</u>	<u>50,494</u>	<u>39,321</u>	<u>35,254</u>
<b>Other Revenues</b>					
Miscellaneous Nonrecurring	970	39,616	36,136	29,509	39,921
Transfers - Reversions	366,208	56,367	59,163	101,751	81,167
<b>Total Other Revenues</b>	<u>367,178</u>	<u>95,983</u>	<u>95,299</u>	<u>131,260</u>	<u>121,088</u>
<b>Total Other Revenue Sources</b>	<u>965,119</u>	<u>1,416,118</u>	<u>1,507,030</u>	<u>1,517,652</u>	<u>1,384,288</u>
<b>Total Revenues</b>	<u>\$ 5,401,964</u>	<u>\$ 5,754,169</u>	<u>\$ 6,285,750</u>	<u>\$ 6,098,409</u>	<u>\$ 5,784,525</u>

# STATE OF NEW MEXICO

## REVENUE BASE

Last Ten Calendar Years

(In Thousands)

	Fiscal Year				
	2022	2021	2020	2019	2018
<b>Taxable Gross Receipts (in thousands)</b>					
Agriculture, Forestry and Fishing	\$ 251,871	\$ 124,832	\$ 175,237	\$ 126,252	\$ 126,940
Mining	7,969,653	3,883,084	7,310,833	6,815,136	4,834,724
Construction	9,027,400	6,612,931	10,989,995	8,027,002	7,428,957
Manufacturing	3,649,339	1,549,363	2,306,998	2,084,012	1,617,171
Transportation	1,499,545	846,609	1,187,865	1,175,605	836,920
Communications and Utilities	4,589,831	3,723,750	6,120,717	5,384,324	5,161,295
Wholesale Trade	2,290,375	2,211,281	3,648,654	3,529,917	2,698,455
Retail Trade	17,011,431	11,334,814	16,425,084	14,780,421	13,041,456
Finance, Insurance and Real Estate	2,511,559	1,677,853	2,582,843	2,338,187	2,032,733
Services and Other	27,328,590	19,425,400	30,267,240	26,756,441	22,338,845
Public Administration	27,645	535,586	883,472	901,867	425,736
<b>Total Taxable Gross Receipts</b>	<b>\$ 76,157,239</b>	<b>\$ 51,925,503</b>	<b>\$ 81,898,938</b>	<b>\$ 71,919,164</b>	<b>\$ 60,543,232</b>
State Gross Receipts Tax Rate	5.1%	5.1%	5.1%	5.1%	5.1%
<b>Personal Income by Industry (in millions)</b>					
Federal Civilian	\$ 4,103	\$ 3,605	\$ 3,397	\$ 3,335	\$ 3,373
Federal Military	1,836	1,556	1,459	1,398	1,323
State and Local Government	13,522	10,572	10,470	9,976	9,596
Farm Earnings	1,527	1,227	1,036	767	793
Forestry, Fishing, and Related Activities	181	176	170	169	163
Mining	4,109	2,104	2,656	3,013	2,638
Utilities	842	566	522	511	490
Construction	4,132	3,981	4,001	3,659	3,474
Manufacturing	3,123	2,212	2,210	1,868	1,717
Wholesale Trade	1,856	1,533	1,569	1,538	1,456
Retail	5,632	4,048	3,669	3,599	3,549
Transportation and Warehousing	2,632	1,821	1,858	1,713	1,578
Information	1,863	875	829	914	845
Financial, Insurance, Real Estate, Rental, and Leasing	3,696	3,325	3,094	2,855	2,721
Services	24,562	22,874	21,959	21,462	20,359
Other <sup>1</sup>	47,233	41,089	35,532	32,843	30,596
<b>Total Personal Income</b>	<b>\$ 120,849</b>	<b>\$ 101,564</b>	<b>\$ 94,431</b>	<b>\$ 89,620</b>	<b>\$ 84,671</b>
Highest Income Tax Rate	4.9%	4.9%	4.9%	4.9%	4.9%

<sup>1</sup>Other personal income includes dividends, interest and rent, residence adjustment, personal current transfer receipts and deduction for insurance contributions.

<sup>2</sup>Data for 2012 is based on fiscal year.

Source: New Mexico Department of Taxation and Revenue Department, RP-80 Reports: Gross Receipts by Geographic Area and 6-digit NAICS Code.

Department of Commerce Bureau of Economic Analysis, SQ5N - Personal Income by Major Source and Earnings by Major NAICS Industry Report.

# STATE OF NEW MEXICO

## SCHEDULE B-2

	Fiscal Year				
	2017	2016	2015	2014	2013 as Restated
<b>Taxable Gross Receipts (in thousands)</b>					
Agriculture, Forestry and Fishing	\$ 111,430	\$ 106,156	\$ 84,720	\$ 54,047	\$ 61,294
Mining	2,213,846	2,328,158	4,144,544	2,998,455	3,668,701
Construction	6,312,982	6,537,914	6,331,176	4,257,409	5,562,314
Manufacturing	1,315,416	1,607,798	2,238,013	1,607,519	2,015,743
Transportation	571,482	668,207	867,443	543,996	780,150
Communications and Utilities	4,673,015	5,281,589	5,134,386	1,908,054	4,907,802
Wholesale Trade	1,786,231	2,030,984	2,544,689	1,790,115	2,335,113
Retail Trade	11,045,865	12,063,308	12,553,764	9,268,342	12,160,633
Finance, Insurance and Real Estate	1,559,574	1,613,419	1,630,999	1,106,612	1,377,056
Services and Other	17,675,223	19,824,081	19,219,587	15,112,166	17,413,350
Public Administration	587,747	665,833	673,442	378,243	622,335
<b>Total Taxable Gross Receipts</b>	<b>\$ 47,852,811</b>	<b>\$ 52,727,447</b>	<b>\$ 55,422,763</b>	<b>\$ 39,024,958</b>	<b>\$ 50,904,491</b>
<b>State Gross Receipts Tax Rate</b>	<b>5.1%</b>	<b>5.1%</b>	<b>5.1%</b>	<b>5.1%</b>	<b>5.1%</b>
<b>Personal Income by Industry (in millions)</b>					
Federal Civilian	\$ 3,220	\$ 3,103	\$ 3,110	\$ 2,948	\$ 2,965
Federal Military	1,321	1,265	1,215	1,268	1,367
State and Local Government	9,379	9,836	9,860	9,590	9,229
Farm Earnings	889	664	1,088	1,769	1,472
Forestry, Fishing, and Related Activities	170	142	145	150	150
Mining	2,532	2,393	3,035	3,167	3,151
Utilities	490	533	503	491	520
Construction	3,368	3,146	3,111	3,042	2,978
Manufacturing	1,372	1,606	2,118	2,089	2,178
Wholesale Trade	1,517	1,491	1,442	1,441	1,451
Retail	3,667	3,670	3,546	3,505	3,412
Transportation and Warehousing	1,550	1,503	1,569	1,508	1,464
Information	812	859	927	790	881
Financial, Insurance, Real Estate, Rental, and Leasing	2,732	2,652	2,725	2,448	2,404
Services	19,782	19,465	18,166	17,790	17,652
Other <sup>1</sup>	27,992	28,063	27,490	26,432	24,537
<b>Total Personal Income</b>	<b>\$ 80,793</b>	<b>\$ 80,391</b>	<b>\$ 80,050</b>	<b>\$ 78,428</b>	<b>\$ 75,811</b>
<b>Highest Income Tax Rate</b>	<b>4.9%</b>	<b>4.9%</b>	<b>4.9%</b>	<b>4.9%</b>	<b>4.9%</b>

# STATE OF NEW MEXICO

## REVENUE PAYERS BY INDUSTRY – TAXABLE SALES,

## SCHEDULE B-3

### SERVICES, AND USE TAX PURCHASES

Most Current Calendar Year and Historical Comparison  
(In Thousands)

	Fiscal Year 2022				Calendar Year 2014			
	Number of Outlets	Percent of Total	Taxable Gross Receipts	Percent of Total	Number of Outlets	Percent of Total	Taxable Gross Receipts	Percent of Total
Agriculture, Forestry and Fishing	1,849	0.3%	\$ 251,871	0.3%	4,086	0.4%	\$ 54,047	0.1%
Mining	4,203	0.7%	7,969,653	10.5%	9,752	1.0%	2,998,455	7.7%
Construction	28,184	5.0%	9,027,400	11.9%	101,298	10.6%	4,257,409	10.9%
Manufacturing	47,751	8.4%	3,649,339	4.8%	42,542	4.4%	1,607,519	4.1%
Transportation	5,354	0.9%	1,499,545	2.0%	13,402	1.4%	543,996	1.4%
Communications and Utilities	40,521	7.1%	4,589,831	6.0%	7,309	0.8%	1,908,054	4.9%
Wholesale Trade	50,977	9.0%	2,290,375	3.0%	53,838	5.6%	1,790,115	4.6%
Retail Trade	200,556	35.3%	17,011,431	22.2%	198,243	20.7%	9,268,342	23.7%
Finance, Insurance and Real Estate	22,170	3.9%	2,511,559	3.3%	46,800	4.9%	1,106,612	2.8%
Services and Other	166,421	29.3%	27,328,590	35.8%	479,048	50.1%	15,112,166	38.7%
Public Administration	191	0.0%	27,645	0.0%	1,922	0.2%	378,243	1.0%
<b>Total Number of Outlets and Total Taxable Gross Revenues</b>	<b>568,177</b>	<b>100.0%</b>	<b>\$ 76,157,239</b>	<b>99.8%</b>	<b>958,240</b>	<b>100.1%</b>	<b>\$ 39,024,958</b>	<b>99.9%</b>
State Gross Receipts Tax Rate	5.1%				5.1%			

<sup>1</sup>Data for 2021 is based on fiscal year.

Source: New Mexico Department of Taxation and Revenue, Monthly RP-80 Reports: Gross Receipts by Geographic Area and 6-digit NAICS Code

Source: New Mexico Department of Taxation and Revenue, Quarterly RP-80 Reports: Gross Receipts by Geographic Area and 6-digit NAICS Code

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's revenue.



# STATE OF NEW MEXICO

## REVENUE PAYERS – PERSONAL INCOME TAX

### SCHEDULE B-4

Most Current Calendar Year and Historical Comparison  
(Dollars, Except for Income Level, in Thousands)

Income Level	2011				2021*			
	Number of Returns	Percent of Total	Personal Income Tax	Percent of Total	Number of Returns	Percent of Total	Personal Income Tax	Percent of Total
\$200,000 and higher	17,446	1.9%	\$ 1,867,483	40.9%	32,560	4.5%	\$ 3,027,804	47.4%
\$100,000 - \$199,999	74,247	8.1%	1,162,986	25.4%	109,600	15.0%	1,704,420	26.7%
\$75,000 - \$99,999	66,733	7.3%	515,691	11.3%	77,470	10.6%	582,118	9.1%
\$50,000 - \$74,999	112,044	12.3%	536,639	11.7%	128,090	17.5%	550,733	8.6%
\$49,999 and lower	643,974	70.4%	488,835	10.7%	382,460	52.4%	529,041	8.3%
Total	914,444	100.0%	\$ 4,571,634	100.0%	730,180	100.0%	\$ 6,394,116	100%

\* At the time of the preparation of the 2022 New Mexico State Annual Financial Report, the 2022 tax year was unavailable.

Source: United States Department of the Treasury, Internal Revenue Service.

# STATE OF NEW MEXICO

## PERSONAL INCOME TAX RATES

Last Ten Fiscal Years

## SCHEDULE B-5

Year	Top Tax Rate	Top Income Tax Rate is Applied to Taxable Income in Excess of			Average Effective Rate, As Restated
		Single	Married Filing Jointly	Head of Household	
2022	4.9%	\$ 16,000	\$ 24,000	\$ 24,000	N/A
2021	4.9%	16,000	24,000	24,000	N/A
2020	4.9%	16,000	24,000	24,000	N/A
2019	4.9%	16,000	24,000	24,000	N/A
2018	4.9%	16,000	24,000	24,000	N/A
2017	4.9%	16,000	24,000	24,000	N/A
2016	4.9%	16,000	24,000	24,000	N/A
2015	4.9%	16,000	24,000	24,000	N/A
2014	4.9%	16,000	24,000	24,000	N/A
2013	4.9%	16,000	24,000	24,000	N/A

Source: New Mexico Department of Taxation and Revenue

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# STATE OF NEW MEXICO

## RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years  
(In Thousands)

	Fiscal Year				
	2022	2021	2020 as Restated	2019 as Restated	2018 as Restated
<b>Governmental Activities</b>					
General Obligation	\$ 414,365	\$ 505,295	\$ 421,700	\$ 350,925	\$ 260,760
Enhanced E-911 Revenue Bonds	-	-	-	-	-
Severance Tax Bonds	1,110,570	964,035	680,245	814,370	876,115
Revenue Bonds	1,053,950	958,018	1,094,670	1,221,323	1,367,542
Bond Premium, Discount, Net *	318,871	292,066	223,793	257,989	237,638
Lease Liabilities**	436,734	-	-	-	-
Total Government	<u>3,334,490</u>	<u>2,719,414</u>	<u>2,420,407</u>	<u>2,644,607</u>	<u>2,742,055</u>
<b>Business-type Activities*</b>					
General Obligation	1,260	2,130	-	-	-
Revenue Bonds	736,312	788,814	823,419	865,272	869,404
Bond Premium, Discount, Net*	23,788	28,564	39,278	41,791	46,147
Lease Liabilities**	54,106	-	-	-	-
Capital Leases**	-	173	546	-	1,054
Total Primary Government	<u>814,207</u>	<u>817,551</u>	<u>863,243</u>	<u>938</u>	<u>916,605</u>
				866,210	
Total Debt	<u>\$ 4,148,697</u>	<u>\$ 3,536,966</u>	<u>\$ 3,283,650</u>	<u>\$ 3,510,817</u>	<u>\$ 3,658,660</u>
New Mexico Personal Income	\$ 103,237,501	\$ 102,375,900	\$ 101,386,400	\$ 86,328,400	\$ 81,483,543
Debt as a Percentage of Personal Income	4.0%	3.5%	3.2%	4.1%	4.5%
New Mexico Population	2,113	2,116	2,101	2,095	2,088
General Obligation Debt Per Capita	\$ 196	\$ 239	\$ 201	\$ 167	\$ 125
Total Long-Term Debt Per Capita	\$ 1,963	\$ 1,672	\$ 1,563	\$ 1,675	\$ 1,752

Source State of New Mexico Annual Financial Report for outstanding bonded and non-bonded debt.

See Schedule for Demographics and Economic Statistics for personal income and population data. Ratios are calculated based upon personal income and population which are reported for the prior calendar year.

Note: In the past, total debt was used to calculate the above ratios. Beginning with fiscal year 2009, outstanding debt is used in the ratio calculation; therefore, all prior year balances were restated to reflect the change.

GASBS 87 for Right to Use/Lease assets was implemented in FY2022.

# STATE OF NEW MEXICO

## SCHEDULE C-1

	Fiscal Year				
	2017 as Restated	2016 as Restated	2015 as Restated	2014	2013
<b>Governmental Activities</b>					
General Obligation	\$ 260,760	\$ 389,270	\$ 311,270	\$ 372,700	\$ 296,890
Enhanced E-911 Revenue Bonds	-	-	-	-	-
Severance Tax Bonds	876,115	641,415	760,080	683,275	798,740
Revenue Bonds	1,367,542	1,558,689	1,520,839	1,562,240	1,723,061
Bond Premium, Discount, Net *	237,638	257,935	-	-	-
Lease Liabilities**	-	-	-	-	-
Total Government	<u>2,742,055</u>	<u>2,847,309</u>	<u>2,592,189</u>	<u>2,618,215</u>	<u>2,818,691</u>
<b>Business-type Activities*</b>					
General Obligation	-	-	-	-	-
Revenue Bonds	869,404	763,824	808,463	827,812	840,831
Bond Premium, Discount, Net*	43,961	42,649	31,519	-	-
Lease Liabilities**	-	-	-	-	-
Capital Leases**	1,054	1,502	1,919	1,060	1,292
Total Primary Government	<u>914,419</u>	<u>807,975</u>	<u>841,901</u>	<u>828,872</u>	<u>842,123</u>
Total Debt	<u>\$ 3,656,474</u>	<u>\$ 3,655,284</u>	<u>\$ 3,434,090</u>	<u>\$ 3,447,087</u>	<u>\$ 3,660,814</u>
New Mexico Personal Income	\$ 81,483,543	\$ 79,104,093	\$ 76,449,091	\$ 72,465,608	\$ 73,822,778
Debt as a Percentage of Personal Income	4.5%	4.6%	4.5%	4.8%	5.0%
New Mexico Population	2,088	2,080	2,083	2,085	2,084
General Obligation Debt Per Capita	\$ 125	\$ 187	\$ 149	\$ 179	\$ 142
Total Long-Term Debt Per Capita	\$ 1,751	\$ 1,757	\$ 1,649	\$ 1,653	\$ 1,757

# STATE OF NEW MEXICO

## LONG-TERM LIABILITIES

Last Ten Fiscal Years

(In Thousands)

	Fiscal Year				2018
	2022	2021	2020	2019	As Restated
<b>Governmental Activities</b>					
General Obligation Bonds	\$ 414,365	\$ 505,295	\$ 421,700	\$ 350,925	\$ 260,760
Severance Tax Bonds	1,110,570	964,035	680,245	814,370	876,115
Revenue Bonds	1,053,950	958,018	1,094,669	1,221,323	1,367,542
Bond Premium, Discount, Net *	318,871	292,066	223,794	257,988	200,994
Notes Payable	-	-	-	1,250	-
Deferred Loss on Refunding, Net *	-	-	-	-	-
Claims and Judgments	206,032	167,336	152,392	166,593	180,149
Hedging Derivatives - Interest Rate Swaps	-	-	-	-	84,090
Native American Water Settlement Liability **	51,291	70,543	91,543	69,706	60,850
Contingent Liabilities	20,900	-	22	29,516	3,678
Compensated Absences	97,508	94,674	83,605	68,795	63,982
Pollution Remediation Obligation	41,608	41,067	41,666	27,457	42,651
Net Pension Liability	3,043,770	3,953,370	3,429,456	3,341,570	3,264,743
Net OPEB Liability	782,224	994,857	774,289	1,035,068	-
Capital Leases	-	-	-	-	51,690
Reserve for Losses	-	-	-	-	-
Lease Liabilities	436,734	-	-	-	-
Other Liabilities	550,945	648,370	578,826	451,647	-
<b>Total Governmental Activities</b>	<b>8,128,768</b>	<b>8,689,631</b>	<b>7,572,207</b>	<b>7,836,208</b>	<b>6,457,243</b>
<b>Business-type Activities</b>					
Revenue Bonds	\$ 736,314	\$ 788,814	\$ 823,419	\$ 865,272	\$ 899,736
Bond Premium, Discount, Net *	23,785	28,568	39,279	41,791	43,960
Compensated Absences	107,556	113,414	99,083	87,588	86,356
Reserve for Losses	104,813	107,531	101,940	98,169	89,501
Notes Payable	8,235	9,325	13,506	11,285	12,985
Insurance Claims Payable	11,651	5,662	9,953	-	-
Capital Leases	-	173	546	938	1,054
Net OPEB Obligation	397,667	424,370	385,030	432,298	67,969
Derivative Instruments - Interest Rate Swaps	2,129	6,001	8,375	7,186	8,604
Student Loans	9,433	11,371	12,069	15,060	15,726
Environmental Cleanup	5,434	5,434	5,434	5,434	5,434
Net Pension Liability	1,982,851	5,511,724	2,188,285	3,485,718	2,125,341
Lease Liabilities	54,106	-	-	-	-
Other Liabilities	207,474	198,810	174,049	56,714	11,076
<b>Total Business-type Activities</b>	<b>3,651,448</b>	<b>7,211,198</b>	<b>3,860,968</b>	<b>5,107,453</b>	<b>3,367,742</b>
<b>Total Primary Government</b>					
Long-term Liabilities	\$ 11,780,216	\$ 15,900,829	\$ 11,433,175	\$ 12,943,661	\$ 9,824,984

Note: Details regarding the liabilities listed above can be found in Note 8, Changes in Long-term Liabilities in the financial statements.

\* In prior years, bond premium, discount, and loss on refunding was not stated separately.

# STATE OF NEW MEXICO

## SCHEDULE C-2

	Fiscal Year				
	2017	2016	2015 As Restated	2014	2013 As Restated
<b>Governmental Activities</b>					
General Obligation Bonds	\$ 326,755	\$ 429,764	\$ 311,270	\$ 372,700	\$ 296,890
Severance Tax Bonds	955,045	641,415	760,080	683,275	798,740
Revenue Bonds	1,281,950	1,423,069	1,520,839	1,562,240	1,723,061
Bond Premium, Discount, Net *	279,305	217,441	252,771	234,954	236,190
Notes Payable	14,000	5,755	1,581	1,598	2,454
Deferred Loss on Refunding, Net *	-	100,167	96,042	(91,257)	(81,982)
Claims and Judgments	195,471	100,461	259,855	348,753	433,547
Hedging Derivatives - Interest Rate Swaps	119,015	100,167	96,042	(91,257)	(81,982)
Native American Water Settlement Liability **	62,100	287,910	-	-	-
Contingent Liabilities	20,051	-	-	-	-
Compensated Absences	64,051	58,112	62,339	61,201	60,946
Pollution Remediation Obligation	44,278	287,910	47,129	53,373	55,694
Net Pension Liability	2,299,659	1,843,467	-	-	-
Net OPEB Liability	-	-	-	-	-
Capital Leases	53,045	53,199	-	-	-
Reserve for Losses	-	-	100,000	-	-
Lease Liabilities	-	-	-	-	-
Other Liabilities	-	52,307	212,200	252,003	330,217
<b>Total Governmental Activities</b>	<b>5,714,725</b>	<b>5,601,144</b>	<b>3,720,148</b>	<b>3,387,583</b>	<b>3,773,775</b>
<b>Business-type Activities</b>					
Revenue Bonds	\$ 653,372	\$ 695,552	\$ 808,463	\$ 827,812	\$ 840,831
Bond Premium, Discount, Net *	42,649	31,519	15,429	17,010	8,831
Compensated Absences	84,906	20,853	80,180	77,777	96,219
Reserve for Losses	87,453	-	69,988	65,471	65,472
Notes Payable	14,051	-	-	-	-
Insurance Claims Payable	-	-	-	-	-
Capital Leases	1,308	1,023	1,919	1,060	1,292
Net OPEB Obligation	61,333	-	-	-	-
Derivative Instruments - Interest Rate Swaps	13,350	-	-	-	-
Student Loans	18,592	-	-	-	-
Environmental Cleanup	5,434	-	-	-	-
Net Pension Liability	1,913,152	-	-	-	-
Lease Liabilities	-	-	-	-	-
Other Liabilities	-	56,579	184,094	79,083	56,173
<b>Total Business-type Activities</b>	<b>2,895,600</b>	<b>805,526</b>	<b>1,160,073</b>	<b>1,068,213</b>	<b>1,068,818</b>
<b>Total Primary Government Long-term Liabilities</b>	<b>\$ 8,610,325</b>	<b>\$ 6,406,670</b>	<b>\$ 4,880,221</b>	<b>\$ 4,455,796</b>	<b>\$ 4,842,593</b>

# STATE OF NEW MEXICO

## LEGAL DEBT MARGIN

Last Ten Fiscal Years

(In Thousands)

	Fiscal Year				
	2022	2021	2020	2019	2018
Net Taxable Value of Property Subject to Taxation	\$ 88,883,819	\$ 70,313,555	\$ 70,648,048	\$ 66,919,238	\$ 60,698,949
Statutory Debt Limit	1.0%	1.0%	1.0%	1.0%	1.0%
Debt Limit Amount	888,838	703,136	706,480	669,192	606,989
General Obligation Bonds	414,365	505,295	260,760	326,755	389,270
Total General Debt Outstanding	414,365	505,295	260,760	326,755	389,270
Legal Debt Margin	\$ 474,473	\$ 197,841	\$ 445,720	\$ 342,437	\$ 217,719
Legal Debt Margin as a Percentage of the Debt Limit	53.4%	28.1%	63.1%	51.2%	35.9%

**Note:** The *Constitution of the State of New Mexico*, Article IX, Section 8, limits the State's outstanding general debt to a maximum of one percent of the net taxable value of all property subject to taxation within the State. The legal debt margin is the remaining borrowing authority available and is calculated by subtracting the bonded debt outstanding from the legal debt limit as calculated per Constitutional requirements.

**Source:** Note information regarding general bonded debt outstanding can be located within the State of New Mexico's annual financial report per fiscal year. Property value data was provided by the Department of Finance and Administration, Local Government Division, Financial and Property Tax Data by County and Municipality. Per capita information is based upon population data located in the Demographics and Economic Statistics schedule.



**STATE OF NEW MEXICO**

**SCHEDULE C-3**

	Fiscal Year				
	2017 As Restated	2016	2015	2014	2013
Net Taxable Value of Property Subject to Taxation	\$ 57,451,756	\$ 56,625,171	\$ 58,412,965	\$ 56,473,465	\$ 54,236,936
Statutory Debt Limit	1.0%	1.0%	1.0%	1.0%	1.0%
Debt Limit Amount	574,518	566,252	584,130	564,735	542,369
General Obligation Bonds	311,270	372,700	296,890	355,500	398,580
Total General Debt Outstanding	311,270	372,700	296,890	355,500	398,580
Legal Debt Margin	\$ 263,248	\$ 193,552	\$ 287,240	\$ 209,235	\$ 143,789
Legal Debt Margin as a Percentage of the Debt Limit	45.8%	34.2%	49.2%	37.1%	26.5%

# STATE OF NEW MEXICO

## STATUTORY DEBT LIMIT SEVERANCE TAX BONDS

Last Ten Fiscal Years  
(In Thousands)

	Fiscal Year				
	2022	2021	2020	2019	2018
Annual Deposits into Severance Tax Bonding Fund	\$ 2,153,990	\$ 870,761	\$ 646,300	\$ 672,441	\$ 511,115
50.0% of Annual Deposits	1,076,995	435,381	323,150	336,221	255,558
Statutory Debt Limit Amount	1,076,995	435,381	323,150	336,221	255,558
Senior Bond Servicing Amount *	208,274	428,500	146,965	129,737	142,160
Statutory Debt Margin Amount	\$ 868,721	\$ 6,881	\$ 176,185	\$ 206,484	\$ 113,398
Statutory Debt Margin as a Percentage of Debt Limit	80.7%	1.6%	54.5%	61.4%	44.4%

Note: The State Board of Finance is prohibited by the Severance Tax Bonding Act from issuing Senior Severance Tax Bonds unless the aggregate amount of total Senior Severance Tax Bonds outstanding, including the bonds to be issued, can be serviced with not more than 50 percent of the annual deposits into the Bonding Fund, as determined by the deposits during the fiscal year preceding the issuance of the bonds.

\* Does not include payment on refunded bonds, which are paid from escrowed securities, payments on short-term debt issued by the State Treasurer and paid in the same year issued, or payments on Supplemental Bond Series.

Sources New Mexico Office of the State Treasurer audited financial statements.

**STATE OF NEW MEXICO**

**SCHEDULE C-4**

	Fiscal Year				
	2017	2016	2015	2014	2013
Annual Deposits into Severance Tax Bonding Fund	\$ 342,317	\$ 254,966	\$ 426,331	\$ 414,956	\$ 426,821
50.0% of Annual Deposits	171,159	127,483	213,166	207,478	213,411
Statutory Debt Limit Amount	171,159	127,483	213,166	207,478	213,411
Senior Bond Servicing Amount *	144,766	16,489	129,042	125,597	127,951
Statutory Debt Margin Amount	\$ 26,393	\$ 110,994	\$ 84,124	\$ 81,881	\$ 85,460
Statutory Debt Margin as a Percentage of Debt Limit	15.4%	87.1%	39.5%	39.5%	40.0%

# STATE OF NEW MEXICO

## PLEDGED REVENUE BOND COVERAGE

Last Ten Fiscal Years

(In Thousands)

Fiscal Year	Pledged Revenues Received	Annual Debt Service		Coverage
		Principal	Interest	
<b>Severance Tax Bonds (Including Supplemental Subordinate Liens)</b>				
2022	\$ 2,153,990	\$ 158,544	\$ 44,179	10.6
2021	870,761	128,115	28,612	5.6
2020	646,300	134,125	34,255	3.8
2019	672,441	129,300	37,224	4.0
2018	511,115	124,745	36,780	3.2
2017	342,317	124,745	39,485	2.1
2016	254,966	118,345	15,257	1.9
2015	426,331	-	18,301	23.3
2014	414,956	224,525	55,539	1.5
2013	426,821	115,465	33,969	2.9
<b>Highway Infrastructure Bonds</b>				
2022	\$ 1,066,719	\$ 162,596	\$ 37,307	5.3
2021	944,216	10,740	42,845	17.6
2020	923,500	107,110	48,116	5.9
2019	837,915	103,290	51,541	5.4
2018	914,621	96,925	52,907	6.1
2017	848,903	93,655	63,798	5.4
2016	791,378	68,640	64,753	5.9
2015	385,211	84,080	68,080	2.5
2014	385,116	106,610	71,053	2.2
2013	411,003	138,848	76,561	1.9
<b>Energy and Minerals Bonds</b>				
2022	\$ 7,648	\$ 539	\$ 42	13.2
2021	6,237	476	62	11.6
2020	6,200	457	80	11.5
2019	1,077	439	96	2.0
2018	10,136	422	120	18.7
2017	9,462	2,819	198	3.1
2016	8,970	2,008	347	3.8
2015	8,763	1,967	439	3.6
2014	13,652	2,863	645	3.9
2013	8,826	1,819	604	3.6

N/A Data not available.

Sources: NM Department of Transportation audited financial statements  
 NM Office of the State Treasurer audited financial statements  
 NM State Fair Commission (Expo) audited financial statements  
 NM Energy, Minerals and Natural Resources audited financial statements  
 NM Miner's Colfax Medical Center audited financial statements  
 NM Spaceport Authority audited financial statements  
 NM Department of Cultural Affairs audited financial statements  
 UNM - Health Science is included in Educational in 2020.

UNM audited financial statements  
 NMSU audited financial statements  
 ENMU audited financial statements  
 WNMU audited financial statements  
 NMMI audited financial statements  
 NMHU audited financial statements  
 NMTU audited financial statements

## STATE OF NEW MEXICO

## SCHEDULE C-5

Fiscal Year	Pledged Revenues Received	Annual Debt Service		Coverage
		Principal	Interest	
<b>Cultural Affairs Bonds and Loan</b>				
2022	\$ 865	\$ 557	\$ 26	1.5
2021	862	550	38	1.5
2020	868	581	50	1.4
2019	916	568	60	1.5
2018	892	558	65	1.4
2017	1,010	699	70	1.3
2016	821	331	128	1.8
2015	835	320	139	1.8
2014	455	459	224	0.7
2013	1,100	1,432	256	0.7
<b>Miners' Colfax Medical Center Bonds</b>				
2022	\$ 2,533	\$ 3,933	\$ 176	0.6
2021	7,616	1,060	203	6.0
2020	1,500	1,030	229	1.2
2019	2,954	1,008	252	2.3
2018	6,722	980	282	5.3
2017	6,317	955	315	5.0
2016	6,651	935	337	5.2
2015	5,759	910	277	4.9
2014	5,752	835	423	4.6
2013	6,386	770	509	5.0
<b>State Fair (EXPO) Bonds</b>				
2022	\$ -	\$ -	\$ -	0.0
2021	-	-	-	0.0
2020	-	-	-	0.0
2019	-	-	-	0.0
2018	-	-	-	0.0
2017	-	-	-	0.0
2016	-	-	-	0.0
2015	448	689	12	0.6
2014	1,070	687	36	1.5
2013	1,070	628	70	1.5
<b>Spaceport Authority Bonds</b>				
2022	\$ 10,826	\$ 4,313	\$ 225	2.4
2021	13,595	3,565	2,083	2.4
2020	5,000	3,425	2,224	0.9
2019	4,216	3,280	2,367	0.7
2018	7,053	3,145	2,502	1.2

Debt not issued in prior years.

STATE OF NEW MEXICO

SCHEDULE C-5 (CONTINUED)

Fiscal Year	Pledged Revenues Received	Annual Debt Service		Coverage
		Principal	Interest	
<b>Bernalillo County Metropolitan Court</b>				
2022	\$ 2,533	\$ 3,933	\$ 698	0.5
2021	1,970	3,070	851	0.5
2018	3,922	2,925	997	1.0
Reported on NMFA in Prior Years				
<b>Educational Insititutions</b>				
2022	\$ 632,049	\$ 48,123	\$ 26,320	8.5
2021	632,049	48,802	33,247	7.7
2020	2,907,000	44,793	36,528	35.7
Reported on NMFA in Prior Years				
<b>University of New Mexico Health Sciences</b>				
2022	\$ -	\$ 2,920	\$ -	0.0
2021	-	2,919	735	0.0
2018	-	-	-	0.0
Reported on UNM in Prior Years				
<b>General Services Department</b>				
2022	\$ 464,109	\$ 11,394	\$ 6,338	26.2
2021	6,809	4,549	6,560	0.6
2018	16,100	5,019	7,139	1.3
Reported on UNM in Prior Years				

# STATE OF NEW MEXICO

## DEMOGRAPHIC AND ECONOMIC INDICATORS

## SCHEDULE D-1

Last Ten Fiscal Years

Year	Population	Personal Income	Per Capita Personal Income	Median Age	* Percent High School Grad or Higher (Pop=25 Yrs & >)	Public School Enrollment
2022	2,113,344	\$ 103,237,501,000	\$ 48,850	38.1	86.8	322,989
2021	2,115,877	102,375,900,000	48,385	37.8	85.6	318,621
2020	2,100,566	101,386,400,000	48,266	38.1	86.0	333,020
2019	2,095,428	86,328,400,000	41,198	37.3	85.0	335,829
2018	2,095,428	86,328,400,000	41,198	37.3	85.0	335,829
2017	2,088,070	83,127,300,000	39,811	37.2	84.6	338,370
2016	2,081,015	80,758,305,000	38,807	37.4	84.2	339,613
2015	2,080,328	79,104,093,000	38,025	37.2	84.2	340,365
2014	2,083,024	76,449,091,000	36,701	37.2	84.0	339,219
2013	2,085,193	72,465,608,000	34,752	36.9	83.6	338,223

Sources: Population, Per Capita Personal Income - New Mexico Bureau of Business and Economic Research, University of New Mexico School Enrollment - New Mexico Department of Finance and Administration, Office of Education and Accountability Personal Income - Department of Commerce Bureau of Economic Analysis, Education - Census.gov B15002 American Fact Finder, PEPASR6H GeographyNMYR2012Population Estimates, bea.gov. www.ped.state.nm.us

Note: Personal Income, Per capita Personal Income and median Age data are as of 2018 data.  
2011-18 population data represents estimates based on the 2010 census.  
2017 is Restated

Note: Statistics were revised to indicate the percentage of individuals that have attained educational levels instead of the average educational level as was done in prior years.

\* Education level and years of schooling has been replaced with Percent High School Graduate or Higher

# STATE OF NEW MEXICO

## PRINCIPAL EMPLOYERS

## SCHEDULE D-2

Most Current Calendar Year and Historical Comparison

Entity Name	Calendar Year 2022			Calendar Year 2013*		
	Number of Employees	Rank	Percent of All Employees	Number of Employees	Rank	Percent of All Employees
State of New Mexico (total offices, departments, etc.)	26,947	1	3.0%	21,832	1	2.5%
Federal Government	28,900	2	3.2%	16,761	11	1.9%
Sandia National Laboratories	15,100	3	1.7%	8,400	7	1.0%
Walmart Corporate	14,725	4	1.6%	5,400	12	0.6%
Los Alamos National Laboratories	14,150	5	1.6%	7,949	8	0.9%
UNM University	11,875	6	1.3%	21,320	2	2.5%
Presbyterian Healthcare	11,575	7	1.3%	6,965	9	0.8%
Albuquerque Public Schools	10,150	8	1.1%	14,810	3	1.7%
City of Albuquerque	5,800	9	0.6%	6,940	10	0.8%
McDonalds	4,675	10	0.5%	N/A	NA	N/A
<b>Total Employees of Principal Employers</b>	<b>143,897</b>		<b>15.9%</b>	<b>110,377</b>		<b>12.7%</b>

Sources: New Mexico Department of Workforce Solutions, U.S. Department of Labor Statistics

2009 Book of Business List

NMNETLINKS

New Mexico Career Development Association

Albuquerque Public Schools - Human Resources Department

City of Albuquerque One Albuquerque finance.

Governing Magazine 1-25-2019 - Federal Employees by State

State of New Mexico Payroll Control (DFA)

Los Alamos National Laboratory - Facts 3-13-2019, as of 3-2018.

Sandia National Laboratories: Facts & Figures for FY 2018 (9-30-18).

Walmart Corporate - New Mexico, Location Facts

New Mexico State University Quick Facts 2018-2019, on 3-13-19

University of New Mexico - Office of Institutional Analytics - UNM Quick Facts 2015-2018

SEC quarterly reports

Note: Number of employees is based on a calendar year average.

Rankings are based on the employers identified, there may be larger employers not identified from sources available.

Some data sources only included locations that had in excess of 100 employees.

\* Used 2012, did not have information for 2011, since 2011 used 2010 data in annual reporting.



# STATE OF NEW MEXICO

## COMPOSITION OF LABOR FORCE

Last Ten Calendar Years

	Calendar Year				
	2022	2021	2020	2019	2018
<b>Nonagricultural Jobs</b>					
Government	184,800	173,800	186,300	190,300	183,600
Mining	21,000	18,800	18,600	26,300	20,300
Construction	52,600	51,100	49,500	52,200	46,900
Manufacturing	29,400	29,600	26,300	27,700	26,900
Trade, Transportation and Utilities	139,900	139,000	135,400	140,900	136,300
Information	9,800	8,200	9,900	11,300	11,100
Financial Activity	32,500	33,800	32,300	36,000	34,700
Professional and Business Services	116,400	113,100	107,800	109,900	103,200
Education and Health Services	146,900	137,100	135,600	144,000	140,200
Leisure and Hospitality	99,300	94,600	67,600	99,800	94,700
Other Services	27,600	28,400	25,900	27,900	27,600
<b>Total Nonagricultural Jobs</b>	<b>860,200</b>	<b>827,500</b>	<b>795,200</b>	<b>866,300</b>	<b>825,500</b>
Civilian Labor Force	938,167	969,048	960,100	966,624	949,047
Total Employed	901,310	913,408	877,700	920,787	904,196
Unemployed	36,857	55,640	82,400	45,837	44,851
Unemployment Rate	3.9%	4.8%	8.6%	4.7%	4.8%
Seasonally Adjusted Rate	3.7%	5.8%	8.6%	4.7%	4.7%

Source New Mexico Department of Workforce Solutions, U.S. Department of Labor Statistics 2022 Data unavailable

# STATE OF NEW MEXICO

## SCHEDULE D-3

	Calendar Year				
	2017	2016 as Restated	2015 as Restated	2014 as Restated	2013 as Restated
<b>Nonagricultural Jobs</b>					
Government	186,500	188,900	189,300	194,700	188,300
Mining	20,800	19,800	25,600	28,400	26,800
Construction	45,700	43,400	43,500	43,300	40,600
Manufacturing	26,400	26,900	27,800	28,300	27,300
Trade, Transportation and Utilities	136,600	138,700	139,600	142,700	136,800
Information	12,300	13,000	12,700	12,700	12,300
Financial Activity	34,000	33,500	33,300	33,600	34,100
Professional and Business Services	104,300	101,300	99,700	100,300	96,800
Education and Health Services	139,000	138,200	133,300	131,900	123,200
Leisure and Hospitality	96,400	95,500	93,100	89,000	85,000
Other Services	28,600	28,500	28,500	28,300	27,200
<b>Total Nonagricultural Jobs</b>	<b>830,600</b>	<b>827,700</b>	<b>826,400</b>	<b>833,200</b>	<b>798,400</b>
Civilian Labor Force	929,567	928,732	927,999	927,142	923,899
Total Employed	872,382	866,704	867,387	865,229	859,804
Unemployed	57,185	62,028	60,612	61,913	64,095
Unemployment Rate	6.2%	6.7%	6.5%	6.7%	6.9%
Seasonally Adjusted Rate	6.4%	6.7%	6.6%	6.7%	7.0%

# STATE OF NEW MEXICO

## PUBLIC HIGHER EDUCATION ENROLLMENT

Last Ten Academic Years

	Academic Year				
	2021-22	2020-21	2019-20	2018-19	2017-18
Eastern New Mexico University	4,490	4,958	5,519	4,791	5,573
New Mexico Highlands University	2,804	2,161	2,169	2,350	2,348
New Mexico Institute of Mining and Technology	1,734	1,482	1,517	1,614	1,612
New Mexico State University	27,854	17,518	18,458	18,592	18,398
Northern New Mexico College	1,453	761	768	804	799
University of New Mexico	34,368	21,273	22,568	22,812	23,430
Western New Mexico University	3,074	1,872	1,974	1,990	2,072
<b>Total All Four-Year Institutions</b>	<b>75,777</b>	<b>50,025</b>	<b>52,973</b>	<b>52,953</b>	<b>54,232</b>
Central New Mexico Community College <sup>1</sup>	18,563	10,600	11,612	12,000	12,156
Clovis Community College	3,408	1,291	1,461	1,509	1,477
Luna Community College	1,128	420	526	513	505
Mesalands Community College	1,198	280	346	413	388
New Mexico Junior College	2,500	1,352	1,591	1,464	1,696
New Mexico Military Institute	570	471	459	487	487
Northern New Mexico College	N/A	N/A	N/A	N/A	N/A
San Juan College	7,866	3,216	3,914	3,873	3,672
Santa Fe Community College	4,027	1,716	2,175	2,229	2,252
<b>Total All Two-Year Institutions</b>	<b>39,260</b>	<b>19,346</b>	<b>22,084</b>	<b>22,488</b>	<b>22,633</b>
<b>Total All Institutions</b>	<b>115,037</b>	<b>69,371</b>	<b>75,057</b>	<b>75,441</b>	<b>76,865</b>

<sup>1</sup> Albuquerque Technical Vocational Institute's name changed to Central New Mexico Community College

Source: Information can be found at <http://hed.state.nm.us/data-reports/data-reports-1/annual-projects>  
Annual Report

These numbers are by total FTE not head counts. Branches must be Included in totals.

# STATE OF NEW MEXICO

## SCHEDULE D-4

	Academic Year				
	2016-17	2015-16	2014-15	2013-14	2009-2010
Eastern New Mexico University	5,891	5,936	6,327	6,489	6,862
New Mexico Highlands University	2,438	2,653	2,626	2,742	2,758
New Mexico Institute of Mining and Technology	1,666	1,817	1,805	1,766	1,694
New Mexico State University	19,324	19,876	20,630	21,752	22,756
Northern New Mexico College	786	707	870	1,061	1,186
University of New Mexico	25,483	28,489	28,277	28,586	28,557
Western New Mexico University	2,045	2,169	2,222	2,223	2,153
<b>Total All Four-Year Institutions</b>	<b>57,633</b>	<b>61,647</b>	<b>62,757</b>	<b>64,619</b>	<b>65,966</b>
Central New Mexico Community College <sup>1</sup>	12,716	13,684	14,653	15,920	15,818
Clovis Community College	1,495	1,500	1,548	1,589	1,684
Luna Community College	614	709	757	856	925
Mesalands Community College	404	469	428	423	652
New Mexico Junior College	1,593	1,651	1,698	1,651	1,626
New Mexico Military Institute	492	511	550	588	613
Northern New Mexico College	N/A	N/A	N/A	N/A	N/A
San Juan College	3,538	4,409	4,619	4,901	4,948
Santa Fe Community College	2,391	2,648	2,899	3,003	2,883
<b>Total All Two-Year Institutions</b>	<b>23,243</b>	<b>25,581</b>	<b>27,152</b>	<b>28,931</b>	<b>29,149</b>
<b>Total All Institutions</b>	<b>80,876</b>	<b>87,228</b>	<b>89,909</b>	<b>93,550</b>	<b>95,115</b>

# STATE OF NEW MEXICO

## FULL-TIME EQUIVALENT STATE EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

	Fiscal Year				
	2022	2021	2020	2019 As Restated	2018
General Government					
Government Operations	1,416.0	1,353.1	1,380.0 <sup>1</sup>	1,336.5	1,334.0
Taxation and Revenue	1,063.0	1,054.2	1,072.8	1,066.8	1,078.0
Human Services and Youth Corrections	3,289.0	4,109.8	4,089.8	4,105.8	3,909.0
Adult Corrections	2,498.0	2,492.0	2,621.0	2,453.0	2,443.0
Public Safety	1,561.0	1,539.4	1,607.3	1,547.3	1,535.0
State Courts	4,009.0	3,574.4	3,542.6 <sup>2</sup>	3,473.4	3,389.0
Health and Environment					
Department of Health	4,003.0	3,992.0	3,769.5 <sup>4</sup>	3,551.5	3,536.0
Department of Environment	689.0	653.0	634.5	635.5	638.0
Miners Colfax Community Hospital	293.0	290.5	258.0	260.0	258.0
Employment and Family Services	2,166.0	2,222.8	1,405.8 <sup>4</sup>	1,418.3	1,643.0
Natural Resources	1,492.0	1,404.9	1,361.5	1,375.5	1,366.0
Cultural Affairs	502.0	485.8	509.3	487.9	494.0
Business, Labor and Agriculture	879.0	842.0	878.4 <sup>3</sup>	864.4	860.0
Education	411.0	394.5	387.2	384.2	378.0
Transportation	2,676.0	2,615.5	2,506.5	2,506.5	2,503.0
<b>Total Full-Time Equivalent State Employees</b>	<b>26,947.0</b>	<b>27,023.9</b>	<b>26,024.2</b>	<b>25,466.6</b>	<b>25,364.0</b>
Change	-0.3%	3.7%	2.1%	0.4%	-2.0%

Source New Mexico Legislative General Appropriation Act for each fiscal year's annual appropriation.

NMNETLINKS

New Mexico Career Development Association

Report of the Legislative Finance Committee to the 53rd Legislature Second Session, January 2018, Vol. 2, Pg. 1-351

Report of the Legislative Finance Committee to the 54th Legislature First Session, January 2019, Vol. 2, Pg. 1-324

Report to the Legislative Finance Committee to the Fifty-Fourth Legislature, Second Session January 2020 for the 2021 Fiscal Year, Vol. 2, Pg. 1-348

Report to the Legislative Finance Committee to the Fifty-Fifth Legislature, First Session January 2020 for the 2021 Fiscal Year, Vol. 2, Pg. 1-351.

<sup>1</sup> Total FTE Positions for Attorney General included in Government Operations for 2017 is based on 2016 as 2017 was not available

<sup>2</sup> Total FTE Positions for 4th, 5th, 8th, 9th, and 10th Judicial District Attorneys included in State Courts for 2018 is based on 2017 as 2018 was not available

<sup>3</sup> Total FTE Positions for Gaming Control Board included in Business, Labor and Agriculture for 2018 is based on 2017 as 2018 was not available

<sup>4</sup> Throughout 2018, approximately 222 FTE Positions were transferred from the Department of Health to the Department of Veterans' Services for certain functions including IT Infrastructure, financial oversight and electronic health record.

# STATE OF NEW MEXICO

## SCHEDULE E-1

	Fiscal Year				
	2017	2016	2015	2014	2013
General Government					
Government Operations	1,355.0	1,190.0	1,203.5	1,203.5	1,228.5
Taxation and Revenue	1,088.0	1,096.0	1,109.0	1,109.0	1,136.0
Human Services and Youth Corrections	4,320.0	4,540.0	4,384.1	4,384.1	4,225.1
Adult Corrections	2,409.0	2,447.0	2,453.0	2,453.0	2,453.5
Public Safety	1,545.0	1,499.7	1,452.7	1,452.7	1,456.7
State Courts	3,375.0	3,587.4	3,471.0	3,471.0	3,497.8
Health and Environment					
Department of Health	3,792.0	3,780.0	3,791.0	3,791.0	3,946.0
Department of Environment	637.0	660.5	660.5	660.5	671.5
Miners Colfax Community Hospital	224.0	224.0	224.0	224.0	224.0
Employment and Family Services	1,435.0	623.5	618.5	618.5	626.5
Natural Resources	1,389.0	1,005.8	967.8	967.8	1,018.8
Cultural Affairs	509.0	508.8	507.8	507.8	505.5
Business, Labor and Agriculture	900.0	1,809.5	1,813.6	1,813.6	1,734.7
Education	397.0	348.3	350.3	350.3	364.8
Transportation	2,488.0	2,487.5	2,489.5	2,489.5	2,502.5
<b>Total Full-Time Equivalent State Employees</b>	<b>25,863.0</b>	<b>25,808.0</b>	<b>25,496.3</b>	<b>25,496.3</b>	<b>25,591.9</b>
Change	0.2%	1.2%	0.0%	-0.4%	-0.8%

# STATE OF NEW MEXICO

## OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

	Fiscal Year				
	2022	2021	2020	2019 as Restated	2018 as Restated
<b>General Government</b>					
<b>Operations</b>					
Public Employees' Retirement Fund's National Performance Ranking Percentile (Ten-Year Annualized) <sup>8 11 24 39 43 50</sup>	50 <sup>th</sup>	50 <sup>th</sup>	40 <sup>th</sup>	39 <sup>th</sup>	39 <sup>th</sup>
<b>Taxation</b>					
% of Electronically Filed Personal Income Tax Returns <sup>9 14 15 19 23 37 44, 47</sup>	90%	82%	90%	88%	87%
% of Motor Vehicle Registrations Issued (with Liability Insurance) <sup>14 15 19 23 37 44 47</sup>	91%	92%	91%	90%	90%
Amount of Delinquent Property Tax Collected and Distributed to Counties in millions <sup>8 10 14 15 19 23 37 44 47</sup>	\$12.0	\$11.0	\$10.4	\$12.9	\$14.6
<b>Regulation</b>					
# of Vehicular Port Traffic at New Mexico Ports <sup>10 14 15 18 26 38 45 48</sup>	1,988,283	766,671	937,119	1,548,500	1,597,023
Nursing Licenses Issued <sup>10 15 18 25, 40 46 49</sup>	31,132	14,500	18,918	24,711	19,340
Tri-Annual Physician Licenses Issued <sup>10 14 15 18 27 38 45 48</sup>	5,269	3,000	4,303	4,086	4,059
Biennial Physician Assistant Licenses Issued <sup>10 15 18 27 38 45 48</sup>	621	225	629	556	487
<b>Public Safety</b>					
Inspection/Audit Hours by State Fire Marshall and Pipeline Safety Bureau <sup>10 14 15 19 28 41 45 48</sup>	10,822	37,919	NA	NA	19,500
# of Traffic Fatalities <sup>9 14 15 18 23 37 44 47</sup>	464	395	418	417	369
# of Driving While Intoxicated Fatalities <sup>9 14 15 18 23 37 44 47</sup>	133	169	142	157	143
# of Driving While Intoxicated Arrests <sup>9 14 15 18 23 37 44 47</sup>	2,809	2,479	1,647	2,171	2,574
<b>Education</b>					
<b>Public</b>					
# of High School Graduates (4 year) <sup>1 29 42</sup>	32,058	26,096	25,995	26,092	26,288
Student Dropout Rate for Grades 9 - 12 <sup>2 30 42 52</sup>	4.4%	4.4%	NA	NA	NA
Public School Capital Outlay Allocation (\$ Millions) <sup>4</sup>	15.7	136	N/A	N/A	N/A
<b>Higher</b>					
Graduation Rate of Bachelor Degree Students (Period of Six Years for Completion) <sup>8 10 14 15 38 45 48</sup>	48%	40%	56%	54%	50%
% of First Time Freshman Lottery Scholarship Recipients at Four-Year Institutions Who Complete Within Six Years <sup>8 10 14 15 21</sup>	73%	73%	N/A	N/A	N/A

# STATE OF NEW MEXICO

## SCHEDULE E-2

	Fiscal Year				
	2017	2016	2015	2014	2013
	as Restated	as Restated	as Restated	as Restated	as Restated
<b>General Government</b>					
<b>Operations</b>					
Public Employees' Retirement Fund's National Performance Ranking Percentile (Ten-Year Annualized) <sup>8 11 24 39 43 50</sup>	39 <sup>th</sup>	30 <sup>th</sup>	36 <sup>th</sup>	30 <sup>th</sup>	30 <sup>th</sup>
<b>Taxation</b>					
% of Electronically Filed Personal Income Tax Returns <sup>9 14 15 19 23 37 44, 47</sup>	86%	85%	92%	90%	85%
% of Motor Vehicle Registrations Issued (with Liability Insurance) <sup>14 15 19 23 37 44 47</sup>	90%	92%	91%	91%	91%
Amount of Delinquent Property Tax Collected and Distributed to Counties in millions <sup>8 10 14 15 19 23 37 44 47</sup>	\$11.5	\$11.6	\$10.4	\$13.1	\$12.4
<b>Regulation</b>					
# of Vehicular Port Traffic at New Mexico Ports <sup>10 14 15 18 26 38 45 48</sup>	1,571,366	1,589,396	1,463,046	1,279,179	824,824
Nursing Licenses Issued <sup>10 15 18 25, 40 46 49</sup>	16,872	16,251	14,854	14,551	15,081
Tri-Annual Physician Licenses Issued <sup>10 14 15 18 27 38 45 48</sup>	4,116	3,744	3,841	3,945	3,661
Biennial Physician Assistant Licenses Issued <sup>10 15 18 27 38 45 48</sup>	455	451	476	436	398
<b>Public Safety</b>					
Inspection/Audit Hours by State Fire Marshall and Pipeline Safety Bureau <sup>10 14 15 19 28 41 45 48</sup>	16,590	10,408	14,775	18,202	11,564
# of Traffic Fatalities <sup>9 14 15 18 23 37 44 47</sup>	383	366	347	343	304
# of Driving While Intoxicated Fatalities <sup>9 14 15 18 23 37 44 47</sup>	163	149	155	137	120
# of Driving While Intoxicated Arrests <sup>9 14 15 18 23 37 44 47</sup>	N/A	N/A	N/A	N/A	N/A
<b>Education</b>					
<b>Public</b>					
# of High School Graduates (4 year) <sup>1 29 42</sup>	26,587	25,926	25,863	25,170	25,903
Student Dropout Rate for Grades 9 - 12 <sup>2 30 42 52</sup>	3.80%	4.4%	4.4%	4.3%	5.0%
Public School Capital Outlay Allocation (\$ Millions) <sup>4</sup>	N/A	546	895	457	483
<b>Higher</b>					
Graduation Rate of Bachelor Degree Students (Period of Six Years for Completion) <sup>8 10 14 15 38 45 48</sup>	49%	48%	48%	48%	43%
% of First Time Freshman Lottery Scholarship Recipients at Four-Year Institutions Who Complete Within Six Years <sup>8 10 14 15 21</sup>	N/A	75%	72%	73%	72%



# STATE OF NEW MEXICO

## OPERATING INDICATORS BY FUNCTION (CONTINUED)

Last Ten Fiscal Years

	Fiscal Year				
	2022	2021	2020	2019 as Restated	2018 as Restated
<b>Health and Human Services</b>					
% of Children Receiving Services in Medicaid Managed Care <sup>10 14 15 23 33 44 47</sup>	70%	70%	73%	75%	72%
% of Child Support Collected of Support Owed <sup>9 14 15 18 23 33 45 48</sup>	58%	57%	59%	58%	57%
# of Homeless Veterans Provided Shelter (Period of Two Weeks or More) <sup>8 10 14 15 21 31</sup>	173	173	N/A	N/A	N/A
% of Children Adopted within 24 Months of Entry into Foster Care <sup>8 10 14 15 23 37 44 48 (Split into two time periods for 2020)</sup>	38%	35%	36%	27%	28%
% of Abused Children with Repeat Maltreatment <sup>9 14 15 23 33 45 48</sup>	14%	8%	14%	17%	15%
% of Preschoolers Fully Immunized <sup>9 14 15 18 45 48</sup>	66%	76%	63%	64%	61%
# of Operating School-Based Health Centers <sup>13 14 15 32</sup>	91	82	79	73	73
Average Patient Length of Stay for Acute Care Facility (Miners' Colfax Hospital) <sup>13 21 26 45 48</sup>	5	4	4	5	5
<b>Corrections</b>					
<b>Juvenile</b>					
% Juveniles Earning Education Credits While Incarcerated <sup>8</sup>	56%	55%	NA	NA	NA
% of Juveniles Who Complete Formal Probation <sup>23 37 38 44 47</sup>	85%	90%	94%	86%	86%
% of Juveniles Recommitted to a Youth Detention Facility <sup>9 14 15 17 23 37 45 47</sup>	20%	12%	20%	20%	20%
<b>Adult</b>					
Turnover Rate of Correctional Officers <sup>9 14 15 18 23 33 45 48</sup>	28%	11%	2%	25%	28%
Success Rate Recidivism of Offenders Enrolled in After Release Program (36 months) <sup>9 14 15 23 37 45 48</sup>	35%	37%	46%	46%	51%
% of Prisoners Reincarcerated within 36 Months After Release <sup>10 14 15 17 23 37 44 45 48</sup>	37%	40%	54%	54%	49%
<b>Culture and Recreation</b>					
# of Visits to Visitor Information Centers (Millions) <sup>8</sup>	1.2	1.3	N/A	N/A	N/A
# of Unique Website Visitor Sessions (Millions) <sup>8 23 45 48</sup>	2	2	2.4	2.4	0.4
Circulation Rate for New Mexico Magazine <sup>8 9 14 15 18 33 38 44 47</sup>	80,000	94,221	70,000	70,000	70,000
Attendance to Museum Exhibitions, Performances, Films, Programs <sup>8 10 14 15 34 35 45 48</sup>	726,301	830,000	827,895	826,969	855,789
% of Public Hunting Licenses Drawn by New Mexico Resident Hunters <sup>8 10 14 15 18 36 38 45 48</sup>	84%	80%	88%	84%	84%
Fish Output from Hatchery System (in Pounds) <sup>5 7 8 10 14 15 33 38 45 48</sup>	672,642	592,247	666,738	670,851	646,175
# of Visitors to State Parks (Millions) <sup>8 9 14 15 23 44 47</sup>	5	4	4	5	5
<b>Natural Resources, Environment</b>					
# of Inspections of Oil and Gas Wells and Associated Facilities <sup>8 14 15 23 37 44 47</sup>	31,154	35,147	36,852	31,043	42,880
% of Required Mine Inspection Conducted <sup>8 14 15 23 37 45 48</sup>	100%	100%	88%	88%	95%
% of Abandoned Uranium Mines with Current Site Assessments <sup>8</sup>	50%	50%	N/A	N/A	N/A
% of Landfills Meeting Groundwater Monitoring Requirements <sup>14 15 23 37 44 47</sup>	95%	95%	97%	99%	96%
# of Wildlife Habitat Acres Conserved or Enhanced <sup>8 20 35</sup>	100,000	100,000	192,000	192,000	192,000
# of Threatened/Endangered Species Monitored/Involved in Recovery Process changed to % of Endangered Species in 2017 <sup>8 10 14 15 38 45 48</sup>	45	35	51%	48%	41%

STATE OF NEW MEXICO

SCHEDULE E-2 (CONTINUED)

	Fiscal Year				
	2017 as Restated	2016 as Restated	2015 as Restated	2014 as Restated	2013 as Restated
<b>Health and Human Services</b>					
% of Children Receiving Services in Medicaid Managed Care <sup>10 14 15 23 38 44 47</sup>	85%	85%	86%	80%	70%
% of Child Support Collected of Support Owed <sup>9 14 15 18 23 38 45 48</sup>	56%	56%	56%	56%	56%
# of Homeless Veterans Provided Shelter (Period of Two Weeks or More) <sup>8 10 14 15 21 31</sup>	503	491	360	360	132
% of Children Adopted within 24 Months of Entry into Foster Care <sup>8 10 14 15 23 37 44 48 (Split into two time periods for 2020)</sup>	25%	23%	32%	32%	31%
% of Abused Children with Repeat Maltreatment <sup>9 14 15 23 38 45 48</sup>	15%	12%	11%	11%	9%
% of Preschoolers Fully Immunized <sup>9 14 15 18 45 48</sup>	72%	NA	76%	72%	72%
# of Operating School-Based Health Centers <sup>13 14 15 32</sup>	70	72	80	80	80
Average Patient Length of Stay for Acute Care Facility (Miners' Colfax Hospital) <sup>18 21 26 45 48</sup>	5	3	3	3	3
<b>Corrections</b>					
<b>Juvenile</b>					
% Juveniles Earning Education Credits While Incarcerated <sup>8</sup>	NA	NA	NA	NA	NA
% of Juveniles Who Complete Formal Probation <sup>23 37 38 44 47</sup>	83%	85%	83%	NA	NA
% of Juveniles Recommitted to a Youth Detention Facility <sup>9 14 15 17 23 37 45 47</sup>	7%	10%	8%	10%	9%
<b>Adult</b>					
Turnover Rate of Correctional Officers <sup>9 14 15 18 23 38 45 48</sup>	2%	10%	13%	10%	8%
Success Rate Recidivism of Offenders Enrolled in After Release Program (36 months) <sup>9 14 15 23 37 45 48</sup>	50%	46%	47%	36%	28%
% of Prisoners Reincarcerated within 36 Months After Release <sup>10 14 15 17 23 37 44 45 48</sup>	50%	46%	23%	47%	47%
<b>Culture and Recreation</b>					
# of Visits to Visitor Information Centers (Millions) <sup>8</sup>	N/A	N/A	N/A	NA	N/A
# of Unique Website Visitor Sessions (Millions) <sup>8 23 45 48</sup>	0.4	0.6	0.8	NA	NA
Circulation Rate for New Mexico Magazine <sup>8 9 14 15 18 33 38 44 47</sup>	70,000	75,000	92,148	89,556	91,197
Attendance to Museum Exhibitions, Performances, Films, Programs <sup>8 10 14 15 34 38 45 48</sup>	779,810	745,101	823,450	851,101	826,912
% of Public Hunting Licenses Drawn by New Mexico Resident Hunters <sup>8 10 14 15 18 36 38 45 48</sup>	84%	84%	84%	87%	86%
Fish Output from Hatchery System (in Pounds) <sup>5 7 8 10 14 15 35 38 45 48</sup>	681,103	638,594	637,200	634,779	621,721
# of Visitors to State Parks (Millions) <sup>8 9 14 15 23 44 47</sup>	5	5	4	4	3.8
<b>Natural Resources, Environment</b>					
# of Inspections of Oil and Gas Wells and Associated Facilities <sup>8 14 15 23 37 44 47</sup>	37,648	49,624	47,539	38,920	37,707
% of Required Mine Inspection Conducted <sup>8 14 15 23 37 45 48</sup>	97%	97%	97%	94%	100%
% of Abandoned Uranium Mines with Current Site Assessments <sup>8</sup>	N/A	N/A	N/A	N/A	N/A
% of Landfills Meeting Groundwater Monitoring Requirements <sup>14 15 23 37 44 47</sup>	97%	100%	95%	96%	100%
# of Wildlife Habitat Acres Conserved or Enhanced <sup>8 20 35</sup>	192,000	NA	NA	NA	NA
# of Threatened/Endangered Species Monitored/Involved in Recovery Process changed to % of Endangered Species in 2017 <sup>8 10 14 15 38 45 48</sup>	52%	N/A	35	35	39

# STATE OF NEW MEXICO

## OPERATING INDICATORS BY FUNCTION (CONTINUED)

Last Ten Fiscal Years

	Fiscal Year				
	2022	2021	2020	2019 as Restated	2018 as Restated
<b>Business, Labor, and Agriculture</b>					
% of Adults Who Entered Employment in 1 <sup>st</sup> Quarter of Receiving Training Services (Changed in 2013 to Percent of Individuals Who Have Received Employment Services Retaining Employment After Six Months) <sup>9 14 15 17 19 23 37 45 48</sup>	61%	72%	69%	79%	79%
# of Rural Jobs Created <sup>9 14 15 23 37 45 48</sup>	1,766	1,542	460	1,376	2,414
# of Media Industry Worker Days <sup>9 14 15 18 37 45 48</sup>	143,000	143,046	102,376	319,814	259,961
Changed to "Direct Spending by Industry productions (\$ Millions) <sup>14 23 37 45 48</sup>	\$5,855	\$674	\$257	\$525	\$234
Economic Impact of Media Industry Productions (\$ Millions) <sup>5 6 9 15 23</sup>	NA	NA	NA	NA	NA
<b>Highways and Transportation</b>					
# of System wide Miles in Deficient Condition <sup>9 14 15 23 37 45 48</sup>	1,451	3,837	4,420	3,783	4,675
# of Traffic Fatalities per 100 Million Vehicle Miles Traveled <sup>5 7 8 12 31</sup>	1.75	1.43	1.53	1.30	1.43
# of Statewide Improved Pavement Surface Miles <sup>3 6 9 14 15 23 37 45 48</sup>	4,373	2,750	3,970	3,143	2,854

	Fiscal Year				
	2017 as Restated	2016 as Restated	2015 as Restated	2014 as Restated	2013 as Restated
<b>Business, Labor, and Agriculture</b>					
% of Adults Who Entered Employment in 1 <sup>st</sup> Quarter of Receiving Training Services (Changed in 2013 to Percent of Individuals Who Have Received Employment Services Retaining Employment After Six Months) <sup>9 14 15 17 19 23 37 45 48</sup>	78%	80%	80%	75%	74%
# of Rural Jobs Created <sup>9 14 15 23 37 45 48</sup>	775	641	726	1,562	1,440
# of Media Industry Worker Days <sup>9 14 15 18 37 45 48</sup>	448,304	260,307	298,398	189,782	216,461
Changed to "Direct Spending by Industry productions (\$ Millions) <sup>14 23 37 45 48</sup>	\$505	\$387	\$286	\$162	\$641
Economic Impact of Media Industry Productions (\$ Millions) <sup>5 6 9 15 23</sup>	NA	NA	NA	NA	NA
<b>Highways and Transportation</b>					
# of System wide Miles in Deficient Condition <sup>9 14 15 23 37 45 48</sup>	4,675	4,515	4,250	3,896	8,287
# of Traffic Fatalities per 100 Million Vehicle Miles Traveled <sup>5 7 8 12 31</sup>	1.16	1.18	1.09	1.51	1.21
# of Statewide Improved Pavement Surface Miles <sup>3 6 9 14 15 23 37 45 48</sup>	3,668	2,457	2,611	2,889	3,139

# STATE OF NEW MEXICO

## SCHEDULE E-2 (CONTINUED)

Source: Various departments of the State of New Mexico

- <sup>1</sup> New Mexico Public Education Website - New Mexico High School Graduation - Graduation Rates
- <sup>2</sup> [New Mexico Dropout Report published by New Mexico Public Education Department](#)
- <sup>3</sup> New Mexico Public Schools Finance Authority
- <sup>4</sup> [Report of the Legislative Finance Committee to the 50th Legislature Second Session, January 2012, Vol. II, Pq. 92, 93, 95, 99, 100, 101, 102, 103, 104, 105, 106, 108, 112, 113, 114, 122, 123, 172, 178, 187, 188, 194, 262, 287, 291, 303, 322, 323, 336, 338](#)
- <sup>5</sup> [Report of the Legislative Finance Committee to the 51th Legislature Second Session, January 2014, Vol. I, Pq. 83, 98, 99, 100, 101, 105, 108, 112, 115, 116, 124, 125, 132, 133](#)
- <sup>6</sup> [Report of the Legislative Finance Committee to the 51th Legislature Second Session, January 2014, Vol. II, Pq. 41, 59, 121, 150, 157, 159, 185, 230, 276, 278, 283, 330, 332](#)
- <sup>7</sup> [Pension fund rankings by state-Crain's Chicago Bz. <http://www.chicagobusiness.com/article/20130110/NEWS07130109847/pension-fund-rankings-by-state-were-no-50>](http://www.chicagobusiness.com/article/20130110/NEWS07130109847/pension-fund-rankings-by-state-were-no-50)
- <sup>8</sup> [New Mexico Transportation By The Numbers](#)
- <sup>9</sup> [New Mexico Alliance for School-Based Health Care \(NMASBHC\): <http://www.nmzsbhc.org/index.html>](http://www.nmzsbhc.org/index.html)
- <sup>10</sup> [Report of the Legislative Finance Committee to the 52th Legislature Second Session, January 2015, Vol. I, Pq. 88, 90, 98, 99, 100, 101, 105, 108, 112, 113, 116, 117, 121, 122, 123, 129, 130; Vol II pg. 126, 134, 136, 143, 156, 158, 176, 184, 226, 285, 307, 324, 342, 344](#)
- <sup>11</sup> [Report of the Legislative Finance Committee to the 52th Legislature Second Session, January 2016, Vol. II, Pq. 152, 327, 343, 356, 505](#)
- <sup>12</sup> [Report of the Legislative Finance Committee to the 53rd Legislature First Session, January 2017, Vol. I, Pq. 91, 103, 116](#)
- <sup>13</sup> [Report of the Legislative Finance Committee to the 53rd Legislature First Session, January 2017, Vol. II, Pq. 115, 143, 145, 215, 237, 243, 264, 277, 283, 293](#)
- <sup>14</sup> [Report of the Legislative Finance Committee to the 50th Legislature First Session, January 2011, Vol. II, Pq. 157, 243](#)
- <sup>15</sup> [Report of the Legislative Finance Committee to the 52nd Legislature First Session, January 2015, Vol. II, Pq. 261, 285, 343](#)
- <sup>16</sup> [Mercatus Center - George Mason University. \[www.mercatus.org/statistics/rankings\]\(http://www.mercatus.org/statistics/rankings\)](http://www.mercatus.org/statistics/rankings)
- <sup>17</sup> [Report of the Legislative Finance Committee to the 54rd Legislature First Session, January 2018, Vol. I, Pq. 36, 94-98, 100-101, 103-104, 114, 119-120, 122-124, 131-132](#)
- <sup>18</sup> [Pension Fund Programs Worsen in 43 States, by Laurie Meisler. \[www.bloomber.com/graphics/2017-state-pension-funding\]\(http://www.bloomber.com/graphics/2017-state-pension-funding\)](http://www.bloomber.com/graphics/2017-state-pension-funding)
- <sup>19</sup> [New Mexico Board of Nursing - Annual Governor's Report FY 2017, Pa. 12](#)
- <sup>20</sup> [Report of the Legislative Finance Committee to the 54rd Legislature First Session, January 2018, Vol. II, Pa. 121, 240](#)
- <sup>21</sup> [New Mexico Medical Board - E-mailed](#)
- <sup>22</sup> [New Mexico Public Regulation Commission - Annual Report FY 2017, Pa. 14, 16](#)
- <sup>23</sup> [New Mexico Public Education Website - New Mexico High School Graduation - Graduation Rates & Year Graduation Rate Cohort 2017](#)
- <sup>24</sup> [New Mexico Public Education E-Mail - CFO](#)
- <sup>25</sup> [New Mexico Veterans' Services Department Performance Measures Summary, Pa. 1](#)
- <sup>26</sup> [New Mexico Alliance for School Based Health Care. \[www.nmzsbhc.org/SBHC\\\_Locator\]\(http://www.nmzsbhc.org/SBHC\_Locator\)](http://www.nmzsbhc.org/SBHC_Locator)
- <sup>27</sup> [New Mexico Magazine - E-Mail Circulation](#)
- <sup>28</sup> [New Mexico Department of Cultural Affairs - E-](#)
- <sup>29</sup> [New Mexico Department of Game and Fish Annual Report, Pa. 6, 9](#)
- <sup>30</sup> [New Mexico Department of Game & Fish - Website. \[www.wildlife.state.nm.us/hunting/applications-and-draws-information\]\(http://www.wildlife.state.nm.us/hunting/applications-and-draws-information\)](http://www.wildlife.state.nm.us/hunting/applications-and-draws-information)
- <sup>31</sup> [Report of the Legislative Finance Committee to the 54th Legislature First Session, January 2019, Vol. I, Pa. 107, 109-110, 114, 127, 135-136, 145, 147, 155, 156](#)
- <sup>32</sup> [Report of the Legislative Finance Committee to the 54th Legislature First Session, January 2019, Vol. II, Pa. 118, 120, 136, 144, 146, 169, 177, 218, 222, 245, 275, 276, 286, 336](#)
- <sup>33</sup> [Pension Fund Outlook Brightens in 41 States, by Danielle Moran. \[www.bloomber.com/graphics/2018-state-pension-funding\]\(http://www.bloomber.com/graphics/2018-state-pension-funding\)](http://www.bloomber.com/graphics/2018-state-pension-funding)
- <sup>34</sup> [New Mexico Board of Nursing - Annual Report FY 2018, Pa. 4](#)
- <sup>35</sup> [New Mexico Public Regulation Commission - Annual Report FY 2018, Pa. 22-F45](#)
- <sup>36</sup> [New Mexico Public Education Website - New Mexico High School Graduation - Graduation Rates & Year Graduation Rate Cohort 2019](#)
- <sup>37</sup> [Money - Is your money safe? These states are getting hit hardest by pension crisis. 10/15/2019.](#)
- <sup>38</sup> [Report of the Legislative Finance Committee to the 54th Legislature Second Session, January 2020, Vol. I, Pa. 109-110, 121-122, 127, 134, 143, 148-149, 156-158](#)
- <sup>39</sup> [Report of the Legislative Finance Committee to the 54th Legislature Second Session, January 2020, Vol. II, Pa. 122-123, 125-126, 129-130, 132, 144, 174, 182, 190, 238, 243, 261, 290-291, 302-303.](#)
- <sup>40</sup> [New Mexico Board of Nursing - Annual Report FY 2019.](#)
- <sup>41</sup> [Report of the Legislative Finance Committee to the 55th Legislature First Session, January 2021, Vol. I, Pa. 116, 121, 128, 144, 150-151, 153, 155-158, 166-167](#)
- <sup>42</sup> [Report of the Legislative Finance Committee to the 55th Legislature First Session, January 2021, Vol. II, Pa. 124, 126, 132, 133, 145, 151, 153, 172, 181, 188, 237, 242, 259, 266, 289, 300, 303.](#)
- <sup>43</sup> [New Mexico Board of Nursing - Annual Report FY 2020, Pa. 23](#)
- <sup>44</sup> [https://files.irs.gov/content/uploads/2019/08/Public-Pension-Performance\\_IPFI\\_August2019.pdf, pa. 10-12](https://files.irs.gov/content/uploads/2019/08/Public-Pension-Performance_IPFI_August2019.pdf)
- <sup>45</sup> <https://www.ihs.org/topics/fatality-statistics/detail/state-by-state>
- <sup>46</sup> <https://datacenter.kidcount.org/data/tables/1958-dropout-rates>
- <sup>47</sup> [2021 data unavailable.](#)
- <sup>48</sup> [Report of the Legislative Finance Committee to the 55th Legislature Second Session, January 2022, Vol. II and Vol. I](#)

Note: The State of New Mexico passed the Accountability in Government Act, NMSA 6-3A, in 1993. Efforts have been made in identifying and determining performance measurements since that time. Agencies began tracking and calculating these performance measurements beginning in fiscal year 2004. These operating indicators will continue to be tracked in the future in order to reach a ten year historical comparison.

N/A <sup>1</sup> Measure deleted in FY09 or a latter Fiscal Year and replaced by different criteria.

NA Information not available

# STATE OF NEW MEXICO

## CAPITAL ASSETS STATISTICS BY FUNCTION

Last Ten Fiscal Years

	Fiscal Year				
	2022	2021	2020	2019	2018
<b>General Government</b>					
Buildings	110	110	110	110	110
Vehicles	40	N/A	N/A	N/A	N/A
<b>Public Safety</b>					
Buildings (not inc. POE'S)	29	29	29	29	29
Vehicles	920	846	846	1,275	1,256
Ports of Entry	8	8	8	8	8
<b>Health and Human Services</b>					
Buildings - General Administrative	302	302	302	302	34
Buildings - Program					
Juvenile Reintegration Center	4	4	4	4	4
Medical Center/Hospital	55	55	55	54	57
Rehabilitation Facility	5	5	5	5	5
Veterans' Center	16	16	16	16	16
Vehicles	620	511	511	871	871
<b>Corrections</b>					
Buildings	406	406	406	406	330
Vehicles	302	257	257	439	347
<b>Culture and Recreation</b>					
Vehicles	60	60	60	55	54
Museums	14	14	14	13	9
Monuments	8	8	8	8	7
<b>Natural Resources, Environment</b>					
Vehicles	261	196	196	261	280
State Parks	35	35	35	35	35
Wildlife Management Areas (Acres)	192,000	192,000	192,000	192,000	192,000
Fish Hatcheries	6	6	6	6	6
<b>Education Vehicles</b>					
Vehicles	5	N/A	N/A	N/A	N/A
<b>Highways and Transportation</b>					
Highway Lane Miles	12,272	12,272	12,272	12,272	12,272
Vehicles/Heavy Equipment	6,500	6,500	6,500	6,500	6,500

Sources: New Mexico General Services Department, Property Control Division and Public Information Office;  
 New Mexico Game and Fish Department, Administrative Services  
 New Mexico Energy and Minerals Department, Administrative Services Division;  
 New Mexico Department of Transportation, ; dot.state.nm.us/content/nmdot/en/Operations.html  
 Office of Employee Support and Development  
 New Mexico Health and Human Services Department, Administrative Services Division;  
 New Mexico Corrections Department, Administrative Services Division;  
 New Mexico Children, Youth and Families Department, Administrative Services Division;  
 New Mexico Department of Cultural Affairs, Administrative Services Division;  
 New Mexico Department of Public Safety, Administrative Services Division;  
State of New Mexico Report of the Legislative Finance Committee to the 54th Legislature Second Session, Vol. I, January 2019.

[en.wikipedia.org/wiki/List\\_of\\_hospitals\\_in\\_New\\_Mexico](https://en.wikipedia.org/wiki/List_of_hospitals_in_New_Mexico)  
[en.wikipedia.org/wiki/List\\_of\\_New\\_Mexico\\_state\\_parks](https://en.wikipedia.org/wiki/List_of_New_Mexico_state_parks)  
[www.newmexicoculture.org/nmdvs.org/field-offices](http://www.newmexicoculture.org/nmdvs.org/field-offices)  
[www.sp.nm.gov/port-of-entry](http://www.sp.nm.gov/port-of-entry)  
 Number of Juvenile Centers in New Mexico (Bing)  
 Number of rehabilitation facility in New Mexico (Bing)  
<http://www.nmhistoricsites.org/>  
<http://www.emnrd.state.nm.us/SPD/FindaPark.html>

# STATE OF NEW MEXICO

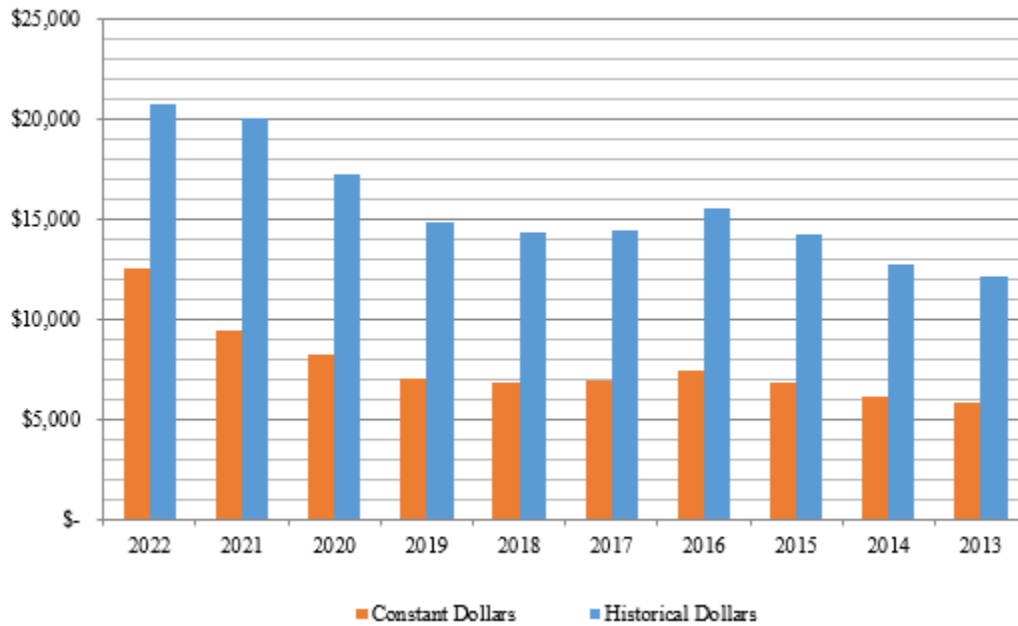
## SCHEDULE E-3

	Fiscal Year				2013 as Restated
	2017	2016	2015	2014	
<b>General Government</b>					
Buildings	110	110	110	110	110
Vehicles	N/A	N/A	N/A	N/A	N/A
<b>Public Safety</b>					
Buildings (not inc. POE'S)	29	29	29	29	29
Vehicles	900	921	921	921	921
Ports of Entry	8	6	6	6	16
<b>Health and Human Services</b>					
Buildings - General Administrative	34	4	4	4	34
Buildings - Program					
Juvenile Reintegration Center	4	3	3	3	3
Medical Center/Hospital	58	53	53	53	253
Rehabilitation Facility	5	7	7	7	7
Veterans' Center	16	1	1	1	11
Vehicles	400	426	426	426	426
<b>Corrections</b>					
Buildings	330	330	330	330	330
Vehicles	320	355	355	355	355
<b>Culture and Recreation</b>					
Vehicles	40	45	45	45	45
Museums	9	4	4	4	4
Monuments	7	6	6	6	6
<b>Natural Resources, Environment</b>					
Vehicles	340	380	380	380	380
State Parks	35	35	35	35	35
Wildlife Management Areas (Acres)	192,000	171,241	171,241	171,241	171,241
Fish Hatcheries	6	6	6	6	6
<b>Education Vehicles</b>					
Vehicles	N/A	N/A	N/A	N/A	N/A
<b>Highways and Transportation</b>					
Highway Lane Miles	12,272	26,598	26,598	26,598	26,598
Vehicles/Heavy Equipment	6,500	6,417	6,417	6,417	6,417

# STATE OF NEW MEXICO

## EXPENDITURES – HISTORICAL AND CONSTANT DOLLARS SCHEDULE F-1 ALL GOVERNMENT FUND TYPES

Last Ten Fiscal Years



### Expenditures

Fiscal Year	Historical Dollars		Constant Dollars	
	(in Millions)	Change	(in Millions)	Change
2022	\$ 20,782	3.6%	\$ 12,576	32.7%
2021	20,055	16.1%	9,478	15.2%
2020	17,276	16.7%	8,224	16.4%
2019	14,809	3.3%	7,067	3.3%
2018	14,329	-0.7%	6,838	-1.1%
2017	14,434	-7.2%	6,913	-7.5%
2016	15,550	9.0%	7,472	8.9%
2015	14,268	12.1%	6,859	12.4%
2014	12,727	5.1%	6,102	5.0%
2013	12,114	3.3%	5,809	-0.7%

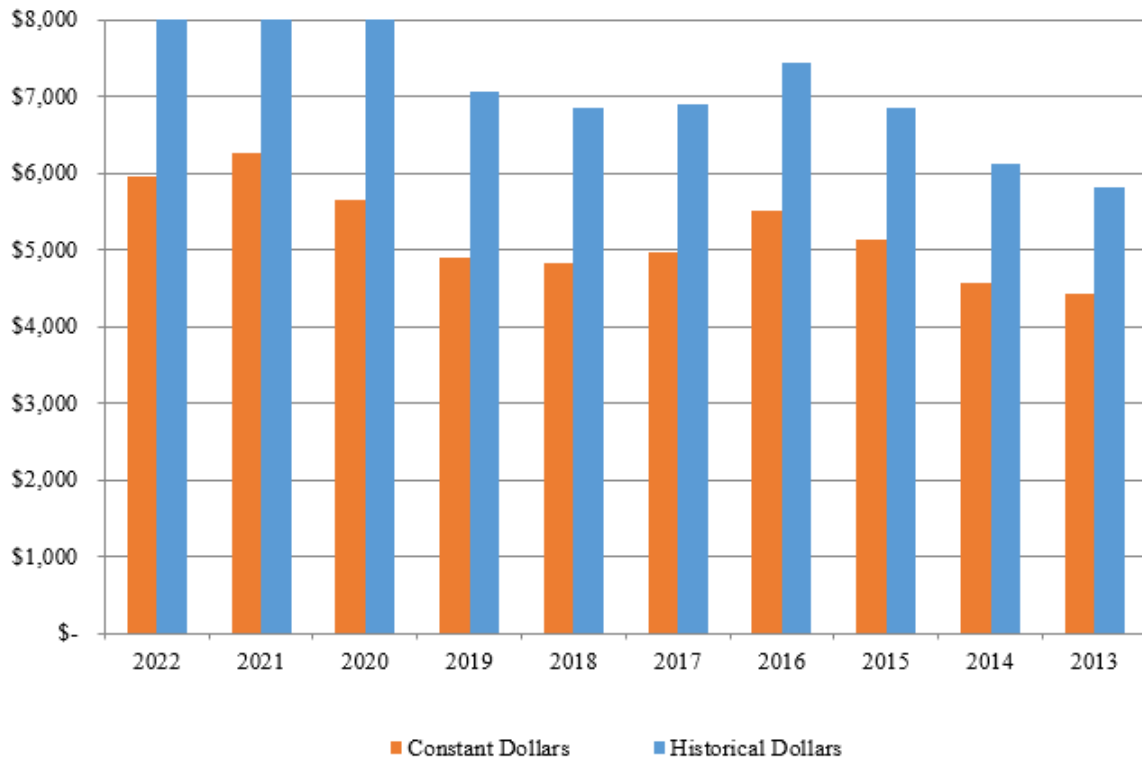
2013 through 2019 are Restated

# STATE OF NEW MEXICO

## PER CAPITA EXPENDITURES HISTORICAL AND CONSTANT DOLLARS ALL GOVERNMENT FUND TYPES

SCHEDULE F-2

Last Ten Fiscal Years



### Expenditures

Fiscal Year	Historical Dollars		Constant Dollars	
	(in Thousand)	Change	(in Thousands)	Change
2022	\$ 9,834	2.7%	\$ 5,951	-4.9%
2021	9,571	16.1%	6,255	10.9%
2020	8,244	16.9%	5,642	15.5%
2019	7,050	3.1%	4,884	1.3%
2018	6,838	-0.7%	4,823	-3.1%
2017	6,888	-7.5%	4,977	-9.4%
2016	7,447	8.6%	5,495	7.3%
2015	6,856	12.1%	5,123	11.9%
2014	6,118	5.3%	4,577	3.6%
2013	5,809	9.4%	4,416	7.2%

2013 through 2019 are Restated



## OTHER REPORTS



**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**

The Honorable Michelle Lujan-Grisham, Governor of the State of New Mexico  
Mr. Wayne Propst, Secretary of the New Mexico Department of  
Finance and Administration,  
Mr. Mark Melhoff, Acting State Controller of the New Mexico Department  
of Finance and Administration, and  
Mr. Joseph M. Maestas, P.E., New Mexico State Auditor

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of New Mexico, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise State of New Mexico's basic financial statements, and have issued our report thereon dated June 30, 2023. Our report includes reference to other auditors who audited the financial statements of certain components of the State, as described in our report on the State's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the State of New Mexico'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 State of New Mexico's internal control. Accordingly, we do not express an opinion on the effectiveness of the State of New Mexico'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.

The Honorable Michelle Lujan-Grisham, Governor of the State of New Mexico  
Mr. Wayne Probst, Secretary of the New Mexico Department of  
Finance and Administration,  
Mr. Mark Melhoff, Acting State Controller of the New Mexico Department  
of Finance and Administration, and  
Mr. Joseph M. Maestas, P.E., New Mexico State Auditor

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2022-001 and 2022-002 that we consider to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether State of New Mexico's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2022-003.

### **State of New Mexico's Response to Findings**

State of New Mexico's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. State of New Mexico's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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.



**CliftonLarsonAllen LLP**

Albuquerque, NM  
June 30, 2023

# STATE OF NEW MEXICO

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## SCHEDULE OF FINDINGS AND RESPONSES YEAR ENDED JUNE 30, 2022

### Summary of Auditors' Results

#### Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes \_\_\_\_\_ No  X
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes  X  None reported \_\_\_\_\_

Noncompliance material to financial statements noted?

Yes \_\_\_\_\_ No  X

# STATE OF NEW MEXICO

## SCHEDULE OF FINDINGS AND RESPONSES YEAR ENDED JUNE 30, 2022

### Financial Statement Findings

#### 2022-001 (Original Finding #2018-002) - Component Financial Reporting (Significant Deficiency in Internal Control Over Financial Reporting)

**Condition:** The financial statements of the State are considered “group financial statements” under *AU-C 600, Special Considerations – Audits of Group Financial Statements*. Whereas, “group financial statements are defined as financial statements that include the financial information of more than one component. The “component” is defined as an entity or business activity for which group or component management prepares financial information that is required by the applicable financial reporting framework to be included in the group financial statements.

The State’s financial statements consist of more than 200 components, these components consist of state agencies/entities under each of the three branches of the government (Executive, Judicial, Legislative), various boards and commissions of the State, various educational institutions as established by the State’s constitution, and various other entities that are legally separate from the State that meet the criteria of a component unit of the State under GASB codification. Examples of component units included in the State’s financial statement include the finance authorities, the lottery, foundations of aforementioned educational institutions, and numerous state authorized charter schools and their related foundations. All components of the State are separately audited and issue separate stand-alone financial statements. The following represent some of the more significant issues identified at the component level that were not addressed by group management at the time of submission of the component report, that have an impact and required further reconciling on state-wide reporting:

- During our audit, we observed the following discrepancies and other issues when comparing the component level reporting to the State level reporting:
  - Untimely Reports
    - The financial statements of some components of the reporting entity were not issued by the issuance date of this report. The balances from these components were considered to be insignificant to the report as a whole.
  - Implementation of GASB 87
    - Lessee recording of activity prior to implementation date – additions versus beginning balances. Guidance from the State lacked clarity and was inconsistently applied by the stand-alone entities. All lease activity in the statewide report has been included as additions, however, the additions for the Right-To-Use Lease asset compared to additions for the Right-To-Use Lease liability do not agree by approximately \$23.5M. In addition the activity on the fund level financial statements did not reconcile to the footnotes due to the change in treatment at the statewide report level.
    - Lessor Accounting – Two business units did not record the lease receivable nor deferred inflow of resources in the fund financial statements. This resulted in approximately \$7M of omitted lease receivable and deferred inflow of resources in the balance sheet.
    - Required disclosures were not included in the financial statements of some of the standalone entities resulting in the use of estimates and assumptions to compile the required disclosures for the statewide report.
  - Debt
    - The state allows for the New Mexico Finance Authority to make loans to other components of the state, usually for capital projects of the other components. In certain instances, the loans are not disclosed as loans on the entity benefiting from the project, due to how the repayments are structured at the state level. During fiscal year 2022, one such loan was awarded for \$22 million, which was not reported by the component and inadvertently omitted from the statewide report.

# STATE OF NEW MEXICO

## SCHEDULE OF FINDINGS AND RESPONSES YEAR ENDED JUNE 30, 2022

### Financial Statement Findings (Continued)

#### 2022-001 (Original Finding #2018-002) - Component Financial Reporting (Significant Deficiency in Internal Control Over Financial Reporting) (Continued)

##### **Condition (Continued):**

- Due to the treatment on the component financial statements, the state wrote off \$16.2 million in bond premiums related to refunded bond series. The bond premiums should have been recorded as a deferred gain on refunding and amortized over the shorter of the remaining life of the refunded debt, or the life of the new debt, whichever is shorter.

*Management's Progress for Repeat Finding: The State has made significant improvement in consolidating the information that rolls into the Annual Report. Agencies are becoming accustomed to the new accounts that must be used for transactions across components. There continued to be a few instances whereby the accounts were not utilized appropriately. We continue ongoing review and training for this process. To understand the progress made for other points of this finding, please note that while agency audits are reviewed prior to utilizing the information to prepare these statements, activity that may be miscoded by agencies are occasionally not identified until the preparation of the consolidated data due to the short timeline required to review over 200 agency audit reports. Efforts to streamline this process continue to move forward.*

**Criteria:** Per Section 6-5-2 NMSA 1978, the Division shall maintain a central system of state accounts and shall devise, formulate, approve, control and set standards for the accounting methods and procedures of all state agencies ("state agency" means any department, institution, board, bureau, commission, district or committee of the government of the state and means every office or officer of any of the above). The Division shall prescribe procedures, policies and processing documents for use by state agencies in connection with fiscal matters and may require reports from state agencies as may be necessary to carry out its duties and functions. In addition, Section 6-5-2.1 NMSA 1978 requires the Division to conduct all central accounting and fiscal reporting for the state as a whole and produce interim statewide financial reports and the state's comprehensive annual financial statements, which should be prepared in accordance with generally accepted accounting principles.

**Cause:** These issues can be attributed to the complexity of the State's reporting entity combined with the quantity of separate components and their related control environments/processes that comprise the State's financial statements. Additionally, the State may not identify a financial presentation issue at the component level prior to the release of the component level financial statements. The State continues to improve its process to communicate with the components and their IPA of observed issues, identified post report release for correction in the subsequent year financial statements. Overall, improvement is needed for the State's control environment over the financial reporting of the State as a whole to facilitate the production of timely and accurate financial statements of the State.

**Effect:** The State of New Mexico experiences difficulty preparing financial statements in accordance with generally accepted accounting principles in a timely manner.

**Recommendation:** To improve statewide reporting impacted by component level reporting, we recommend the following:

- 1) For issues caused by inconsistent reporting between the components and the State's financial statements, we recommend the State identify those issues and provide specific guidance to these entities and their Independent Public Accountants (IPAs) on the required reporting and presentation.
- 2) The State should evaluate any necessary assistance that can be provided to those significant components that have received modified opinions to avoid future impacts on the State's financial statements.
- 3) For those components that report under SHARE, the State should provide additional training to those entities that are not properly using the established accounts for activity among component units and educational institutions, as necessary. The State should evaluate the established accounts and ensure all agencies know which accounts to utilize, depending on the nature of the transaction.

# STATE OF NEW MEXICO

## SCHEDULE OF FINDINGS AND RESPONSES YEAR ENDED JUNE 30, 2022

### Financial Statement Findings (Continued)

#### 2022-001 (Original Finding #2018-002) - Component Financial Reporting (Significant Deficiency in Internal Control Over Financial Reporting) (Continued)

**Management's Response:** Management agrees with the finding. The State Controller and State Financial Reporting & Accounting Bureau (SFRAB) Unit acknowledge the lack of clarity and inconsistent implementation of GASB 87 in fiscal year 2022. In fiscal year 2023, the state worked with an external contractor to review and update guidance for GASB 87 and GASB 96.

In addition, ongoing process integration, training, and oversight is planned to address these remaining issues. These plans include the creation of SFRAB staff positions designed specifically to provide on-site training and establish procedures to monitor statewide activity monthly. This will allow the state to identify and address differences in transactions among the components and agencies in a timely manner. This is ongoing and the State Controller, Deputy State Controller and the SFRAB Bureau Chief are responsible for resolution.

#### 2022-002 Internal Control over Financial Reporting (Significant Deficiency in Internal Control Over Financial Reporting)

**Condition:** During the audit we evaluated the State's internal controls over government-wide financial reporting, which revealed that the State's internal controls over government-wide financial reporting were not adequate to ensure preparation of financial statements for the State in accordance with generally accepted accounting principles. The following detail some of the issues encountered during the audit, which illustrate the need for enhanced controls over government-wide financial reporting for the State in preparing financial statements in accordance with generally accepted accounting principles.

- Duplicate use of a fund - the statewide reporting team utilizes the funds from the SHARE system to build the statewide report. During fiscal year 2022, there was one fund that was used as a general fund type in one business unit and a debt service fund in another business unit. This issue was not identified by the reporting team until was identified during the audit.
- The State did not initially eliminate all interfund activity between the governmental funds and the Educational Institutions fund, which required an additional elimination entry of approximately \$300M, net. Additionally, controls implemented in SHARE did not prevent an error with inter-agency transfers reported in 2 separate, stand-alone reports which resulted in a discrepancy of \$10M because a business unit reported a transfer-in from another business unit, but the corresponding business unit did not report the transfer-out.
- The financial statements reflect a restatement in the amount of \$62M to the beginning net position of the governmental activities, which is identified as an adjustment related to the correction of errors, General Fund of approximately \$31M which are referenced from Agency prior period adjustments. However, management is unable to substantiate the actual errors that relate to this correction, and the entry was necessary to roll the net position from the prior year. Overall, the State lacks an effective process around the assessment and identification of appropriate restatements at the State level and those that are a result of component level financial statements which may not be necessary to report as restatements at the State level.
- Budget to Actual Schedule presented as RSI for the General Fund was lacking data for certain program activity codes.
- During our review of the State's financial statements, various inconsistencies and/or misclassifications, and rounding issues were identified and remain uncorrected.
- The reconciliations between the fund statements and the government-wide statements contain unreconciled variances in the amounts approximating \$706K and \$91M which are comprised of challenges reconciling capital asset activity, unavailable revenues, long-term debt activity, and other general matters that could not be attributed to specific items

# STATE OF NEW MEXICO

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## SCHEDULE OF FINDINGS AND RESPONSES YEAR ENDED JUNE 30, 2022

### Financial Statement Findings (Continued)

#### 2022-002 Internal Control over Financial Reporting (Significant Deficiency in Internal Control Over Financial Reporting) (Continued)

**Criteria:** Per Section 6-5-2 NMSA 1978, the Division shall maintain a central system of state accounts and shall devise, formulate, approve, control and set standards for the accounting methods and procedures of all state agencies ("state agency" means any department, institution, board, bureau, commission, district or committee of the government of the state and means every office or officer of any of the above). The Division shall prescribe procedures, policies and processing documents for use by state agencies in connection with fiscal matters and may require reports from state agencies as may be necessary to carry out its duties and functions. In addition, Section 6-5-2.1 NMSA 1978 requires the Division to conduct all central accounting and fiscal reporting for the state as a whole and produce interim statewide financial reports and the state's comprehensive annual financial statements, which should be prepared in accordance with generally accepted accounting principles.

**Cause:** These issues can be attributed to the complexity of the State's reporting entity and the quantity of separate components and their related control environments/processes that comprise the State's financial statements. Additionally, there is a lack of adequate resources within the State's annual financial report unit to focus on addressing these issues throughout the year and during the financial reporting process. Overall, the State lacks an effective control environment over the financial reporting of the State as a whole to facilitate the production of timely and accurate financial statements of the State.

**Effect:** The State of New Mexico is unable to properly prepare financial statements in accordance with generally accepted accounting principles in a timely manner.

**Recommendation:** We recommend the State evaluate the entire approach of producing the State's financial statements and the related processes and methodology to determine which processes could be improved upon to facilitate the State's ability to produce a more timely and accurate report. Specifically, the State should evaluate each of the identified errors and issues outlined in the condition of this finding to determine the root of the issue to facilitate an appropriate corrective action. The State should evaluate whether the previous implementation of "Hyperion," the software utilized to prepare the State's financial statements, is a contributing factor to the State's ability to produce a more timely and accurate report. Furthermore, the State should evaluate if additional resources within the annual financial report unit would improve the timeliness of the annual financial report preparation.

**Management's Response:** Management agrees with this finding. The State of New Mexico experienced very high turnover in fiscal year 2022. This included a loss of institutional knowledge related to the creation of the Annual Comprehensive Financial Report (ACFR) and the system used to compile agency audits. In future fiscal years, the state plans to begin an extensive cross-training program to ensure staffing losses do not lead to delays in report creation. The state also plans to outsource some aspects of the creation process while researching new systems and possible changes to the auditing landscape in New Mexico.

The State Controller, Deputy State Controller and SFRAB Bureau Chief are responsible for this ongoing resolution.



# STATE OF NEW MEXICO

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## SCHEDULE OF FINDINGS AND RESPONSES YEAR ENDED JUNE 30, 2022

### Section 12-6-5 NMSA 1978 findings

#### 2022-003 (Original Finding # 2015-001) Late Submission of Audit Report (Other Non-Compliance and Other Matters)

**Condition:** The audit report for the annual financial report for the year ended June 30, 2022 was not submitted by Regulatory due date of December 31, 2022.

*Management's Progress for Repeat Finding: The State has made significant improvement in consolidating the information that rolls into the Annual Report. Agencies are becoming accustomed to the new accounts that must be used for transactions across components. There continued to be a few instances whereby the accounts were not utilized appropriately. We continue ongoing review and training for this process.*

**Criteria:** Audit reports not received on or before the due date are considered to be in non-compliance with the requirements of Section 2.2.2.9.A of the State Audit Rule.

**Cause:** The State lacks an adequate financial reporting process and adequate resources to achieve the established deadline of December 31.

**Effect:** Non-compliance with the State Audit Rule; and the users of the State's financial statements did not receive the financial information in a timely manner.

**Recommendation:** We recommend the State evaluate the entire approach of producing the State's financial statements and the related processes and methodology to determine which processes could be improved to facilitate the State's ability produce a more timely and accurate report. Furthermore, the State should evaluate if additional resources within the annual financial report unit would improve the timeliness of the annual financial report preparation.

**Management's Response:** Management agrees with this finding. The NM Annual Comprehensive Financial Report (ACFR) relies on and builds upon individual agency audits, which are required by 12-6-3, NMSA 1978. The compilation approach to report creation can lead to timing delays when individual audits are submitted late. For fiscal year 2022, numerous individual audits were delayed due to factors such as short-staffing and GASB 87 implementation. These unexpected delays led to a more time-consuming compilation process. Internally, the Department of Finance & Administration has also been in the process of rebuilding the SFRAB accounting team due to unexpected retirements. These rebuilding processes should be completed in the coming months and will help the state achieve a timelier report.

The State Controller, Deputy State Controller and the SFRAB Bureau Chief are responsible for implementing this corrective action which is an ongoing process.

# STATE OF NEW MEXICO

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## STATUS OF PRIOR YEAR AUDIT FINDINGS YEAR ENDED JUNE 30, 2022

### Financial Statement Findings

2021-001 – Component Financial Reporting (Other Matter) – Repeat and Modified

2021-002 – Late Submission (Compliance and other Matter) – Repeat and Modified

An exit conference was held with the State on June 30, 2023, via Microsoft Teams. The conference was held in a closed meeting to preserve the confidentiality of the audit information prior to the official release of the financial statements by the State Auditor. In attendance were:

STATE OF NEW MEXICO

Wayne Propst, Cabinet Secretary

Mark S Melhoff, Financial Control Division/Acting State Controller

Kusum Adhikari, Acting Deputy Director

John Severns, ACFR Analyst Supervisor

Amelia Chavez, ACFR Analyst

Robert Cardon, ACFR Analyst

Valerie Griego, ACFR Analyst

Lisa Jennings, ACFR Analyst

Richard Torrence, ACFR Analyst

CLIFTONLARSONALLEN LLP

Matt Bone, Principal

Laura Beltran-Schmitz, Principal

Andres Gamez, Director

OFFICE OF THE STATE AUDITOR

Ricky A. Bejarano Deputy State Auditor

Elise Mignardot Compliance and Quality Control Director

Laura Wade Financial Audit Manager

PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements presented in this report have been prepared by management and they are the responsibility of management, as addressed in the Independent Auditors' Report.

# NEW MEXICO DEPARTMENT OF FINANCE AND ADMINISTRATION

FINANCIAL CONTROL DIVISION  
BATAAN MEMORIAL BUILDING  
407 GALISTEO STREET  
SANTA FE, NM 87501

**STATE AIRCRAFT**  
HOT-AIR BALLOON

**STATE NECKLACE**  
NATIVE AMERICAN SQUASH BLOSSOM

**STATE AMPHIBIAN**  
NEW MEXICO SPADEFOOT

**STATE VEGETABLES**  
CHILE AND PINTO BEANS

**STATE GEM**  
TURQUOISE

**STATE TIE**  
BOLO

**STATE FISH**  
RIO GRANDE CUTTHROAT TROUT

**STATE FLOWER**  
SOAPTREE YUCCA

**STATE FLAG**

**STATE POEM**  
"A NUEVO MEXICO," BY LUIS TAFOYA

**STATE BIRD**  
GREATER ROADRUNNER

**STATE SLOGAN**  
"EVERYBODY IS SOMEBODY  
IN NEW MEXICO"

**STATE TREE**  
PIÑON PINE

**STATE TRAIN**  
CUMBRES & TOLTEC RAILROAD

**STATE GRASS**  
BLUE GRAMA

**STATE COOKIE**  
BIZCOCHITO

**STATE MAMMAL**  
AMERICAN BLACK BEAR

**STATE REPTILE**  
NEW MEXICO WHIPTAIL

**STATE QUESTION**  
"RED OR GREEN?"

**STATE BUTTERFLY**  
SANDIA HAIRSTREAK

**STATE GUITAR**  
NEW MEXICO SUNRISE GUITAR  
BY PIMENTAL GUITARS

**STATE INSECT**  
TARANTULA HAWK WASP

**STATE SONGS**  
SONG: "O FAIR NEW MEXICO,"  
BY ELIZABETH GARRETT;  
BILINGUAL SONG: "NEW MEXICO — MI LINDO  
NUEVO MEXICO," BY PABLO MARES;  
BALLAD: "THE LAND OF ENCHANTMENT,"  
BY MICHAEL MARTIN MURPHEY;  
SPANISH LANGUAGE SONG:  
"ASI ES NUEVO MEXICO," BY AMADEO LUCERO;  
COWBOY SONG: "UNDER NEW MEXICO SKIES,"  
BY SYD MASTERS

**STATE FOSSIL**  
COELOPHYSIS, AN EARLY  
TRIASSIC DINOSAUR

**NEW MEXICO SYMBOLS**  
Most states have a state bird or state flower, and New Mexico does, too. But the Land of Enchantment (the state's official nickname) also has a state aircraft, state cookie and state tie. Here are the "official" symbols of New Mexico, according to the New Mexico Blue Book.  
ILLUSTRATIONS BY CATHRYN CUNNINGHAM/JOURNAL