

STATE OF NEW MEXICO

Annual Comprehensive Financial Report



For the Fiscal Year End 2023

The Department of Finance and Administration

Cabinet Secretary Wayne Propst
Acting State Controller Mark Melhoff

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STATE OF NEW MEXICO
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2023

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INTRODUCTORY SECTION



Cabinet Secretary Wayne Propst
Deputy Cabinet Secretary Renee Ward
Acting State Controller Mark Melhoff

Governor Michelle Lujan Grisham

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 (ACFR) for the fiscal year ended June 30, 2023.

The ACFR 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 includes a required narrative introduction, referred to as Management's Discussion and Analysis (MD&A). This transmittal letter compliments 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 the 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, 2023, 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), each state agency that is reported together in this ACFR must be audited separately each year. To avoid duplication of effort, the ACFR utilizes the Group Audit Standards. The standards provide requirements and guidance for audits of group financial statements, particularly 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 2023 saw additional challenges due to a handful of larger agencies/entities submitting their audits late, which delayed the start of the ACFR.

In general, however, ongoing discussions continue within the Department of Finance and Administration (DFA) and the State Auditor's Office (SAO) to look for ways to streamline and shorten the overall Report preparation process.

We are proud of the improvements in controls and processes in recent years which have allowed the state to produce a reliable Comprehensive Annual Financial 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 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 2,113,344 as of July 2022.

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 HIS 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.

The New Mexico economy showed growth in fiscal year 2023, with the real gross domestic product expanding by 1.9 percent on a year-over-year basis. The wages and salaries in the state increased by 10.1 percent and the total personal income grew by 2.5 percent. In the same period, employment in New Mexico increased by 3.4 percent, which means the state added approximately 28,800 jobs. During fiscal year 2023, the Mining, Construction, Leisure and Hospitality, Education & Health Services, and Local Government sectors created 3,500 jobs, 2,500 jobs, 6,000 jobs, 6,500 jobs, and 6,000 jobs, respectively.


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 includes 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,

DocuSigned by:
 4/29/2024
6EB4D958A69A432 ...
Wayne Propst
Cabinet Secretary

STATE OF NEW MEXICO

SELECTED STATE OFFICIALS

June 30, 2023

Executive

Michelle Lujan Grisham, Governor

Howie Morales, Lieutenant Governor

Maggie Toulouse Oliver Secretary of State	Joseph M. Maestas State Auditor	Laura Montoya State Treasurer	Raul Torrez Attorney General	Stephanie Garcia Richard Commissioner of Public Lands
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- **Gabriel Aguilera**, Public Regulation Commission • **James Ellison**, Public Regulation Commission • **Patrick O'Connell**, Public Regulation Commission

Judicial

C. Shannon Bacon Chief Justice of the Supreme Court	Michael E. Vigil Justice of the Supreme Court	David K. Thomson Justice of the Supreme Court	Julie J. Vargas Justice of the Supreme Court	Briana H. Zamora Justice of the Supreme Court
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- **Jennifer L. Attrep**, Chief Judge of the Court of Appeals • **J. Miles Hanisee**, 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

Mimi Stewart President Pro Tempore	Peter Wirth Majority Floor Leader	Gregory A. Baca Minority Floor Leader	Michael Padilla Majority Whip
Craig W. Brandt Minority Whip			

Legislative – House of Representatives

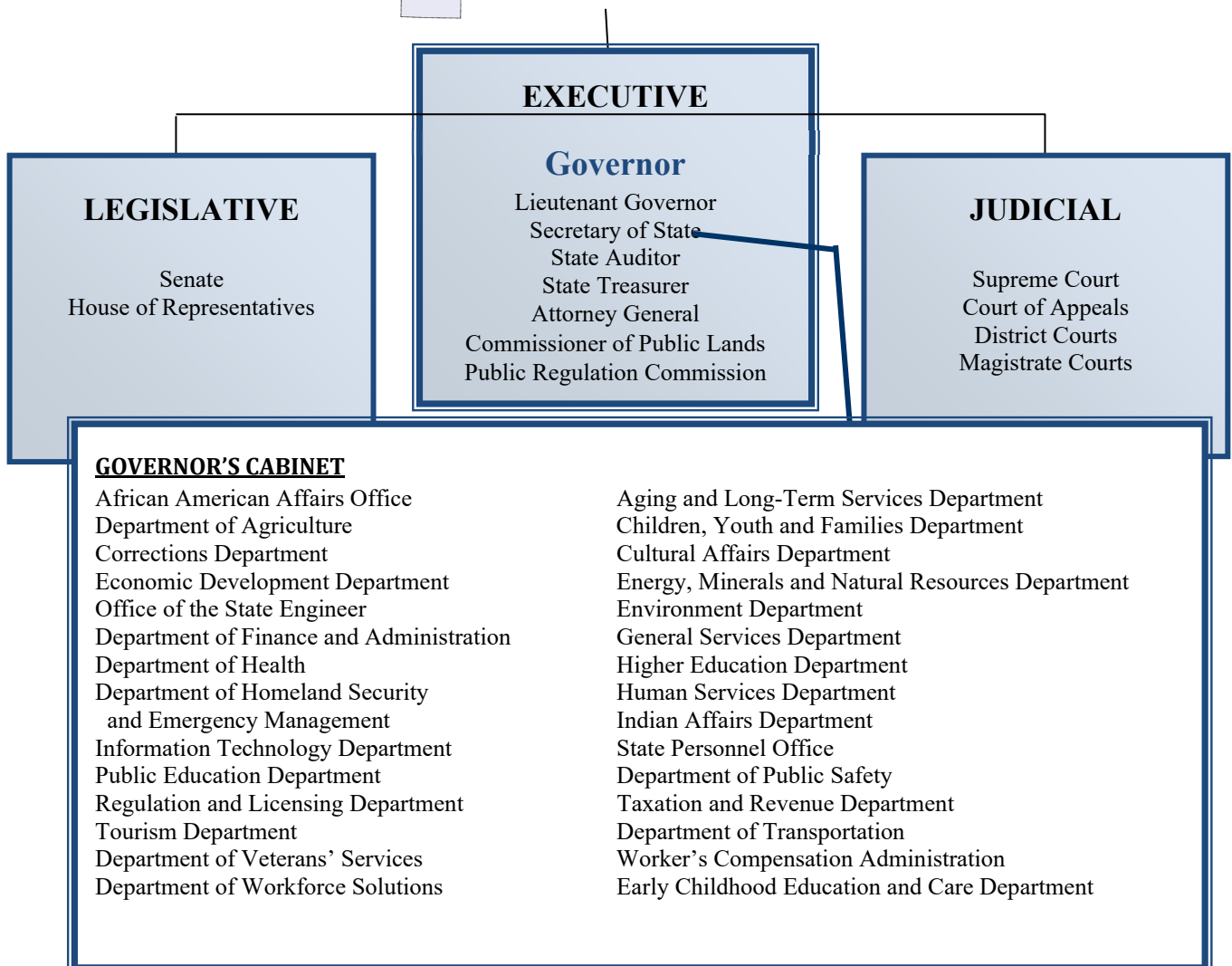
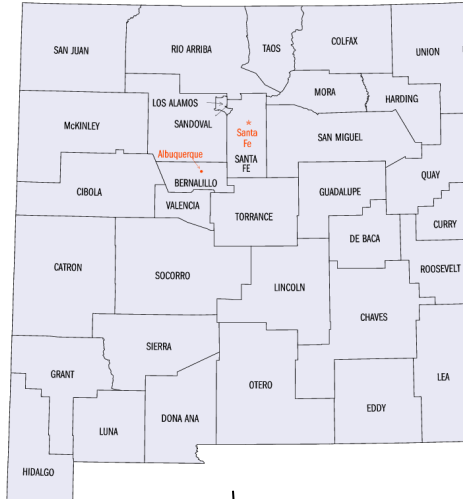
Javier Martinez Speaker of the House	Gail Chasey Majority Floor Leader	Ryan Lane Minority Floor Leader	Reena Szczepanski Majority Whip
Greg Nibert Minority Whip			

STATE OF NEW MEXICO

ORGANIZATIONAL CHART

June 30, 2023

Citizens of New Mexico



FINANCIAL SECTION



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, PE, CFE 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, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the State of New Mexico'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 of New Mexico, as of June 30, 2023, 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, 2023 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.

Percentage Audited by Other Auditors

<u>Government-Wide</u>	<u>Total Assets</u>	<u>Total Revenues</u>
Governmental activities	84%	53%
Business-type activities	94%	99%
Aggregate discretely presented component units	66%	55%

Fund Statements

Major governmental fund - General Fund	71%	60%
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%
Aggregate remaining fund information	81%	51%

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, PE, CFE, New Mexico State Auditor

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 Matter

New Pronouncement

As discussed in Note 1 to the financial statements, effective July 1, 2022, the State of New Mexico adopted new accounting guidance for Subscription Based Information Technology Arrangements (SBITA). The guidance requires the recognition of a SBITA asset and corresponding SBITA liability for all SBITAs with terms greater than 12 months. Our opinion is not modified with respect to this matter.

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 of New Mexico'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.

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, PE, CFE, New Mexico State Auditor

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.

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.

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, PE, CFE, New Mexico State Auditor

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of New Mexico'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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April, 25 2024, on our consideration of the State of New Mexico'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 of New Mexico'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 of New Mexico's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Albuquerque, New Mexico
April 25, 2024

**STATE OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

INTRODUCTION

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, 2023. 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

Government-wide

Net Position of the Primary Government

- The primary government (governmental activities and business-type activities) ended fiscal year 2023 with a net position of \$59.4 billion, an increase of \$12.1 billion, or 25.6 percent, from the previous year.
- The net position is comprised of \$9.2 billion in net investment in capital assets, \$55.6 billion in restricted, and a deficit \$5.5 billion in unrestricted, excluding component units.
- As a result of operating activities, the primary government's total net position increased by \$12.1 billion, or 25.6 percent, in fiscal year 2023 when compared to the previous year's ending net position. The net position of governmental activities increased \$11.7 billion, or 25.7 percent, from previous year's ending net position.
- 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 increased by 32.9 percent from the previous year. Expenses of \$27.7 billion, increased by \$1.9 billion, with the majority of the increase being in General Control, Education and Health and Human Services.
- The net position of the business-type activities increased by \$340.0 million or 21.4 percent, from the previous year's ending net position. The business-type activities from the prior fiscal year saw a decrease in total revenue of \$0.4 billion and a decrease in expenses by \$0.1 billion. Program revenue stayed even, while transfers decreased just slightly.

Long-term Debt

- The State's long-term bonded debt increased a net of \$68.5 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 \$293.3 million for severance tax bonds, and \$223.7 million for general obligation bonds. New bond issuance for business type activities was \$66.7 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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Fund Level

Governmental Funds

- As of June 30, 2023, the State reported an ending fund balance of \$56.7 billion, an increase of \$11.2 billion, or 24.6 percent, from fiscal year 2022.
- Year to year there was an increase in revenue of \$8.1 billion, primarily the result of an increase in federal revenue and investment income. Year to year, expenditures increased by \$2.1 billion. Operationally, expenditure increases in the areas of General Control, Education, and Public Safety were the primary drivers.
- The unassigned fund balance as of the end of fiscal year 2023 was \$554.1 million.

Proprietary Funds

- As of June 30, 2023, the State reported an ending net position of \$1.9 billion, an increase of \$340 million, or 21.4 percent, from fiscal year 2022.

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.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
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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. The State also has ten blended component units, all of which are component units of higher education institutions. The financial information for "blended" component units is included with the information of the parent unit. Standards for blending component units are issued by the Government Accounting Standards Board.

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.

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

**STATE OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

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.
- 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.

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- 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

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.

FINANCIAL ANALYSIS OF THE STATE AS A WHOLE

Net Position

- Total Assets and Deferred Outflows of the State as of June 30, 2023, were \$80.1 billion, an increase of \$12.1 billion or 17.8 percent from prior fiscal year. The majority of the increase is due to increased receivables and an increase in other current assets.
- For governmental activities, total assets and deferred outflows were \$72.0 billion, an increase of \$12.7 billion, or 21.4 percent.
- For business-type activities, total assets and deferred outflows were \$8.2 billion, decrease of \$0.4 million or 5.2 percent.
- Total Liabilities and Deferred Inflows as of June 30, 2023, 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 \$14.6 billion, an increase of \$1 billion, or 8.63 percent.
- For business-type activities, total liabilities and deferred inflows were \$6.3 billion, a decrease of \$1 billion or 13.03 percent.

STATE OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
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- The State's total net position of \$59.4 billion was \$12.1 billion or 25.6 percent higher in fiscal year 2023 compared to the prior year. Of the State's net position, \$9.2 billion was recorded as net investment in capital assets, while \$55.6 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 \$5.5 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
Net Position as of June 30, 2023
(Expressed in Thousands)

	Government Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$ 62,738,539	\$ 50,666,356	\$ 4,258,850	\$ 4,142,803	\$ 66,997,389	\$ 54,809,160
Capital Assets	8,342,325	7,861,310	3,206,709	2,844,379	11,549,034	10,705,690
Total Assets	71,080,864	58,527,666	7,465,559	6,987,182	78,546,423	65,514,848
Deferred Outflow of Resources	889,465	776,629	740,825	1,673,241	1,630,290	2,449,870
Current Liabilities	5,921,614	5,435,126	759,735	810,263	6,681,349	6,245,389
Long-Term Liabilities	7,730,880	6,865,921	3,876,507	3,311,521	11,607,387	10,177,442
Total Liabilities	13,652,494	12,301,047	4,636,242	4,121,784	18,288,736	16,422,831
Deferred Inflows of Resources	895,802	1,333,057	1,636,034	2,944,920	2,531,836	4,277,978
Net Position:						
Net Investment in Capital Assets	6,998,390	6,533,650	2,238,573	2,031,156	9,236,963	8,564,806
Restricted	53,960,311	42,996,897	1,648,971	1,576,707	55,609,282	44,573,604
Unrestricted	(3,536,668)	(3,860,356)	(1,953,436)	(2,014,143)	(5,490,104)	(5,874,499)
Total Net Position	\$ 57,422,033	\$ 45,670,191	\$ 1,934,108	\$ 1,593,720	\$ 59,356,141	\$ 47,263,911
Percentage Change in Total Net Position from Prior Year	25.7 %		21.4 %		25.6 %	

Changes in Net Position

The State's change in net position as of June 30, 2023 was \$12.1 billion, which was \$6.3 billion greater than the 2022 change in net position.

The State earned program revenues of \$23.1 billion, collected tax revenue of \$12.7 billion, and had a gain in general revenues related to investment revenues (expenses) of \$2.1 billion. Total revenues for 2023 were \$37.9 billion, an increase of \$6.3 billion, or 19.9 percent from fiscal year 2022. The expenses of the State were \$27.8 billion, an increase of \$2.0 billion or 7.8 percent, from fiscal year 2022. Further analysis of the results of changes in the State's financial condition follows the analysis of the State's funds. Net program revenues exceeded net program expenses by \$4.8 billion, whereas in fiscal year 2022 this amount was \$5.8 billion.

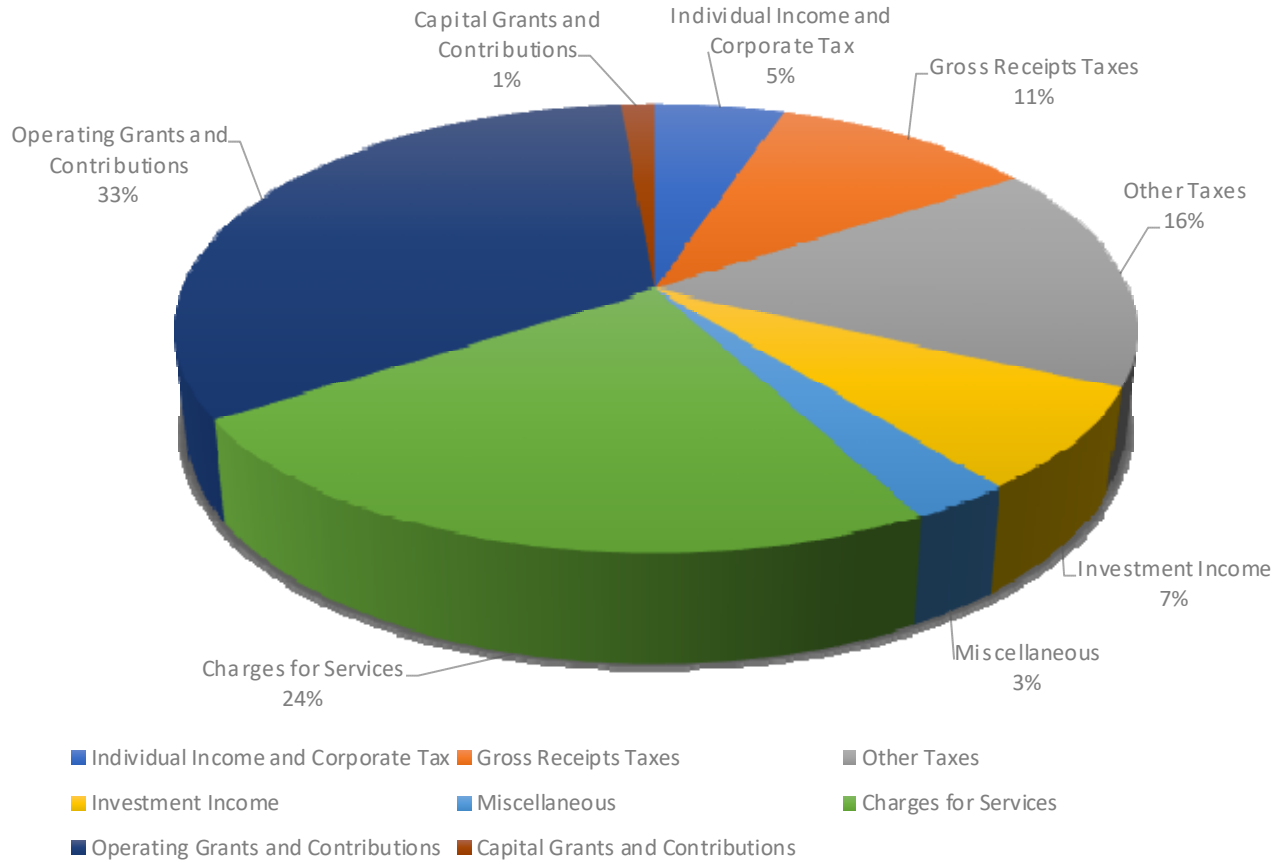
**STATE OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

The following schedule and charts summarize the State's total revenues, expenses, and changes in net position for fiscal year 2023:

State of New Mexico Changes in Net Position							
For the Fiscal Year Ended June 30, 2023							
<i>(Expressed in Thousands)</i>							
	Government Activities		Business-Type Activities		Total Primary Government		Total Percentage Change 2022 to 2023
	2023	2022	2023	2022	2023	2022	
Revenues							
General Revenues:							
Taxes	\$ 12,717,598	\$ 11,207,052	\$ -	\$ -	\$ 12,717,598	\$ 11,207,052	13.5 %
Other General							
Revenues	3,486,448	(1,263,536)	638,944	504,253	4,125,392	(759,283)	(643.3)
Program Revenues:							
Charges for Services	6,895,462	5,543,071	2,599,285	2,601,799	9,494,747	8,144,870	16.6
Operating Grants and							
Contributions	12,445,085	11,394,256	608,117	1,157,358	13,053,202	12,551,614	4.0
Capital Grants and							
Contributions	482,551	484,294	57,753	12,869	540,304	497,163	8.7
Total Revenues	<u>36,027,144</u>	<u>27,365,137</u>	<u>3,904,099</u>	<u>4,276,279</u>	<u>39,931,243</u>	<u>31,641,416</u>	26.2
Expenses							
General Control	1,913,234	1,146,779	-	-	1,913,234	1,146,779	66.8
Culture, Recreation, and							
Natural Resources	259,482	326,191	-	-	259,482	326,191	(20.5)
Highway and							
Transportation	1,003,382	920,656	-	-	1,003,382	920,656	9.0
Judicial	385,550	358,032	-	-	385,550	358,032	7.7
Legislative	35,330	26,873	-	-	35,330	26,873	31.5
Public Safety	755,849	632,544	-	-	755,849	632,544	19.5
Regulation and Licensing	316,661	165,869	-	-	316,661	165,869	90.9
Health and Human							
Services	12,914,840	12,410,828	-	-	12,914,840	12,410,828	4.1
Education	5,236,537	4,654,985	-	-	5,236,537	4,654,985	12.5
Indirect Interest on							
Long-Term Debt	63,668	135,183	-	-	63,668	135,183	(52.9)
Special Items	-	-	-	88,267	-	88,267	-
Educational Institutions	-	-	4,244,860	4,012,425	4,244,860	4,012,425	5.8
Public Schools Insurance	-	-	442,918	439,580	442,918	439,580	0.8
Environmental Loans	-	-	4,452	5,466	4,452	5,466	100.0
Miners' Colfax Medical Center	-	-	45,316	41,055	45,316	41,055	10.4
Unemployment Insurance	-	-	175,949	425,382	175,949	425,382	(58.6)
State Fair	-	-	16,204	14,598	16,204	14,598	11.0
Other Business-type Activities	-	-	24,939	20,122	24,939	20,122	23.9
Total Expenses	<u>22,884,533</u>	<u>20,777,940</u>	<u>4,954,638</u>	<u>5,046,895</u>	<u>27,839,171</u>	<u>25,824,837</u>	7.8
Excess Before Transfers	13,142,611	6,587,197	(1,050,539)	(770,616)	12,092,072	5,816,580	
Transfers	(1,390,769)	(907,838)	1,390,769	907,838	-	-	
Change in Net Position	<u>11,751,842</u>	<u>5,679,359</u>	<u>340,230</u>	<u>137,222</u>	<u>12,092,072</u>	<u>5,816,580</u>	107.9
Net Position -							
Beginning, as Restated	45,670,191	39,990,832	1,593,878	1,456,498	47,264,070	41,447,330	
Net Position - Ending	<u>\$ 57,422,033</u>	<u>\$ 45,670,191</u>	<u>\$ 1,934,108</u>	<u>\$ 1,593,720</u>	<u>\$ 59,356,142</u>	<u>\$ 47,263,910</u>	25.6

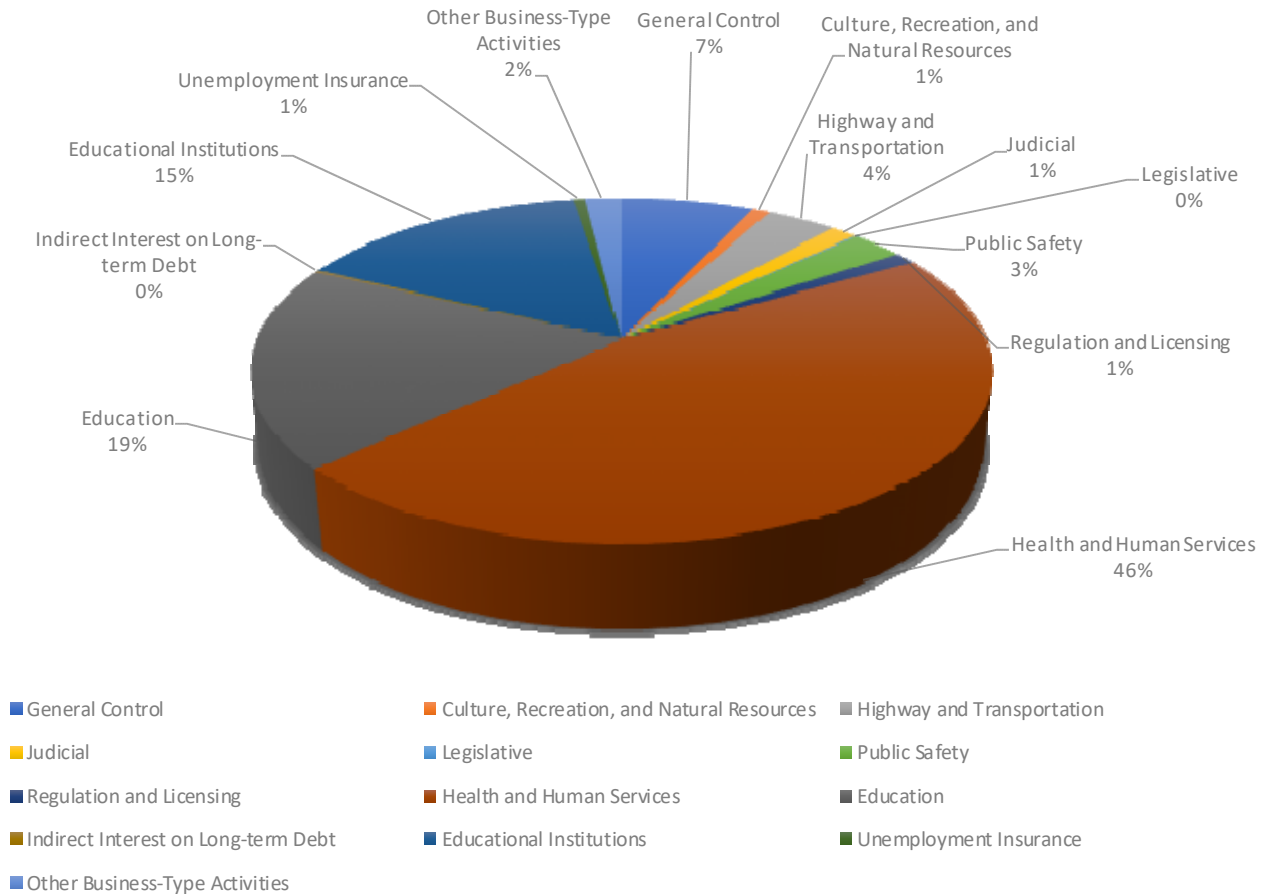
**STATE OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
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State of New Mexico - Total Revenues - FY 2023



**STATE OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

State of New Mexico - Total Expenses - FY 2023



Governmental Activities

Governmental activities program revenue was \$19.8 billion, consisting of operating grants and contributions of \$12.4 billion, capital grants and contributions of \$483 million, and \$6.9 billion in service charges. Program revenues increased \$2.4 billion from the prior fiscal year, the result of a \$1.1 billion increase in operating grants and contributions, an \$1.7 million decrease in capital grants and contributions, along with a \$1.4 billion increase in charges for services. Governmental activities expenses increased by \$2.1 billion year to year bringing the total to \$22.9 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 the Health Department.

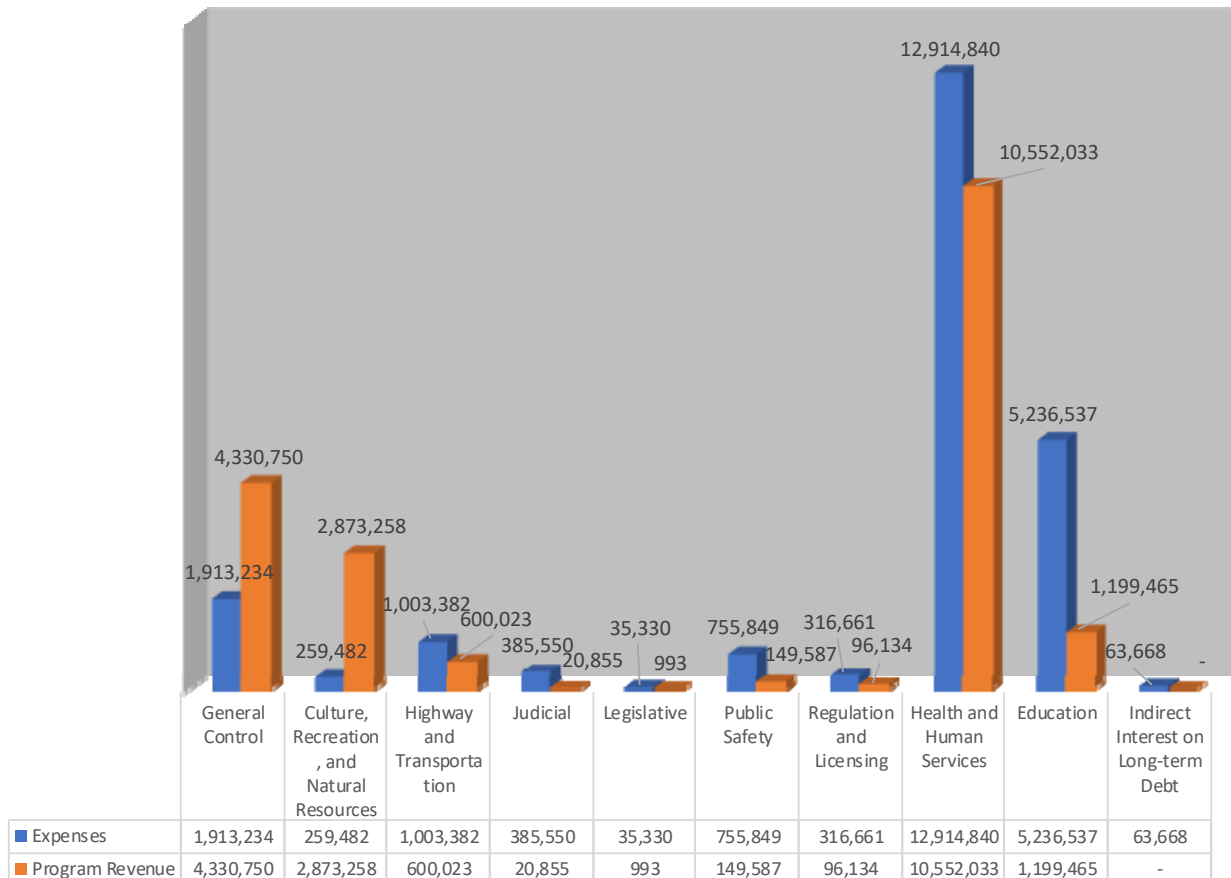
The following table shows to what extent the State's governmental activities relied on taxes and other general revenues to cover all of their costs. For fiscal year 2023, state taxes and other general revenues covered 42.8 percent of expenses. The remaining 57.2 percent of the total expenses was covered by charges for services and grants and contributions.

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**State of New Mexico
Net Program Costs as of June 30, 2023
(Expressed in Thousands)**

	Program Expenses 2023	Less Program Revenues 2023	Net Program Costs		Program Revenues as a Percentage of Program Expenses	
			2023	2022	2023	2022
General Control	\$ 1,913,234	\$ (4,330,750)	\$ 2,417,516	\$ 1,726,389	226.4 %	(250.5)%
Culture, Recreation, and Natural Resources	259,482	(2,873,258)	2,613,776	2,200,870	1107.3	(774.7)
Highway and Transportation	1,003,382	(600,023)	(403,359)	(308,597)	59.8	(66.5)
Judicial	385,550	(20,855)	(364,695)	(339,527)	5.4	(5.2)
Legislative	35,330	(993)	(34,337)	(26,866)	2.8	-
Public Safety	755,849	(149,587)	(606,262)	(455,775)	19.8	(27.9)
Regulation and Licensing	316,661	(96,134)	(220,527)	(59,424)	30.4	(64.2)
Health and Human Services	12,914,840	(10,552,033)	(2,362,807)	(2,175,514)	81.7	(82.5)
Education	5,236,537	(1,199,465)	(4,037,072)	(3,782,692)	22.9	(18.7)
Indirect Interest on Long-term Debt	63,668	-	(63,668)	(135,183)	-	-
	<u>\$ 22,884,533</u>	<u>\$ (19,823,098)</u>	<u>\$ (3,061,435)</u>	<u>\$ (3,356,319)</u>	<u>86.6 %</u>	<u>(83.8)%</u>

State of New Mexico
Expenses and Program Revenues: Governmental Activities
For the Fiscal Year Ended June 30, 2023



**STATE OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
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Business-type Activities

Business-type activities generated program revenues of \$3.3 billion, including charges for services of \$2.6 billion, operating grants and contributions of \$608 million, and \$57.8 million in capital grants and contributions. Total program revenues were \$0.4 billion less than the prior year, mostly attributable to a decrease in the unemployment insurance function. The total expenses for business-type activities were \$5 billion, approximately the same as the prior year. The largest changes occurred in the unemployment insurance function, where expenses decreased by \$249 million versus the prior year, and in the educational institutions function where expenses increased by \$233 million. Changes in net position was \$340.2 million versus \$137.2 million in the previous year, an increase of \$203 million.

FINANCIAL ANALYSIS OF THE STATE'S GOVERNMENTAL FUNDS

Fund Balances

At June 30, 2023, the State's governmental funds reported combined ending fund balances of \$56.7 billion. The State reported \$55.9 billion, or 98.5 percent, as restricted, including \$28.7 billion related to the Land Grant Fund, and \$8.3 billion associated with the Severance Tax Fund, all established by state laws. Note 1.G.14 contains more details about the fund balance classifications at June 30, 2023. The committed, assigned, nonspendable, and unassigned classifications of fund balance totaled \$852 million or 1.5 percent.

**State of New Mexico
Fund Balances as of June 30, 2023
(Expressed in Thousands)**

	General Fund	Severance Tax	Land Grant	Nonmajor Governmental Funds	Totals Governmental Funds
Nonspendable	\$ 55,345	\$ -	\$ -	\$ 2,000	\$ 57,345
Restricted	13,913,099	8,329,508	28,650,859	4,968,971	55,862,437
Committed	93,045	-	-	2,520	95,565
Assigned	145,357	-	-	-	145,357
Unassigned	598,490	-	-	(44,372)	554,118
Total	\$ 14,805,336	\$ 8,329,508	\$ 28,650,859	\$ 4,929,119	\$ 56,714,822
'Percent Change from Prior Year	<u>56.4 %</u>	<u>22.2 %</u>	<u>13.8 %</u>	<u>20.8 %</u>	<u>24.5 %</u>

Governmental Funds

General Fund

General Fund balance at June 30, 2023 totaled \$14.8 billion. Net change in General Fund balance, was an increase of \$5.3 billion. The General Fund ended the fiscal year 2023 with an unassigned fund balance of \$598 million.

**STATE OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

Budgetary Highlights – General Fund

The initial fiscal year 2023 budget was adopted by the Legislature during the 2022 Regular Session. The General Fund original budgeted revenues for fiscal year 2023 were slightly less than the fiscal year 2022 final budget basis revenues. After budget amendments, the actual expenditures in the General Fund were \$1.3 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, 2023, totaled \$8.3 billion, an increase of \$1.5 billion, or 11.2 percent, related to an increase in transfers in from other funds.

Land Grant Fund

Fund balance at June 30, 2023, totaled \$28.6 billion, an increase of \$3.5 billion, or 14.6 percent, related to an increase in interfund transfers.

FINANCIAL ANALYSIS OF THE STATE'S PROPRIETARY FUNDS

Exclusive of Internal Service Funds, the State's proprietary funds reported Net Position of \$1.9 billion, an increase of \$0.8 billion from the prior year net position.

Educational Institutions

Net Position at June 30, 2023, totaled \$897.7 million. Current period activity increased the Net Position of the State's educational institutions by \$343 million, or 61.9 percent. For the fiscal year 2023, the State transferred \$1.3 billion to the State's educational institutions, an increase of \$397 million, or 41 percent from fiscal year 2022.

DISCRETE COMPONENT UNITS

Discretely-presented component units 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 (UNAUDITED)
JUNE 30, 2023**

CAPITAL ASSETS AND LONG-TERM DEBT ADMINISTRATION

Capital Asset Activity

As of June 30, 2023, the State's net investment in capital assets, for governmental activities totaled \$7.0 billion and \$2.2 billion for its business-type activities. The state's capital assets include land, buildings, improvements, machinery and equipment, mineral rights, roads, highways and bridges, right to use assets (leased assets), and subscription-based information technology arrangements. The change in the State's investment in capital assets for the current fiscal year was a modest increase of 7.85 percent in total, including a 7.11 percent increase for governmental activities, and an increase of 10.21 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, 2023:

**State of New Mexico
Bond Ratings at June 30, 2023**

Bonds	Moody's	Standard & Poor's
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 \$66.6 million, Severance Tax bond issuances during the year totaled \$293.3 million and General Obligation bond issuances during the year totaled \$223.7 million.

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
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

ECONOMIC CONDITIONS AND OUTLOOK

Economic Factors Affecting New Mexico's Fiscal Year 2024 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 economy experienced growth in state fiscal year 2023, albeit at a slower pace. The national economy, as measured by real gross domestic product, grew by 1.7% in fiscal year 2023, but was hindered by record levels of inflation and recessionary fears. Moreover, the moderate growth has been influenced by the Federal Reserve rate increases that were implemented to curb stubbornly high inflation levels by slowing the national economy and labor market, without triggering a recession. In fiscal year 2023, total US employment increased by 3.66 million, this represents a 2.4% year-over-year growth from fiscal year 2022. Average hourly wages in the U.S. increased by 4.4%, which was below the 6.3% inflation rate, effectively reducing workers' purchasing power. In fiscal year 2024, wage growth is expected to outpace inflation.

The US economy is anticipated to experience moderate growth in fiscal year 2024, with a projected GDP growth rate of 1.8%. In response to persistently high inflation and a robust job market, the Federal Reserve is expected to maintain short-term interest rates high during the near future.

New Mexico Economy

The New Mexico economy showed growth in fiscal year 2023, with the real gross domestic product expanding by 1.9 percent on a year-over-year basis. The wages and salaries in the state increased by 10.1 percent and the total personal income grew by 2.5 percent. In the same period, employment in New Mexico increased by 3.4 percent, which means the state added approximately 28,800 jobs. During fiscal year 2023, the Mining, Construction, Leisure and Hospitality, Education & Health Services, and Local Government sectors created 3,500 jobs, 2,500 jobs, 6,000 jobs, 6,500 jobs, and 6,000 jobs, respectively.

**STATE OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

Oil prices were lower in fiscal year 2023 compared to fiscal year 2022. Prices were pressured downwards by easing concerns about worldwide and national economic growth, the international markets pricing in the Ukraine-Russia conflict, and recessionary fears slowly receding for the calendar year 2023. The average prices for crude oil and natural gas in New Mexico were \$80.65 per barrel and \$5.40 per mcf, respectively. Despite the lower prices, New Mexico maintained its high levels of oil and natural gas production due to low break-even points and high yield-producing wells. In fiscal year 2023, New Mexico produced a record high of 657.5 million barrels of oil and 3.2 billion cubic feet of natural gas. The record levels of production in fiscal year 2023 offset any impact of the slightly lower prices.

General Fund Revenue and Reserve Outlook

According to the December 2023 consensus revenue estimate, fiscal year 2023 recurring revenue grew by 19.8 percent to about \$11.6 billion, while year-end financial reserves 47.3 percent of recurring appropriations. The growth in the revenue estimate is mainly due to general sales, income taxes, and investment income 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 2024 recurring revenues are estimated to increase by 10.2 percent when compared to fiscal year 2023. Total revenues for fiscal year 2024 are estimated to be around \$12.8 billion. Fiscal year 2024 over fiscal year 2023 growth is driven primarily by estimated growth in oil and natural gas revenue. The underlying sales and income revenue are growing, but due to legislative adjustments, the latest consensus forecast shows that these revenues will remain flat or slightly decline compared to the fiscal year 2023. For the fiscal year 2024, the consensus revenue outlook estimates a decrease in ending reserves from \$3.8 billion to \$2.8 billion, or 29.7 percent of recurring appropriations (including 2024 legislative actions). This decline in estimated reserves can be attributed mainly to 2024's Senate Bill 159, which creates the Higher Education Trust Fund through a \$959 million transfer from the Tax Stabilization Reserve.

The global, national, and state economic outlook continues to stabilize post-pandemic recovery. However, there are a few risks to the outlook. The Federal Reserve has taken aggressive actions to combat inflation, which appears to be working and is preparing markets for rate reductions in the latter half of 2024. The timing of the Federal Reserve monetary policy rate changes poses a potential risk to the national economic outlook. Additionally, other risks include a tight labor market, supply-side constraints, and potential changes in crude oil production by OPEC+.

CONTACT THE STATE'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
STATEMENT OF NET POSITION
JUNE 30, 2023
(IN THOUSANDS)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 5,159,964	\$ 903,997	\$ 6,063,961	\$ 210,210
Cash and Cash Equivalents - Restricted	765	56,033	56,798	511,157
Investment in State General Fund Investment Pool	14,854,377	221,467	15,075,844	1,216
Investment in Local Government Investment Pool	-	155,187	155,187	20,487
Internal Balances	(42,608)	42,608	-	-
Due From Component Units	142,772	9,245	152,017	-
Due From Primary Government	-	-	-	65,350
Receivables, Net	5,261,631	850,523	6,112,154	33,799
Loans Receivable, Net	-	-	-	175,253
Investments	37,285,755	516,873	37,802,628	109,853
Prepaid Expenses	-	-	-	1,127
Inventories	39,148	36,624	75,772	444
Other Current Assets	8,593	22,614	31,207	10,539
Total Current Assets	<u>62,710,397</u>	<u>2,815,171</u>	<u>65,525,568</u>	<u>1,139,435</u>
Noncurrent Assets:				
Unrestricted Cash and Cash Equivalents	-	93,216	93,216	-
Restricted Cash and Cash Equivalents	-	83,280	83,280	105,616
Restricted Investments	-	202,864	202,864	601,173
Loans Receivable, Net	-	322,819	322,819	1,931,331
Receivables, Net	2,017	-	2,017	-
Due From Component Units	-	102,062	102,062	-
Investments	-	608,085	608,085	2,253,181
Net Pension Assets	26,125	-	26,125	-
Other Noncurrent Assets	-	31,353	31,353	115,314
Nondepreciable Capital Assets	2,046,575	688,646	2,735,221	90,679
Other Capital Assets, Net	6,295,750	2,518,063	8,813,813	245,681
Total Noncurrent Assets	<u>8,370,467</u>	<u>4,650,388</u>	<u>13,020,855</u>	<u>5,342,975</u>
Total Assets	71,080,864	7,465,559	78,546,423	6,482,410
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows - other	-	-	-	1,009
Interest Rate Swaps	-	735	735	-
Deferred Charge on Refunding	21,497	8,405	29,902	-
Deferred Outflows - OPEB	164,051	85,987	250,038	41,648
Deferred Outflows - Pension	703,917	645,698	1,349,615	137,835
Total Deferred Outflows of Resources	<u>889,465</u>	<u>740,825</u>	<u>1,630,290</u>	<u>180,492</u>

See accompanying Notes to Financial Statements.

STATE OF NEW MEXICO
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2023
(IN THOUSANDS)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 1,679,449	\$ 391,214	\$ 2,070,663	\$ 32,087
Accrued Liabilities	45,677	82,009	127,686	25,190
Accrued Interest	38,018	-	38,018	-
Unearned Revenue	870,665	134,090	1,004,755	2,456
Due to Primary Government	-	-	-	17,029
Due to Component Units	65,348	2	65,350	-
Intergovernmental Payables	369,820	3,608	373,428	-
Other Obligations	998,001	-	998,001	-
Funds Held for Others	1,069,711	5,847	1,075,558	162,276
Bonds Payable - Current Portion:	507,036	48,956	555,992	162,354
Other Liabilities - Current Portion	277,889	94,009	371,898	470,544
Total Current Liabilities	<u>5,921,614</u>	<u>759,735</u>	<u>6,681,349</u>	<u>871,936</u>
Noncurrent Liabilities:				
Bonds Payable, Net of Current Portion:	2,520,823	650,770	3,171,593	3,067,588
Due to Primary Government	-	-	-	237,050
Due to Component Units	-	-	-	-
Net Pension Liability	3,960,251	2,301,724	6,261,975	279,098
Net OPEB Liability	543,772	370,945	914,717	50,698
Other Liabilities, Net of Current Portion	706,034	553,068	1,259,102	201,318
Total Noncurrent Liabilities	<u>7,730,880</u>	<u>3,876,507</u>	<u>11,607,387</u>	<u>3,835,752</u>
Total Liabilities	13,652,494	4,636,242	18,288,736	4,707,688
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows - Pension	128,025	1,377,071	1,505,096	173,137
Deferred Inflows - OPEB	497,464	136,001	633,465	49,447
Deferred Inflows - Leases	266,244	120,517	386,761	265
Deferred Inflows - Other	4,069	2,445	6,514	26,001
Total Deferred Inflows of Resources	<u>895,802</u>	<u>1,636,034</u>	<u>2,531,836</u>	<u>248,850</u>
NET POSITION				
Net Investment in Capital Assets	6,998,390	2,238,573	9,236,963	90,495
Restricted for:				
Nonexpendable:				
Financial Aid	-	196,687	196,687	-
Endowment	2,000	150,932	152,932	-
Other Purposes	55,345	13,553	68,898	1,516,253
Expendable:				
Education	-	264	264	-
Debt Service	1,070,235	51,214	1,121,449	173,849
Capital Projects	3,894,040	38,108	3,932,148	-
Scholarships	-	60,426	60,426	-
Unemployment and Insurance	-	554,686	554,686	-
Loan Programs	-	480,233	480,233	-
Land Grant Perm Fund - SIC	28,650,859	-	28,650,859	-
Severance Tax Perm Fund - SIC	8,329,508	-	8,329,508	-
Tax Stabilization (Public Peace, Health & Safety)	3,050,438	-	3,050,438	-
Equity Childhood Education and Care	6,802,776	-	6,802,776	-
Other Purposes	2,105,110	102,868	2,207,978	-
Unrestricted Net Position	<u>(3,536,668)</u>	<u>(1,953,436)</u>	<u>(5,490,104)</u>	<u>(74,233)</u>
Total Net Position	<u>\$ 57,422,033</u>	<u>\$ 1,934,108</u>	<u>\$ 59,356,141</u>	<u>\$ 1,706,364</u>

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-Type Activities	Total	
Primary Government:								
Governmental Activities:								
General Control	\$ 1,913,234	\$ 3,633,122	\$ 697,595	\$ 33	\$ 2,417,516	\$ -	\$ 2,417,516	\$ -
Culture, Recreation, and Natural Resources	259,482	2,793,054	46,442	33,762	2,613,776	-	2,613,776	-
Highway and Transportation	1,003,382	119,232	32,490	448,301	(403,359)	-	(403,359)	-
Judicial	385,550	15,220	5,588	47	(364,695)	-	(364,695)	-
Legislative	35,330	-	993	-	(34,337)	-	(34,337)	-
Public Safety	755,849	9,888	139,291	408	(606,262)	-	(606,262)	-
Regulation and Licensing	316,661	64,970	31,164	-	(220,527)	-	(220,527)	-
Health and Human Services	12,914,840	251,447	10,300,586	-	(2,362,807)	-	(2,362,807)	-
Education	5,236,537	8,529	1,190,936	-	(4,037,072)	-	(4,037,072)	-
Interest on Long-term Debt	63,668	-	-	-	(63,668)	-	(63,668)	-
Total Governmental Activities	22,884,533	6,895,462	12,445,085	482,551	(3,061,435)	-	(3,061,435)	-
Business-Type Activities:								
Educational Institutions	4,244,860	1,947,792	608,117	57,753	-	(1,631,198)	(1,631,198)	-
Public Schools Insurance	442,918	438,435	-	-	-	(4,483)	(4,483)	-
Environmental Loans	4,452	5,162	-	-	-	710	710	-
Miners' Colfax Medical Center	45,316	27,627	-	-	-	(17,689)	(17,689)	-
Unemployment Insurance	175,949	146,972	-	-	-	(28,977)	(28,977)	-
State Fair - EXPO	16,204	13,666	-	-	-	(2,538)	(2,538)	-
Other Business-type Activities	24,939	19,631	-	-	-	(5,308)	(5,308)	-
Total Business-Type Activities	4,954,638	2,599,285	608,117	57,753	-	(1,689,483)	(1,689,483)	-
Total Primary Government	\$ 27,839,171	\$ 9,494,747	\$ 13,053,202	\$ 540,304	\$ (3,061,435)	\$ (1,689,483)	\$ (4,750,918)	-
Discretely Presented Component Units								
Major Component Units	\$ 363,344	\$ 306,953	\$ 67,094	\$ -	\$ -	\$ -	\$ -	10,703
Nonmajor Component Units	353,718	13,030	127,817	-	-	-	-	(212,871)
Total Component Unit Activities	\$ 717,062	\$ 319,983	\$ 194,911	\$ -	\$ -	\$ -	\$ -	(202,168)
GENERAL REVENUES								
Taxes:								
					1,621,993	-	1,621,993	-
					440,208	-	440,208	-
					4,224,494	-	4,224,494	-
					6,360,453	-	6,360,453	-
					70,450	-	70,450	-
					-	-	-	456,769
					-	-	-	(89,227)
					2,873,705	98,625	2,972,330	26,408
					612,743	540,319	1,153,062	22,541
					(1,390,769)	1,390,769	-	-
					14,813,277	2,029,713	16,842,990	416,491
Total Net General Revenues and Transfers								
CHANGE IN NET POSITION								
					11,751,842	340,230	12,092,072	214,323
					45,670,191	1,593,878	47,264,069	1,492,041
NET POSITION - ENDING					\$ 57,422,033	\$ 1,934,108	\$ 59,356,141	\$ 1,706,364

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO
GOVERNMENTAL FUNDS 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.

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.

Nonmajor Governmental Funds

Combining financial statements for the individual nonmajor governmental funds are presented in the Financial Section - Required and Supplemental Information.

**STATE OF NEW MEXICO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023
(IN THOUSANDS)**

	General Fund	Severance Tax Fund	Land Grant Fund
ASSETS			
Cash and Cash Equivalents	\$ 1,325,509	\$ 972,125	\$ 2,849,118
Investment in the State General Fund Investment Pool	8,960,675	472,491	391,608
Due From Other Funds	966	294	363,151
Due From Educational Institutions Fund	4,970	-	-
Due from Component Units	141,046	1,726	-
Receivables, Net	4,871,425	70,488	282,760
Investments	5,345,388	6,869,195	25,026,841
Inventories	39,148	-	-
Other Assets	8,480	-	-
Total Assets	<u>20,697,607</u>	<u>8,386,319</u>	<u>28,913,478</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 20,697,607</u>	<u>\$ 8,386,319</u>	<u>\$ 28,913,478</u>
LIABILITIES			
Accounts Payable	\$ 1,209,459	\$ 56,811	\$ 262,618
Accrued Liabilities	44,000	-	-
Due To Other Funds	773,296	-	-
Due To Educational Institutions Fund	13,417	-	-
Due to Component Units	50,179	-	-
Intergovernmental Payables	283,221	-	-
Funds Held For Others	1,069,419	-	-
Other Obligations	997,999	-	1
Unearned Revenue	663,175	-	-
Total Liabilities	<u>5,104,165</u>	<u>56,811</u>	<u>262,619</u>
DEFERRED INFLOWS OF RESOURCES			
Leases	266,161	-	-
Unavailable Revenues	521,945	-	-
Total Deferred Inflows of Resources	<u>788,106</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	55,345	-	-
Restricted	13,913,099	8,329,508	28,650,859
Committed	93,045	-	-
Assigned	145,357	-	-
Unassigned (Deficit)	598,490	-	-
Total Fund Balances	<u>14,805,336</u>	<u>8,329,508</u>	<u>28,650,859</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 20,697,607</u>	<u>\$ 8,386,319</u>	<u>\$ 28,913,478</u>

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2023
(IN THOUSANDS)**

	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS		
Cash and Cash Equivalents	\$ 13,977	\$ 5,160,729
Investment in the State General Fund Investment Pool	4,904,413	14,729,187
Due From Other Funds	416,284	780,695
Due From Educational Institutions Fund	-	4,970
Due from Component Units	-	142,772
Receivables, Net	11,270	5,235,943
Investments	44,331	37,285,755
Inventories	-	39,148
Other Assets	-	8,480
Total Assets	5,390,275	63,387,679
Total Assets and Deferred Outflows of Resources	\$ 5,390,275	\$ 63,387,679
LIABILITIES		
Accounts Payable	\$ 108,632	\$ 1,637,520
Accrued Liabilities	1,201	45,201
Due To Other Funds	6,431	779,727
Due To Educational Institutions Fund	35,129	48,546
Due to Component Units	15,169	65,348
Intergovernmental Payables	86,570	369,791
Funds Held For Others	292	1,069,711
Other Obligations	1	998,001
Unearned Revenue	207,296	870,471
Total Liabilities	460,721	5,884,316
DEFERRED INFLOWS OF RESOURCES		
Leases	83	266,244
Unavailable Revenues	352	522,297
Total Deferred Inflows of Resources	435	788,541
FUND BALANCES		
Nonspendable	2,000	57,345
Restricted	4,968,971	55,862,437
Committed	2,520	95,565
Assigned	-	145,357
Unassigned (Deficit)	(44,372)	554,118
Total Fund Balances	4,929,119	56,714,822
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,390,275	\$ 63,387,679

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO
RECONCILIATION OF THE BALANCE SHEET
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2023
(IN THOUSANDS)**

Total Fund Balances - Governmental Funds \$ 56,714,822

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 \$8,399 ISF)	\$ 2,038,176	
Buildings, Equipment, Infrastructure and Other Depreciable Assets (not including \$237,285 in Internal Service Fund balances)	14,987,052	
Accumulated Depreciation (Less \$147,002 ISF)	<u>(8,781,585)</u>	8,243,643

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. 518,408

The deferred charge on bond refunding issues is not recognized in the governmental funds but is recognized in the government-wide statements. 21,497

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 26,125

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 \$12,456 and \$8,865 for ISF)	855,512	
	<u>(616,624)</u>	238,888

The deferred gain on refunding is not recognized in the governmental funds, but is recognized in the government-wide statements (180)

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. (106,524)

Accrued interest payable is not recognized in the governmental funds statements (38,018)

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 \$58,038)	(3,902,213)	
Net OPEB liability (Less ISF \$8,265)	(535,507)	
Bonds payable, including bond premiums net of amortization	(3,027,859)	
Lease & SBITA Liabilities not recognized in governmental funds (Less ISF \$16,057)	(530,053)	
Compensated absences, notes payable, contingent liabilities, and other liabilities (Less \$1,663 ISF)	<u>(200,996)</u>	(8,196,628)

Other Differences		-
Total Net Position - Governmental Activities		<u>\$ 57,422,033</u>

STATE OF NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

	General Fund	Severance Tax Fund	Land Grant Fund
REVENUES			
Taxes:			
General and Selective Taxes	\$ 8,089,331	\$ -	\$ -
Income Taxes	2,111,568	-	-
Total Taxes	<u>10,200,899</u>	-	-
Other Revenues:			
Federal Revenue	12,476,168	-	-
Investment Income (Loss)	419,897	418,360	1,915,434
Rentals and Royalties	5,936,929	-	-
Charges for Services	206,219	-	-
Licenses, Fees, and Permits	364,446	-	-
Assessments	52,420	-	-
Miscellaneous and Other	603,201	-	114
Total Revenues	<u>30,260,179</u>	<u>418,360</u>	<u>1,915,548</u>
EXPENDITURES			
Current:			
Culture, Recreation, and Natural Resources	226,400	-	-
Education	5,168,234	-	-
General Control	943,684	-	-
Health and Human Services	12,850,685	-	-
Highway and Transportation	593,739	-	-
Judicial	390,595	-	-
Legislative	34,604	-	-
Public Safety	761,343	-	-
Regulation and Licensing	310,349	-	-
Capital Outlay	657,554	-	-
Debt Service:			
Principal	190,723	-	-
Interest and Other Charges	53,164	-	-
Total Expenditures	<u>22,181,074</u>	<u>-</u>	<u>-</u>
EXCESS REVENUES OVER (UNDER)			
EXPENDITURES	8,079,105	418,360	1,915,548
OTHER FINANCING SOURCES (USES)			
Bonds Issued	-	-	-
Bond Premium	-	-	-
Proceeds from the Sale of Capital Assets	1,926	-	-
Transfers In	1,466,391	1,368,377	2,612,476
Transfers to Higher Ed	-	-	-
Transfers Out	(4,289,061)	(275,223)	(1,049,920)
Payment to Refunding Bond Escrow Agent	-	-	-
Leases & SIBTAs	87,120	-	-
Total Other Financing Sources (Uses)	<u>(2,733,624)</u>	<u>1,093,154</u>	<u>1,562,556</u>
NET CHANGE IN FUND BALANCES	5,345,481	1,511,514	3,478,104
Adjustments to Fund Balance, See Note 9	(7,327)	-	-
Fund Balance - Beginning	9,467,182	6,817,994	25,172,755
FUND BALANCES - ENDING	<u>\$ 14,805,336</u>	<u>\$ 8,329,508</u>	<u>\$ 28,650,859</u>

See accompanying Notes to Financial Statements.

STATE OF NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES		
Taxes:		
General and Selective Taxes	\$ 2,496,662	\$ 10,585,993
Income Taxes	-	2,111,568
Total Taxes	2,496,662	12,697,561
Other Revenues:		
Federal Revenue	26,430	12,502,598
Investment Income (Loss)	120,014	2,873,705
Rentals and Royalties	22	5,936,951
Charges for Services	3,535	209,754
Licenses, Fees, and Permits	2,392	366,838
Assessments	-	52,420
Miscellaneous and Other	10,786	614,101
Total Revenues	2,659,841	35,253,928
EXPENDITURES		
Current:		
Culture, Recreation, and Natural Resources	26,398	252,798
Education	69,909	5,238,143
General Control	218,308	1,161,992
Health and Human Services	101,874	12,952,559
Highway and Transportation	145,331	739,070
Judicial	3,158	393,753
Legislative	-	34,604
Public Safety	414	761,757
Regulation and Licensing	10,736	321,085
Capital Outlay	215,127	872,681
Debt Service:		
Principal	1,271,217	1,461,940
Interest and Other Charges	73,426	126,590
Total Expenditures	2,135,898	24,316,972
EXCESS REVENUES OVER (UNDER) EXPENDITURES	523,943	10,936,956
OTHER FINANCING SOURCES (USES)		
Bonds Issued	1,539,199	1,539,199
Bond Premium	59,060	59,060
Proceeds from the Sale of Capital Assets	-	1,926
Transfers In	431,737	5,878,981
Transfers to Higher Ed	-	-
Transfers Out	(1,712,070)	(7,326,274)
Payment to Refunding Bond Escrow Agent	-	-
Leases & SIBTAs	-	87,120
Total Other Financing Sources (Uses)	317,926	240,012
NET CHANGE IN FUND BALANCES	841,869	11,176,968
Adjustments to Fund Balance, See Note 9	7,990	663
Fund Balance - Beginning	4,079,260	45,537,191
FUND BALANCES - ENDING	\$ 4,929,119	\$ 56,714,822

See accompanying Notes to 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
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

Net Change in Fund Balances - Total Governmental Funds \$ 11,176,968

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	\$ 872,681	
Depreciation/Amortization Expense (Less ISF \$24,023)	<u>(476,830)</u>	
Excess of capital outlay over depreciation expense		395,851

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.) 445,075

Capital gain (loss) is not recognized in the fund financial statements, but is in the Government-Wide

Net Value of Assets Disposed of During the Year	(9,123)	
Donation of Capital Assets	<u>(133)</u>	(9,256)

Net transfer of capital assets to other funds from governmental funds (14,794)

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. (34,461)

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	377,595	
Principal Payment from Refunding	-	
Sponge Bonds Proceeds	(1,022,179)	
Sponge Bonds Principal Payments	1,022,179	
Bond Proceeds, Net	<u>(517,020)</u>	(139,425)

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. 9,322

STATE OF NEW MEXICO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
(CONTINUED)
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

The deferred loss (less deferred gain) on refunding bond issues is capitalized and the amortization is reported in the Statement of Activities.	\$ (5,594)	
	<u>624</u>	\$ (4,970)
Pension expense (revenue) and OPEB expense of governmental funds is recognized in the Statement of Activities but not in the fund statements.	(176,647)	
	<u>139,810</u>	(36,837)
Debt Service payments for lease and SBITA assets		62,166
Lease and SBITA proceeds - issuance of long-term debt (e.g. lease liabilities) provides current financial resources to governmental funds, but has no effect on net position		(87,120)
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	(3,797)	
Compensated Absences Expense (Less ISF (\$60))	(3,936)	
Change in prepaid/inventory balances	663	
Pollution Remediation Obligation	(12,126)	
Change in Indian Water Rights Liability	4,534	
Change in other liabilities	20,900	
Other	<u>(16,915)</u>	<u>(10,677)</u>
Change in Net Position of Governmental Activities		<u>\$ 11,751,842</u>

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO
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.

Nonmajor Enterprise Funds

Combining financial statements for the individual nonmajor 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 FUND
JUNE 30, 2023
(IN THOUSANDS)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Educational Institutions	Nonmajor Enterprise Funds	Total	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 492,944	\$ 411,053	\$ 903,997	\$ -
Cash and Cash Equivalents - Restricted	56,033	-	56,033	-
Investment in the State General Fund Investment Pool	-	221,467	221,467	125,190
Investment in the Local Government Investment Pool	75,842	79,345	155,187	-
Internal Balances	-	-	-	-
Due From Other Funds	48,546	-	48,546	-
Due From Component Unit	9,245	-	9,245	-
Receivables, Net	584,765	265,758	850,523	27,787
Investments	516,873	-	516,873	-
Inventories	35,062	1,562	36,624	-
Other Current Assets	22,323	291	22,614	-
Total Current Assets	<u>1,841,633</u>	<u>979,476</u>	<u>2,821,109</u>	<u>152,977</u>
Noncurrent Assets:				
Unrestricted Cash and Cash Equivalents	93,216	-	93,216	-
Restricted Cash and Cash Equivalents	83,280	-	83,280	-
Loans Receivable	56,905	265,914	322,819	-
Investments	562,765	45,320	608,085	-
Restricted Investments	202,864	-	202,864	-
Due From Component Units	102,062	-	102,062	-
Derivative Instruments - Interest Rate Swaps	-	-	-	-
Other Noncurrent Assets	31,353	-	31,353	-
Nondepreciable Capital Assets	686,881	1,765	688,646	8,399
Capital Assets, Net	<u>2,459,722</u>	<u>58,341</u>	<u>2,518,063</u>	<u>90,283</u>
Total Noncurrent Assets	<u>4,279,048</u>	<u>371,340</u>	<u>4,650,388</u>	<u>98,682</u>
Total Assets	6,120,681	1,350,816	7,471,497	251,659
DEFERRED OUTFLOWS OF RESOURCES				
Interest Rate Swaps	735	-	735	-
Deferred Charge on Refunding	8,405	-	8,405	-
Deferred Outflows - OPEB	83,491	2,496	85,987	2,493
Deferred Outflows - Pension	635,767	9,931	645,698	9,963
Total Deferred Outflows of Resources	<u>728,398</u>	<u>12,427</u>	<u>740,825</u>	<u>12,456</u>

See accompanying Notes to Financial Statements.

STATE OF NEW MEXICO
STATEMENT OF NET POSITION
PROPRIETARY FUND (CONTINUED)
JUNE 30, 2023
(IN THOUSANDS)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Educational Institutions	Nonmajor Enterprise Funds	Total	
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 387,844	\$ 3,370	\$ 391,214	\$ 41,929
Deficiency in SGFIP	-	-	-	-
Accrued Liabilities	63,712	18,297	82,009	474
Unearned Revenue	99,543	34,547	134,090	194
Due to Other Funds	4,970	968	5,938	-
Due to Component Unit	2	-	2	-
Due To Higher Educational Institutions	-	-	-	-
Intergovernmental Payables	3,608	-	3,608	-
Other Obligations	-	-	-	-
Funds Held for Others	5,492	355	5,847	-
Bonds Payable, Current Portion	47,814	1,142	48,956	-
Other Liabilities, Current Portion	58,682	35,327	94,009	133,616
Total Current Liabilities	<u>671,667</u>	<u>94,006</u>	<u>765,673</u>	<u>176,213</u>
Noncurrent Liabilities:				
Bonds Payable, Net of Current Portions	647,170	3,600	650,770	-
Net Pension Liability	2,243,874	57,850	2,301,724	58,038
Net OPEB Liability	362,673	8,272	370,945	8,265
Other Liabilities, Net of Current Portion	463,410	89,658	553,068	119,258
Total Noncurrent Liabilities	<u>3,717,127</u>	<u>159,380</u>	<u>3,876,507</u>	<u>185,561</u>
Total Liabilities	4,388,794	253,386	4,642,180	361,774
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflow - Pension	1,375,772	1,299	1,377,071	1,305
Deferred Inflow - OPEB	128,434	7,567	136,001	7,560
Deferred Inflow - Leases	56,150	64,367	120,517	-
Deferred Inflow - Other	2,272	173	2,445	-
Total Deferred Inflows of Resources	<u>1,562,628</u>	<u>73,406</u>	<u>1,636,034</u>	<u>8,865</u>
NET POSITION				
Net Investment in Capital Assets	2,185,029	53,544	2,238,573	83,408
Restricted:				
Nonexpendable:				
Scholarships and Student Loans	196,687	-	196,687	-
Endowment	150,932	-	150,932	-
Other Purposes	13,553	-	13,553	-
Expendable:				
Education	264	-	264	-
Debt Service	51,214	-	51,214	-
Capital Projects	38,108	-	38,108	-
Scholarships	60,426	-	60,426	-
Unemployment and Insurance	-	554,686	554,686	-
Loans	5,431	474,802	480,233	-
Other Purposes	64,973	37,895	102,868	67,154
Unrestricted (Deficit)	<u>(1,868,960)</u>	<u>(84,476)</u>	<u>(1,953,436)</u>	<u>(257,086)</u>
Total Net Position	<u>\$ 897,657</u>	<u>\$ 1,036,451</u>	<u>\$ 1,934,108</u>	<u>\$ (106,524)</u>

See accompanying Notes to Financial Statements.

STATE OF NEW MEXICO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Educational Institutions	Nonmajor Enterprise Funds	Total	
OPERATING REVENUES				
Charges for Services	\$ 177,840	\$ 495,495	\$ 673,335	\$ 547,520
Unemployment Insurance	-	130,506	130,506	-
Federal Revenue	543,531	-	543,531	-
State, Local, and Private Grants and Contracts	64,586	-	64,586	-
Loans and Other Income	-	17,011	17,011	-
Student Tuition and Fees, Net	19,838	-	19,838	-
Patient Services/Clinical Operations	1,651,780	-	1,651,780	-
Other Operating Revenues	98,334	8,481	106,815	-
Total Operating Revenues	<u>2,555,909</u>	<u>651,493</u>	<u>3,207,402</u>	<u>547,520</u>
OPERATING EXPENSES				
Benefits, Claims, and Premiums	58	182,034	182,092	-
Education and General Administration	3,319,172	514,609	3,833,781	637,133
Depreciation and Amortization	214,354	4,702	219,056	24,023
Other Operating Expenses	711,276	8,433	719,709	1,422
Total Operating Expenses	<u>4,244,860</u>	<u>709,778</u>	<u>4,954,638</u>	<u>662,578</u>
OPERATING INCOME (LOSS)	(1,688,951)	(58,285)	(1,747,236)	(115,058)
NONOPERATING REVENUES (EXPENSES)				
Clinical Operations	-	-	-	-
Private Grants and Gifts	57,280	-	57,280	-
State Permanent Fund Income	-	-	-	-
Government Grants and Contracts	448,083	27,774	475,857	-
Interest and Investment Income	93,648	4,977	98,625	-
Interest and Other Expenses on Capital				
Interest-Related Debt	(25,766)	(184)	(25,950)	3,307
Gain (Loss) on Sale of Capital Assets	(991)	8	(983)	434
Other Revenue (Expense)	30,435	3,680	34,115	5,538
Total Nonoperating Revenues (Expenses)	<u>602,689</u>	<u>36,255</u>	<u>638,944</u>	<u>9,279</u>
INCOME (LOSS) BEFORE TRANSFERS AND OTHER REVENUES (EXPENSES)	(1,086,262)	(22,030)	(1,108,292)	(105,779)
CAPITAL CONTRIBUTIONS AND ENDOWMENTS				
Capital Grants and Gifts	24,291	-	24,291	-
Permanent Fund/Endowment Contributions	33,462	-	33,462	-
Total Capital Contributions and Endowments	<u>57,753</u>	<u>-</u>	<u>57,753</u>	<u>-</u>
TRANSFERS				
Transfers In	1,372,226	21,538	1,393,764	71,330
Transfers Out	(402)	(2,593)	(2,995)	(12)
Total Transfers	<u>1,371,824</u>	<u>18,945</u>	<u>1,390,769</u>	<u>71,318</u>
CHANGE IN NET POSITION	343,315	(3,085)	340,230	(34,461)
Net Position - Beginning	554,342	1,039,536	1,593,878	(72,063)
NET POSITION - ENDING	<u>\$ 897,657</u>	<u>\$ 1,036,451</u>	<u>\$ 1,934,108</u>	<u>\$ (106,524)</u>

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Educational Institutions	Nonmajor Enterprise Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from:				
Fees for Service	\$ 97,912	\$ 464,426	\$ 562,338	\$ 535,252
Sale of Products	1,842,647	18,316	1,860,963	-
Gifts, Grants, and Contracts	550,704	1,002	551,706	-
Loan and Note Repayments	-	15,844	15,844	-
Other Sources	70,215	220,009	290,224	10,519
Cash Payments to or for:				
Suppliers	(1,242,731)	(132,636)	(1,375,367)	(92,775)
Employees	(2,471,932)	(21,824)	(2,493,756)	(25,391)
Student Loans and Loan Losses	(67,787)	(373,065)	(440,852)	-
Claims	-	(199,306)	(199,306)	(472,931)
Other Payments	(436,687)	(180)	(436,867)	(838)
Net Cash Provided (Used) by Operating Activities	(1,657,659)	(7,414)	(1,665,073)	(46,164)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers In	1,372,226	21,538	1,393,764	57,514
Transfers Out	(402)	(2,593)	(2,995)	(12)
Gifts for Other Than Capital Purposes	58,501	11	58,512	-
Intergovernmental Receipts	300,221	12,584	312,805	-
Other - Capital Asset Transfer In	-	-	-	-
Other - Capital Asset Transfer Out	-	-	-	-
Other	26,473	14,281	40,754	-
Net Cash Provided (Used) by Noncapital Financing Activities	1,757,019	45,821	1,802,840	57,502
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(492,892)	(2,681)	(495,573)	(46,317)
Capital Debt Service Payments - Principal	(47,875)	(1,388)	(49,263)	(228)
Capital Debt Service Payments - Interest	(21,731)	(178)	(21,909)	(62)
Capital Contributions and Debt Proceeds	294,184	-	294,184	-
Other - Capital Asset Transfer In	-	-	-	13,816
Other - Capital Asset Transfer Out	-	-	-	-
Proceeds from Sale of Capital Assets	573	279	852	-
Other	(10,683)	7	(10,676)	3,094
Net Cash Provided (Used) by Capital and Related Financing Activities	(278,424)	(3,961)	(282,385)	(29,697)

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO
STATEMENT OF CASH FLOWS
PROPRIETARY FUND (CONTINUED)
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Educational Institutions	Nonmajor Enterprise Funds	Total	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts of Interest and Dividends of Investments	\$ 79,775	\$ 472	\$ 80,247	\$ 906
Purchase of Investments	(497,273)	(46,040)	(543,313)	-
Receipts of Rent	5,047	2,864	7,911	-
Proceeds from Sale and Maturity of Investments	422,224	3,267	425,491	-
Net Cash Provided (Used) by Investing Activities	9,773	(39,437)	(29,664)	906
NET INCREASE (DECREASE) IN CASH	(169,291)	(4,991)	(174,282)	(17,453)
Cash and Cash Equivalents - Beginning of Year	965,105	670,849	1,635,954	142,643
Adjustments - Less LGIP balances previously included in Cash	(70,341)	(33,338)	(103,679)	-
Cash and Cash Equivalents - Beginning of Year, as adjusted	894,764	637,511	1,532,275	142,643
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 725,473</u>	<u>\$ 632,520</u>	<u>\$ 1,357,993</u>	<u>\$ 125,190</u>
CASH AND CASH EQUIVALENTS				
Unrestricted	\$ 586,160	\$ 411,053	\$ 997,213	\$ -
Restricted	139,313	-	139,313	-
Investment in the State General Fund Investment Pool	-	221,467	221,467	125,190
Total Cash and Cash Equivalents	<u>\$ 725,473</u>	<u>\$ 632,520</u>	<u>\$ 1,357,993</u>	<u>\$ 125,190</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (1,688,951)	\$ (58,285)	\$ (1,747,236)	\$ (115,058)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization	215,069	4,701	219,770	24,063
Bad Debt Expense	87,593	1,159	88,752	-
Realized (Gain) Loss on Disposal of Assets	878	-	878	-
Unrealized (Gain) Loss on Investments	(1,819)	-	(1,819)	-
Change in Net Pension Liability	181,250	13,941	195,191	12,546
Change in Net OPEB Liability	(7,820)	(3,199)	(11,019)	(3,986)
Change in Deferred Outflow of Resources	577,849	(1,869)	575,980	(1,644)
Change in Deferred Inflow of Resources	(842,402)	(6,327)	(848,729)	(7,678)
Net Changes in Assets and Liabilities Related to Operating Activities:				
Receivables/Due From Other Funds	(150,980)	23,968	(127,012)	(8,627)
Notes/Loans	1,130	-	1,130	-
Inventories	(301)	(65)	(366)	-
Prepaid Items/Other Assets	(785)	5	(780)	-
Insurance Claims Payable	-	-	-	29,907
Accounts Payable/Accrued Liabilities/Due To Other Funds	(26,482)	12,172	(14,310)	24,313
Loss Adjustments	-	6,086	6,086	-
Unearned Revenue	(1,888)	299	(1,589)	-
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,657,659)</u>	<u>\$ (7,414)</u>	<u>\$ (1,665,073)</u>	<u>\$ (46,164)</u>

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO
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.

STATE OF NEW MEXICO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023
(IN THOUSANDS)

	Pension and Other Empl. Benefit Trust Funds	External Investment Trust Funds	Private Purpose Trust Funds	Custodial Funds
ASSETS				
Cash and Cash Equivalents	\$ 1,222,989	\$ 2,742	\$ 12,480	\$ 38,617
Investment in State General Fund Investment Pool	277,206	-	192,210	131,738
Investment in Local Government Investment Pool	-	1,200	-	8,702
Investments:				
U.S. Government and Agency Securities	2,980,853	-	-	-
International Securities	1,731,244	-	-	-
Corporate Equity Securities	7,107,140	-	-	-
Corporate and Municipal Bonds	1,413,821	-	-	-
Partnerships and Other Investments	19,739,595	-	-	-
Securities Lending Collateral Investments	349,930	-	-	-
Deferred Comp. Plan Invest.	768,875	-	-	-
Long Term Investments	-	1,609,987	2,897,117	-
Receivables:				
Brokers	111,544	-	-	-
Accrued Interest and Other	9,187	-	8	30
Other Receivables	185,880	5,299	-	672,710
Other Assets	-	-	-	27
Long Term Receivables	545	-	-	-
Capital/RUA Assets, Net	16,068	-	-	-
Total Assets	<u>35,914,877</u>	<u>1,619,228</u>	<u>3,101,815</u>	<u>851,824</u>
LIABILITIES				
Accounts Payable	133,268	-	5,440	153
Accrued Liabilities	401	-	1,448	1
Due to Other Parties	-	-	-	-
Due to Brokers	123,941	-	-	-
Due to Brokers	-	-	-	-
Intergovernmental Payables	-	-	-	617,116
Unearned Revenue	307	-	-	-
Deposits Held in Trust	3,984	-	-	21,485
Other Liabilities	378,379	53,917	260,845	1,286
Other Obligations	-	-	-	539
Total Liabilities	<u>640,280</u>	<u>53,917</u>	<u>267,733</u>	<u>640,580</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows - Lease	-	-	-	-
Deferred Inflows of Resources	-	-	37,382	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>37,382</u>	<u>-</u>
NET POSITION				
Restricted for:				
Pension Benefits	33,148,319	-	-	-
Other Postemployment Benefits	1,346,724	-	-	-
Defined Contribution	779,554	-	-	-
External Investment Pool Participants	-	1,565,311	-	-
Other Purposes	-	-	2,796,700	211,244
Net Position	<u>\$ 35,274,597</u>	<u>\$ 1,565,311</u>	<u>\$ 2,796,700</u>	<u>\$ 211,244</u>

See accompanying Notes to Financial Statements.

STATE OF NEW MEXICO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

	Pension and Other Empl. Benefit Trust Funds	External Investment Trust Funds	Private Purpose Trust Funds	Custodial Funds
ADDITIONS				
Contributions:				
Employee Contributions	\$ 994,812	\$ -	\$ -	\$ -
Employer Contributions	1,298,454	-	-	-
Member Contributions	-	-	442,776	190,733
Other	9	-	-	-
Total Contributions	<u>2,293,275</u>	<u>-</u>	<u>442,776</u>	<u>190,733</u>
Pool Participant Deposits	-	814,223	-	-
Investment Income (Loss):				
Net Increase (Decrease) in Fair Value of Investments	367,407	(31,861)	48,729	-
Interest and Dividends	1,943,822	73,855	46,558	312
Subtotal	<u>2,311,229</u>	<u>41,994</u>	<u>95,287</u>	<u>312</u>
Less Investment Expense	215,986	-	1,936	-
Net Investment Income	<u>2,095,243</u>	<u>41,994</u>	<u>93,351</u>	<u>312</u>
Other Additions				
General Fund Appropriation	-	-	-	-
Taxes from Other Governments	-	-	-	2,615,234
Other Operating Revenues	117,107	-	110,200	286,369
Total Other Additions	<u>117,107</u>	<u>-</u>	<u>110,200</u>	<u>2,901,603</u>
Total Additions	4,505,625	856,217	646,327	3,092,648
DEDUCTIONS				
Benefits and Claims	2,807,461	-	-	312,496
Distributions	-	601,330	476,834	-
Refunds	106,230	-	-	-
Debt Service for Other Governments	-	-	-	3,602
General and Administrative Expenses	368,331	-	122,767	2,612,048
Other Operating Expenses	1,572	-	-	970
Total Deductions	<u>3,283,594</u>	<u>601,330</u>	<u>599,601</u>	<u>2,929,116</u>
CHANGE IN NET POSITION	1,222,031	254,887	46,726	163,532
Net Position - Beginning, as Restated, See Note 9	<u>34,052,566</u>	<u>1,310,424</u>	<u>2,749,974</u>	<u>47,712</u>
NET POSITION - ENDING	<u>\$ 35,274,597</u>	<u>\$ 1,565,311</u>	<u>\$ 2,796,700</u>	<u>\$ 211,244</u>

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO
COMPONENT UNIT FINANCIAL STATEMENTS**

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.

Nonmajor Component Units

There were sixteen nonmajor component units at June 30, 2023. Their financial information is presented in total. They are as follows: UNM Alumni Association; UNM Lobo Club; 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, 2023
(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
ASSETS							
Current Assets:							
Cash and Cash Equivalents	\$ 9,703	\$ 51,664	\$ 16,330	\$ 12,420	\$ 10,393	\$ 109,700	\$ 210,210
Investment in State General Fund Investment Pool	1,216	-	-	-	-	-	1,216
Investment in Local Government Investment Pool	-	-	-	-	-	20,487	20,487
Restricted Cash and Cash Equivalents	441,801	39,671	-	-	2,902	26,783	511,157
Investments	-	-	-	-	45,617	64,236	109,853
Due From Primary Government	23,416	11,887	-	-	-	30,047	65,350
Due From Other Components	-	-	-	-	-	-	-
Receivables, Net	-	-	1,074	1,208	24,174	7,343	33,799
Loans Receivable, Current	175,253	-	-	-	-	-	175,253
Prepaid Expenses	-	-	255	-	-	872	1,127
Other Assets	-	3,294	3,105	1,112	-	3,028	10,539
Inventory	-	-	17	-	-	427	444
Total Current Assets	651,389	106,516	20,781	14,740	83,086	262,923	1,139,435
Noncurrent Assets:							
Restricted Cash and Cash Equivalents	-	87,267	-	-	3,744	14,605	105,616
Restricted Investments	569,473	27,931	-	-	-	3,769	601,173
Loans Receivable, Net	1,773,498	85,238	-	-	-	72,595	1,931,331
Investments	5,773	1,446,012	-	436,100	210,521	154,775	2,253,181
Other Noncurrent Assets	-	2,507	-	3,694	86,998	22,115	115,314
Nondepreciable Capital Assets	428	20,669	744	-	-	68,838	90,679
Other Capital Assets, Net	5,730	11,573	2,875	135	57	225,311	245,681
Total Noncurrent Assets	2,354,902	1,681,197	3,619	439,929	301,320	562,008	5,342,975
Total Assets	3,006,291	1,787,713	24,400	454,669	384,406	824,931	6,482,410
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Charge on Refunding	544	153	-	-	-	312	1,009
Deferred Outflows -OPEB	-	-	-	-	-	41,648	41,648
Deferred Outflows - Pension	-	-	-	-	-	137,835	137,835
Total Deferred Outflows	544	153	-	-	-	179,795	180,492

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS (CONTINUED)
JUNE 30, 2023
(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
LIABILITIES							
Current Liabilities:							
Accounts Payable	\$ 514	\$ 19,683	\$ 2,014	\$ 57	\$ 301	\$ 9,518	\$ 32,087
Accrued Liabilities	215	8,339	-	1,738	155	14,743	25,190
Unearned Revenue	-	-	-	-	334	2,122	2,456
Due to Primary Government	2,181	-	3,737	3,012	2,033	6,066	17,029
Due to Other Component Unit	-	-	-	-	-	-	-
Funds Held for Others	-	80,551	-	-	81,098	627	162,276
Bonds Payable	123,425	29,076	-	-	-	9,853	162,354
Other Liabilities	441,623	1,064	11,373	7,024	151	9,309	470,544
Total Current Liabilities	567,958	138,713	17,124	11,831	84,072	52,238	871,936
Noncurrent Liabilities:							
Bonds Payable	1,363,443	1,518,283	-	-	-	185,862	3,067,588
Due to Primary Government	134,988	-	-	99,031	-	3,031	237,050
Net Pension Liability	-	-	-	-	-	279,098	279,098
Net OPEB Liability	-	-	-	-	-	50,698	50,698
Other Liabilities	148,980	9,352	208	-	-	42,778	201,318
Total Noncurrent Liabilities	1,647,411	1,527,635	208	99,031	-	561,467	3,835,752
Total Liabilities	2,215,369	1,666,348	17,332	110,862	84,072	613,705	4,707,688
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflow - Pension	-	-	-	-	-	173,137	173,137
Deferred Inflow - OPEB	-	-	-	-	-	49,447	49,447
Deferred Inflow - Leases	-	-	-	-	-	265	265
Deferred Inflow - Other	1,979	244	-	19,659	-	4,119	26,001
Total Deferred Inflows	1,979	244	-	19,659	-	226,968	248,850
NET POSITION							
Net Investment in Capital Assets	5,143	11,601	3,613	134	57	69,947	90,495
Restricted:							
Nonexpendable	768,226	-	-	323,602	203,611	220,814	1,516,253
Expendable:							
Debt Service	-	153,887	-	19,962	-	-	173,849
Other Purposes	-	-	-	-	-	-	-
Unrestricted Net Position (Deficit)	16,118	(44,214)	3,455	(19,550)	96,666	(126,708)	(74,233)
Total Net Position (Deficit)	\$ 789,487	\$ 121,274	\$ 7,068	\$ 324,148	\$ 300,334	\$ 164,053	\$ 1,706,364

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
YEAR ENDED JUNE 30, 2023
(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	\$ 134,639	\$ 71,515	\$ 116,695	\$ 15,768	\$ 24,727	\$ 353,718	\$ 717,062
REVENUES							
Program Revenues:							
Charges for Services	53,549	78,803	168,470	6,131	-	13,030	319,983
Operating Grants and Contributions	5,495	-	-	51,036	10,563	127,817	194,911
Capital Grants and Contributions	-	-	-	-	-	-	-
Total Program Revenues	<u>59,044</u>	<u>78,803</u>	<u>168,470</u>	<u>57,167</u>	<u>10,563</u>	<u>140,847</u>	<u>514,894</u>
Nonoperating Revenues:							
Grant Revenue	-	-	-	-	-	-	-
Net (Expenses) Revenues	<u>(75,595)</u>	<u>7,288</u>	<u>51,775</u>	<u>41,399</u>	<u>(14,164)</u>	<u>(212,871)</u>	<u>(202,168)</u>
OTHER REVENUES AND EXPENSES							
Payment from State of New Mexico	234,442	3,225	-	-	-	219,102	456,769
Payment to State of New Mexico	-	-	(50,559)	(36,209)	-	(2,459)	(89,227)
Other	-	(958)	(8)	-	(5,741)	29,248	22,541
Investment Income	11,779	(45,905)	27	24,623	18,850	17,034	26,408
Total General Revenues	<u>246,221</u>	<u>(43,638)</u>	<u>(50,540)</u>	<u>(11,586)</u>	<u>13,109</u>	<u>262,925</u>	<u>416,491</u>
CHANGE IN NET POSITION	170,626	(36,350)	1,235	29,813	(1,055)	50,054	214,323
Net Position - Beginning	<u>618,861</u>	<u>157,624</u>	<u>5,833</u>	<u>294,335</u>	<u>301,389</u>	<u>113,999</u>	<u>1,492,041</u>
NET POSITION - ENDING	<u>\$ 789,487</u>	<u>\$ 121,274</u>	<u>\$ 7,068</u>	<u>\$ 324,148</u>	<u>\$ 300,334</u>	<u>\$ 164,053</u>	<u>\$ 1,706,364</u>

See accompanying Notes to Financial Statements.

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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 nonfiduciary 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 nonexchange 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.

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Reporting Entity (Continued)

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.

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 July 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.

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Reporting Entity (Continued)

Blended Component Units (Continued)

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 nonprofit 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 700, P.O. Box 30001, Las Cruces, NM 88003.

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 nonprofit 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.

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Reporting Entity (Continued)

Blended Component Units (Continued)

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.

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.

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Reporting Entity (Continued)

Discretely-Presented Component Units (Continued)

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.

Nonmajor Component Units

The State's nonmajor component units have been determined to be financially accountable to the State. Nonmajor component units are: University of New Mexico Alumni Association, University of New Mexico Lobo Club, 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.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 sixteen nonmajor 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 nonmajor 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.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Presentation – Fund Financial Statements (Continued)

Fund Financial Statements (Continued)

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.

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.

Nonmajor funds:

The State's nonmajor governmental funds include the following: Debt Service Fund, Capital Project Fund, and Children's Trust Permanent Fund.

The State reports the following enterprise funds:

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Presentation – Fund Financial Statements (Continued)

Fund Financial Statements (Continued)

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.

Nonmajor funds:

The State's nonmajor enterprise funds include the following: Unemployment Insurance Fund, 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.

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.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Presentation – Fund Financial Statements (Continued)

Fund Financial Statements (Continued)

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, Higher Education Savings Plan, Bartlett Trust, Office of State Insurance 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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus and Basis of Accounting (Continued)

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.

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 nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing 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 nonoperating 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.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Budgetary Information (Continued)

1. Budgetary Basis of Accounting (Continued)

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 nonappropriated (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.

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 nonoperating 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, 2023, there were none of the State agency's P-code reporting expenses/expenditures exceeding budget authority.

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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).

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

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 nonstate agencies, and state agencies invest monies with the State Treasurer in the LGIP. Because these pooled funds are subject to redemption limitations, the individual fund investments in the LGIP are reported as investments.

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, 2023, 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.

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

3. Investment Pools (Continued)

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 <https://www.osa.nm.gov/>.

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.

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

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 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.

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

6. Capital Assets (Continued)

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:

Infrastructure	10 to 40 Years
Land Improvements	15 to 30 Years
Leasehold Improvements	15 Years
Furniture and Fixtures	5 to 7 Years
Machinery and Equipment	5 to 20 Years
Data Processing Equipment	3 to 8 Years
Vehicles and Aircraft	3 to 15 Years
Buildings and Improvements	5 to 75 Years

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.

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

6. Capital Assets (Continued)

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

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.

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

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 nonexchange 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.

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.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

12. Insurance Losses and Loss Adjustment Expense (Continued)

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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

14. Net Position and Fund Balance

Net Investment in Capital Assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and amortization, and reduced by the outstanding balances of bonds, mortgages, notes, lease liabilities, subscription-based information technology arrangements 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 nonspendable, 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.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

14. Net Position and Fund Balance (Continued)

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 nonreverting by the Legislature or by laws or regulations imposed by grantors. If the fund is nonreverting, the agency governing board or department head has the authority to assign a fund balance for a specific use.

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.

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Revenues and Expenditures/Expenses (Continued)

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 nonoperating 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 nonoperating 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 nonoperating.

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.

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.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Revenues and Expenditures/Expenses (Continued)

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, 2023, the State implemented the following new accounting standards issued by the Governmental Accounting Standards Board (GASB):

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.

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. New Accounting Standards (Continued)

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).

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).

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. 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 <https://www.osa.nm.gov/>.

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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 16, "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.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 CASH PRIMARY GOVERNMENT (CONTINUED)

New Mexico State Treasurer (Continued)

Custodial Credit Risk (Continued)

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.

As of June 30, 2023, collateral pledged to public money deposits was as follows:

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

	Fiscal Agent Account	Certificates of Deposit
Cash in Bank *	\$ 40,694	\$ 2,600
Less: FDIC Insurance Coverage	-	(250)
Total Uninsured Public Funds	\$ 40,694	\$ 2,350
Collateral Requirement (50% - 102% of Uninsured Public Funds	\$ 20,347	\$ 1,175
Collateral Pledged:		
U.S. Government Securities	135,619	2,908
Collateral Pledged	135,619	2,908
Over (Under) Collateralized	\$ 115,272	\$ 1,733

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

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 CASH PRIMARY GOVERNMENT (CONTINUED)

New Mexico State Treasurer (Continued)

Custodial Credit Risk (Continued)

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, 2023, the funds held by the State Treasurer in the fiscal agency account were exposed to custodial credit risk as follows:

	Balance at June 30, 2023
Office of the State Treasurer Custodial Credit Risk <i>(Expressed in Thousands)</i>	
Cash in Banks	\$ 2,756,815
Less: Deposit of Institutions Which are Fully Insured and Collateralized	(2,155,119)
Deposits of Institutions Not Fully Collateralized	601,696
Less: FDIC Insurance Coverage Uninsured Deposits	<u>(250)</u> 601,446
Collateral Pledged:	
Surety Bond	601,300
Securities	<u>-</u>
Total Collateral Pledged	<u>601,300</u>
Subject to Custodial Credit Risk	<u>\$ 146</u>

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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 INVESTMENTS

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

	<u>Balance at June 30, 2023</u>
Primary Government:	
Current:	
Investment in State General Fund Investment Pool	\$ 15,075,844
Investment in Local Government Investment Pool	155,187
Investments	37,802,628
Noncurrent:	
Investments	810,949
Fiduciary Funds:	
Investment in State General Fund Investment Pool	601,154
Investment in Local Government Investment Pool	9,902
Investments	38,598,562
Component Units:	
Investments	2,964,207
Investment in State General Fund Investment Pool	1,216
Investment in Local Government Investment Pool	<u>20,487</u>
Total Investments	<u><u>\$ 96,040,136</u></u>
Reconciliation to Investments Presented	
Total Presented Above	\$ 96,040,136
Less:	
Cash and Cash Equivalents held in Brokerage	
Accounts included in investment pools	<u>(2,093,837)</u>
Total separately held investments	<u><u>\$ 93,946,299</u></u>

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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 INVESTMENTS (CONTINUED)

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 state 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, 2023, LGIP amortized cost approximated fair value, with the difference deemed immaterial.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 INVESTMENTS (CONTINUED)

State Treasurer (Continued)

Local Government Investment Pool (LGIP; Short-Term Investment Pool) (Continued)

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, 2023, the WAM(R) of the LGIP was 22 days, and the WAM(F) was 86 days. The fund was rated AAAM by Standard & Poor's as of June 30, 2023.

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 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 OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 INVESTMENTS (CONTINUED)

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 state employees and educational employees, respectively, 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 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.

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 INVESTMENTS (CONTINUED)

Individual State Agencies (Continued)

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.

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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 INVESTMENTS (CONTINUED)

Individual State Agencies (Continued)

A. Fair Value (Continued)

State of New Mexico Fair Value of Investments (Expressed in Thousands)				
Investment	Fair Value June 30, 2023	Quoted Prices, Active Markets (Level 1)	Observable Inputs Other Than Quoted Prices (Level 2)	Unobservable Inputs (Level 3)
Investments By Fair Value Level				
Equity Securities:				
Equities	\$ 15,477,519	\$ 15,438,271	\$ 1,047	\$ 38,201
U.S. Common and Preferred Stock	2,591,434	2,591,432	-	2
Domestic Equity	2,565,895	2,563,952	511	1,432
Mutual Funds	1,633,809	1,633,809	-	-
International Equity	1,221,497	1,221,497	-	-
Repurchase Agreements	1,089,667	-	1,089,667	-
Money Market Mutual Funds	780,459	780,459	-	-
Pooled Funds - Mutual Funds	571,447	-	571,447	-
Securities Lending Collateral Investments	349,930	-	349,930	-
Supranationals	287,181	-	287,181	-
Foreign Issues	50,434	-	50,434	-
Foreign Stocks	46,601	46,601	-	-
Other Investments	11,620	11,620	-	-
Self-directed brokerage accounts	11,190	11,190	-	-
Real Estate Holdings	6,237	5,083	-	1,154
Corporate Stocks	5,834	5,834	-	-
Common Stocks	3,939	3,939	-	-
Exchange-Traded Funds	3,675	3,675	-	-
Public REIT	332	332	-	-
Nonredeemable Securities	74	-	-	74
Total Equity Securities	<u>26,708,774</u>	<u>24,317,694</u>	<u>2,350,217</u>	<u>40,863</u>
Debt Securities:				
U.S. Government Bonds	8,196,445	-	8,196,445	-
Corporate Bonds	4,715,162	514	4,714,648	-
U.S. Treasury Securities	4,714,089	270,505	4,443,584	-
Core Fixed Income	2,980,853	756,310	2,224,522	21
Asset Backed Securities	1,637,397	-	1,577,193	60,204
Discounted Notes and Treasury Bills - Zero Coupon	1,079,986	-	1,079,986	-
Commercial Paper	923,233	-	923,233	-
Fixed Income	858,177	858,177	-	-
U.S. Government Obligations	559,495	559,495	-	-
Global Fixed Income	360,448	-	360,448	-
Agency Securities (GSEs)	340,227	486	65,640	274,101
Collateralized Debt Obligation	302,358	-	302,358	-
Demand Notes	292,070	-	292,070	-
U.S. Agency Obligations	201,663	-	201,663	-
U.S. Corporate Obligations	191,811	-	191,811	-
Municipal Bonds	123,205	-	123,205	-
Government Bonds	89,732	-	89,532	200
Bank Loans	78,404	-	78,404	-
Foreign Obligations	73,863	-	47,596	26,267
Discounted Bonds	28,030	-	28,030	-
Certificate of Deposit	22,171	18,425	3,746	-
U.S. Government Agencies	4,332	4,332	-	-
Domestic Corporate Bonds	3,884	-	3,884	-
Sovereign Debt	3,723	-	3,723	-
Corporate Stocks and bonds	3,213	3,213	-	-
Corporate Debt Securities	194	194	-	-
Total Debt Securities	<u>27,784,165</u>	<u>2,471,651</u>	<u>24,951,721</u>	<u>360,793</u>

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 INVESTMENTS (CONTINUED)

Individual State Agencies (Continued)

A. Fair Value (Continued)

<u>Investment</u>	<u>Fair Value</u> <u>June 30, 2023</u>	<u>Quoted Prices,</u> <u>Active Markets</u> <u>(Level 1)</u>	<u>Observable Inputs</u> <u>Other Than</u> <u>Quoted Prices</u> <u>(Level 2)</u>	<u>Unobservable</u> <u>Inputs</u> <u>Level 3)</u>
Investments By Fair Value Level (Continued):				
Alternative Investments:				
Master Limited Partnerships	\$ 191,668	\$ 191,668	\$ -	\$ -
Total Alternative Investments	191,668	191,668	-	-
Investments in Derivative Instruments:				
Equity Derivatives	9,836	7,952	1,884	-
Credit Derivatives	5,400	-	5,400	-
Fixed Income Derivatives	887	(6,239)	7,126	-
Currency Derivatives	25	25	-	-
Other Derivatives	(332)	-	(332)	-
Interest Rate Derivatives	(5,646)	(6,101)	459	(4)
Total Derivative Instruments	10,170	(4,363)	14,537	(4)
Total Investments Measured at Fair Value	54,694,777	\$ 26,976,650	\$ 27,316,475	\$ 401,652
Investments Measured At				
Net Asset Value (NAV):				
Private Equity Partnerships	6,719,193	\$ 2,728,474	Not redeemable	Not redeemable
Private Equity Funds	4,622,429	2,413,586		
SIC - Investment Pools	3,216,779	1,577,889	Quarterly	90 - 180 days
Private Real Assets	2,915,326	1,286,794		
Opportunistic Credit Funds	2,793,737	718,163	Monthly, Quarterly, Semi-Annual	30-180 Days
Real Asset Funds	2,442,147	854,019	Not redeemable	Not redeemable
Open-Ended Real Estate Partnerships	2,418,670	7,033	Quarterly	45 - 90 days
Real Estate Partnerships	2,329,835	1,398,048	Not redeemable	Not redeemable
Comingled International Equity Funds	1,629,700	-	Daily, Monthly	5-15 Days
	251,394	-	Monthly	30 Days
Absolute Return (hedge) Funds - Multi-Risk	1,376,156	-		
Real Asset Partnerships	1,317,643	418,681	Not redeemable	Not redeemable
Absolute Return (hedge) Funds - Credit Oriented	889,124	22,001	Monthly, Annually	30-90 Days
Bond Plus Alpha Engine	610,914	-		
Open-Ended Real Asset Partnership	548,351	100,000	Quarterly-Biannual	90 - 180 days
Mutual Funds	424,042	-	Daily - Monthly	1 to 30 days
Comingled Global Asset Allocation	418,240	-	Monthly, Quarterly, Semi-Annual, Annual	30-120 Days
Regional Private Equity Partnerships	392,748	192,821	Not redeemable	Not redeemable
Private Debt Partnerships	344,460	180,955	Not redeemable	N/A
LifeCycle Funds	230,909	-		
Private Investment Funds	141,810	25,363	Illiquid	Illiquid
Alternative Investments	32,933	-	Monthly/Quarterly/An nually/Rolling 2 Years	2 to 90 days
Limited Partnerships - Global Equity	31,630	-	Monthly	16 Days
Limited Partnerships - Opportunistic Credit	20,303	-	Monthly	16 Days
Absolute Return (hedge) Funds	18,818	-	Quarterly	30 - 65 days

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 INVESTMENTS (CONTINUED)

Individual State Agencies (Continued)

A. Fair Value (Continued)

<u>Investment</u>	<u>Fair Value June 30, 2023</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Investments Measured at				
Net Asset Value (NAV) (Continued):				
Real Estate Funds	\$ 12,479	\$ 7,589	Not redeemable	Not redeemable
Hedge Fund Investments - Equity long/short	4,967	907	Not redeemable	Not redeemable
Hedge Fund Investments - Multi-strategy Limited Partnership	4,240	218	Quarterly	90 Days
Limited Partnerships - Private Credit	2,303	1,758	Not redeemable	Not redeemable
Limited Partnerships - Private Markets	2,152	4,142	Not redeemable	Not redeemable
Absolute Return (hedge) Funds - Equity Long-Short	1,889	6,104	Not redeemable	Not redeemable
Absolute Return (hedge) Funds - Market Neutral	821	-	Redeeming	N/A
Hedge Funds	738	-	Redeeming In Liquidation Process	N/A
	74	-		N/A
Investments Measured at NAV	<u>36,166,954</u>	<u>\$ 6,802,485</u>	<u>-</u>	<u>-</u>
Investments Measured at Amortized Cost:				
Flexible Repurchase Agreements	56,000			
Money Market Mutual Funds	52,723			
Commercial Paper	2,471			
Investments at Amortized Cost	<u>111,194</u>			
Investments Measured at Contract Value:				
Stable Value Options (Def. Comp.)	130,434			
Guaranteed Investment Account	384,591			
Investments at Contract Value	<u>515,025</u>			
Other Investments:				
Lovelace Hospital	11,925			
Other Investments	4,251			
Limited Partnership	1,729			
Escrow Accounts	1,003			
Cash	255			
Less: UNM Investments Held in				
Consolidated Investment Fund	(413,136)			
Total Other Investments	<u>(393,973)</u>			
Total Separately-held Investments	<u>\$ 91,093,977</u>			

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 INVESTMENTS (CONTINUED)

Individual State Agencies (Continued)

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, 2023. 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.

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 INVESTMENTS (CONTINUED)

Individual State Agencies (Continued)

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 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-IA of the Investment Company Act of 1940. Form N-IA 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 nonregistered underlying Investments.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 INVESTMENTS (CONTINUED)

Individual State Agencies (Continued)

C. Credit Risk (Continued)

The quality ratings of investments in fixed income securities at June 30, 2023, were as follows:

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

Investment	Rating	Fair Value
Investments Subject to Credit Risk - S&P Ratings:		
Agency Securities (GSEs)	AAA	\$ 521,589
	AA+	7,080,771
	Not Rated	274,101
Corporate Bonds	AAA	84,915
	AA+	402,765
	AA	148,848
	AA-	292,797
	A+	339,968
	A	704,663
	A-	592,059
	BBB+	677,379
	BBB	469,503
	BBB-	474,542
	BB+	375,600
	BB	380,139
	BB-	502,401
	B+	390,032
	B	321,205
	B-	176,653

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 INVESTMENTS (CONTINUED)

Individual State Agencies (Continued)

C. Credit Risk (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):		
Corporate Bonds (Continued)	CCC+	\$ 80,674
	CCC	29,627
	CCC-	8,673
	D	3,081
	Not Rated	265,472
Government Bonds	AAA	1,204
	AA+	4,388,418
	AA	2,374
	A+	1,773
	A	5,365
	BBB+	280
	BBB	28,907
	BBB-	6,646
	BB+	11,161
	BB	13,344
	BB-	5,155
	B	1,150
	B-	1,201
	CCC+	2,585
	CCC	745
	CCC-	2,010
	Not Rated	8,175
Asset Backed Securities	AAA	118,440
	AA+	1,120,276
	AA	30,474
	AA-	93,254
	A+	22,378
	A	103,030
	A-	6,320
	BBB+	15,849
	BBB	29,085
	BBB-	7,082
	BB+	636
	BB	972
	BB-	159
	B	999

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 INVESTMENTS (CONTINUED)

Individual State Agencies (Continued)

C. Credit Risk (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):		
Asset Backed Securities (Continued)	B-	\$ 2,992
	CCC+	69
	CCC	2,780
	CCC-	160
	CC	2,165
	D	88
	Not Rated	475,737
Discounted Notes and Treasury Bills - Zero Coupon	AA+	1,362,857
Commercial Paper	Not Rated	6,264
U.S. Government Bonds	AA+	765,235
	Not Rated	7,338
U.S. Government Obligations	Not Rated	559,495
Discounted Notes	Not Rated	28,030
CMO/REMIC	AAA	397
	AA+	254,978
	AA	17
	AA-	4
	A+	946
	A	317
	A-	850
	BBB+	9,365
	BBB	3,109
	BBB-	1,302
	BB+	2,179
	BB	4,911
	BB-	1,165
	B+	2,872
	B	468
	B-	1,113
	CCC	538
	D	38
	Not Rated	44,745
Demand Notes	AAA	177,325
	AA+	38,030
	AA	41,420
Collateralized Debt Obligation	AAA	104,353

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 INVESTMENTS (CONTINUED)

Individual State Agencies (Continued)

C. Credit Risk (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 Debt Obligation(Continued)	AA	\$ 20,466
	A	5,199
	BBB	358
	BBB-	12,149
	BB-	1,338
	Not Rated	158,494
U.S. Treasury Securities	AA+	175,765
	Not Rated	35,259
Non-US Government Bonds	AAA	25,943
	AA+	1,860
	AA	3,977
	AA-	1,954
	A+	4,913
	A	1,650
	A-	1,226
	BBB+	3,312
	BBB	9,606
	BBB-	113
	BB+	9,939
	BB	17,543
	BB-	9,078
	B+	5,640
	B	9,485
	B-	11,939
	CCC-	9,730
	Not Rated	30,896
Municipal Bonds	AAA	10,546
	AA+	1,971
	AA	11,434
	AA-	46,821
	A	940
	A-	364
	Not Rated	23,940
U.S. Agency Obligations	AA+	78,812
Certificate of Deposit	Not Rated	24,771
U.S. Government Agencies	AAA	4,312

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 INVESTMENTS (CONTINUED)

Individual State Agencies (Continued)

C. Credit Risk (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):		
U.S. Government Agencies (Continued)	A	\$ 19
Corporate Debt Securities	BBB-	194
Total Subject to Risk - S & P Ratings		25,302,512
Investments Subject to Credit Risk - Other Ratings:		
Corporate Bonds	A1	35,083
	A2	19,509
	A3	23,840
	Aa2	4,477
	Aa3	2,551
	Baa1	19,129
	Baa2	12,310
	Baa3	586
Commercial Paper	A-1	281,066
	A-1+	619,855
	A-2	18,520
Discounted Notes	A-1+	410,741
Demand Notes	Aa1	29,155
	Aa3	35,295
Municipal Bonds	A1	893
	Aa3	8,583
Treasury Bills	A-1+	61,590
Total Subject to Risk - Other Ratings		1,583,183
Total Investments Subject to Credit Risk		26,885,695
Investments Not Subject to Credit Risk		63,309,812
Add: Education Trust Board Investments (Presented in Separate Note)		565,674
Information Not Available		332,796
Total Separately-held Investments		\$ 91,093,977

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 INVESTMENTS (CONTINUED)

Individual State Agencies (Continued)

C. Credit Risk (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, 2023

Scholar's Edge Plan

Portfolio/Rating	AAA	AA	A	BBB	BB
iShares Core U.S. Aggregate Bond ETF	3.00 %	72.06 %	111.79 %	13.15 %	0.00 %
MainStay MacKay High Yield Corp. Class R-6	0.00	0.10	0.00	13.70	48.60
Principal Core Fixed Income Fund Class R-6	51.56	1.64	18.41	27.33	0.66
Principal Short-Term Income Fund Inst. Class	46.04	5.35	13.52	28.51	1.65
Vanguard Total Int'l. Bond Index Fund ETF	24.30	26.49	27.58	18.93	0.00

Portfolio/Rating	B	Below B	Not Rated	Total
iShares Core U.S. Aggregate Bond ETF	0.00 %	0.00 %	0.00 %	200.00 %
MainStay MacKay High Yield Corp. Class R-6	31.30	4.80	1.50	100.00
Principal Core Fixed Income Fund Class R-6	0.26	0.14	0.00	100.00
Principal Short-Term Income Fund Inst. Class	0.00	0.00	4.93	100.00
Vanguard Total Int'l. Bond Index Fund ETF	0.00	1.52	1.18	100.00

The Education Plan

Portfolio/Rating	AAA	AA	A	BBB	BB
DFA Inflation-Protected Securities - Inst. Class	0.00 %	100.00 %	0.00 %	0.00 %	0.00 %
iShares Core Int'l. Aggregate Bond ETF	20.12	23.92	31.36	15.54	0.00
TIAA-CREF Core Plus Bond Fund Inst. Class	39.00	5.01	11.57	25.71	9.93
Vanguard Short-Term Inflation-Prot. Sec. Index Inst.	99.99	0.00	0.00	0.00	0.00
Vanguard Short-Term Treasury Index Inst.	99.98	0.00	0.00	0.00	0.00
Vanguard Total Bond Market	70.48	3.23	12.55	13.76	0.00
Vanguard Untra Short-Term Bond - Adm	17.58	8.11	40.10	34.20	0.00
Vanguard High Yield Corp. ADM	4.96	1.61	0.09	6.77	48.45
PGIM Global Total Return Class R-6	17.53	8.19	15.21	35.60	15.45

Portfolio/Rating	B	Below B	Not Rated	Total
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	9.06	100.00
TIAA-CREF Core Plus Bond Fund Inst. Class	5.50	0.54	2.74	100.00
Vanguard Short-Term Inflation-Prot. Sec. Index Inst.	0.00	0.00	0.01	100.00
Vanguard Short-Term Treasury Index Inst.	0.00	0.00	0.02	100.00
Vanguard Total Bond Market	0.00	0.00	(0.02)	100.00
Vanguard Untra Short-Term Bond - Adm	0.00	0.00	0.01	100.00
Vanguard High Yield Corp. ADM	34.25	3.09	0.78	100.00
PGIM Global Total Return Class R-6	4.95	2.27	0.80	100.00

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 INVESTMENTS (CONTINUED)

Individual State Agencies (Continued)

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, 2023, 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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 INVESTMENTS (CONTINUED)

Individual State Agencies (Continued)

E. Interest Rate Risk (Continued)

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

Investment	Fair Value	State of New Mexico Maturities on Investments (Expressed in Thousands)				
		Total				
		< 1 Year	1-5 Years	6-10 Years	> 10 Years	Life Not Avail.
Investments Subject to Interest Rate Risk:						
U.S. Government Bonds	\$ 8,396,992	\$ 3,810,554	\$ 3,796,606	\$ 772,573	\$ 17,259	\$ -
Corporate Bonds	6,822,560	1,207,360	2,821,999	2,528,876	264,325	-
Government Bonds	4,480,293	36,360	2,434,774	1,046,030	963,129	-
Asset Backed Securities	2,113,072	183,378	576,670	238,619	1,114,405	-
Discounted Notes and Treasury Bills - Zero Coupon	1,362,857	1,237,113	125,744	-	-	-
Commercial Paper	927,682	903,438	24,244	-	-	-
Municipal Bonds	840,072	796,336	23,889	-	19,847	-
U.S. Government Obligations	-	-	-	-	-	-
U.S. Treasury Securities	446,220	77,871	180,836	187,513	-	-
Discounted Notes	438,771	438,771	-	-	-	-
Demand Notes	321,368	69,393	251,975	-	-	-
Collateralized Debt Obligation	302,358	302,358	-	-	-	-
CMO/REMIC	249,189	169,837	7,925	15,499	55,928	-
Non-US Government Bonds	158,804	-	-	158,804	-	-
U.S. Agency Obligations	65,640	11,320	54,320	-	-	-
Treasury Bills	61,590	61,590	-	-	-	-
International Government Obligations	33,645	-	-	33,645	-	-
Certificate of Deposit	14,797	5,041	9,756	-	-	-
U.S. Government Agencies	4,331	4,312	19	-	-	-
Domestic corporate bonds	3,885	1,957	1,928	-	-	-
Agency Securities (GSEs)	486	-	486	-	-	-
U.S. Government and Corporate Debt Securities	243	74	144	25	-	-
Investments Subject to Interest Rate Risk	27,044,855	\$ 9,317,063	\$ 10,311,315	\$ 4,981,584	\$ 2,434,893	\$ -
Investments Not Subject to Interest Rate Risk	63,309,812					
Information Not Available	173,636					
Add: Education Trust Board - (presented in separate note)	565,674					
Total Separately-Held Investments	\$ 91,093,977					

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 INVESTMENTS (CONTINUED)

Individual State Agencies (Continued)

E. Interest Rate Risk (Continued)

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

New Mexico Education Trust Board
Maturities on Investments

Investment	< 1 Year	1-5 Years	6-10 Years	Fair Value (In Thousands)
The Scholar's Edge:				
iShares Core U.S. Aggregate Bond ETF			6.75	\$ 93,646
MainStay MacKay High Yield Corp. Class R-6		3.12		4,391
Principal Core Fixed Income Fund Class R-6			6.08	160,334
Principal Short-term Income Fund Inst. Class		1.94		165,337
Vanguard Total Int'l. Bond Index Fund ETF			7.25	767
The Education Plan:				
DFA Inflation-Protected Securities - Inst. Class			6.88	1,575
iShares Core Int'l. Aggregate Bond ETF			6.21	22,292
TIAA-CREF Core Plus Bond Fund Inst. Class			6.15	6,080
Vanguard Short-term Inflation-Prot. Sec. Index Inst.		2.56		18,088
Vanguard Short-term Treasury Index Inst. Class		1.89		65,619
Vanguard Total Bond Market			6.41	12,357
Vanguard Ultra Short-term Bond Adm	0.93			1,074
Vanguard High-Yield Corporate Fund ADM		3.71		12,105
PGIM Global Total Return Fund Class R-6			6.18	2,009

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 INVESTMENTS (CONTINUED)

Individual State Agencies (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, 2023 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8
Australian Dollar	249,821	1,204	-	(10)	251,015	494
Botswana Pula	22	-	-	-	22	-
Brazilian Real	138,826	-	-	102	138,928	354
British Pound Sterling	736,936	39,329	98,738	(6)	874,997	2,854
Canadian Dollar	384,371	-	-	13	384,384	3,551
Chilean Peso	1,386	-	-	-	1,386	239
Chinese Yuan Renminbi	115,972	-	-	-	115,972	10,318
Chinese Yuan Renminbi (Offshore)	-	-	-	-	-	(14)
Czech Koruna	70	340	-	(35)	375	15
Danish Krone	116	-	-	-	116	33
Dominican Peso	117,415	238	-	-	117,653	1,519
Egyptian Pound	68	-	-	-	68	3
Euro	1,835,798	204,825	1,157,784	71	3,198,478	34,199
Ghanian Cedi	47	-	-	-	47	-

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 INVESTMENTS (CONTINUED)

Individual State Agencies (Continued)

F. Foreign Currency Risk (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	\$ 528,941	\$ -	\$ -	\$ -	\$ 528,941	\$ 2,094
Hungarian Forint	3,265	947	-	-	4,212	129
Indian Rupee	56,466	-	-	7	56,473	547
Indonesian Rupiah	76,964	946	-	(40)	77,870	212
Israeli Shekel	23,769	-	-	-	23,769	379
Japanese Yen	1,235,136	-	-	(534)	1,234,602	6,660
Kenyan Shilling	4	-	-	-	4	-
Kuwaiti Dinar	3,160	-	-	-	3,160	34
Malaysian Ringgit	19,369	-	-	-	19,369	123
Mexican Peso	59,903	-	-	89	59,992	95
New Taiwan Dollar	271,994	-	-	-	271,994	754
New Turkish Lira	11,210	-	-	-	11,210	16
New Zealand Dollar	12,539	-	-	-	12,539	154
Norwegian Krone	60,507	-	-	25	60,532	495
Peruvian Nuevo Sol	-	280	-	(317)	(37)	205
Philippine Peso	4,485	-	-	-	4,485	40
Polish Zloty	20,193	-	-	-	20,193	67
Qatari Riyal	9,438	-	-	-	9,438	16

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 INVESTMENTS (CONTINUED)

Individual State Agencies (Continued)

F. Foreign Currency Risk (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	\$ 27	\$ -	\$ -	\$ -	\$ 27	\$ 96
Saudi Riyal	50,830	-	-	-	50,830	65
Singapore Dollar	91,460	-	-	-	91,460	248
South African Rand	36,943	6,396	-	316	43,655	107
South Korean Won	219,189	-	-	-	219,189	361
Swedish Krona	146,694	-	-	-	146,694	568
Swiss Franc	543,988	-	-	-	543,988	8,415
Thai Baht	60,834	-	-	-	60,834	76
Tunisian Dinar	2	-	-	-	2	-
UAE Dirham	12,795	-	-	-	12,795	46
Subtotals	<u>\$ 7,140,953</u>	<u>\$ 254,505</u>	<u>\$ 1,256,522</u>	<u>\$ (319)</u>	<u>8,651,661</u>	<u>\$ 75,575</u>
Total Investments and Cash and Cash Equivalents Subject to Foreign Currency Risk					8,651,661	<u>\$ 75,575</u>
Investments Not Subject to Foreign Currency Risk					<u>82,442,316</u>	
Total Separately-Held Investments					<u>\$ 91,093,977</u>	

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 INVESTMENTS (CONTINUED)

Individual State Agencies (Continued)

G. 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, 2023, had a carrying amount and fair value of \$573.4 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, 2023, 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 \$349.8 million at June 30, 2023. Total cash and noncash collateral was \$599.5 million, 105% of the fair value of the securities on loan.

As of June 30, 2023, 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 \$2.3 million for the fiscal year.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 INVESTMENTS (CONTINUED)

Individual State Agencies (Continued)

H. 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, 2023, 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:

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

Derivative Type	Change in Fair Value	Fair Value	Notional Amount	Unit of Value
Futures Contracts:				
Currency Futures	\$ 5,686	\$ 25	\$ 2,622	\$ 2,647
Equity Index Futures	8,375	4,940	230,338	235,319
Bond Index Futures	(7,693)	(6,367)	464,827	459,454
Commodity Futures	12,779	128	16,341	16,469
Swap Contracts:				
Return Swaps (Equity)	\$ (18,811)	\$ 1,884	\$ -	\$ -
Cleared Credit Default Swaps	10,008	7,126	-	-
Commodity Swaps	(13,810)	-	-	-
Cleared Inflation Swaps	1,215	-	-	-
Credit Default Swaps	12	-	-	-
Cleared Interest Rate Swaps	(263)	-	-	-

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 INVESTMENTS (CONTINUED)

Individual State Agencies (Continued)

H. Derivatives (Continued)

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

Derivative Type	Balance at June 30, 2023
Commodity Futures	\$ 3,194
Futures Contracts	34,100
Index Futures	119

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

Derivative Type	Classification	Gain/Loss	Classification	Amount
Commodity Futures - Long	Investment Income	\$ (993)	Investment	\$ -
Commodity Futures - Short	Investment Income	195	Investment	-
Credit Default Swaps - purch.	Investment Income	(87)	Investment	-
Credit Default Swaps - written	Investment Income	121	Investment	-
Fixed Income Futures - Long	Investment Income	(3,576)	Investment	-
Fixed Income Futures - Short	Investment Income	316	Investment	-
Fixed Income Options - Long	Investment Income	(32)	Investment	-
Fixed Income Options - Short	Investment Income	3	Investment	-
Fx Forwards	Investment Income	1,619	Investment	-
Index Futures - Long	Investment Income	(3,493)	Investment	-
Index Futures - Short	Investment Income	111	Investment	-
Fx Options - Purchased	Investment Income	123	Investment	-
Fx Options - Written	Investment Income	(32)	Investment	-
Pay Interest Rate Swaps	Investment Income	(775)	Investment	-
Receive Interest Rate Swaps	Investment Income	42	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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 INVESTMENTS (CONTINUED)

Individual State Agencies (Continued)

H. Derivatives (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	\$ -	\$ 59
	U.S. Dollar	37,413	971
Options Purchased	U.S. Dollar	-	19
Options Written	U.S. Dollar	-	79
Swaps	Brazilian Real	-	(385)
	Chilean Peso	-	(17)
	Colombian Peso	-	(39)
	Czech Koruna	-	(296)
	Hungarian Forint	-	15
	Malaysian Ringgit	-	(111)
	Mexican Peso	-	(313)
	Polish Zloty	-	217
	South African Rand	-	32
	South Korean Won	-	(13)
	Thai Baht	-	(23)
Totals		<u>\$ 37,413</u>	<u>\$ 195</u>

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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 INVESTMENTS (CONTINUED)

Individual State Agencies (Continued)

H. Derivatives (Continued)

Types of Derivatives Instruments (Continued)

Foreign Currency Exchange Contracts (Continued)

The following table summarizes the foreign exchange contracts by currency held by the Education Retirement Board as of June 30, 2023:

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

Currency	Buys	Unrealized Gain (Loss)	Sells	Unrealized Gain (Loss)
Australian Dollar	\$ -	\$ 44	\$ -	\$ (16)
Brazilian Real	-	10	-	(485)
Canadian Dollar	-	6	-	1
Chilean Peso	-	-	-	(33)
Chinese Yuan Renminbi	-	(136)	-	-
Colombian Peso	-	-	-	(165)
Czech Koruna	-	-	-	(97)
Egyptian Pound	-	-	-	4
Euro	-	233	-	(6)
Hungarian Forint	-	58	-	(27)
Indian Rupee	-	9	-	-
Indonesian Rupiah	-	64	-	-
Japanese Yen	-	8	-	(38)
Malaysian Ringgit	-	-	-	(5)
Mexican Peso	-	-	-	(92)
New Israeli Shekel	-	235	-	(6)
New Zealand Dollar	-	-	-	-
New Taiwan Dollar	-	93	-	-
Philippine Peso	-	(4)	-	(119)
Polish Zloty	-	11	-	(160)
Romanian Leu	-	2	-	(30)
Russian Ruble	-	-	-	-
Singapore Dollar	-	-	-	(8)
Sol	-	-	-	(25)
South African Rand	-	166	-	(12)
South Korean Won	-	56	-	-
Thai Baht	-	127	-	-
Turkish Lira	-	1	-	38
Ukrainian Hryvnia	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 983</u>	<u>\$ -</u>	<u>\$ (1,281)</u>

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 INVESTMENTS (CONTINUED)

Individual State Agencies (Continued)

H. Derivatives (Continued)

Types of Derivatives Instruments (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, 2023, 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.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 INVESTMENTS (CONTINUED)

Individual State Agencies (Continued)

H. Derivatives (Continued)

Types of Derivatives Instruments (Continued)

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):

<u>Derivative Type</u>	<u>Balance at June 30, 2023</u>
Asset-Backed Securities	\$ 292,977
Nonagency Mortgage- Backed Securities	24,883
Foreign Asset-Backed Securities	<u>36,793</u>
Total	<u><u>\$ 354,653</u></u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 INVESTMENTS (CONTINUED)

Individual State Agencies (Continued)

I. Discretely Presented Component Units

Fair Value

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

State of New Mexico Discretely Presented Component Units Fair Value of Investments (Expressed in Thousands)				
Investment	Fair Value June 30, 2023	Quoted Prices, Active Markets (Level 1)	Observable Inputs Other Than Quoted Prices (Level 2)	Unobservable Inputs (Level 3)
Equity Securities:				
Money Market Mutual Funds	\$ 116,349	\$ 116,349	\$ -	\$ -
Mutual Funds	90,985	88,055	2,930	-
Beneficial Interest in Trust	19,395	-	19,395	-
Equities	12,548	12,548	-	-
Real Estate Holdings	3,394	-	-	3,394
Real Asset Funds	3,026	845	2,181	-
Exchange-Traded Funds	2,072	2,072	-	-
Other Investments	799	-	799	-
Life Insurance Contracts	503	-	503	-
Real Estate Funds	337	77	-	260
Endowment investment - ACF	127	-	-	127
Endowment investment - CFSNM	86	86	-	-
Total Equity Securities	249,621	220,032	25,808	3,781
Debt Securities:				
Securitized Mortgage Loans	1,314,030	1,314,030	-	-
U.S. Treasury Notes	560,712	560,712	-	-
Agency Securities (GSEs)	22,460	20,427	2,033	-
U.S. Government Bonds	15,127	-	15,127	-
U.S. Government Agencies	14,534	14,534	-	-
Certificate of Deposit	13,844	-	13,844	-
U.S. Treasury Securities	9,412	9,412	-	-
U.S. Agency Obligations	6,781	6,781	-	-
Corporate Bonds	5,547	5,093	454	-
Asset Backed Securities	780	-	780	-
Fixed Income	445	445	-	-
U.S. Corporate Obligations	321	287	34	-
Total Debt Securities	1,963,993	1,931,721	32,272	-
Total Investments Measured At Fair Value	2,213,614	\$ 2,151,753	\$ 58,080	\$ 3,781

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 INVESTMENTS (CONTINUED)

Individual State Agencies (Continued)

I. Discretely Presented Component Units (Continued)

Fair Value (Continued)

	Fair Value June 30, 2023	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Investments Measured At Net Asset Value (NAV):				
Alternative Investments	\$ 20,339	\$ -	Monthly/Quarterly/Annually/Rolling 2 Years	2 to 90 days
Hedge Fund Investments - Equity long/short	14,611	2,668	Not Redeemable	N/A
Hedge Fund Investments - Multi-strategy Limited Partnership	12,472	642	Quarterly 6/30 and 12/31 After lockup,	90 Days 65 days
Limited Partnership	2,331	-	quarterly within 45 days' notice After lockup,	45 days
Limited Partnership	3,370	-	quarterly within 75 days' notice	75 Days
Limited Partnership	2,615	-	Daily	Daily
Limited Partnership	1,476	-	Monthly	30 Days
Limited Partnership	7,005	-	Monthly	60 days
Limited Partnership	1,199	-	Monthly	90 Days
Limited Partnership	1,899	-	Monthly	90 Days
Limited Partnership	17,268	10,579	Not Redeemable	N/A
Limited Partnership	2,227	-	Quarterly	45 days
Limited Partnership	1,373	-	Rolling Annually on anniversary	95 days
Limited Partnership	1,794	-	Three Series of Shares	60 days
Limited Partnership	3,106	-	Weekly	5 days
Limited Partnerships - Global Equity	98,910	-	Not Redeemable	N/A
Limited Partnerships - Opportunistic Credit	66,708	-	Not Redeemable	N/A
Limited Partnerships - Private Credit	6,331	12,185	Not Redeemable	N/A
Limited Partnerships - Private Markets	5,556	17,956	Not Redeemable	N/A
Mutual Funds	245,382	-	Daily - Monthly	1 to 30 days
Private Investment Funds	82,061	25,363	Illiquid	Illiquid
Real Asset Funds	8,721	6,771	Illiquid	Illiquid
Real Estate Funds	7,221	7,589	Illiquid	Illiquid
Wellington Research Equity Investments Measured at NAV	<u>9,873</u>	-	Monthly	30 Days
	623,848			
Investments Measured at Amortized Cost				
Money Market Funds in Endowment Pools	14,840			
Other Investments:				
Investment Information Not Available	<u>20</u>			
Total Investments, Discretely-Presented Components	<u>\$ 2,852,322</u>			

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 INVESTMENTS (CONTINUED)

Individual State Agencies (Continued)

I. Discretely Presented Component Units (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)

<u>Investment Type</u>	<u>Rating</u>	<u>Value</u>
Investments Subject to Credit Risk - S&P Ratings:		
Securitized Mortgage Loans	Gov't. Guar.	\$ 1,095,078
	AA	218,952
Agency Securities (GSEs)	AAA	20,427
	AA+	2,033
Certificates of Deposits	Not Rated	13,844
U.S. Treasury Securities	AA+	8,852
	Not Rated	560
U.S. Government Agencies	AA+	6,781
Asset Backed Securities	AAA	14
	Not Rated	766
Corporate Bonds	AA+	13
	AA	21
	A+	21
	A-	130
	BBB+	163
	BBB	104
US Corporate Obligations	AAA	287
	Not Rated	34
Total Subject to Risk - S & P Ratings		1,368,080

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 INVESTMENTS (CONTINUED)

Individual State Agencies (Continued)

I. Discretely Presented Component Units (Continued)

Credit Risk (Continued)

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

Total Subject to Credit Risk	1,368,080
Total Not Subject to Credit Risk	888,329
Information Not Available	595,913
Total Investments, Discretely- Presented Components	\$ 2,852,322

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)				Life Not Available
		Less Than 1 Year	1-5 Years	6-10 Years	Greater Than 10 Years	
Investments Subject to Interest Rate Risk:						
Securitized Mortgage Loans	\$ 1,314,030	\$ 76	\$ 1,755	\$ 6,184	\$ 1,306,015	\$ -
U.S. Treasury Notes	560,712	-	560,712	-	-	-
Agency Securities (GSEs)	22,460	21,342	1,118	-	-	-
U.S. Government Bonds	15,127	9,678	5,449	-	-	-
U.S. Government Agencies	14,534	14,534	-	-	-	-
U.S. Treasury Securities	9,412	4,260	5,152	-	-	-
U.S. Agency Obligations	6,781	2,925	3,856	-	-	-
Corporate Bonds	5,547	2,227	2,314	959	46	1
Asset Backed Securities	780	-	780	-	-	-
Fixed Income	445	-	104	336	5	-
U.S. Corporate Obligations	321	-	320	-	-	1
Investments Subject to Interest Rate Risk	1,950,149	\$ 55,042	\$ 581,560	\$ 7,479	\$ 1,306,066	\$ 2
Investments Not Subject to Interest Rate Risk	888,329					
Information Not Available	13,844					
Total Investments, Discretely- Presented Components	\$ 2,852,322					

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 RECEIVABLES

Receivables at June 30, 2023, including the applicable allowances for uncollectible accounts, are as follows (in thousands):

	Federal	Local Governments	Accounts Receivable	Leases	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	\$ 1,886,879	\$ 28,141	\$ 1,038,699	\$ 250,855	\$ 331,301	\$ 94,569	\$ 3,982,474	\$ 67,127	\$ (2,448,858)	\$ 5,231,187	\$ 32,461	\$ -	\$ 32,461	\$ 5,263,648
Business-Type Activities	8,799	-	961,818	8,538	-	1,230	15,398	15,801	(161,061)	850,523	322,819	-	322,819	1,173,342
Fiduciary Funds	-	-	344,694	-	113,331	9,225	508,602	10,689	(1,883)	984,658	545	-	545	985,203
Component Units	-	704	32,897	-	-	198	-	175,253	-	209,052	1,931,331	-	1,931,331	2,140,383
Governmental Funds:														
General	1,885,025	19,034	884,475	250,762	110,788	59,961	3,982,474	67,127	(2,420,764)	4,838,882	32,461	-	32,461	4,871,343
Debt Service	-	8,710	-	-	-	285	-	-	-	8,995	-	-	-	8,995
Capital Projects	1,854	393	338	93	-	-	-	-	(407)	2,271	-	-	-	2,271
Severance Tax Permanent	-	-	-	-	36,165	34,323	-	-	-	70,488	-	-	-	70,488
Land Grant Permanent	-	-	98,412	-	184,348	-	-	-	-	282,760	-	-	-	282,760
Child's Trust	-	4	-	-	-	-	-	-	-	4	-	-	-	4
Internal Service	-	-	55,474	-	-	-	-	-	(27,687)	27,787	-	-	-	27,787
Business-type Activities:														
Educational Institutions	-	-	579,350	5,415	-	-	-	-	-	584,765	56,905	-	56,905	641,670
Nonmajor Enterprise	8,799	-	382,468	3,123	-	1,230	15,398	15,801	(161,061)	265,758	265,914	-	265,914	531,672
Fiduciary Funds:														
Pension Trust	-	-	175,418	-	111,544	9,187	-	10,689	(227)	306,611	545	-	545	307,156
External Trust	-	-	3,512	-	1,787	-	-	-	-	5,299	-	-	-	5,299
Private Purpose Trust	-	-	-	-	-	8	-	-	-	8	-	-	-	8
Custodial	-	-	165,764	-	-	30	508,602	-	(1,656)	672,740	-	-	-	672,740
Discrete Component Units:														
Finance Authority	-	-	-	-	-	-	-	175,253	-	175,253	1,773,498	-	1,773,498	1,948,751
Mortgage Finance Authority	-	-	-	-	-	-	-	-	-	-	85,238	-	85,238	85,238
Other Major Component Units	-	-	26,456	-	-	-	-	-	-	26,456	-	-	-	26,456
Nonmajor Component Units	-	704	6,441	-	-	198	-	-	-	7,343	72,595	-	72,595	79,938

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 RECEIVABLES (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 following are schedules of the future minimum payments for leases receivable as of June 30, 2023 (presented in thousands):

Year	Governmental Activities		
	Principal	Interest	Total
2024	\$ 2,973	\$ 4,104	\$ 7,077
2025	2,941	4,034	6,975
2026	2,887	3,962	6,849
2027	3,349	3,886	7,235
2028	7,088	3,738	10,826
2029 - 2033	34,677	16,203	50,880
2034 - 2038	28,931	16,905	45,836
2039 -2043	25,077	11,454	36,531
2044 - 2048	27,251	9,530	36,781
2049 - 2053	136,029	19,510	155,539
Total	<u>\$ 271,203</u>	<u>\$ 93,326</u>	<u>\$ 364,529</u>

Year	Business-Type Activities		
	Principal	Interest	Total
2024	\$ 7,895	\$ 1,434	\$ 9,329
2025	6,919	1,310	8,229
2026	6,532	1,189	7,721
2027	5,226	1,074	6,300
2028	5,092	973	6,065
2029 - 2033	19,790	4,009	23,799
2034 - 2038	17,637	2,601	20,238
2039 -2043	18,199	2,853	21,052
2044 - 2048	15,239	1,787	17,026
2049	2,738	147	2,885
Total	<u>\$ 105,267</u>	<u>\$ 17,377</u>	<u>\$ 122,644</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 RECEIVABLES (CONTINUED)

Leases Receivable (Continued)

<u>Year</u>	<u>Discretely-Presented Component Units</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 565	\$ 7	\$ 572
2025	653	4	657
2026	655	1	656
2027	566	-	566
2028	128	-	128
2029 - 2033	1,644	-	1,644
Total	<u>\$ 4,211</u>	<u>\$ 12</u>	<u>\$ 4,223</u>

Discrete Component Units

The following is an analysis of the allowance for loan losses as of June 30, 2023 for the two largest discretely- presented component units (in thousands):

NMFA & NMMFA - Loan Loss Allowance

	<u>NM Finance Authority</u>	<u>NM Mortgage Fin. Auth</u>
Beginning Balance	\$ 19,249	\$ 10,131
Provision for Loan Losses	2,706	420
Loans Written Off, Net of Recoveries	(129)	(1,011)
Ending Balance	<u>\$ 21,826</u>	<u>\$ 9,540</u>

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

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

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

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

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

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, 2023, is as follows (in thousands):

	Due From	Due To	Transfers In	Transfers Out
Governmental Activities:				
General	\$ 5,936	\$ 786,713	\$ 1,466,391	\$ 4,289,061
Debt Service	402,578	-	22,834	1,368,386
Capital Projects	13,706	41,560	408,903	343,684
Severance Tax Permanent	294	-	1,368,377	275,223
Land Grant Permanent	363,151	-	2,612,476	1,049,920
Internal Service	-	-	71,330	12
Subtotal Government Fund Activities	<u>785,665</u>	<u>828,273</u>	<u>5,950,311</u>	<u>7,326,286</u>
Asset Transfers (Government wide level)				
General			64,072	7,464
Capital Projects			263	71,665
Subtotal Asset Transfers			<u>64,335</u>	<u>79,129</u>
Less: Net Reconciling items from fund to Government Wide Financial Statements	<u>-</u>	<u>-</u>	<u>(64,005)</u>	<u>(64,005)</u>
Total Governmental Activities	785,665	828,273	5,950,641	7,341,410
Business-Type Activities:				
Educational Institutions	48,546	4,970	1,372,226	402
Nonmajor Enterprise	-	968	21,538	2,593
Total Business-Type Activities	<u>48,546</u>	<u>5,938</u>	<u>1,393,764</u>	<u>2,995</u>
Totals	<u>\$ 834,211</u>	<u>\$ 834,211</u>	<u>\$ 7,344,405</u>	<u>\$ 7,344,405</u>

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 CAPITAL ASSETS

Capital and Right to Use asset activity for Governmental Activities for the year ended June 30, 2023, was as follows (in thousands):

	Beginning Balance	Additions	Deletions	Reclass	Transfers	Ending Balance
Governmental Activities:						
Capital and Right to Use Assets not being Depreciated/ Amortized:						
Capital Assets not being Depreciated:						
Land and Land Improvements	\$ 727,182	\$ 11,268	\$ (73)	\$ -	\$ 14,426	\$ 752,803
Construction in Progress	972,551	669,558	(1,306)	-	(440,260)	1,200,543
Mineral Rights	91,876	426	-	-	-	92,301
Art and Other	779	150	(1)	-	-	928
Right to Use Assets not being Amortized:						
Lease Non-Depr Assets	-	-	-	-	-	-
Lease Non-Depr Land	537	-	-	(537)	-	-
Total Capital/RUA Assets not being Depreciated/Amortized:	1,792,924	681,402	(1,380)	(537)	(425,834)	2,046,575
Capital Assets and Right to Use Assets being Depreciated:						
Capital Assets being Depreciated:						
Land Improvements	67,875	3,823	(705)	-	870	71,863
Equipment and Machinery	245,320	38,651	(7,997)	-	9,843	285,817
Building and Improvements	2,079,844	18,724	(6,647)	-	13,055	2,104,976
Furniture and Fixtures	26,523	2,431	(3,153)	-	-	25,801
Data Processing Equipment and Software	487,511	32,456	(5,754)	-	2,756	516,969
Library Books and Other	15,632	84	(82)	-	-	15,634
Vehicles	382,034	26,207	(22,952)	-	(1,423)	383,866
Infrastructure	12,038,268	7,254	(1,285,977)	-	399,416	11,158,961
Right to Use Assets being Amortized:						
Lease Depr Bldg & Imp	462,986	149,508	(7,710)	537	-	605,321
Lease Depr Airc, Autos & Trucks	12,743	-	(53)	-	-	12,690
Lease Depr Equip & Mach	8,175	3,579	(338)	-	-	11,416
Lease Depr Info Tech	319	70	-	-	-	389
Lease Asset - Right to Use - Depreciable	3,611	1,323	(134)	-	-	4,800
Subscriptions	-	26,668	-	-	-	26,668
Total Capital/RUA Assets being Depreciated/Amortized:	15,830,839	310,778	(1,341,502)	537	424,517	15,225,169
Less Accumulated Depreciation/Amortization for:						
Accumulated Depreciation for Depreciable Capital Assets						
Land Improvements	(39,768)	(1,973)	701	-	43	(40,997)
Equipment and Machinery	(147,047)	(21,654)	7,564	-	-	(161,137)
Building and Improvements	(1,166,294)	(60,595)	5,666	-	30	(1,221,193)
Furniture and Fixtures	(19,354)	(1,526)	2,386	-	-	(18,494)
Data Processing Equipment and Software	(322,284)	(36,894)	5,438	-	-	(353,740)
Library Books and Other	(1,350)	(850)	242	-	-	(1,958)
Vehicles	(301,457)	(24,003)	22,688	-	55	(302,717)
Infrastructure	(7,709,520)	(278,662)	1,285,359	-	-	(6,702,823)
Accumulated Amortization for:						
Amort Lease Land Improv	(202)	-	-	202	-	-
Amort Lease Bldg & Impr	(50,249)	(60,118)	3,396	(202)	-	(107,173)
Amort Lease Airc, Auto & Truck	(2,716)	(3,386)	22	-	-	(6,080)
Amort Lease Equip & Mach	(2,144)	(2,702)	297	-	-	(4,549)
Amort Lease Info Tech	(69)	(96)	-	-	-	(165)
Amort Subscriptions	-	(8,394)	-	-	-	(8,394)
Total Accumulated Depreciation/Amortization	(9,762,454)	(500,853)	1,333,759	-	128	(8,929,420)
*Total Capital/RUA Assets being Depreciated/ Amortized, Net	6,068,386	(190,075)	(7,743)	537	424,645	6,295,750
Total Capital/RUA Assets, Net	<u>\$ 7,861,310</u>	<u>\$ 491,327</u>	<u>\$ (9,123)</u>	<u>\$ -</u>	<u>\$ (1,189)</u>	<u>\$ 8,342,325</u>

Note: With the implementation of GASBS 96, the State of New Mexico has shown all subscription assets recorded in FY2023 as additions in the note disclosure whether the agreement was in effect as of July 1, 2022, or entered into during FY2023, therefore asset additions per the note disclosure will not tie to capital outlay in the financial statements.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 6 CAPITAL ASSETS (CONTINUED)

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

General Control	\$	85,576
Education		3,715
Health and Human Services		36,473
Highways and Transportation		293,854
Culture, Recreation, and Nat. Resources		22,132
Judicial		17,215
Legislative		1,978
Public Safety		37,508
Regulation and Licensing		2,402
Total	<u>\$</u>	<u>500,853</u>

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 CAPITAL ASSETS (CONTINUED)

Capital and Right to Use asset activity for Business-type Activities for the year ended June 30, 2023, was as follows (in thousands):

	Beginning Balance	Additions	Deletions	Reclass	Transfers	Ending Balance
Business-Type Activities:						
Capital and Right to Use Assets not being Depreciated/ Amortized:						
Capital Assets not being Depreciated:						
Land and Land Improvements	\$ 101,795	\$ 7,705	\$ (13)	\$ -	\$ 8,485	\$ 117,972
Construction in Progress	329,131	398,004	(5,274)	-	(153,872)	567,989
Art and Other	2,562	123	-	-	-	2,685
Total Capital/RUA Assets not being Depreciated/Amortized	433,488	405,832	(5,287)	-	(145,387)	688,646
Capital Assets and Right to Use Assets being Depreciated:						
Capital Assets being Depreciated:						
Land Improvements	156,636	1,463	-	-	9,814	167,913
Equipment and Machinery	1,089,172	57,026	(33,414)	(44,898)	23,515	1,091,401
Building and Improvements	3,752,995	12,644	(1,367)	44,898	102,711	3,911,881
Furniture and Fixtures	786	7	(392)	-	-	401
Data Processing Equipment and Software	23,618	16	(836)	-	-	22,798
Library Books and Other	358,805	10,152	(4,104)	-	-	364,853
Vehicles	7,929	980	(592)	-	-	8,317
Infrastructure	362,334	166	-	-	10,536	373,036
Right to Use Assets being Amortized:						
Lease Depr Land Impr	106	-	-	-	-	106
Lease Depr Bldg & Imp	2,700	13,395	(1,217)	61,120	-	75,998
Lease Depr Equip & Mach	4,599	737	(130)	1,536	-	6,742
Lease Asset - Right to Use - Depreciable	48,237	3,281	-	(45,515)	-	6,003
Subscriptions	-	105,570	-	-	-	105,570
Total Capital Assets being Depreciated	5,807,917	205,437	(42,052)	17,141	146,576	6,135,019
Less Accumulated Depreciation/Amortization for:						
Accumulated Depreciation for Depreciable Capital Assets						
Land Improvements	(144,580)	(8,602)	1,180	-	-	(152,002)
Equipment and Machinery	(800,615)	(55,308)	31,954	2,648	-	(821,321)
Building and Improvements	(1,844,859)	(98,129)	-	(2,648)	-	(1,945,636)
Furniture and Fixtures	(748)	(8)	392	-	-	(364)
Data Processing Equipment and Software	(18,004)	(181)	836	-	-	(17,349)
Library Books and Other	(318,534)	(10,318)	3,476	-	-	(325,376)
Vehicles	(5,935)	(487)	558	-	-	(5,864)
Infrastructure	(258,875)	(13,145)	-	-	-	(272,020)
Accumulated Amortization for:						
Amort Lease Asset - Right to Use - Depreciable	(1,543)	(1,731)	-	(170)	-	(3,444)
Amort Lease Land Improv	(79)	-	-	-	-	(79)
Amort Lease Bldg & Impr	(1,233)	(8,126)	870	(16,372)	-	(24,861)
Amort Lease Equip & Mach	(1,850)	(1,370)	130	(769)	-	(3,859)
Lease Asset - Right to Use	(170)	-	-	170	-	-
Amort Subscriptions	-	(44,779)	-	-	-	(44,779)
Total Accumulated Depreciation/Amortization	(3,397,027)	(242,184)	39,396	(17,141)	-	(3,616,956)
*Total Capital/RUA Assets being Depreciated/Amortized, Net	2,410,890	(36,747)	(2,656)	-	146,576	2,518,063
Total Capital/RUA Assets, Net	<u>\$ 2,844,378</u>	<u>\$ 369,085</u>	<u>\$ (7,943)</u>	<u>\$ -</u>	<u>\$ 1,189</u>	<u>\$ 3,206,709</u>

Note: With the implementation of GASBS 96, the State of New Mexico has shown all subscription assets recorded in FY2023 as additions in the note disclosure whether the agreement was in effect as of July 1, 2022, or entered into during FY2023, therefore asset additions per the note disclosure will not tie to capital outlay in the financial statements.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 6 CAPITAL ASSETS (CONTINUED)

Capital and Right to Use asset activity for Fiduciary Funds for the year ended June 30, 2023 was as follows (in thousands):

Fiduciary Funds:	Beginning Balance	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:	2,823	-	-	-	-	2,823
Capital Assets and Right to Use Assets being Depreciated:						
Capital Assets being Depreciated:						
Land Improvements	19	-	-	-	-	19
Equipment and Machinery	245	14	-	-	-	259
Building and Improvements	16,082	-	-	-	-	16,082
Furniture and Fixtures	1,252	-	-	-	-	1,252
Data Processing Equipment and Software	24,746	65	-	-	-	24,811
Vehicles	57	-	-	-	-	57
Right to Use Assets being Amortized:						
Lease Depr Bldg & Imp	4,757	-	-	-	-	4,757
Lease Depr Equip & Mach	195	45	(17)	-	-	223
Subscriptions	-	113	-	-	-	113
Total Capital/RUA Assets being Depreciated/Amortized:	47,353	237	(17)	-	-	47,573
Less Accumulated Depreciation/Amortization for:						
Accumulated Depreciation for Depreciable Capital Assets						
Land Improvements	(1,338)	(248)	-	-	-	(1,586)
Equipment and Machinery	(11)	(7)	-	-	-	(18)
Building and Improvements	(7,625)	(514)	-	-	-	(8,139)
Furniture and Fixtures	(1,203)	(6)	-	-	-	(1,209)
Data Processing Equipment and Software	(22,205)	(245)	-	-	-	(22,450)
Vehicles	(57)	-	-	-	-	(57)
Accumulated Amortization for:						
Amort Lease Bldg & Impr	(246)	(246)	-	-	-	(492)
Amort Lease Equip & Mach	(182)	(188)	17	-	-	(353)
Amort Subscriptions	-	(24)	-	-	-	(24)
Total Accumulated Depreciation/Amortization	(32,867)	(1,478)	17	-	-	(34,328)
Total Capital/RUA Assets being Depreciated/Amortized, Net	14,486	(1,241)	-	-	-	13,245
Total Capital/RUA Assets, Net	\$ 17,309	\$ (1,241)	\$ -	\$ -	\$ -	\$ 16,068

Note: With the implementation of GASBS 96, the State of New Mexico has shown all subscription assets recorded in FY2023 as additions in the note disclosure whether the agreement was in effect as of July 1, 2022, or entered into during FY2023, therefore asset additions per the note disclosure will not tie to capital outlay in the financial statements.

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 CAPITAL ASSETS (CONTINUED)

Capital and Right to Use asset activity for Component Units for the year ended June 30, 2023 was as follows (in thousands):

Component Units - Capital Assets	Beginning Balance	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	\$ 31,475	\$ 4,013	\$ (1,236)	\$ -	\$ -	\$ 34,252
Construction Work in Progress	11,868	22,424	(1,079)	-	(2,342)	30,871
Mineral Rights	30	-	-	-	-	30
Art and Other	24,017	2,236	(727)	-	-	25,526
Right to Use Assets not being Amortized:						
Lease Non-Depr Assets	-	-	-	-	-	-
Lease Non-Depr Land Impr	8	-	-	(8)	-	-
Total Capital/RUA Assets not being Depreciated/Amortized:	67,398	28,673	(3,042)	(8)	(2,342)	90,679
Capital Assets and Right to Use Assets being Depreciated:						
Capital Assets being Depreciated:						
Building and Improvements	159,852	45,002	(3,042)	-	1,446	203,258
Leasehold Improvements	2,630	1,130	-	-	-	3,760
Infrastructure	17,822	1,576	-	-	683	20,081
Aircrafts	105	-	-	-	-	105
Vehicles	3,961	951	(124)	-	20	4,808
Machinery And Equipment	16,968	2,216	(4)	-	193	19,373
Data Processing Equipment and Software	4,177	293	(174)	-	-	4,296
Furniture and Fixtures	15,310	3,031	(460)	-	-	17,881
Library Books and Other	-	-	-	316	-	316
Right to Use Assets being Amortized:						
Lease Depr Assets	-	-	-	-	-	-
Lease Depr Bldg & Imp	56,193	6,324	(4,977)	8	-	57,548
Lease Depr Airc, Autos & Trucks	-	647	-	-	-	647
Lease Depr Equip & Mach	1,492	951	(356)	89	-	2,176
Lease Depr Info Tech	89	-	-	(89)	-	-
Subscriptions	-	1,429	(290)	-	-	1,139
Total Capital Assets being Depreciated	278,599	63,550	(9,427)	324	2,342	335,388
Less Accumulated Depreciation/Amortization for:						
Accumulated Depreciation for Depreciable Capital Assets						
Building and Improvements	(30,597)	(6,287)	1,713	-	-	(35,171)
Infrastructure	(11,131)	(1,530)	-	-	-	(12,661)
Vehicles	(2,856)	(395)	165	-	-	(3,086)
Equipment and Machinery	(9,991)	(1,462)	-	-	-	(11,453)
Leasehold Improvements	(656)	(363)	-	-	-	(1,019)
Data Processing Equipment and Software	(2,669)	(579)	156	-	-	(3,092)
Furniture and Fixtures	(8,912)	(1,454)	411	-	-	(9,955)
Library Books and Other	-	-	-	(316)	-	(316)
Accumulated Amortization for:						
Amort Lease Bldg & Impr	(7,554)	(7,708)	3,177	-	-	(12,085)
Amort Lease Airc, Auto & Truck	-	(15)	-	-	-	(15)
Amort Lease Equip & Mach	(346)	(445)	174	-	-	(617)
Amort Subscriptions	-	(236)	-	-	-	(236)
Total Accumulated Depreciation/ Amortization	(74,713)	(20,474)	5,796	(316)	-	(89,707)
Total Capital/RUA Assets being Depreciated/ Amortized, Net	203,886	43,076	(3,631)	8	2,342	245,681
Total Capital/RUA Assets, Net	<u>\$ 271,284</u>	<u>\$ 71,749</u>	<u>\$ (6,673)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 336,360</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

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, 2023, the deferred outflow of resources for governmental activities and business-type activities were as follows (in thousands):

Deferred Charge on Refunding

	Governmental	Business-Type
Beginning Balance	\$ 27,091	\$ 9,076
Deletions	(5,594)	(670)
Ending Balance	\$ 21,497	\$ 8,406

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 Note 8 J.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended June 30, 2023, 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
Governmental Activities:						
General Obligation Bonds	\$ 414,365	\$ 223,710	\$ (96,805)	\$ 541,270	\$ 94,100	\$ 447,170
Severance Tax Bonds	1,110,570	293,310	(135,715)	1,268,165	177,070	1,091,095
Revenue Bonds and Loans Payable	1,053,950	-	(145,075)	908,875	171,170	737,705
Net Unamortized Premiums, Discounts	318,871	59,060	(68,382)	309,549	64,696	244,853
Total Bonds Payable	<u>2,897,756</u>	<u>576,080</u>	<u>(445,977)</u>	<u>3,027,859</u>	<u>507,036</u>	<u>2,520,823</u>
Insurance Claims Payable	206,032	502,838	(472,930)	235,940	127,121	108,819
Contingent Liabilities	20,900	-	(20,900)	-	-	-
Compensated Absences	97,507	89,352	(85,476)	101,383	88,098	13,285
Native American Water Settlement Liability	51,291	-	(4,534)	46,757	-	46,757
Pollution Remediation Obligation	41,607	14,581	(2,455)	53,733	1,184	52,549
Lease Liabilities	436,734	154,515	(62,229)	529,020	52,148	476,872
Subscription	-	26,539	(9,449)	17,090	9,338	7,752
Total Other Liabilities	<u>854,071</u>	<u>787,825</u>	<u>(657,973)</u>	<u>983,923</u>	<u>277,889</u>	<u>706,034</u>
Total Governmental Long-Term Liabilities	<u>\$ 3,751,827</u>	<u>\$ 1,363,905</u>	<u>\$ (1,103,950)</u>	<u>\$ 4,011,782</u>	<u>\$ 784,925</u>	<u>\$ 3,226,857</u>

Note: With the implementation of GASBS 96, the State of New Mexico has shown all subscription liabilities related to subscription assets recorded in FY2023 as additions in the note disclosure whether the agreement was in effect as of July 1, 2022, or entered into during FY2023, therefore additions per the note disclosure will not tie to other financing sources related to leases and SBITAs in the financial statements.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities:	Beginning Balance, Restated	Additions	Deletions	Ending Balance	Amounts Due Within One Year	Long Term Debt
General Obligation Bonds	\$ 1,260	\$ 20,320	\$ (1,850)	\$ 19,730	\$ 1,355	\$ 18,375
Revenue Bonds	635,638	84,621	(67,520)	652,739	47,579	605,160
Bond Premium, Discount, Net	23,786	4,495	(1,024)	27,257	22	27,235
Total Bonds Payable	<u>660,684</u>	<u>109,436</u>	<u>(70,394)</u>	<u>699,726</u>	<u>48,956</u>	<u>650,770</u>
Compensated Absences	107,556	98,203	(93,313)	112,446	15,098	97,348
Reserve for Losses	104,814	393,655	(387,569)	110,900	23,406	87,494
Notes Payable	8,235	5,523	(1,765)	11,993	2,368	9,625
Insurance Claims Payable	11,651	-	(3,500)	8,151	8,151	-
Mortgages Payable	100,677	166,500	(5,822)	261,355	5,938	255,417
Lease Liabilities	52,238	33,453	(19,582)	66,109	14,097	52,012
Subscription	1,866	72,515	(20,634)	53,747	17,489	36,258
Derivative Instruments - Interest Rate Swaps	2,129	-	(1,070)	1,059	-	1,059
Student Loans	9,432	307	(1,318)	8,421	-	8,421
Environmental Cleanup	5,434	-	-	5,434	-	5,434
Total Other Liabilities	<u>404,032</u>	<u>770,156</u>	<u>(534,573)</u>	<u>639,615</u>	<u>86,547</u>	<u>553,068</u>
Total Business-type Long-term Liabilities	<u>\$ 1,064,716</u>	<u>\$ 879,592</u>	<u>\$ (604,967)</u>	<u>\$ 1,339,341</u>	<u>\$ 135,503</u>	<u>\$ 1,203,838</u>
Fiduciary:	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year	Long Term Debt
Pension Trust Funds						
Reserve for Losses	\$ 25,420	\$ -	\$ (3,442)	\$ 21,978	\$ -	\$ 21,978
Lease Liabilities	4,609	158	(379)	4,388	419	3,969
Compensated Absences	1,207	828	(780)	1,255	95	1,160
Total Fiduciary Long-term Liabilities	<u>\$ 31,236</u>	<u>\$ 986</u>	<u>\$ (4,601)</u>	<u>\$ 27,621</u>	<u>\$ 514</u>	<u>\$ 27,107</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

	Beginning Balance, Restated	Additions	Deletions	Ending Balance	Amounts Due Within One Year	Long Term Debt
Component Units:						
Revenue Bonds	\$ 2,827,203	\$ 399,785	\$ (239,016)	\$ 2,987,972	\$ 133,278	\$ 2,854,694
Bond/Other LT Payables, Net of Premiums and Discounts	-	-	-	-	-	-
Bond Premium, Discount, Net	241,024	22,785	(21,839)	241,970	29,076	212,894
Total Bonds Payable	<u>3,068,227</u>	<u>422,570</u>	<u>(260,855)</u>	<u>3,229,942</u>	<u>162,354</u>	<u>3,067,588</u>
Compensated Absences	1,926	1,439	(1,205)	2,160	1,934	226
Notes Payable	169,634	289,577	(230,752)	228,459	70,273	158,186
Loans Payable	7,716	-	(7,509)	207	-	207
Lease Liabilities	50,684	8,049	(9,082)	49,651	7,210	42,441
Subscription Liabilities	-	1,370	(653)	717	460	257
Total Other Liabilities	<u>229,961</u>	<u>300,435</u>	<u>(249,201)</u>	<u>281,195</u>	<u>79,877</u>	<u>201,318</u>
Total Component Unit Long-Term Liabilities	<u>\$ 3,298,188</u>	<u>\$ 723,005</u>	<u>\$ (510,056)</u>	<u>\$ 3,511,137</u>	<u>\$ 242,231</u>	<u>\$ 3,268,906</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

A. 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.

On April 27, 2023, the State issued G. O. Bonds Series 2023 in the par amount of \$223.7 thousand, with a premium of \$ 35.2 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:

<i>General Obligation Bonds Payable (Expressed in Thousands)</i>						
<u>Bond Issue</u>	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance June 30, 2023</u>	<u>Due in One Year</u>
Series 2015	3/25/15	2025	5.00 %	\$ 141,635	\$ 34,280	\$ 16,720
Series 2017A	8/1/17	2027	5.00	148,520	75,105	16,315
Series 2017B	8/1/17	2025	5.00	151,790	31,575	15,400
Series 2019	7/30/19	2029	5.00	139,985	53,395	8,955
Series 2021	5/27/21	2031	5.00	166,675	123,205	17,430
Series 2023	4/27/23	2033	5.00	223,710	223,710	19,280
Total General Obligation Bonds Payable					<u>\$ 541,270</u>	<u>\$ 94,100</u>

<i>General Obligation Bond Premium Outstanding (Expressed in Thousands)</i>						
<u>Bond Issue</u>	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance June 30, 2023</u>	<u>Due in One Year</u>
Series 2015	3/25/15	2025	5.00 %	\$ 26,120	\$ 892	\$ 701
Series 2017A	8/1/17	2027	5.00	26,897	4,137	1,862
Series 2017B	8/1/17	2025	5.00	23,160	1,308	1,027
Series 2019	7/30/19	2029	5.00	17,947	6,350	1,979
Series 2021	5/27/21	2031	5.00	32,869	20,901	4,972
Series 2023	4/27/23	2033	5.00	35,178	33,462	6,436
Total General Obligation Bond Premium Outstanding					<u>\$ 67,050</u>	<u>\$ 16,977</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

A. General Obligation Bonds (Continued)

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>
2024	\$ 94,100	\$ 25,759	\$ 119,859
2025	99,355	22,358	121,713
2026	62,175	17,391	79,566
2027	67,545	14,282	81,827
2028	47,150	10,905	58,055
2029 - 2033	170,945	22,968	193,913
Total	<u>\$ 541,270</u>	<u>\$ 113,663</u>	<u>\$ 654,933</u>

B. 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, 2023, total severance tax revenues transferred to the Severance Tax Bonding Fund were \$2.4 billion. The total principal and interest requirements were \$180.6 million for long-term debt and \$1.0 billion for short-term debt for all severance tax and supplemental severance tax bonds and short-term notes.

On October 11, 2022, the State issued Severance Tax Bonds Series 2022B in the amount of \$293.3 million, with a premium of \$23.9 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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

B. Severance Tax Bonds (Continued)

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

Severance Tax Bonds Payable (Expressed in Thousands)						
Bond Issue	Date Issued	Maturity Date	Interest Rate	Original Issue	Balance June 30, 2023	Due in One Year
Series 2012A	6/21/2012	2023	3.00 - 5.00 %	\$ 57,990	\$ -	\$ -
Series 2015A	8/12/2015	2026	5.00 %	129,195	52,000	16,470
Series 2015B Supplemental	8/12/2015	2026	5.00 %	69,745	25,420	8,055
Series 2016A	6/23/2016	2027	3.00 - 5.00 %	78,750	56,245	13,025
Series 2016B	6/23/2016	2025	4.00 %	181,395	58,790	38,240
Series 2016D	11/15/2016	2028	5.00 %	26,725	21,815	2,160
Series 2017A	8/8/2017	2028	5.00 %	69,470	41,985	8,065
Series 2018A	6/28/2018	2029	5.00 %	122,560	81,955	12,010
Series 2020A	11/3/2020	2031	5.00 %	94,735	83,640	8,895
Series 2021A	6/29/2022	2032	5.00 %	317,170	292,105	26,350
Series 2022A	6/29/2022	2033	5.00 %	260,900	260,900	20,620
Series 2022B	10/11/2022	2033	5.00 %	293,310	293,310	23,180
Total Severance Tax Bonds Payable					<u>\$ 1,268,165</u>	<u>\$ 177,070</u>

Severance Tax Bond Premium Outstanding (Expressed in Thousands)						
Bond Issue	Date Issued	Maturity Date	Interest Rate	Original Issue	Balance June 30, 2023	
Series 2012 A	6/21/2012	2023	3.00 - 5.00 %	\$ 16,900	\$ -	
Series 2014 A	6/24/2014	2025	2.00 - 5.00 %	22,619	96	
Series 2015A	8/12/2015	2026	5.00 %	23,121	1,016	
Series 2015 B Supplemental	8/12/2015	2026	5.00 %	11,428	502	
Series 2016 A	6/23/2016	2027	3.00 - 5.00 %	19,770	1,881	
Series 2016 B	6/23/2016	2025	4.00 %	26,924	509	
Series 2016 D	11/15/2016	2028	5.00 %	5,379	811	
Series 2017A	8/8/2017	2028	5.00 %	13,280	2,202	
Series 2018A	6/28/2018	2029	5.00 %	17,619	4,512	
Series 2020A	11/3/2020	2031	5.00 %	22,589	11,758	
Series 2021A	6/29/2021	2032	5.00 %	74,551	48,004	
Series 2022A	6/29/2022	2033	5.00 %	31,097	25,257	
Series 2022B	10/11/2022	2033	5.00 %	35,178	20,392	
Total Severance Tax Bond Premium Payable					<u>\$ 116,940</u>	

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

B. Severance Tax Bonds (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)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 177,070	\$ 58,585	\$ 235,655
2025	166,340	50,294	216,634
2026	155,820	42,342	198,162
2027	134,965	35,073	170,038
2028	125,690	28,556	154,246
2029 - 2033	508,280	58,653	566,933
Total	<u>\$ 1,268,165</u>	<u>\$ 273,503</u>	<u>\$ 1,541,668</u>

C. 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 2023, short-term notes were sold and redeemed as follows (expressed in thousands):

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
Sponge Bonds	<u>\$ -</u>	<u>\$ 1,022,179</u>	<u>\$ (1,022,179)</u>	<u>\$ -</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

D. 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, 2023	Due in One Year
<p>The following are direct borrowings, loans issued by NM Finance Authority to various departments of the State based on the bonds issued:</p>					
2015A PPRF - Metro Court	\$ 30,685	2025	4.00 - 5.00 %	\$ 7,320	\$ 3,570
Series 2021 Spaceport Public Project	35,439	2030	0.77%	26,951	4,421
DL - GSD 7 - Cultural Affairs	2,789	2023	0.46 - 1.42 %	-	-
2004B PPRF - Cultural Affairs Dept.	2,350	2023	0.62 - 4.18 %	-	-
Series 2003 - Energy and Minerals	7,339	2023	3.82%	-	-
2016C PPRF 3445 - General Services Dept. 8	37,320	2036	1.90 - 4.90 %	28,895	1,690
2018C1 PPRF - General Services Dept. - 4417A	11,510	2039	4.00 - 5.00 %	11,510	-
2018C2 PPRF - General Services Dept. - 4417B	7,040	2038	2.77 - 4.09 %	6,910	80
2018A PPRF - General Services Dept. - 4431	28,480	2036	4.00 - 5.00 %	22,765	1,320
PPRF - 4955 - GSD Energy Efficiency	11,500	2033	2.90 - 3.90 %	10,165	740
PPRF - 2668 -DOH 9 - Las Vegas Med. Ctr.	8,975	2037	3.80 %	7,569	69
PPRF - 4432 - Cig. Tax Ref. Bonds	5,120	2028	5.00 %	2,580	500
PPRF - 4769 - Ft. Bayard Med. Ctr.	48,635	2039	5.00 %	41,450	1,920
Total Direct Borrowings				<u>166,115</u>	<u>14,310</u>
Governmental Activities	Original Issue	Maturity Date	Interest Rate	Balance June 30, 2023	Due in One Year
<p>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:</p>					
Series 2014 A Revenue	\$ 70,110	2032	5.00 %	\$ 55,575	\$ -
Series 2014 B Revenue	79,405	2027	5.00 %	69,660	1,920
Series 2018 A Refunding	420,090	2030	5.00 %	321,015	142,060
Series 2020 A Refunding	63,180	2025	5.00%	17,650	10,935
Series 2021 A Refunding	234,600	2030	5.00%	234,600	-
Series 2022 A Refunding	47,240	2026	5.00%	44,260	1,945
Total Direct Placements				<u>742,760</u>	<u>156,860</u>
Total Revenue Bonds and Loans, Governmental Activities				<u>\$ 908,875</u>	<u>\$ 171,170</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

D. Revenue Bonds (Continued)

Governmental Activities (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)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 171,170	\$ 43,522	\$ 214,692
2025	96,550	35,179	131,729
2026	97,221	30,565	127,786
2027	113,171	25,917	139,088
2028	107,864	20,489	128,353
2029 - 2033	270,842	35,589	306,431
2034 - 2038	46,117	7,474	53,591
2039 - 2042	5,940	297	6,237
Total	<u>\$ 908,875</u>	<u>\$ 199,032</u>	<u>\$ 1,107,907</u>

Of the total of bonds and loans payable for Governmental Activities, \$166.1 million 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:

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

	<u>Payable to Ext. Entities</u>	<u>Due to NMFA</u>	<u>Total</u>
Current:			
Due to NMFA	\$ -	\$ 14,310	\$ 14,310
Payable to External Entities	156,860	-	156,860
Total Current	156,860	14,310	171,170
Long-Term:			
Due to NMFA	-	151,805	151,805
Payable to External Entities	585,900	-	585,900
Total Long-Term	585,900	151,805	737,705
Totals	<u>\$ 742,760</u>	<u>\$ 166,115</u>	<u>\$ 908,875</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

D. Revenue Bonds (Continued)

Governmental Activities (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 loans to the General Services Department totaling \$261.4 thousand.

Business-Type Activities

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

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

Business-Type Activities

Bond Issue	Maturity Date	Interest Rate	Original Issue	Balance June 30, 2023	Due in One Year
The following are direct borrowings, loans issued by NMFA to various state educational institutions, based on the bonds:					
System Imp. Revenue Series 2015 A	2045	0.34 - 3.93 %	\$ 12,480	\$ 10,075	\$ 910
System Imp. Revenue Bonds Series 2017	2038	0.09 - 3.48	5,645	4,490	251
System Imp. Revenue Bonds Series 2020	2036	1.12 - 2.75	22,445	19,255	1,055
General Obligation Bonds Series 2020	2030	0.47 - 1.25	3,000	720	100
System Refunding Revenue Series 2009 B	2035	5.32 - 6.07	14,000	8,185	550
System Refunding Revenue Series 2012	2034	0.93 - 4.26	19,741	10,825	805
System Refunding Revenue Series 2021	2031	1.01	8,470	6,950	805
Series 2019A Improvement	2039	1.30 - 2.89	5,181	4,469	244
Series 2019B Improvement	2044	1.30 - 3.15	6,689	6,413	114
System Refunding & Imp. Revenue Series 2013	2038	2.10 - 5.10	6,755	3,420	-
System Revenue Refunding Series 2020 A	2038	2.25	9,000	7,866	487
System Improvement Series 2020 B	2045	2.25	7,631	6,953	131
Series 2022 Subordinate Lien System Improvement Bonds	2042	2.61	5,080	4,850	380
2016 A PPRF - UNM Health Sciences Ctr. - Loan	2025	1.90 - 4.90	26,200	5,920	2,950
Loan Payable	2036	1.50 - 2.50	7,000	5,245	330
Subordinate Lien System Refunding Revenue Series 2002 C	2030	Variable	37,840	19,588	2,565
UNM ADW - UNM - Green Water Project - Loan	2032	0.75	399	190	20
Subtotal				125,414	11,697
The following are direct borrowing mortgage loans issued by separate financial institutions to the University of New Mexico:					
Mortgage Loan	2041	1.98	106,386	94,855	5,938
Mortgage Loan - UNM Hospital	2049	3.28	166,500	166,500	-
Total Direct Borrowings				261,355	5,938

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

D. Revenue Bonds (Continued)

Business-Type Activities (Continued)

Bond Issue	Maturity Date	Interest Rate	Original Issue	Balance June 30, 2023	Due in One Year
The following Revenue Bonds are direct placements:					
MCMC St. Perm. Fd. Rev. Imp. & Refunding Series 2013	2023	3.00 %	\$ 14,645	\$ 4,740	\$ 1,140
System Revenue Refunding Series 2015 B	2026	0.34 - 2.44	6,175	1,795	-
Refunding and Imp. Revenue Series 2013 A-C	2033	2.00 - 5.00	56,200	11,070	6,665
System Imp. Revenue Series 2017 A-C	2042	1.75 - 5.00	73,240	59,795	-
Refunding and Imp. Revenue Series 2019 A & B	2040	2.00 - 5.00	24,985	19,730	-
Bond Series 2022	2042	3.60 - 5.00	28,065	28,065	-
Series 2013A Improvement	2028	2.00 - 4.00	8,935	4,170	770
System Revenue Series 2019	2040	4.00	8,555	8,090	190
UNM Hospital Mortgage Bond	2032	0.48 - 3.53	115,000	67,965	6,480
Subordinate Lien System Imp. Revenue Series 2001	2026	Variable	52,625	9,925	3,170
Subordinate Lien System Refunding Revenue Series 2002 B	2026	Variable	25,475	7,185	1,730
Subordinate Lien System Imp. Revenue Series 2014 B	2024	0.50 - 3.28	3,365	280	280
Subordinate Lien System Imp. Revenue Series 2014 C	2035	1.50 - 5.00	97,615	5,230	5,230
Subordinate Lien System Imp. Revenue Series 2016A	2046	2.00 - 5.00	158,435	140,105	5,700
Subordinate Lien System Imp. Revenue Series 2016B	2024	0.72 - 2.48	8,030	1,765	1,765
Subordinate Lien System Imp. Revenue Series 2017	2047	3.25 - 5.00	40,900	36,900	845
Subordinate Lien System Imp. Revenue Series 2019	2032	1.85 - 3.02	22,140	16,675	1,675
Subordinate Lien System Ref. Revenue Series 2021	2035	0.17 - 2.17	74,450	71,575	1,495
System Improvement Revenue Bond - Series 2023	2053	4.13 - 5.50	51,995	51,995	100
Total Direct Placements				547,055	37,235
Total Revenue Bonds and Loans, Business-type Activities				<u>\$ 933,824</u>	<u>\$ 54,870</u>

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

Revenue Bonds and Loans - Primary Government

For Fiscal Year End June 30
Business-Type Activities
(Expressed in Thousands)

Fiscal Year	Principal	Interest	Total
2024	\$ 50,722	\$ 25,317	\$ 76,039
2025	53,086	22,955	76,041
2026	51,555	21,047	72,602
2027	47,180	19,213	66,393
2028	47,409	17,812	65,221
2029 - 2033	206,607	67,549	274,156
2034 - 2038	119,215	36,639	155,854
2039 - 2043	60,363	18,725	79,088
Thereafter	47,539	10,502	58,041
Total	<u>\$ 683,676</u>	<u>\$ 239,759</u>	<u>\$ 923,435</u>

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

D. Revenue Bonds (Continued)

Business-Type Activities (Continued)

Of the total of bonds and loans payable for Business-Type Activities, \$125.4 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:

Business-Type Activities			
Bonds and Loans Payable - Payable to Others and Payable to NMFA			
<i>(Expressed in Thousands)</i>			
	Payable to Ext. Entities	Due to NMFA	Total
Current:			
Direct Borrowings:			
Due to NMFA	\$ -	\$ 11,697	\$ 11,697
Due to Other Fin. Inst.	5,938	-	5,938
Payable to External Entities	37,235	-	37,235
Total Current	43,173	11,697	54,870
Long-Term:			
Direct Borrowings:			
Due to NMFA	-	113,717	113,717
Due to Other Fin. Inst.	255,417	-	255,417
Payable to External Entities	509,820	-	509,820
Total Long-Term	765,237	113,717	878,954
Totals	\$ 808,410	\$ 125,414	\$ 933,824

E. Pledged Revenue

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

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

E. Pledged Revenue (Continued)

Governmental Activities

Agency:	State of New Mexico - Severance Tax Bonds
Purpose of Bonds:	Construction and acquisition of capital projects statewide
Total Amount of Bonds Issued:	\$ 1.7 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:	\$ 1.5 billion
Revenue Stream for Current Year:	\$ 2.4 billion
Debt Service for Current Year:	\$ 135.7 million
Agency:	Energy, Minerals, and Natural Resources Department
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:	\$0
Revenue Stream for Current Year:	\$ 4.7 million
Debt Service for Current Year:	\$ 518 thousand
Agency:	Department of Transportation
Purpose of Bonds:	Construct and improve State highway and transportation system.
Total Amount of Bonds Issued:	\$ 914.6 million
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:	\$ 742.8 million
Revenue Stream for Current Year:	\$ 996.8 million
Debt Service for Current Year:	\$ 130.6 million
Agency:	Department of Cultural Affairs
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:	\$0
Term of Commitment:	Through June 30, 2023
Revenue Stream for Current Year:	\$ 895 thousand
Debt Service for Current Year:	\$ 574 thousand
Agency:	Spaceport Authority
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:	\$ 27.7 million
Term of Commitment:	Through June 30, 2029
Revenue Stream for Current Year:	\$ 10.8 million
Debt Service for Current Year:	\$ 4.6 million

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

E. Pledged Revenue (Continued)

Governmental Activities (Continued)

Agency:	<i>Bernalillo County Metropolitan Court</i>
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:	\$ 7.9 million
Term of Commitment:	Through June 30, 2025
Revenue Stream for Current Year:	\$ 3.4 million
Debt Service for Current Year:	\$ 3.4 million

Agency:	<i>General Services Department</i>
Purpose of Bonds	State facilities acquisition and development.
Total Amount of Debt Issued:	\$ 147.4 million
Type of Revenues Pledged:	Government gross receipts tax, cigarette tax.
Total Debt Service Remaining:	\$ 131.8 million
Term of Commitment:	Through June 30, 2043
Revenue Stream for Current Year:	\$ 7.7 million
Debt Service for Current Year:	\$ 5.6 million

Business-type Activities

Agency:	<i>Miners' Colfax Medical Center</i>
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:	\$ 4.7 million
Term of Commitment:	Through June 30, 2027
Revenue Stream for Current Year:	\$ 8.9 million
Debt Service for Current Year:	\$ 1.1 million

Agency:	<i>Educational Institutions (UNM, NMSU, ENMU, WNMU, NMCI, NMHU, NM Tech)</i>
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:	\$ 867.5 million
Term of Commitment:	Through June 30, 2053
Revenue Stream for Current Year:	\$ 680.3 million
Debt Service for Current Year:	\$ 44.5 million

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

F. 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):

	Governmental Activities (Expressed in Thousands)		
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 55,068	\$ 8,391	\$ 63,459
2025	49,110	7,826	56,936
2026	42,705	7,217	49,922
2027	40,304	6,623	46,927
2028	36,747	6,057	42,804
2029 - 2033	138,256	22,903	161,159
2034 - 2038	99,053	11,603	110,656
2039 - 2043	60,090	3,057	63,147
2044 - 2048	4,060	718	4,778
2049 - 2053	3,281	261	3,542
Thereafter	1,068	46	1,114
Total	<u>\$ 529,742</u>	<u>\$ 74,702</u>	<u>\$ 604,444</u>

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

F. Leases Payable (Continued)

Lease Liability (Continued)

<i>Business-Type Activities</i> <i>(Expressed in Thousands)</i>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 13,917	\$ 1,312	\$ 15,229
2025	11,756	1,040	12,796
2026	6,840	819	7,659
2027	5,999	673	6,672
2028	4,535	549	5,084
2029 - 2033	14,340	1,443	15,783
2034 - 2038	3,965	848	4,813
2039 -2043	4,078	336	4,414
2044 - 2048	679	63	742
Total	<u>\$ 66,109</u>	<u>\$ 7,083</u>	<u>\$ 73,192</u>

<i>Fiduciary Activities</i> <i>(Expressed in Thousands)</i>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 418	\$ 61	\$ 479
2025	322	58	380
2026	280	54	334
2027	286	51	337
2028	294	46	340
2029 - 2033	1,227	186	1,413
2034 - 2038	1,151	94	1,245
2039 -2043	410	9	419
Total	<u>\$ 4,388</u>	<u>\$ 559</u>	<u>\$ 4,947</u>

Discretely-presented Component Units (Excluding State Charter Schools)
(Expressed in Thousands)

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 606	\$ 28	\$ 634
2025	420	7	427
2026	23	2	25
2027	9	-	9
2028	-	-	-
2029 - 2033	-	*	-
Total	<u>\$ 1,058</u>	<u>\$ 37</u>	<u>\$ 1,095</u>

* Total Interest not furnished.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

G. Subscriptions Payable

The State has entered into subscription based-information technology arrangements (SBITAs) through the various agencies and universities of the State. The information for SBITAs are available in each of the separate financial statements.

The future subscription payments under SBITA agreements are as follows:

Governmental Activities
(Expressed in Thousands)

Year	Principal	Interest	Total
2024	\$ 9,338	\$ 252	\$ 9,590
2025	4,114	142	4,256
2026	2,058	66	2,124
2027	875	32	907
2028	350	15	365
2029 - 2033	337	7	344
Total	<u>\$ 17,072</u>	<u>\$ 514</u>	<u>\$ 17,586</u>

Business-Type Activities
(Expressed in Thousands)

Year	Principal	Interest	Total
2024	\$ 17,670	\$ 1,511	\$ 19,181
2025	10,781	977	11,758
2026	8,790	630	9,420
2027	7,610	372	7,982
2028	1,697	258	1,955
2029 - 2033	7,199	511	7,710
Total	<u>\$ 53,747</u>	<u>\$ 4,259</u>	<u>\$ 58,006</u>

Discretely-presented Component Units (Excluding State Charter Schools)
(Expressed in Thousands)

Year	Principal	Interest	Total
2024	\$ 297	\$ 6	\$ 303
2025	133	2	135
2026	9	-	9
Total	<u>\$ 439</u>	<u>\$ 8</u>	<u>\$ 447</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

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.

At June 30, 2023, conduit debt obligations outstanding are as follows:

New Mexico Hospital Equipment Loan Council Conduit Debt <i>(Expressed in Thousands)</i>	
	<u>Balance June 30, 2023</u>
Hospital Revenue Bonds and Leases	
Dialysis Clinic, Inc. Project, Series 2000	\$ 5,000
Lovelace Women's Hospital, Series 2007	12,617
Presbyterian Healthcare Services, Series 2008 A - D	128,715
Lovelace Health Systems, Series 2011	32,800
Lovelace Health Systems, Series 2012	26,165
Presbyterian Healthcare Services Series 2015 A	195,570
San Juan Regional Medical Center, Series 2017	9,944
Presbyterian Healthcare Services, Series 2017 A - B	303,175
Haverland Carter Series 2019 A - C	99,015
Presbyterian Healthcare Series 2019 A - C	304,245
San Juan Regional Medical Center Series 2020	31,085
Haverland Carter Series 2022	30,540
San Juan Regional Medical Center Series 2022	20,000
Total	<u><u>\$ 1,198,871</u></u>

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

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.

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 clean-up activities as a result of an unwilling or unable property owner in the amount of \$1.4 million as of June 30, 2023.

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 two or three years before a Record of Decision is issued by the EPA. As of June 30, 2023, this site is excluded from the estimated pollution remediation liability which for Superfund sites totals \$52.3 million.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

I. Other Liabilities (Continued)

Superfund (Continued)

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

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Amount Due Within One Year	\$ 1,114	\$ 804	\$ (734)	\$ 1,184
Amount Due in More than One Year	40,494	13,777	(1,721)	52,550
Total Pollution Remediation Liabilities	<u>\$ 41,608</u>	<u>\$ 14,581</u>	<u>\$ (2,455)</u>	<u>\$ 53,734</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.

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 \$155.5 million as of June 30, 2023. The State will not own the infrastructure once completed; the infrastructure and projects will be owned by tribal and local governments.

A portion of the State's share includes \$10 million in nonmandatory expenditures for ditch rehabilitation under the Navajo Settlement.

The State has recognized the estimated liability of \$46.7 million in the financial statements as of June 30, 2023.

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

Indian Water Rights Settlement:	Total Cost Share	Appropriated Funds	Unappropriated Balances
Aamodt	\$ 104,500	\$ 104,589	\$ (89)
Taos	20,050	20,161	(111)
Navajo	30,949	32,225	(1,276)
Total	<u>\$ 155,499</u>	<u>\$ 156,975</u>	<u>\$ (1,476)</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

I. Other Liabilities (Continued)

Indian Water Rights Liability (Continued)

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

Indian Water Rights Settlement:	Disbursed To Date	Balance, June 30, 2023
Aamodt	\$ 63,200	\$ 41,300
Taos	14,592	5,458
Navajo	30,949	-
Total	<u>\$ 108,741</u>	<u>\$ 46,758</u>

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, 2023 and 2022 were \$290 and \$293, in thousands, respectively. An agreement with US Bank was entered into on December 31, 2014 for a three year term expiring December 29, 2020. The University negotiated two additional three year terms with US Bank that ends on October 30, 2023. On September 15, 2023 the Standby Agreement with US Bank was extended through June 1, 2026 for Series 2001 and 2002B bonds, and through September 15, 2026 for Series 2002C bonds.

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

Liquidity Expiration	US Bank			Grand Total
	Series 2001	Series 2002B	Series 2002C	
10/30/2023	<u>\$ 9,925</u>	<u>\$ 7,185</u>	<u>\$ 19,585</u>	<u>\$ 36,695</u>

Liquidity Fees

	2001	2002B	2002C	Total
FY23	<u>\$ 94</u>	<u>\$ 60</u>	<u>\$ 136</u>	<u>\$ 290</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

J. University of New Mexico (Continued)

Interest Rate Swap Agreements

On June 30, 2023, 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
Hedging Derivatives							
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	\$ (40)	\$ 2,481
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	(573)	19,585
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	(81)	7,185
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	(41)	2,481
Investment Derivatives							
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	(98)	4,963
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	(226)	19,585

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

J. University of New Mexico (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	A1	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, 2023, the interest rate on the University's variable-rate hedged debt (SIFMA) is 4.01%, while the 63.55% of five year USD Swap Rate 4.20% + 0.31% is 2.98%.

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.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

J. University of New Mexico (Continued)

Risks (Continued)

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.

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):

Rating	Swap M-T-M Threshold for Party's A & B	
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, 2023; therefore, no collateral has been posted.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

J. University of New Mexico (Continued)

Derivative Instrument Payments and Hedged Debt

As of June 30, 2023, 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).

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

Fiscal Year	Principal	Interest	Hedging Derivative Instruments, Net	Total
2024	\$ 7,465	\$ 1,376	\$ 64	\$ 8,905
2025	7,770	949	181	8,900
2026	9,900	656	174	10,730
2027	2,900	355	101	3,356
2028	3,030	271	71	3,372
2029 - 2032	5,630	255	63	5,948
Total	<u>\$ 36,695</u>	<u>\$ 3,862</u>	<u>\$ 654</u>	<u>\$ 41,211</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, 2023. 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 2023 for the hedge instruments was a \$1.4 million decrease 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, 2023, was recorded to unrealized loss in the amount of \$929 thousand.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 LONG-TERM LIABILITIES (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, 2023, follow:

Note Payable
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>
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
Total	<u>\$ 7,070</u>	<u>\$ 678</u>	<u>\$ 7,748</u>

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 nonexclusive 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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

L. Discretely-Presented Component Units

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

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

Bond Series	Interest Rate (%)	Maturity Date	Original Issue	Balance June 30, 2023
Public Project Revolving Fund - Senior Lien:				
2013 A - B	3.0 - 5.0	2023 - 2038	\$ 60,645	\$ -
2014 B	3.0 - 5.0	2023 - 2035	58,235	21,310
2015 B - C	2.3 - 5.0	2023 - 2045	90,800	67,140
2016 A - F	2.0 - 5.0	2023 - 2046	315,540	172,570
2017 A - E	3.0 - 5.0	2023 - 2038	138,130	81,350
2018 A - D	2.5 - 5.0	2023 - 2038	200,170	127,810
2019 B - D	3.0 - 5.0	2023 - 2041	97,130	79,265
2020 A - B	2.0 - 5.0	2023 - 2041	113,305	85,725
2021 A - C	3.0 - 5.0	2023 - 2041	83,145	69,625
2022 A - C	2.8 - 5.0	2023 - 2042	186,285	180,120
2023 A-1, 2	5	2024 - 2053	75,775	75,775
Subtotal			1,419,160	960,690
Public Project Revolving Fund - Subordinate Lien:				
2014 A-1, 2	3.3 - 5.0	2023 - 2034	31,940	11,975
2015 A, D	3.0 - 5.0	2023 - 2035	92,745	44,680
2017 B - F	2.6 - 5.0	2023 - 2036	128,725	40,735
2018 C - E	3.2 - 5.0	2024 - 2039	102,780	75,550
2019 A - C	2.3 - 5.0	2023 - 2039	68,555	51,085
2020 C-1 & C-2	0.4 - 5.0	2023 - 2050	96,820	78,655
2021 B	4.0 - 5.0	2023 - 2032	31,305	28,900
Subtotal			552,870	331,580
Total Public Project Revolving Fund and Total Bonds Outstanding			\$ 1,972,030	1,292,270
Add: Net Unamortized Premium				194,598
Total Bonds Payable				\$ 1,486,868
Current Portion				\$ 123,425

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

L. Discretely-Presented Component Units (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, 2023
Single Family Mortgage Programs:			
Series 2013 A - C	2.2 - 4.5	2043	\$ 22,542
Series 2014 A - B	2.8 - 5.0	2044	6,144
Series 2015 A - E	2.6 - 4.0	2045	21,422
Series 2016 A - C	1.6 - 3.8	2046	49,475
Series 2017 A - B	1.8 - 3.8	2048	33,221
Series 2018 A - D	2.2 - 4.3	2049	124,010
Series 2019 A - F	1.4 - 4.3	2050	249,724
Series 2020 A - B	0.4 - 3.5	2051	99,720
Series 2021 A - C	0.2 - 3.0	2052	271,654
Series 2022 A - E	0.4 - 6.3	2053	382,475
Series 2023 A - C	2.5 - 5.8	2054	239,600
Subtotal			<u>1,499,987</u>
Unaccreted Bond Premium/Discount, Net			<u>47,372</u>
Total Bonds Payable			<u><u>\$ 1,547,359</u></u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

L. Discretely-Presented Component Units (Continued)

Annual debt service requirements to maturity are as follows:

New Mexico Mortgage Finance Authority Notes Payable <i>(Expressed in Thousands)</i>		Debt Service Requirements to Maturity For Fiscal Years End September 30 <i>(Expressed in Thousands)</i>			
Note	Balance September 30, 2023	Fiscal Year	Principal	Interest	Total
PRLF Cash and Loans	\$ 1,452	2024	\$ 70,181	\$ 734	\$ 70,915
Jefferson Building	7,784	2025	74	350	424
Securities and Loans Held for Sale	70,000	2026	74	349	423
Subtotal: Debt with Pledged Collateral	79,236	2027	74	348	422
Other Direct Borrowings Without Assets Pledged	106	2028	74	349	423
Total Direct Borrowings	<u>\$ 79,342</u>	2029 - 2033	371	1,533	1,904
		2034 - 2038	8,155	110	8,265
		2039 - 2043	339	9	348
		Total	<u>\$ 79,342</u>	<u>\$ 3,782</u>	<u>\$ 83,124</u>

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 September 30, 2022

Details of the Mortgage Finance Authority Notes Payable follows:

Fiscal Year	New Mexico Finance Authority <i>(Expressed in Thousands)</i>			New Mexico Mortgage Finance Authority <i>(Expressed in Thousands)</i>		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 123,425	\$ 58,122	\$ 181,547	\$ 29,076	\$ 53,099	\$ 82,175
2025	117,785	52,276	170,061	29,750	52,233	81,983
2026	103,370	46,743	150,113	30,600	51,489	82,089
2027	104,270	41,893	146,163	31,855	50,681	82,536
2028	97,000	37,025	134,025	32,880	49,800	82,680
2029 - 2033	386,280	126,386	512,666	186,185	233,235	419,420
2034 - 2038	231,030	52,536	283,566	194,023	161,826	355,849
2039 - 2043	91,200	16,923	108,123	376,420	183,865	560,285
2044 - 2048	23,965	6,191	30,156	364,463	83,177	447,640
2049 - 2053	13,945	1,993	15,938	223,975	22,317	246,292
2054 - 2058	-	-	-	760	21	781
	<u>1,292,270</u>	<u>440,088</u>	<u>1,732,358</u>	<u>1,499,987</u>	<u>941,743</u>	<u>2,441,730</u>
Unamortized Premium	194,598	-	194,598	47,372	-	47,372
Total	<u>\$ 1,486,868</u>	<u>\$ 440,088</u>	<u>\$ 1,926,956</u>	<u>\$ 1,547,359</u>	<u>\$ 941,743</u>	<u>\$ 2,489,102</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

L. Discretely-Presented Component Units (Continued)

Bonds Payable, Lease Liabilities, and Subscription Liabilities
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>
2024	\$ 16,584	\$ 11,706	\$ 28,290
2025	12,308	11,015	23,323
2026	11,691	10,531	22,222
2027	16,373	9,829	26,202
2028	8,271	9,365	17,636
2029-2033	38,698	42,425	81,123
2034-2038	36,359	33,231	69,590
2039-2043	43,840	22,922	66,762
2044-2048	41,060	10,085	51,145
2049-2053	16,208	1,465	17,673
2054-2058	289	193	482
Subtotal	<u>241,681</u>	<u>162,767</u>	<u>404,448</u>
Unaccreted Premium	-	-	-
Total	<u>\$ 241,681</u>	<u>\$ 162,767</u>	<u>\$ 404,448</u>

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9 NET POSITION AND FUND EQUITY

A. Governmental Fund Balances

Fund balances of governmental funds are classified as:

Nonspendable – 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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 NET POSITION AND FUND EQUITY (CONTINUED)

A. Governmental Fund Balances (Continued)

A summary of the nature and purpose of governmental fund balances, by fund type, at June 30, 2023, follows (in thousands):

	<u>General Fund</u>	<u>Severance Tax</u>	<u>Land Grant</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Children's Trust</u>	<u>Total</u>
Nonspendable:							
Prepaid Expenses	\$ 8,480	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,480
Inventories	39,148	-	-	-	-	-	39,148
Other	7,717	-	-	-	-	2,000	9,717
Total Nonspendable	<u>\$ 55,345</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 57,345</u>
Restricted:							
Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ 3,894,040	\$ -	\$ 3,894,040
Culture, Recreation, and Natural Resources	481,126	-	-	-	-	-	481,126
Debt Service	-	-	-	1,070,235	-	-	1,070,235
Education	640,137	-	-	-	-	-	640,137
General Control	11,136,930	8,329,508	28,650,859	-	-	-	48,117,297
Health and Human Services	255,387	-	-	-	-	4,696	260,083
Highway and Transportation	869,556	-	-	-	-	-	869,556
Judicial	59,380	-	-	-	-	-	59,380
Legislature	31,453	-	-	-	-	-	31,453
Public Safety	120,974	-	-	-	-	-	120,974
Regulation and Licensing	318,156	-	-	-	-	-	318,156
Total Restricted	<u>\$ 13,913,099</u>	<u>\$ 8,329,508</u>	<u>\$ 28,650,859</u>	<u>\$ 1,070,235</u>	<u>\$ 3,894,040</u>	<u>\$ 4,696</u>	<u>\$ 55,862,437</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 NET POSITION AND FUND EQUITY (CONTINUED)

A. Governmental Fund Balances (Continued)

	General Fund	Severance Tax	Land Grant	Debt Service	Capital Projects	Children's Trust	Total
Committed:							
Culture, Recreation, and Natural Resources	\$ 2,021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,021
Education	11,626	-	-	-	20	-	11,646
General Control	214	-	-	-	-	-	214
Health and Human Services	78,719	-	-	-	-	2,500	81,219
Regulation and Licensing	465	-	-	-	-	-	465
Total Committed	<u>\$ 93,045</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 2,500</u>	<u>\$ 95,565</u>
Assigned:							
Health and Human Services	\$ 139,127	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 139,127
Judicial	1,784	-	-	-	-	-	1,784
Regulation and Licensing	4,446	-	-	-	-	-	4,446
Total Assigned	<u>\$ 145,357</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 145,357</u>
Unassigned:							
Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ (40,355)	\$ -	\$ (40,355)
Culture, Recreation, and Natural Resources	(145,913)	-	-	-	-	-	(145,913)
Debt Service	-	-	-	(4,017)	-	-	(4,017)
Education	(75,672)	-	-	-	-	-	(75,672)
General Control	1,279,523	-	-	-	-	-	1,279,523
Health and Human Services	(266,113)	-	-	-	-	-	(266,113)
Highway and Transportation	12,540	-	-	-	-	-	12,540
Judicial	(21,549)	-	-	-	-	-	(21,549)
Legislature	(15,764)	-	-	-	-	-	(15,764)
Public Safety	(22,604)	-	-	-	-	-	(22,604)
Regulation and Licensing	(145,958)	-	-	-	-	-	(145,958)
Total Unassigned	<u>\$ 598,490</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,017)</u>	<u>\$ (40,355)</u>	<u>\$ -</u>	<u>\$ 554,118</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 NET POSITION AND FUND EQUITY (CONTINUED)

B. Deficit Net Position/ Fund Equity

Governmental Activities

There were no deficit overall fund balances to report for the fiscal year ended June 30, 2023.

C. Net Position/Fund Balance Reclassifications

1. Reclassifications

During the fiscal year ended June 30, 2023, the State identified funds and activities that should be reclassified for proper reporting. The effect of the reclassifications 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, 2023, 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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 NET POSITION AND FUND EQUITY (CONTINUED)

C. Net Position/Fund Balance Reclassifications (Continued)

1. Reclassifications (Continued)

Summary of Adjustments, Net Position/Fund Balance

Governmental fund financial statements:

Major Governmental Funds	
General Fund - Reclassification of Children's Trust Perm Fund	\$ (7,990)
General Fund - Change in Inventory	663
Debt Service Fund - Reclassification to Nonmajor fund	(1,167,316)
Capital Project Fund - Reclassification to Nonmajor fund	<u>(2,911,944)</u>
	<u>(4,086,587)</u>
Nonmajor Governmental Funds	
Reclassification of funds - Debt Service	\$ 1,167,316
Reclassification of funds - Capital Project	2,911,944
New Fund - Children's Trust Permanent Fund	<u>7,990</u>
Total Governmental Fund Adjustments	<u><u>\$ 663</u></u>

Fiduciary Funds:

NM Affordable Housing Trust - No longer reported	\$ (884)
Custodial Funds - Reclassification of fund	<u>1,099</u>
Total Adjustments, Fiduciary Funds	<u><u>\$ 215</u></u>

Business-Type Activities, Educational Institutions:

Major Business-Type Funds	
Unemployment Insurance Fund - Reclassification to Nonmajor fund	<u>\$ (578,057)</u>
	<u>(578,057)</u>
Nonmajor Business-Type Funds	
Reclassification of funds - Unemployment Insurance	\$ 578,057
Corrections- Change in inventory	<u>158</u>
Total Business-Type Fund Adjustments	<u><u>\$ 158</u></u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 NET POSITION AND FUND EQUITY (CONTINUED)

C. Net Position/Fund Balance Reclassifications (Continued)

1. Reclassifications (Continued)

Net Position/Fund Balance Adjustments									
	Net Position - Governmental Activities	Total Net Position - Internal Svc. Funds	Total Fund Balances - Governmental Funds	General Fund	Debt Service Fund	Capital Project Fund	Severance Tax Fund	Land Grant Fund	Nonmajor Governmental
Governmental Activities:									
Beg. Net Position/Fund Balances, as Previously Reported	\$ 45,670,191	\$ (72,063)	\$ 45,537,191	\$ 9,467,182	\$ 1,167,316	\$ 2,911,944	\$ 6,817,994	\$ 25,172,755	\$ -
Adjustments	-	-	663	(7,327)	(1,167,316)	(2,911,944)	-	-	4,087,250
Beg. Net Position/Fund Balances, after adjustments	<u>\$ 45,670,191</u>	<u>\$ (72,063)</u>	<u>\$ 45,537,854</u>	<u>\$ 9,459,855</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,817,994</u>	<u>\$ 25,172,755</u>	<u>\$ 4,087,250</u>
Effect on Change in Net Position/Fund Balance FYE June 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 663</u>	<u>\$ (7,327)</u>	<u>\$ (1,167,316)</u>	<u>\$ (2,911,944)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,087,250</u>
Business-Type Activities:									
Beg. Net Position, as Previously Reported	\$ 1,593,720	\$ 554,342	\$ 578,057	\$ 461,321					
Adjustments	158	-	(578,057)	578,215					
Beg. Net Position, after adjustments	<u>\$ 1,593,878</u>	<u>\$ 554,342</u>	<u>\$ -</u>	<u>\$ 1,039,536</u>					
Effect on Change in Net Position FYE June 30, 2022	<u>\$ 158</u>	<u>\$ -</u>	<u>\$ (578,057)</u>	<u>\$ 578,215</u>					

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 NET POSITION AND FUND EQUITY (CONTINUED)

C. Net Position/Fund Balance Restatements (Continued)

1. Reclassifications (Continued)

Fiduciary and Component Units:	Pension Trust Funds	External Investment Trust Funds	Private Purpose Trusts	Custodial Funds
Beg. Net Position, as Previously Reported	\$ 34,052,566	\$ 1,310,424	\$ 2,750,858	\$ 46,613
Adjustments	<u>-</u>	<u>-</u>	<u>(884)</u>	<u>1,099</u>
Beg. Net Position, after adjustments	<u>\$ 34,052,566</u>	<u>\$ 1,310,424</u>	<u>\$ 2,749,974</u>	<u>\$ 47,712</u>
 Effect on Change in Net Position FYE June 30, 2022	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ (884)</u>	 <u>\$ 1,099</u>

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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 and 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, 2023, were \$235.9 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, 2023 and the date the claims are ultimately expected to be paid.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10 RISK MANAGEMENT (CONTINUED)

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.

The following shows the reconciliation of changes in the unpaid claims in the ISF, which are stated at present value (in thousands):

	Balance June 30, 2022	Incurred (Net of Actuarial Provision)	Payments	Balance June 30, 2023	Current Amount Due
State Unemployment	\$ 3,762	\$ 5,598	\$ (5,374)	\$ 3,986	\$ 3,985
Local Public Body	827	828	(779)	876	877
Public Property Reserve	5,080	6,171	(6,112)	5,139	4,324
Public Liability	89,835	55,887	(31,402)	114,320	51,798
Surety Bond	3	-	-	3	2
Workers' Compensation	58,662	13,362	(12,737)	59,287	13,808
Group Insurance Premium	47,862	420,992	(416,527)	52,327	52,327
Total	<u>\$ 206,031</u>	<u>\$ 502,838</u>	<u>\$ (472,931)</u>	<u>\$ 235,938</u>	<u>\$ 127,121</u>

It is possible that other claims against ISF may exist but have not been asserted.

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).

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11 PENSION PLANS (CONTINUED)

A. Plan Descriptions (Continued)

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

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.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 PENSION PLANS (CONTINUED)

A. Plan Descriptions (Continued)

The number of participating government employers, and the number of members for each system for the year ended June 30, 2023, were (not in thousands):

	PERS*	JRS	MRS	VFRS	EERS
Number of Employers					
State Agencies	122	16	12	363	11
Cities, Towns, Villages	93	-	-	-	-
Counties	33	-	-	-	-
Public Schools	-	-	-	-	89
Universities and Colleges	-	-	-	-	16
Special Schools	-	-	-	-	4
Charter Schools	-	-	-	-	100
Other	70	-	-	-	-
Totals	318	16	12	363	220
Retirees and Beneficiaries					
Receiving Benefits	44,115	204	111	1,642	54,774
Terminated Plan Members not yet Receiving Benefits	26,846	49	18	316	54,756
Active Plan Members	46,901	131	62	7,711	61,503

* 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.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 PENSION PLANS (CONTINUED)

B. Funding and Benefit Policies (Continued)

Public Employees Retirement System (PERS) (Continued)

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.
- 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 0.0025 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 nonduty death and disability and for postretirement 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.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 PENSION PLANS (CONTINUED)

B. Funding and Benefit Policies (Continued)

Public Employees Retirement System (PERS) (Continued)

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 salary for 60 consecutive months.

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 OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11 PENSION PLANS (CONTINUED)

B. Funding and Benefit Policies (Continued)

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 (53rd 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.

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 1st through December 31st) 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%.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 PENSION PLANS (CONTINUED)

B. Funding and Benefit Policies (Continued)

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.

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11 PENSION PLANS (CONTINUED)

B. Funding and Benefit Policies (Continued)

Judicial Retirement Fund (Continued)

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 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 service, 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.

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11 PENSION PLANS (CONTINUED)

B. Funding and Benefit Policies (Continued)

Magistrate Retirement Fund (Continued)

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 service. Benefits for postretirement 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.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 PENSION PLANS (CONTINUED)

B. Funding and Benefit Policies (Continued)

Educational Employees' Retirement System (EERS) (Continued)

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.
- 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.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 PENSION PLANS (CONTINUED)

B. Funding and Benefit Policies (Continued)

Educational Employees' Retirement System (EERS) (Continued)

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 members' 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.

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11 PENSION PLANS (CONTINUED)

B. Funding and Benefit Policies (Continued)

Educational Employees' Retirement System (EERS) (Continued)

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

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.

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11 PENSION PLANS (CONTINUED)

B. Funding and Benefit Policies (Continued)

Educational Employees' Retirement System (EERS) (Continued)

Disability Benefit (Continued):

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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 PENSION PLANS (CONTINUED)

C. Net Pension Liability (Asset)

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, 2022. The total pension liability was rolled forward from the valuation date to the plan year ending June 30, 2023. The net pension liability of each plan as of June 30, 2023, is as follows (in thousands):

Public Employees Retirement Association and Education Retirement Board					
Net Pension Liability, By Fund					
<i>(Expressed in Thousands)</i>					
	PERA-Public Employees Retirement System	PERA-Judicial Retirement System	PERA-Magistrate Retirement System	PERA-Volunteer Firefighters Retirement System	ERB-Educational Employees Retirement System
Total Pension Liability	\$ 24,676,915	\$ 222,541	\$ 73,200	\$ 52,932	\$ 24,946,078
Plan's Fiduciary Net Position	(16,598,830)	(112,661)	(32,481)	(81,108)	(16,261,793)
Net Pension Liability	<u>\$ 8,078,085</u>	<u>\$ 109,880</u>	<u>\$ 40,719</u>	<u>\$ (28,176)</u>	<u>\$ 8,684,285</u>
Percentage of Fiduciary Net Position to Total Pension Liability	<u>67.26 %</u>	<u>50.62 %</u>	<u>44.37 %</u>	<u>153.23 %</u>	<u>65.19 %</u>

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2022. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2023. These assumptions were adopted by the Board for use in the June 30, 2022 actuarial valuation.

	PERS	JRS	MRS	VFRS	EERS
Valuation date	June 30, 2022	June 30, 2022	June 30, 2022	June 30, 2022	June 30, 2022
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	25 Years	25 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	
Payroll Growth	3.00%	3.00%	3.00%	N/A	-
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%	5.68%	5.82%	7.25%	7.00%
Municipal Bond Rate		3.69%	3.69%		

All percentages are stated at an annual rate.
Investment rate of return is net of investment expenses.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 PENSION PLANS (CONTINUED)

C. Net Pension Liability (Asset) (Continued)

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:

Sensitivity of the Net Pension Liability to
Changes in the Discount Rate
(Expressed in Thousands)

<u>Net Pension Liability</u>	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
PERS	<u>\$ 11,069,484</u>	<u>\$ 8,078,085</u>	<u>\$ 5,598,473</u>
Single-Employer Funds:			
	<u>(4.68%)</u>	<u>(5.68%)</u>	<u>(6.68%)</u>
Judicial	<u>\$ 134,175</u>	<u>\$ 109,880</u>	<u>\$ 89,392</u>
	<u>(6.25%)</u>	<u>(7.25%)</u>	<u>(8.25%)</u>
Volunteer Firefighters	<u>\$ (22,332)</u>	<u>\$ (28,176)</u>	<u>\$ (33,061)</u>
	<u>(4.82%)</u>	<u>(5.82%)</u>	<u>(6.82%)</u>
Magistrate	<u>\$ 48,769</u>	<u>\$ 40,719</u>	<u>\$ 33,979</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
ERB	<u>\$ 11,805,547</u>	<u>\$ 8,684,285</u>	<u>\$ 6,105,755</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 PENSION PLANS (CONTINUED)

C. Net Pension Liability (Asset) (Continued)

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:

Public Employees Retirement Association All Systems		Long-Term Expected Rate of Return
Asset Class	Target Allocation	
Global Equity	38.00 %	6.90 %
Risk Reduction & Mitigation	17.00	3.90
Credit Oriented Fixed Income	19.00	6.00
Real Assets to include Real Estate Equity	18.00	7.00
Multi-Risk Allocation	8.00	0.61
Total	100.00 %	

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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 PENSION PLANS (CONTINUED)

C. Net Pension Liability (Asset) (Continued)

ERB Asset Allocations

Schedule of Asset Allocation Versus Policy Targets

	Allocation	Policy Target ¹
Equities		
<i>Domestic Equities</i>		
Large cap	11.4 %	15.0 %
Small-mid cap	2.9	4.0
<i>International Equities</i>		
Developed	4.9	5.0
Emerging markets	5.3	4.0
Total Equities	24.5	28.0
Fixed Income		
Core Fixed Income	5.0	6.0
Opportunistic credit	17.8	18.0
Emerging market debt	0.2	-
Total Fixed Income	23.0	24.0
Alternatives		
Real estate - REITS	2.1	2.0
Private real estate	0.5	-
Private equity	6.1	8.0
Global asset allocation	1.5	-
Risk parity	8.1	8.0
Inflation-linked assets	22.3	17.0
Other	10.8	12.0
Total Alternatives	51.4	47.0
Cash	1.3	1.0
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.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 PENSION PLANS (CONTINUED)

C. Net Pension Liability (Asset) (Continued)

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, 2023, the annual money-weighted rate of return on the PERA pension plan investments net of investment expense was (3.62%). For the ERB pension plan, it was 5.62%.

D. Employer Reporting – Public Employees Retirement Association of New Mexico (PERA)

State – Funded Divisions of PERA

For the fiscal year ended June 30, 2023, 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, 2022.

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 \$252 million for the fiscal year ended June 30, 2023.

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):

Division	Net Pension Liability
State General	\$ (4,206,810)
State Police	308,991
Legislative	7,731
Total	\$ (3,890,088)

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 PENSION PLANS (CONTINUED)

D. Employer Reporting – Public Employees Retirement Association of New Mexico (PERA) (Continued)

State – Funded Divisions of PERA (Continued)

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

The net pension liability is further segregated in the following amounts in Governmental and Business-Types (in thousands):

Governmental Activities (including Internal Service Funds)	\$ 3,802,795
Business-Type Activities (including Nonmajor enterprise funds and two educational institutions)	87,293
Total	<u>\$ 3,890,088</u>

At June 30, 2023, the State’s total proportion of the PERA State Funded Divisions net pension liability was 53.8%. Total contributions for State Funded Divisions were \$217 million, \$34.5 million, and \$0 for the three divisions respectively. Pension expense (income) was \$435 million, (\$4.7) million and \$5.2 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 the State was June 30, 2022 (in thousands).

	Judicial	Volunteer Firefighters	Magistrate
Net Pension Liability (Asset)	<u>\$ 92,243</u>	<u>\$ (26,125)</u>	<u>\$ 43,041</u>

Contributions

Contributions from the State to the PERA Judicial, Magistrate Retirement and Volunteer Firefighter funds were \$6.4 million, \$2.5 million, and \$.75 million, respectively, for the year ended June 30, 2023.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 PENSION PLANS (CONTINUED)

D. Employer Reporting – Public Employees Retirement Association of New Mexico (PERA) (Continued)

Single-Employer Funds (Continued)

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

The State reported liabilities of \$92 million and \$43 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, 2023, the State recognized \$4 million as pension expense for the Judicial Retirement Funds. Also, for the year ended June 30, 2023, the State recognized \$8.7 million as pension expense for the Magistrate Retirement Fund, respectively.

The Volunteer Firefighters Retirement Fund reported a plan net asset of \$26 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 \$1.4 million.

At June 30, 2023, 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
PERA - State-Funded and Single-Employer Funds (Judicial and Magistrates Funds)				
Differences Between Expected and Actual Experiences	\$ 182,907	\$ (85,891)	\$ 3,868	\$ (1,886)
Changes of Assumptions	22,929	(19,899)	-	(1)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	233,087	-	4,787	-
Changes in Proportion and Differences Between State Contributions and Proportionate Share of Contributions	-	-	-	-
State Contributions Subsequent to Measurement Date	255,331	-	5,314	-
Totals	\$ 694,254	\$ (105,790)	\$ 13,969	\$ (1,887)

The amounts of \$255 million for governmental activities and \$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, 2022, will be recognized as a reduction of the respective net pension liability in the following fiscal year ended June 30, 2024. 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):

Governmental		Business-Type	
Year Ended June 30,	Amount	Year Ended June 30,	Amount
2024	\$ 142,235	2024	\$ 2,890
2025	92,773	2025	1,885
2026	(82,536)	2026	(1,677)
2027	180,660	2027	3,670
2028	-	2028	-
Thereafter	-	Thereafter	-

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 PENSION PLANS (CONTINUED)

D. Employer Reporting – Public Employees Retirement Association of New Mexico (PERA) (Continued)

Single-Employer Funds (Continued)

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

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).

	Governmental	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Volunteer Firefighter's Fund		
Differences Between Expected and Actual Experiences	\$ -	\$ (7,346)
Changes of Assumptions	326	(1,238)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,499	-
Changes in Proportion and Differences Between State Contributions and Proportionate Share of Contributions	-	-
State Contributions Subsequent to Measurement Date	750	-
Totals	\$ 3,575	\$ (8,584)

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, 2022, will be recognized as a reduction of the respective net pension liability in the following fiscal year ended June 30, 2024. 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):

Year Ended June 30,	Amount
2024	\$ (1,304)
2025	(894)
2026	(2,034)
2027	603
2028	(1,155)
Thereafter	(975)

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, 2023, from the State to the ERB were \$1.6 million for governmental activities and \$168 million from the twelve educational institutions reported as business-type activities.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 PENSION PLANS (CONTINUED)

E. Employer Reporting – Educational Retirement Board (ERB) (Continued)

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, 2022. On June 30, 2023, the State reported a liability of \$22 million for its proportionate share of the net pension liability covering state employees in governmental activities, and \$2.2 billion for the collective proportionate share of the 12 educational institutions reported as business-type activities. At June 30, 2022, the proportion was .2633% percent for governmental activities and 26.294% 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, 2022. The contribution amounts were defined by Section 22-11-21, NMSA 1978.

For the year ended June 30, 2023, the State recognized pension expenses of \$.9 million in governmental activities and \$95.2 million in business-type activities. At June 30, 2023, 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
ERB Fund				
Differences Between Expected and Actual Experiences	\$ 796	\$ (362)	\$ 79,471	\$ (36,171)
Changes of Assumptions	3,735	(12,322)	373,020	(1,230,603)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(506)	-	(50,577)
Changes in Proportion and Differences Between State Contributions and Proportionate Share of Contributions	-	(460)	11,063	(57,835)
State Contributions Subsequent to Measurement Date	1,558	-	168,175	-
Totals	<u>\$ 6,089</u>	<u>\$ (13,650)</u>	<u>\$ 631,729</u>	<u>\$ (1,375,186)</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,	Amount	Year Ended June 30,	Amount
2024	\$ (5,418)	2024	\$ (529,547)
2025	(3,645)	2025	(371,750)
2026	(829)	2026	(87,369)
2027	773	2027	77,034
2028	-	2028	-
Thereafter	-	Thereafter	-

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 PENSION PLANS (CONTINUED)

E. Employer Reporting – Educational Retirement Board (ERB) (Continued)

Net Pension Liabilities and Related Deferred Inflows/Outflows of Resources
Reconciliation to Financial Statements (in thousands)

	Net Pension Asset	Net Pension Liability	<u>Governmental Activities</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Governmental Activities</u>					
PERA - State Divisions	\$ -	\$ 3,802,795	PERA - State Divisions, Judicial and Magistrate	\$ 694,254	\$ (105,790)
PERA - Judicial	-	92,243	PERA - Volunteer Firefighters	3,574	(8,584)
PERA - Magistrate	-	43,041	ERB	6,089	(13,651)
PERA - Volunteer Firefighters	(26,125)	-	Total Governmental Activities	703,917	(128,025)
ERB	-	22,174	<u>Business-type Activities</u>		
Total Governmental Activities	(26,125)	3,960,253	PERA - State Divisions	13,969	(1,886)
			ERB	631,729	(1,375,184)
<u>Business-type Activities</u>			Rounding	-	-
PERA - State Divisions	-	87,293	Total Business-type Activities	645,698	(1,377,070)
ERB	-	2,214,431	Component Units	137,835	(173,137)
Total Business-type Activities	-	2,301,724			
Component Units		279,098			

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.

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.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 PENSION PLANS (CONTINUED)

F. Discount Rates and Sensitivity Analysis (Continued)

Public Employees Retirement Association
Employer Reporting
Sensitivity of the Net Pension Liability to
Changes in the Discount Rate
(Expressed in Thousands)

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
<u>Net Pension Liability</u>			
State-Funded Divisions	<u>\$ 5,218,608</u>	<u>\$ 3,890,088</u>	<u>\$ 2,785,187</u>
Single-Employer Funds:			
Judicial	<u>\$ 113,728</u>	<u>\$ 92,243</u>	<u>\$ 74,061</u>
Volunteer Firefighters	<u>\$ (20,223)</u>	<u>\$ (26,125)</u>	<u>\$ (31,052)</u>
Magistrate	<u>\$ 51,612</u>	<u>\$ 43,041</u>	<u>\$ 35,897</u>

ERB

A single discount rate of 7.00% was used to measure the Total Pension Liability as of June 30, 2022. 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 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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 PENSION PLANS (CONTINUED)

F. Discount Rates and Sensitivity Analysis (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.

	Educational Retirement Board Employer Reporting Sensitivity of the Net Pension Liability to Changes in the Discount Rate <i>(Expressed in Thousands)</i>		
	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net Pension Liability			
State Employees (Governmental Activities)	\$ 30,065	\$ 22,174	\$ 15,651
Educational Institution Employees (Business-type Activities)	3,002,583	2,214,431	1,563,034
Total Primary Government- ERB	\$ 3,032,648	\$ 2,236,605	\$ 1,578,685

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

A. Plan Description

In addition to pension benefits as described in Note 12, the State provides other postemployment 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*.

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

A. Plan Description (Continued)

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.

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.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

A. Plan Description (Continued)

Plan Membership (Not in Thousands):	
Current Retirees and Surviving Spouses	52,978
Inactive and Eligible for Deferred Benefit	12,552
Current Active Members	93,595
Total	159,125
Active Membership:	
State General	18,462
State Police and Corrections	1,260
Municipal General	17,283
Municipal Police	3,169
Municipal Fire	2,419
ERB	51,002
Total	93,595
Total Number of Participating Employers	302

B. Single Employer Postemployment 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.

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

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

B. Single Employer Postemployment Plans (Continued)

Plan Description for UNM (Continued)

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, 2023 the VEBA Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments 3,658, active plan members 7,417 and total plan members 11,075.

Total active plan members include 4,333 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.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

B. Single Employer Postemployment Plans (Continued)

Plan Description for New Mexico State University (Continued)

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.

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 <https://www.osa.nm.gov/>.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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.

Contribution

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.

For the fiscal year ended June 30, 2023, 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, 2023, 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.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

C. Funding and Benefit Policies (Continued)

Contribution (Continued)

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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

D. Funding and Benefit Policies for Single Employer Plans (Continued)

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 postemployment 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 2023 were \$3.96 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, 2023.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

E. Funded Status (Continued)

Investments and Fair Value Measurements (Continued)

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).

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, 2023	Redemption Frequency	Redemption Notice Period
U.S. Large Cap Index Pool	\$ 207,693	4 Times Per Year	3 Months
Non U.S. Emerging Markets Index Pool	95,977	Daily	5 Business Days
Non U.S. Developed Markets Index Pool	162,377	4 Times Per Year	3 Months
Private Equity Pool	189,018	4 Times Per Year	3 Months
Credit and Structured Finance Pool	187,057	Daily	5 Business Days
Real Estate Pool	130,659	4 Times Per Year	3 Months
U.S. Small/Mid Cap Active Pool	26,016	Daily	5 Business Days
Real Asset Pool	63,161	4 Times Per Year	3 Months
Core Bond Pool	199,629	Daily	5 Business Days
Total	<u>\$ 1,261,587</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 postemployment healthcare plan at RHCA website <https://www.nmrhca.state.nm.us>.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

E. Funded Status (Continued)

RHCA Asset Allocations (Continued)

The actuarial methods and assumptions for the Plan at June 30, 2023, were as follows:

Valuation Date	June 30, 2023
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	6.22%
Health care cost trend rate:	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 8.5% graded down to 4.5% over 12 years for Medicare medical plan costs

Schedule of Annual Money-Weighted
Rate of Return

Year Ended June 30,	Annual Money- Weighted Rate of Return
<u>2023</u>	<u>5.99 %</u>

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, 2023:

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

E. Funded Status (Continued)

Actuarial Assumptions (Continued)

<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
Total	<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	1.6 %
U.S. Equity - Large Cap	6.9
Non U.S. - Emerging Markets	8.7
Non U.S. - Developed Equities	7.2
Private Equity	9.9
Credit and Structured Finance	3.7
Real Estate	3.6
Absolute Return	3.2
U.S. Equity - Small/Mid Cap	6.9

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, 2023. 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 6.22% as of June 30, 2023. 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.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

F. Net OPEB Liability (Continued)

Net OPEB Liability (Continued)

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, 2070. 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 2070. Beyond 2070, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (3.65%). Thus 6.22% is the blended discount rate.

The following presents the net OPEB liability, calculated using the discount rate of 6.22%, 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 (5.22%)	Current Discount Rate (6.22%)	1% Increase (7.22%)
\$ 2,146,982	\$ 1,702,936	\$ 1,342,995

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
\$ 1,409,858	\$ 1,702,936	\$ 2,039,527

The total OPEB liability, net OPEB liability, and certain sensitivity information presented are based on an actuarial valuation performed as of June 30, 2023. The total OPEB liability was rolled forward from the valuation date to the plan year ending June 30, 2023. The component of net OPEB liability as of June 30, 2023, is as follows:

	June 30, 2023
Total OPEB Liability	\$ 3,049,662
Plan Fiduciary Net Position	(1,346,727)
Net OPEB Liability	\$ 1,702,935

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	44.16%
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**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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, 2023, from the State to the RHCA were \$26.8 million for governmental activities and \$3.5 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, 2022. At June 30, 2023, the State reported a liability of \$544 million for its proportionate share of the net OPEB liability covering state employees in governmental activities, and \$72 million for its proportionate share of the net OPEB liability covering state employees business-type activities. At June 30, 2022, the proportion was 23.88% 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, 2022.

For the year ended June 30, 2023, the State recognized a reduction to OPEB expense of \$118 million in governmental activities and a reduction to OPEB expense of \$14.8 million in business-type activities.

At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB 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
RHCA				
Differences Between Expected and Actual Experiences	\$ 9,045	\$ (80,599)	\$ 1,196	\$ (10,659)
Changes of Assumptions	116,028	(403,092)	15,345	(53,310)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	7,498	-	992	-
Changes in Proportion and Differences Between State Contributions and Proportionate Share of Contributions	4,639	(13,774)	6,857	(7,812)
State Contributions Subsequent to Measurement Date	26,841	-	3,469	-
Totals	\$ 164,051	\$ (497,465)	\$ 27,859	\$ (71,781)

Contributions made subsequent to the measurement date will reduce the net OPEB liability for the next fiscal year.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

G. Employer Reporting Net OPEB Liability – RHCA (Continued)

OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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,	Amount	Year Ended June 30,	Amount
2024	\$ (111,346)	2024	\$ (15,882)
2025	(81,776)	2025	(11,284)
2026	(50,757)	2026	(6,290)
2027	(73,506)	2027	(8,980)
2028	(42,870)	2028	(4,955)
Thereafter	-	Thereafter	-

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rate

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 (4.42 percent) or 1-percentage-point higher (6.42 percent) than the current discount rate:

Employer Reporting
Sensitivity of the Net Pension Liability to
Changes in the Discount Rate
(Expressed in Thousands)

	1% Decrease (4.42%)	Current Discount Rate (5.42%)	1% Increase (6.42%)
<u>Net OPEB Liability</u>			
Governmental Activities	\$ 676,691	\$ 543,772	\$ 437,796
Business-Type Activities	89,494	71,915	57,900
Total Primary Government- RHCA	<u>\$ 766,185</u>	<u>\$ 615,687</u>	<u>\$ 495,696</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

G. Employer Reporting Net OPEB Liability – RHCA (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rate (Continued)

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:

Employer Reporting Sensitivity of the Net Pension Liability to Changes in the Trend Rate (Expressed in Thousands)			
Net OPEB Liability	1% Decrease	Current Rate	1% Increase
Governmental Activities	\$ 435,703	\$ 543,772	\$ 635,875
Business-Type Activities	57,623	71,915	84,096
Total Primary Government- RHCA	\$ 493,326	\$ 615,687	\$ 719,971

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, 2022, 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, 2023 was as follows:

	2023 <i>In Thousands</i>
Total OPEB Liability	\$ 170,849
Plan Fiduciary Net Position	(52,207)
University's net OPEB liability	\$ 118,642

Plan Fiduciary Net Pension as a Percentage of the Total OPEB Liability	30.56%
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**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

H. Single Employer Plans - *OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)*

UNM (Continued)

Actuarial Assumptions

Actuarial assumptions: The total OPEB liability was determined by an actuarial valuation as of January 1, 2021, 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: 7.8% initially, reduced by decrements to a rate of 4.5% after nine years Post-Medicare: 8.25% 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 2036. The blended discount rates used for the fiscal year ending June 30, 2023 was 6.90%.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

H. Single Employer Plans - OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

UNM (Continued)

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

The following presents the University's net OPEB liability at June 30, 2023, which was measured using the discount rate of 6.9%, 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 (5.9%) or one percentage point higher (7.9%) than the current discount rate.

	Year Ended June 30, 2023 (in Thousands)		
	1% Decrease (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)
Net OPEB Liability	\$ 138,403	\$ 118,643	\$ 102,359

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: 7.8% decreasing to 4.5%, Post-Medicare: 8.25% decreasing to 4.5%, 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: 6.8% decreasing to 4%, Post-Medicare: 7.25% decreasing to 4%, Dental: 3%) or one percentage point higher (Pre-Medicare: 8.8% decreasing to 5.5%, Post-Medicare: 9.25% decreasing to 5.5%, Dental: 5%) than the current healthcare cost trend rates.

Changes in Net OPEB Liability

	Year Ended June 30, 2023 (in Thousands)		
	1% Decrease	Current Discount	1% Increase
Net OPEB Liability	\$ 100,223	\$ 118,643	\$ 141,150

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

For the year ended June 30, 2023, the University recognized OPEB expense of \$4 million. At June 30, 2023 the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

H. Single Employer Plans - OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

UNM (Continued)

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

	Year Ended June 30, 2023	
	(in Thousands)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 15,059	\$ (10,823)
Changes of Assumptions	4,845	(8,060)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	8,454	-
Contributions Subsequent to the Measurement Date	7,302	-
Total	\$ 35,660	\$ (18,883)

The \$7.3 million reported as deferred outflows of resources related to OPEB resulting from University contributions subsequent to the measurement date of July 1, 2022 will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024. 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):

<u>Year Ending June 30 (In Thousands),</u>	<u>Amount</u>
2024	\$ (2,345)
2025	974
2026	5,108
2027	6,137
2028	(399)
Thereafter	-
Total	\$ 9,475

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 2023:

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

H. Single Employer Plans - OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

NMSU (Continued)

	Total OPEB Liability
Total OPEB Liability - Start of Year (July 1, 2022)	\$ 129,519
Changes for the Year	
Service Cost	3,955
Interest Cost	4,627
Changes in Assumptions or Other Inputs	(1,882)
Benefit Payments	(5,560)
Net Change in Total OPEB Liability	1,140
Net OPEB Liability - End of Year (June 30, 2023)	\$ 130,659

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, 2023, 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:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Discount Rate	3.65% 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 6.25% for retirees 65 years of age and under and 5.25% for retirees over 65 years of age on an ultimate basis at 4.25%. The select trend rates are reduced 0.25% each year until reaching the ultimate trend.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

H. Single Employer Plans - *OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)*

NMSU (Continued)

Actuarial Methods and Assumptions (Continued)

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 3.65% was used to measure the total OPEB liability as of June 30, 2023.

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 6.25% (5.25% 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, 2023.

	Year Ended June 30, 2023 <i>(in Thousands)</i>		
	1% Decrease	Current Trend	1% Increase
New Mexico State University's Net OPEB Liability	\$ 114,169	\$ 130,659	\$ 151,328

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

H. Single Employer Plans - OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

NMSU (Continued)

Discount Rate Sensitivity Analysis

The following tables show the sensitivity of the OPEB liability to changes in the discount rate as of fiscal year end 2023. 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, (2.65%) or one percentage point higher, (4.65%) than the single discount rate for June 30, 2023.

	Year Ended June 30, 2023 (<i>in Thousands</i>)		
	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
New Mexico State University's Net OPEB Liability	\$ 150,427	\$ 130,659	\$ 114,703

For the year ended June 30, 2023, the University recognized an OPEB expense of \$1.48 million. At June 30, 2023, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	(<i>Amounts in Thousands</i>) 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 10,753
Changes of Assumptions	587	16,289
Total	\$ 587	\$ 27,042

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

Year Ending June 30,	(<i>Amounts in Thousands</i>) Amount
2024	\$ 10,980
2025	11,567
2026	3,775
2027	131
Total	\$ 26,455

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

H. Single Employer Plans - OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (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>	<u>(Amounts in Thousands)</u> <u>June 30, 2023</u>
Total OPEB Liability	54,109
Plan Fiduciary Net Position	(4,379)
The Institute's Net OPEB Liability	49,730

Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	8%
---	----

Actuarial Methods and Assumption

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	5.25%
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.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

H. Single Employer Plans - OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

NMIMT (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%, 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.

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

The following presents the Institute's net OPEB liability at June 30, 2023, which was measured using the discount rate of 3.54% 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 (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current rate:

	Year Ended June 30, 2023 (in thousands)		
	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
	\$	\$	\$
Net OPEB Liability	60,313	49,729	41,417

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, 2023, 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, 2023 (in Thousands)		
	1% Decrease	Current Discount	1% Increase
	\$	\$	\$
Net OPEB Liability	40,336	49,729	62,076

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

H. Single Employer Plans - OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

NMIMT (Continued)

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

For the year ended June 30, 2023, the Institute recognized OPEB expenses of \$.8 million. At June 30, 2023, the Institute reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<i>Amounts in Thousands</i>	
	2023	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Actual and Expected Experience	\$ 9,429	\$ 3,103
Net Difference Between Projected and Actual Earnings on OPEB Plan Investment	284	-
Changes of Assumptions	11,414	15,194
Institute Contribution Subsequent to the Measurement Date	755	-
Total	<u>\$ 21,882</u>	<u>\$ 18,297</u>

The \$.8 million reported as deferred outflows of resources related to OPEB resulting from Institute contributions subsequent to the measurement date of July 1, 2022 will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024. 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):

<u>Year Ending June 30,</u>	<i>Amounts are in Thousands</i>	
	<u>Amounts</u>	
2024	\$	494
2025		473
2026		440
2027		846
2028		1,176
Thereafter		(599)
Total	<u>\$</u>	<u>2,830</u>

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

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	
Condensed Statement of Net Position:									
Current Assets	\$ 5,481	\$ 7,088	\$ 229,150	\$ 90,984	\$ 14,283	\$ 97,410	\$ 38,284	\$ 39,697	\$ 1,302,733
Other Assets	61,249	1,005	219,395	26,068	33,018	93,220	59,800	5,271	643,660
Capital Assets, Net	<u>37,245</u>	<u>21,424</u>	<u>493,787</u>	<u>201,495</u>	<u>95,601</u>	<u>158,284</u>	<u>87,486</u>	<u>82,029</u>	<u>1,920,689</u>
Total Assets	103,975	29,517	942,332	318,547	142,902	348,914	185,570	126,997	3,867,082
Deferred Outflows of Resources	1,269	9,222	132,742	36,535	29,722	52,554	12,380	21,066	417,608
Current Liabilities	1,198	4,650	93,173	23,642	13,721	24,408	7,743	7,096	494,769
Long-Term Liabilities	6,860	54,264	761,463	152,857	100,896	186,352	57,993	87,014	2,270,689
Total Liabilities	<u>8,058</u>	<u>58,914</u>	<u>854,636</u>	<u>176,499</u>	<u>114,617</u>	<u>210,760</u>	<u>65,736</u>	<u>94,110</u>	<u>2,765,458</u>
Deferred Inflows of Resources	64,562	6,608	367,258	80,113	52,017	84,829	29,515	40,483	857,206
Net Investment in Capital Assets	37,245	15,088	391,163	164,073	70,206	137,196	69,820	58,213	1,156,050
Restricted	458	1,004	39,999	18,780	1,430	13,481	34,933	10,886	94,947
Unrestricted	<u>(5,079)</u>	<u>(42,875)</u>	<u>(577,982)</u>	<u>(84,383)</u>	<u>(65,646)</u>	<u>(44,798)</u>	<u>(2,054)</u>	<u>(55,629)</u>	<u>(588,971)</u>
Total Net Position	<u>\$ 32,624</u>	<u>\$ (26,783)</u>	<u>\$ (146,820)</u>	<u>\$ 98,470</u>	<u>\$ 5,990</u>	<u>\$ 105,879</u>	<u>\$ 102,699</u>	<u>\$ 13,470</u>	<u>\$ 662,026</u>
Condensed Statement of Activities:									
Operating Revenues:									
Charges for Services	\$ 13,637	\$ 26,974	\$ 18,888	\$ 5,717	\$ 4,032	\$ 5,065	\$ 4,496	\$ -	\$ 139,642
Net Student Tuition and Fees	-	-	-	5,000	-	-	2,649	5,136	7,053
Loan and Other Income	-	443	-	-	-	-	-	-	-
State, Local, Private Grants/Contracts	-	-	-	11,160	18,326	13,451	215	370	20,503
Patient Income	-	-	-	-	-	-	-	-	1,651,780
Federal Funds	-	-	107,240	14,946	31,429	90,508	710	10,257	281,634
Other Operating Revenues	<u>29</u>	<u>210</u>	<u>25,548</u>	<u>5,167</u>	<u>2,484</u>	<u>13,450</u>	<u>1,670</u>	<u>2,346</u>	<u>45,699</u>
Total Operating Revenue	13,666	27,627	151,676	41,990	56,271	122,474	9,740	18,109	2,146,311

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 15 SEGMENT INFORMATION (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
Condensed Statement of Activities (Continued)									
Operating Expenses:									
Operating Expenses	\$ -	\$ 1	\$ 178,883	\$ 30,329	\$ 42,878	\$ 110,882	\$ 17,836	\$ 28,174	\$ 223,590
Depreciation Expense	2,117	2,334	36,819	9,998	6,390	13,779	3,635	5,634	133,159
General and Administrative	14,087	42,981	392,903	76,754	55,135	79,353	19,787	33,142	2,675,034
Total Operating Expenses	<u>16,204</u>	<u>45,316</u>	<u>608,605</u>	<u>117,081</u>	<u>104,403</u>	<u>204,014</u>	<u>41,258</u>	<u>66,950</u>	<u>3,031,783</u>
OPERATING INCOME (LOSS)	(2,538)	(17,689)	(456,929)	(75,091)	(48,132)	(81,540)	(31,518)	(48,841)	(885,472)
Nonoperating Revenue (Expense):									
Government Grants and Contracts	-	770	108,546	16,711	-	-	-	4,147	318,679
Net Investment Income	595	-	12,424	4,505	1,301	7,749	5,370	873	60,284
Other Revenue	-	-	17,762	-	(38)	11,341	253	-	1,057
Interest Expense	-	(177)	(4,199)	(989)	(1,142)	-	(464)	-	(18,971)
Private Grants And Gifts	-	-	13,045	-	-	3,118	-	-	41,009
Gain (Loss) On Sale Of Capital Assets	-	-	54	-	-	-	-	(51)	(994)
Total Nonoperating Income (Expense)	<u>595</u>	<u>593</u>	<u>147,632</u>	<u>20,227</u>	<u>121</u>	<u>22,208</u>	<u>5,159</u>	<u>4,969</u>	<u>401,064</u>
Capital Contributions	-	-	17,494	(868)	-	455	1,547	-	3,815
Permanent Fund Contributions	-	-	28,237	-	-	5,225	-	-	-
Net Transfers	<u>2,340</u>	<u>9,099</u>	<u>370,983</u>	<u>93,568</u>	<u>69,101</u>	<u>66,828</u>	<u>35,077</u>	<u>58,172</u>	<u>613,318</u>
CHANGE IN NET POSITION	397	(7,997)	107,417	37,836	21,090	13,176	10,265	14,300	132,725
Net Position - Beginning, Restated	<u>32,227</u>	<u>(18,786)</u>	<u>(254,237)</u>	<u>60,634</u>	<u>(15,100)</u>	<u>92,703</u>	<u>92,434</u>	<u>(830)</u>	<u>529,301</u>
NET POSITION - ENDING	<u>\$ 32,624</u>	<u>\$ (26,783)</u>	<u>\$ (146,820)</u>	<u>\$ 98,470</u>	<u>\$ 5,990</u>	<u>\$ 105,879</u>	<u>\$ 102,699</u>	<u>\$ 13,470</u>	<u>\$ 662,026</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 15 SEGMENT INFORMATION (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
Condensed Statement of Cash Flows:									
Net Cash Provided (Used) by:									
Operating Activities	\$ (2,415)	\$ (16,198)	\$ (438,821)	\$ (73,727)	\$ (44,188)	\$ (74,797)	\$ (32,556)	\$ (50,616)	\$ (884,677)
Noncapital Financing Activities	2,369	9,099	444,595	93,603	68,068	74,928	35,142	58,172	918,418
Capital and Related Financing									
Activities	(1,289)	(2,529)	3,344	(14,290)	(5,445)	(11,042)	(5,357)	(6,325)	(234,713)
Investing Activities	2,864	438	2,208	(3,948)	1,291	1,974	123	(5,869)	13,816
Cash and Cash Equivalents at									
Beginning of Year	<u>1,696</u>	<u>10,028</u>	<u>120,416</u>	<u>25,002</u>	<u>6,466</u>	<u>36,348</u>	<u>34,877</u>	<u>21,529</u>	<u>631,382</u>
Cash and Cash Equivalents at									
End of Year	<u>\$ 3,225</u>	<u>\$ 838</u>	<u>\$ 131,742</u>	<u>\$ 26,640</u>	<u>\$ 26,192</u>	<u>\$ 27,411</u>	<u>\$ 32,229</u>	<u>\$ 16,891</u>	<u>\$ 444,226</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

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 2023, 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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 17 TAX ABATEMENTS (CONTINUED)

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, 2023, 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, 2023. The projects include highway construction, university infrastructure, and facilities construction and renovation. At year-end, the State's commitments for construction were \$462.2 million for governmental activities and \$313.2 million for business-type activities.

B. Loan Commitments

New Mexico Environment Department

The New Mexico Environment Department had loan commitments at June 30, 2023 of the following:

Wastewater Loan Construction Fund – the agency has executed binding commitments to disburse \$51.8 million for future loans.

Rural Infrastructure Loan Fund – the agency has executed binding commitments to disburse \$2.7 million for loans and grants.

New Mexico Energy, Mineral, and Natural Resources Department

Carlsbad Brine Well construction has been completed and the project is now in the monitoring phase.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 18 COMMITMENTS (CONTINUED)

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, 2023, unfunded commitments to private equity partnerships were approximately \$1.8 billion, and unfunded commitments to real estate and real asset investments were approximately \$2.1 billion. Unfunded commitments to the Credit and Structured Finance Pool were \$1.6 billion. Subsequent to June 30, 2023, the Council approved an additional \$1.5 billion of commitments to private equity, real estate, and real assets partnerships.

D. Indian Water Rights

The Indian Water Rights Settlement Fund (§72-1-12 NMSA 1978) requires the State Engineer and the Interstate Stream Commission to report to legislative authorities regarding settlements involving Indian water rights and the State of New Mexico's monetary obligations under these settlements. §72-1-11. The future commitment is \$46.8 million.

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 could have had a one-time reduction of future federal funding. However, a final decision was made, therefor the sum of \$20.9 million was previously set aside as a contingent liability was released as of June 30, 2023.

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 19 CONTINGENCIES (CONTINUED)

A. Contingent Liabilities (Continued)

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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 20 SUBSEQUENT EVENTS

A. Bond Issues

38500 – New Mexico Finance Authority

On October 31, 2023, New Mexico Finance Authority (NMFA) issued PPRF 2023B bonds in the amount of \$162.5 million. On April 14, 2024, NMFA issued PPRF 2024A bonds in the amount of \$49.9 million.

81400 – New Mexico Mortgage Finance Authority

On November 21, 2023, the Authority issued \$125.0 million (2023 Series D) of Single-Family Mortgage Program Class I Bonds under the 2005 General Indenture. The 2023 Series D Bonds will be used to finance certain qualifying mortgage loans under the Single-Family Mortgage Program. A portion of the 2023 Series D Bonds was sold at a premium generating \$3.3 million, which will be used to purchase 2023 Series D Certificates, to fund 2023 Series D Participation Loans and to fund a portion of bond expenses.

B. Other Events

30500 - Office of the Attorney General

During the 2023 Legislative Session, House Bill 527 passed which created an Opioid Settlement Restricted Fund to account for opioid settlement monies received by the State. The fund will be managed by the State Investment Council. The settlement monies are currently recorded in the Office of the Attorney General's Consumer Settlement Fund and \$21 million of the opioid settlement funds were appropriated to various agencies for fiscal year 2024. The remaining amount anticipated to be transferred in fiscal year 2024 to State Investment Council is \$76.8 million.

80500 – Department of Transportation

Toward the end of FY22 and the beginning of FY23 New Mexico experienced numerous wildfires across the state which destroyed over 500 thousand acres of land. Those same areas were subsequently affected by flooding. NMDOT is continuing to evaluate the impact to infrastructure.

Two of the largest fires, Hermits Peak and Calf Canyon fires, left substantial burn scars placing San Miguel and Mora County at continual risk of devastating flooding. Therefore, the Governor approved multiple executive orders to provide emergency financial resources for the purposes of avoiding or minimizing economic and physical harm; protecting the public health, safety, welfare; and providing emergency and disaster relief. Early in FY24, NMDOT received approval and reimbursement from FEMA for \$16 million in emergency relief funds related to amounts expended from these executive orders.

Beginning in FY24, the Department will enter the next phase of FEMA eligible expenses to begin reconstruction and rehabilitation of state and county roads damaged by the fires.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 20 SUBSEQUENT EVENTS (CONTINUED)

B. Other Events (Continued)

92400 – New Mexico Public Education Department

On August 28, 2023, McCurdy Charter School entered into a 30 year \$8.0 million lease purchase agreement with a private party. The agreement required an initial payment of \$300 thousand and monthly payments of \$58.3 thousand. On April 20, 2023 the Public Education Commission (PEC) revoked the charter for La Tierra Montessori. La Tierra Montessori appealed the decision on June 8, 2023, then after a special meeting on June 15, 2023 rescinded the appeal. The school has ceased operations and is now closed. On September 18, 2023, Albuquerque Bilingual Academy sold property to a private party. The sale price was \$1.7 million.

REQUIRED SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)**

	Budgetary Amounts		Actual	Variance
	Original	Final	Amounts Budgetary Basis	With Final Budget
REVENUES AND OTHER FINANCING SOURCES				
Taxes	\$ 817,629	\$ 847,481	\$ 978,549	\$ 131,068
Federal Revenue	9,667,643	12,715,244	10,955,330	(1,759,914)
Investment Income	75,222	75,522	238,102	162,580
Rentals and Royalties	30,223	30,223	2,744,599	2,714,376
Charges for Services	361,544	366,142	204,618	(161,524)
Licenses, Fees, and Permits	170,886	172,917	291,376	118,459
Assessments	1,076,383	1,130,649	51,625	(1,079,024)
Miscellaneous and Other	585,624	659,391	535,742	(123,649)
Operating Transfers In	8,571,975	8,586,642	13,865,929	5,279,287
Total Revenues and Other Financing Sources	<u>21,357,129</u>	<u>24,584,211</u>	<u>29,865,870</u>	<u>5,281,659</u>
Fund Balance Budgeted	<u>267,803</u>	<u>756,147</u>		
Total	21,624,932	25,340,358		
EXPENDITURES AND OTHER FINANCING USES				
Culture, Recreation, and Natural Resources:				
Administrative Services	5,232	5,897	5,765	132
Opportunity Scholarship	12,000	38,780	35,556	3,224
Museum And Monuments	31,339	32,625	30,350	2,275
Preservation	3,694	4,296	3,191	1,105
Library Services	5,981	6,808	6,401	407
Program Support	4,652	4,652	4,794	(142)
Water Resource Allocation Prog	18,347	18,485	19,763	(1,278)
Interstate Stream Commission	21,917	30,043	20,484	9,559
Litigation & Adjudication Pro	10,268	10,375	8,725	1,650
Office Of The State Engineer	4,700	4,700	4,700	-
Land Trust Stewardship	21,866	23,294	2,741,757	(2,718,463)
Livestock Inspection	8,046	9,227	8,166	1,061
Meat Inspection Division	965	315	359	(44)
Youth Conservation Corps.	5,210	5,220	3,871	1,349
Natural Resource Damage Assess	5,170	5,170	3,630	1,540
Field Operations Program	11,438	11,438	10,965	473
Conservation Services Program	26,648	28,977	26,063	2,914
Dep Damage Nuisance Abatement	1,135	1,135	923	212
Game And Fish Administration	8,970	8,970	8,351	619
Energy Efficiency & Renewable	3,923	5,213	3,634	1,579
Healthy Forests	18,027	21,352	14,335	7,017
Parks And Recreation	29,611	33,813	18,040	15,773
Mine Reclamation	9,116	10,036	5,284	4,752
Oil Conservation	13,099	43,085	24,884	18,201
Program Support	5,915	5,915	5,134	781
Arts Program	2,287	3,398	3,191	207
Intertribal Ceremonial	328	529	378	151
Total Culture, Recreation, and Natural Resources	<u>289,884</u>	<u>373,748</u>	<u>3,018,694</u>	<u>(2,644,946)</u>
Education:				
Operations	102,568	115,339	105,390	9,949
Student Financial Aid	74,430	105,113	91,172	13,941
Rehab Services	28,084	28,603	25,161	3,442
Independent Living	1,542	1,585	1,481	104
Disability Determination	17,513	17,513	15,179	2,334
SDE Operation	26,083	27,113	25,550	1,563
Total Education	<u>250,220</u>	<u>295,266</u>	<u>263,933</u>	<u>31,333</u>

**STATE OF NEW MEXICO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)**

EXPENDITURES AND OTHER FINANCING USES (CONTINUED)	Budgetary Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
General Control:				
Administrative Hearings Office	\$ 2,196	\$ 2,232	\$ 2,229	\$ 3
Policy Dev., Fiscal & Budget	4,983	4,983	4,983	-
Program Support	2,177	2,177	2,201	(24)
Comm. Dev. & Local Govt. Asst.	41,687	48,926	45,537	
Fiscal Mgmt. & Oversight	60,793	60,793	60,793	-
Program Support	22,711	22,982	37,411	(14,429)
Taa	35,270	35,395	34,782	613
Motor Vehicle	47,865	47,865	44,857	3,008
Property Tax	6,141	6,141	4,719	1,422
Program Support	21,982	21,982	22,471	(489)
Compliance Enforcement	1,870	1,870	1,870	-
Program Support	5,117	5,117	-	5,117
State Purchasing	2,693	2,789	2,774	15
Information Systems Division	2,045	2,345	-	2,345
Risk Management Division	10,002	10,002	-	10,002
Health Benefits	421,493	426,493	-	426,493
Facilities Management Division	17,371	17,371	31,204	(13,833)
Transportation Services	9,971	10,221	-	10,221
Office Of The Attorney General	38,880	38,932	30,555	8,377
Medicaid Fraud Program	3,825	3,825	3,810	15
Agency Program Code	5,288	5,288	4,085	1,203
State Investment Program	64,793	64,793	109,429	(44,636)
Benefits Program	354,847	354,847	-	354,847
Risk Program	87,249	105,249	-	105,249
Program Support	1,520	1,520	-	1,520
Healthcare Benefits Admin Program	380,530	380,530	-	380,530
Program Support	3,558	3,558	-	3,558
Criminal & Juvenile Justice	1,441	1,620	1,556	64
Executive Mgmt. & Leadership	5,434	5,434	5,435	(1)
State Ombudsman Program	615	615	615	-
Pension Administration Program	38,461	38,761	-	38,761
Records Info & Archival Mgmt.	3,062	3,062	2,801	261
Secretary Of State	4,389	4,389	4,389	-
New Mexico State Personnel	4,068	4,246	4,288	(42)
State Treasurer'S Office	4,589	4,589	4,436	153
Pub Employee Labor Rel. Board	268	268	268	-
Program Support	4,192	4,192	-	4,192
Compliance And Project Management	2,918	4,323	1,809	2,514
Enterprise Services	59,207	59,207	-	59,207
Elections	10,537	11,497	10,417	1,080
Equipment Replacement Program	10,554	20,094	-	20,094
Risk Management Funds	51,864	54,680	51,686	2,994
Total General Control	1,858,456	1,905,203	531,410	1,370,404
Health and Human Services:				
Program Area One - Admin.	17,494	63,994	37,581	26,413
Program Area Two - Public Health	210,878	245,528	247,762	(2,234)
Program Area Three - Epi/Response	127,902	128,055	59,693	68,362
Program Area Four - Lab Services	15,956	17,589	15,947	1,642
Program Area Six - Facilities	183,833	183,838	155,860	27,978
Program Area Seven - Dev. Disabled	193,413	194,523	195,264	(741)
Program Area Eight - Health Cert/Lic	17,510	18,410	18,781	(371)
Program Support	73,747	76,869	85,009	(8,140)
Child Support Enforcement Pro	35,995	38,595	31,625	6,970
Medical Assistance Program	7,189,255	8,413,799	8,325,855	87,944

**STATE OF NEW MEXICO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)**

EXPENDITURES AND OTHER FINANCING USES (CONTINUED)	Budgetary Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
Health and Human Services (Continued):				
Income Support Program	\$ 1,086,914	\$ 2,088,246	\$ 1,875,587	\$ 212,659
Resource Management	9,628	11,034	9,038	1,996
Resource Protection	34,646	48,210	26,215	21,995
Environmental Health	17,926	18,230	14,019	4,211
Environmental Protection Prog	33,181	33,312	29,609	3,703
Juvenile Justice Services	76,110	76,872	72,309	4,563
Protective Services	195,774	195,874	184,041	11,833
Program Support	9,240	9,187	6,817	2,370
Elder Rights & Health Advocacy	5,186	5,731	4,772	959
Adult Protective Services Prog	14,409	14,564	12,945	1,619
Community Involvement	45,535	45,544	45,023	521
Manufactured Housing Division	1,586	1,586	1,272	314
Administration	15,201	68,967	55,462	13,505
Family Support & Early Inter	68,850	71,036	68,548	2,488
Early Childhood Services	271,106	400,395	284,399	115,996
Policy, Research & Quality	21,101	23,818	20,917	2,901
Educational Retirement Board	30,645	30,645	-	30,645
Information/Advocacy & Service	941	1,027	1,026	1
Telecommunication Approp.	4,297	4,297	3,186	1,111
Martin Luther King Jr. Program	340	340	340	-
Blind Services Program	16,808	18,483	8,696	9,787
Program One	3,832	3,972	3,802	170
Workers' Compensation Admin	12,178	12,378	12,226	152
Information/Advocacy Services	1,869	1,869	1,226	643
Brain Injury Advisory Council	213	213	213	-
MCMC Healthcare-Acute Care	53,439	53,783	-	53,783
Veteran's Services Program	7,034	7,393	7,498	(105)
DD Planning Council & Info Ctr	1,831	1,893	1,773	120
Office Of Guardianship	7,105	7,105	7,093	12
Medicaid Behavioral Health Pr.	703,305	848,205	838,878	7,327
Behavioral Health Services	82,447	112,424	89,005	23,419
Workforce Transition Serv Div	16,177	16,177	11,271	4,906
Labor Relations Division	4,077	4,077	3,555	522
Workforce Technology Serv Div	26,741	26,741	20,739	6,002
Business Services Division	30,840	39,193	28,242	10,951
Program Support	43,823	43,823	34,564	9,259
Uninsured Employers Fund	953	953	742	211
Education Trust	-	3,572	-	3,572
Medical Cannabis Program	2,517	2,611	2,603	8
Behavioral Health Services	7,094	7,594	4,102	3,492
Special Revenue-DWS	57,988	62,813	38,336	24,477
Special Revenue	6,475	6,475	11,584	(5,109)
Pre-K Division	95,473	119,827	108,658	11,169
Total Health and Human Services	11,190,818	13,929,689	13,123,708	805,981
Highways and Transportation:				
Construction Program	774,028	1,550,459	669,988	880,471
Maintenance Program	318,022	399,128	310,791	88,337
Program Support	49,967	49,967	40,493	9,474
MODAL	76,384	173,662	70,064	103,598
Total Highways and Transportation	1,218,401	2,173,216	1,091,336	1,081,880
Judicial:				
N. M. Compilation Commission	1,618	1,618	1,260	358
Judicial Standards Comm. Prog.	979	979	966	13
Court Of Appeals Program	7,366	7,366	7,365	1
New Mexico Supreme Court	7,270	7,285	7,918	(633)
First Judicial District Court	13,212	13,787	13,054	733
Second Judicial District Court	35,364	34,733	33,564	1,169
Third Judicial District Court	12,887	13,464	13,112	352
Fourth Judicial District Court	4,706	5,543	5,271	272
Fifth Judicial District Court	12,935	12,952	12,746	206

**STATE OF NEW MEXICO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)**

EXPENDITURES AND OTHER FINANCING USES (CONTINUED)	Budgetary Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
Judicial (Continued):				
Sixth Judicial District Court	6,420	6,748	6,623	125
Seventh Judicial District Court	4,959	4,959	4,752	207
Eighth Judicial District Court	5,659	5,859	5,713	146
Ninth Judicial District Court	7,560	6,179	6,154	25
Tenth Judicial Dist Crt Prog	2,024	2,024	2,058	(34)
Rollup Only	13,390	13,968	13,664	304
Twelfth Judicial District Court	\$ 6,078	\$ 6,546	\$ 6,115	\$ 431
Thirteenth Judicial District Court	13,644	14,314	13,854	460
Bernalillo County Metro Court	31,420	32,140	30,906	1,234
District Attorney 1st District	7,624	8,378	7,920	458
District Attorney 2nd District	30,351	31,081	32,334	(1,253)
District Attorney 3rd District	6,553	6,554	6,446	108
District Attorney 4th District	4,016	4,016	3,986	30
District Attorney 5th District	7,166	7,151	7,151	-
District Attorney 6th District	3,969	4,143	4,133	10
District Attorney 7th District	3,241	3,241	3,241	-
District Attorney 8th District	3,603	3,603	3,645	(42)
District Attorney 9th District	4,073	4,073	4,065	8
District Attorney 10th District	1,792	1,792	1,792	-
Dist. Attorney 11th District (Division 1)	6,396	6,396	6,352	44
District Attorney 12th District	4,678	4,678	4,595	83
District Attorney 13th District	7,372	7,372	7,234	138
Administrative Support	3,074	3,229	3,211	18
Dist. Attorney 11th District (Division 2)	3,422	3,422	3,193	229
Administrative Support	21,080	24,652	19,639	5,013
Statewide Judiciary Automation	15,679	15,679	9,282	6,397
Magistrate Courts	14,730	14,730	28,917	(14,187)
Public Defender	6,343	6,343	6,116	227
Total Judicial	342,653	350,997	348,347	2,650
Legislative:				
Leg Analysis/Oversight Program	5,089	5,120	5,120	-
Education Study Committee	1,525	1,525	1,525	-
Total Legislative	6,614	6,645	6,645	-
Public Safety:				
Program Support	9,145	12,398	11,252	1,146
Law Enforcement Program	143,392	144,492	144,068	424
Program Support	15,039	15,181	17,267	(2,086)
Inmate Management & Control	286,715	287,822	283,874	3,948
Corrections Industries	5,747	5,747	-	5,747
Community Offender Management	34,722	34,725	32,834	1,891
Comm. Corrections/ Vendor Run	23,545	23,847	18,302	5,545
Parole Board Program	641	641	642	(1)
Juvenile Parole Board	8	8	8	-
Victim Compensation Program	4,061	4,761	4,438	323
Federal Grant Administration	21,088	25,350	19,833	5,517
Outdoor Recreation	944	944	944	-
National Guard Support Program	31,885	32,154	23,480	8,674
Holmeland Sec & Sec Emerg. Mgmt.	23,532	33,027	21,376	
State Law Enforcemen Supp Prog	27,298	27,298	23,228	4,070
Broadband	823	6,563	1,857	4,706
Insurance Fraud And Auto Theft	28,996	57,262	-	57,262
State Fire Marshal'S Office	64,295	64,295	88,542	(24,247)
Total Public Safety	721,876	776,515	691,945	72,919

**STATE OF NEW MEXICO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)**

EXPENDITURES AND OTHER FINANCING USES (CONTINUED)	Budgetary Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
Regulation and Licensing:				
Ethics Commission	\$ 1,236	\$ 1,261	\$ 1,261	\$ -
Economic Development	11,759	106,439	45,876	60,563
Film Division	962	1,243	1,033	210
Program Support	3,870	3,870	3,870	-
New Mexico Magazine	3,242	3,242	-	3,242
Program Support	1,645	1,645	1,645	-
Outreach	2,802	2,874	2,520	354
Marketing & Promotion	16,693	25,881	16,705	9,176
Program One	11,156	11,156	10,712	444
Program Two	4,544	4,544	3,948	596
Program Three	1,402	1,402	1,361	41
Program Four	4,107	4,107	3,506	601
Policy And Regulation	8,399	8,428	9,649	(1,221)
Public Safety	1,738	1,783	-	1,783
Program Support	3,686	3,879	3,788	91
Special Revenues	-	-	1,275	(1,275)
Boards And Commissions	17,087	19,120	17,447	1,673
Securities Division	2,298	2,298	2,173	125
Board Of Architects	499	499	465	34
New Mexico Border Authority	578	578	533	45
Medical Examiners Licensing	2,781	2,781	2,585	196
Nursing Licensing & Cert	3,448	3,751	4,468	(717)
New Mexico State Fair	14,588	14,751	127	14,624
Asd/Peps	1,294	1,294	1,019	275
Program One	6,106	6,106	6,155	(49)
Horse Racing Regulation	3,591	4,691	3,858	833
Veterinary Licensing Program	462	462	359	103
Military Base Planning Support	296	296	296	-
Spaceport Authority	10,802	12,127	10,551	1,576
Special Revenue	8,794	9,174	15,713	(6,539)
Insurance Operations Program	15,343	48,360	44,409	3,951
Patient Compensation Program	102,701	115,701	-	115,701
Cannabis Control Division	111,044	111,044	110,821	223
Total Regulation and Licensing	<u>378,953</u>	<u>534,787</u>	<u>328,128</u>	<u>206,659</u>
Special Appropriations:				
Special Appropriations	<u>4,819,260</u>	<u>4,994,319</u>	<u>4,596,240</u>	<u>398,079</u>
Total Special Appropriations	<u>4,819,260</u>	<u>4,994,319</u>	<u>4,596,240</u>	<u>398,079</u>

**STATE OF NEW MEXICO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)**

Budget Basis to GAAP Basis Reconciliation	
Net Change in Fund Balance (Budgetary Basis)	\$ 5,865,484
Differences:	
Multi-year amounts budgeted in prior years:	
Revenue recognized in current year	15,241,478
Expenditures recognized in current year	(16,541,442)
Revenues and other financing sources, Other than Bud Ref 123 and 923	3,108,415
Expenditures and other financing uses, Other than Bud Ref 123 and 923	(2,429,910)
Non-budgeted expenditures:	
AC 55106 - BU 34101	105
AC series 56xxxx and 57xxxx	14,999
Other	<u>86,352</u>
Total Net Change in Fund Balance as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u><u>\$ 5,345,481</u></u>

STATE OF NEW MEXICO
NOTES TO BUDGETARY REPORTING
JUNE 30, 2023
(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
NOTES TO BUDGETARY REPORTING
JUNE 30, 2023
(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 nonoperating 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 nonappropriated (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, 2023, there were none of the State agency's P-codes reporting expenses/expenditures exceeding budget authority.

STATE OF NEW MEXICO
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)

	Fiscal Year Ended June 30, 2023	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										
Service Cost	\$ 451,586	\$ 452,128	\$ 409,242	\$ 401,166	\$ 403,879	\$ 376,310	\$ 405,561	\$ 390,221	\$ 389,053	\$ 418,996
Interest	1,672,802	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	30,512	3,658	-	(710,227)	-	-	-	-	-	-
Difference Between Expected and Actual Experience	408,899	(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	(1,417,214)	(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	(51,237)	(57,591)	(40,354)	(44,903)	(54,337)	(50,288)	(44,396)	(44,938)	(46,010)	(47,377)
Net Change in Total Pension Liability	1,095,348	520,440	920,491	151,414	606,585	1,314,495	82,106	1,469,984	771,868	661,429
Total Pension Liability - Beginning	23,581,568	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	24,676,916	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
Plan Net Position										
Contributions - Employer	454,462	395,408	379,185	368,425	339,676	319,499	332,473	324,752	317,164	370,765
Contributions - Member	373,214	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	898,162	(745,218)	3,799,141	(223,545)	935,561	1,004,227	1,500,759	47,445	251,488	2,118,285
Benefit Payments	(1,417,214)	(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	(15,594)	(16,010)	(12,730)	(14,318)	(13,583)	(12,667)	(11,506)	(10,754)	(9,886)	(10,336)
Refunds of Contributions	(51,237)	(57,591)	(40,354)	(44,903)	(54,337)	(50,288)	(44,396)	(44,938)	(46,010)	(47,377)
Other	2,391	2,713	1,991	1,646	2,047	2,110	471	12,318	25,296	17,006
Net Change in Plan Net Position	244,184	(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	16,354,646	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	16,354,646	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	16,598,830	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
Net Pension Liability - Ending	\$ 8,078,086	\$ 7,226,922	\$ 5,247,180	\$ 7,448,653	\$ 6,481,679	\$ 6,172,157	\$ 5,269,227	\$ 6,159,380	\$ 4,260,526	\$ 3,319,394

**STATE OF NEW MEXICO
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
JUDICIAL RETIREMENT SYSTEM
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)**

	Fiscal Year Ended June 30, 2023	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										
Service Cost	\$ 5,882	\$ 3,928	\$ 6,281	\$ 5,286	\$ 4,282	\$ 4,488	\$ 5,492	\$ 3,245	\$ 3,344	\$ 3,793
Interest	11,928	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	8,100	3,893	4,992	(3,901)	7,420	(1,358)	(2,474)	4,737	755	-
Changes of Assumptions	6,085	22,932	(57,672)	18,400	19,033	(2,892)	(17,241)	46,155	-	(1,004)
Benefit Payments	(13,297)	(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	18,698	29,949	(49,514)	17,975	29,624	(480)	(15,264)	54,517	4,586	(11,294)
Total Pension Liability - Beginning	203,844	173,895	223,409	205,435	175,811	176,291	191,555	137,038	132,452	143,746
Total Pension Liability - Ending	222,542	203,844	173,895	223,409	205,435	175,811	176,291	191,555	137,038	132,452
Plan Net Position										
Contributions - Employer	6,352	25,619	5,626	4,683	4,731	4,723	4,524	4,237	4,196	3,741
Contributions - Member	2,286	1,956	1,838	1,783	1,692	1,632	1,636	1,582	1,579	1,086
Net Investment Income	5,809	(4,096)	21,502	(1,252)	5,528	6,020	9,012	232	1,512	13,197
Benefit Payments	(13,297)	(13,080)	(12,538)	(12,013)	(11,352)	(10,585)	(10,096)	(9,813)	(9,373)	(8,770)
Administrative Expenses	(89)	(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	1,061	10,374	16,356	(6,889)	430	1,715	4,996	(3,799)	(2,153)	9,623
Plan Net Position - Beginning	111,602	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	111,602	101,228	84,872	91,761	91,331	89,616	84,620	88,732	91,142	81,519
Plan Net Position - Ending	112,663	111,602	101,228	84,872	91,761	91,331	89,616	84,933	88,989	91,142
Net Pension Liability - Ending	<u>\$ 109,879</u>	<u>\$ 92,242</u>	<u>\$ 72,667</u>	<u>\$ 138,538</u>	<u>\$ 113,674</u>	<u>\$ 84,480</u>	<u>\$ 86,675</u>	<u>\$ 106,623</u>	<u>\$ 48,050</u>	<u>\$ 41,310</u>

STATE OF NEW MEXICO
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
MAGISTRATE RETIREMENT SYSTEM
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)

	Fiscal Year Ended June 30, 2023	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										
Service Cost	\$ 2,191	\$ 1,365	\$ 1,258	\$ 1,656	\$ 1,466	\$ 1,354	\$ 1,537	\$ 1,118	\$ 948	\$ 1,428
Interest	3,925	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	599	1,776	(95)	(1,286)	2,209	(237)	(1,539)	1,571	6,703	-
Changes of Assumptions	(4,002)	12,882	-	(18,414)	5,255	2,874	(8,114)	8,832	-	(7,644)
Benefit Payments	(4,689)	(4,321)	(4,294)	(4,204)	(4,026)	(3,951)	(3,966)	(3,976)	(3,956)	(3,690)
Refunds of Contributions	(263)	-	(50)	-	(56)	(63)	-	(15)	(5)	(15)
Net Change in Total Pension Liability	(2,239)	15,911	911	(18,812)	8,342	3,464	(8,890)	10,982	7,135	(13,760)
Total Pension Liability - Beginning	75,440	59,529	58,618	77,434	69,092	65,628	74,518	63,536	56,401	70,161
Total Pension Liability - Ending	73,201	75,440	59,529	58,618	77,434	69,092	65,628	74,518	63,536	56,401
Plan Net Position										
Contributions - Employer	2,538	2,385	2,348	1,293	1,236	1,232	1,282	1,280	937	793
Contributions - Member	751	673	652	650	640	580	603	587	490	266
Net Investment Income	1,775	(1,470)	7,463	(437)	1,938	2,156	3,290	70	579	5,199
Benefit Payments	(4,689)	(4,321)	(4,294)	(4,204)	(4,026)	(3,951)	(3,966)	(3,977)	(3,956)	(3,690)
Administrative Expenses	(30)	(32)	(25)	(28)	(28)	(27)	(25)	(24)	(23)	(24)
Refunds of Contributions	(262)	-	(50)	-	(56)	(63)	-	(15)	(5)	(15)
Other	-	-	-	-	-	14	3	27	(19)	217
Net Change in Plan Net Position	83	(2,765)	6,094	(2,727)	(296)	(59)	1,187	(2,052)	(1,997)	2,746
Plan Net Position - Beginning	32,400	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	32,400	35,165	29,071	31,798	32,094	32,153	31,038	33,089	35,185	32,439
Plan Net Position - Ending	32,483	32,400	35,165	29,071	31,798	32,094	32,226	31,038	33,187	35,185
Net Pension Liability - Ending	\$ 40,718	\$ 43,040	\$ 24,364	\$ 29,547	\$ 45,636	\$ 36,998	\$ 33,402	\$ 43,480	\$ 30,349	\$ 21,216

STATE OF NEW MEXICO
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
VOLUNTEER FIREFIGHTERS RETIREMENT SYSTEM
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)

	Fiscal Year Ended June 30, 2023	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										
Service Cost	\$ 2,022	\$ 2,047	\$ 2,040	\$ 2,250	\$ 2,194	\$ 2,204	\$ 2,337	\$ 1,440	\$ 1,251	\$ 1,254
Interest	3,799	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	(2,821)	(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	(2,910)	(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	90	(283)	1,221	(655)	1,758	2,299	(433)	4,458	3,597	3,115
Total Pension Liability - Beginning	52,843	53,126	51,905	52,560	50,802	48,503	48,936	44,478	40,881	37,766
Total Pension Liability - Ending	52,933	52,843	53,126	51,905	52,560	50,802	48,503	48,936	44,478	40,881
Plan Net Position										
Contributions - Employer	750	750	750	750	750	750	750	750	750	750
Contributions - Member	-	-	-	-	-	-	-	-	-	-
Net Investment Income	4,377	(3,579)	17,950	(1,057)	4,318	4,512	6,682	206	1,094	8,920
Benefit Payments	(2,910)	(2,847)	(2,758)	(2,626)	(2,457)	(2,319)	(2,031)	(1,835)	(1,633)	(1,419)
Administrative Expenses	(76)	(77)	(60)	(67)	(63)	(58)	(52)	(47)	(43)	(44)
Refunds of Contributions	-	-	-	-	-	-	-	-	-	-
Other	1	-	-	-	1	1	1	51	12	404
Net Change in Plan Net Position	2,142	(5,753)	15,882	(3,000)	2,549	2,886	5,350	(875)	180	8,611
Plan Net Position - Beginning	78,965	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	78,965	84,718	68,836	71,836	69,287	66,399	61,049	61,924	61,923	53,312
Plan Net Position - Ending	81,107	78,965	84,718	68,836	71,836	69,287	66,399	61,049	62,103	61,923
Net Pension Liability - Ending	<u>\$ (28,174)</u>	<u>\$ (26,122)</u>	<u>\$ (31,591)</u>	<u>\$ (16,931)</u>	<u>\$ (19,276)</u>	<u>\$ (18,485)</u>	<u>\$ (17,896)</u>	<u>\$ (12,113)</u>	<u>\$ (17,626)</u>	<u>\$ (21,042)</u>

STATE OF NEW MEXICO
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
EDUCATIONAL EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)

	Fiscal Year Ended June 30, 2023	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										
Service Cost	\$ 456,425	\$ 431,266	\$ 916,076	\$ 388,501	\$ 523,132	\$ 494,876	\$ 357,631	\$ 356,874	\$ 346,956	\$ 350,248
Interest	1,646,035	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	242,880	(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	(1,371,674)	(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	973,666	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	23,972,414	23,448,992	33,285,087	21,121,996	24,861,634	23,622,825	18,729,272	17,974,989	17,051,807	16,468,551
Total Pension Liability - Ending	24,946,080	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
Plan Net Position										
Contributions - Employer	662,750	511,944	452,872	451,556	406,549	388,724	395,844	396,989	395,130	362,463
Contributions - Member	395,815	347,917	330,067	329,725	303,442	287,324	292,809	295,946	294,561	271,514
Net Investment Income	1,036,752	(336,188)	3,834,540	(75,980)	1,037,882	900,132	1,350,389	364,571	429,738	1,444,233
Benefit Payments	(1,371,674)	(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	(12,551)	(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	711,092	(810,824)	3,342,327	(525,494)	574,390	460,947	976,519	35,115	151,648	1,154,377
Plan Net Position - Beginning	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	10,191,699
Prior Period Adjustments	-	-	-	-	-	-	-	-	-	-
Plan Net Position - Beginning, Restated	15,550,702	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	16,261,794	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
Net Pension Liability - Ending	<u>\$ 8,684,286</u>	<u>\$ 8,421,712</u>	<u>\$ 7,087,466</u>	<u>\$ 20,265,891</u>	<u>\$ 7,577,302</u>	<u>\$ 11,891,331</u>	<u>\$ 11,113,468</u>	<u>\$ 7,196,433</u>	<u>\$ 6,477,266</u>	<u>\$ 5,705,731</u>

**STATE OF NEW MEXICO
SCHEDULE OF CHANGES IN NET OPEB LIABILITY
NEW MEXICO RETIREE HEALTH CARE AUTHORITY
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)**

	Fiscal Year Ended June 30, 2023	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
Total OPEB Liability							
Service Cost	\$ 91,535	\$ 155,315	\$ 171,993	\$ 123,905	\$ 156,598	\$ 188,372	\$ 265,229
Interest	190,483	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	(179,638)	(36,122)	57,770	(150,535)	(754,197)	(145,524)	(210,436)
Changes of Assumptions	(430,050)	(1,125,436)	(894,202)	989,793	(535,457)	(225,363)	(958,756)
Claims and Premiums	(89,966)	(99,777)	(102,376)	(109,584)	(96,487)	(122,199)	(113,698)
Net Change in Total OPEB Liability	(417,636)	(942,551)	(618,731)	1,029,442	(1,006,873)	(105,130)	(830,098)
Total OPEB Liability - Beginning	3,467,299	4,409,850	5,028,581	3,999,139	5,006,012	5,111,142	5,941,240
Total OPEB Liability - Ending	3,049,663	3,467,299	4,409,850	5,028,581	3,999,139	5,006,012	5,111,142
Plan Net Position							
Contributions - Employer	231,793	231,293	96,585	96,504	88,516	85,402	85,858
Contributions - Member	114,542	101,585	225,347	226,384	216,528	210,650	196,393
Net Investment Income	71,822	(49,544)	217,737	10,837	41,663	49,758	67,760
Claims and Premiums	(335,094)	(323,816)	(315,956)	(316,936)	(296,417)	(321,480)	(294,393)
Administrative Expenses	(4,002)	(3,467)	(3,404)	(3,687)	(4,148)	(3,672)	(4,180)
Other	111,971	80,144	69,519	59,821	52,949	57,530	55,556
Net Change in Plan Net Position	191,032	36,195	289,828	72,923	99,093	78,188	106,994
Plan Net Position - Beginning	1,155,696	1,119,501	829,673	756,750	657,657	579,469	472,475
Prior Period Adjustments	-	-	-	579,469	-	-	-
Plan Net Position - Beginning, Restated	1,155,696	1,119,501	829,673	1,336,219	657,657	579,469	472,475
Plan Net Position - Ending	1,346,728	1,155,696	1,119,501	829,673	756,750	657,657	579,469
Net OPEB Liability - Ending	\$ 1,702,935	\$ 2,311,603	\$ 3,290,349	\$ 4,198,908	\$ 3,242,389	\$ 4,348,355	\$ 4,531,673

**STATE OF NEW MEXICO
SCHEDULE OF NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)**

	Fiscal Year Ended June 30, 2023	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	\$ 24,676,915	\$ 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	<u>16,598,830</u>	<u>16,354,647</u>	<u>17,813,948</u>	<u>14,691,984</u>	<u>15,507,546</u>	<u>15,210,483</u>	<u>14,798,918</u>	<u>13,826,658</u>	<u>14,255,529</u>	<u>14,424,793</u>
Net Pension Liability	<u>\$ 8,078,085</u>	<u>\$ 7,226,921</u>	<u>\$ 5,247,180</u>	<u>\$ 7,448,653</u>	<u>\$ 6,481,679</u>	<u>\$ 6,172,156</u>	<u>\$ 5,269,225</u>	<u>\$ 6,159,380</u>	<u>\$ 4,260,526</u>	<u>\$ 3,319,394</u>
Percentage of Plan Net Position to Total Pension Liability	<u>67.26%</u>	<u>69.35%</u>	<u>77.25%</u>	<u>66.36%</u>	<u>70.52%</u>	<u>71.13%</u>	<u>73.74%</u>	<u>69.18%</u>	<u>76.99%</u>	<u>81.29%</u>
Covered Payroll	<u>\$ 2,537,115</u>	<u>\$ 2,460,174</u>	<u>\$ 2,482,249</u>	<u>\$ 2,339,923</u>	<u>\$ 2,287,712</u>	<u>\$ 2,265,036</u>	<u>\$ 2,193,889</u>	<u>\$ 2,326,943</u>	<u>\$ 2,248,254</u>	<u>\$ 2,102,265</u>
Net Pension Liability as a Percentage of Covered Payroll	<u>318.40%</u>	<u>293.76%</u>	<u>211.39%</u>	<u>318.33%</u>	<u>283.33%</u>	<u>272.50%</u>	<u>240.18%</u>	<u>264.70%</u>	<u>189.50%</u>	<u>157.90%</u>

**STATE OF NEW MEXICO
SCHEDULE OF NET PENSION LIABILITY
JUDICIAL RETIREMENT SYSTEM
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)**

	Fiscal Year Ended June 30, 2023	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	\$ 222,541	\$ 203,842	\$ 173,894	\$ 223,409	\$ 205,435	\$ 175,810	\$ 176,291	\$ 191,555	\$ 137,038	\$ 132,452
Plan Net Position	<u>112,661</u>	<u>111,600</u>	<u>101,227</u>	<u>84,871</u>	<u>91,760</u>	<u>91,331</u>	<u>89,616</u>	<u>84,932</u>	<u>88,988</u>	<u>91,141</u>
Net Pension Liability	<u>\$ 109,880</u>	<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>50.62%</u>	<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>\$ 21,443</u>	<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>512.43%</u>	<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
SCHEDULE OF NET PENSION LIABILITY
MAGISTRATE RETIREMENT SYSTEM
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)**

	Fiscal Year Ended June 30, 2023	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	\$ 73,201	\$ 75,440	\$ 59,529	\$ 58,618	\$ 77,431	\$ 69,090	\$ 65,628	\$ 74,519	\$ 63,536	\$ 56,401
Plan Net Position	<u>32,481</u>	<u>32,399</u>	<u>35,165</u>	<u>29,071</u>	<u>31,798</u>	<u>32,093</u>	<u>32,225</u>	<u>31,038</u>	<u>33,187</u>	<u>35,185</u>
Net Pension Liability	<u>\$ 40,720</u>	<u>\$ 43,041</u>	<u>\$ 24,364</u>	<u>\$ 29,547</u>	<u>\$ 45,633</u>	<u>\$ 36,997</u>	<u>\$ 33,403</u>	<u>\$ 43,481</u>	<u>\$ 30,349</u>	<u>\$ 21,216</u>
Percentage of Plan Net Position to Total Pension Liability	<u>44.37%</u>	<u>42.95%</u>	<u>59.07%</u>	<u>49.59%</u>	<u>41.07%</u>	<u>46.45%</u>	<u>49.10%</u>	<u>41.65%</u>	<u>52.23%</u>	<u>62.38%</u>
Covered Payroll	<u>\$ 7,212</u>	<u>\$ 6,289</u>	<u>\$ 6,092</u>	<u>\$ 6,025</u>	<u>\$ 6,025</u>	<u>\$ 5,638</u>	<u>\$ 5,633</u>	<u>\$ 5,243</u>	<u>\$ 5,066</u>	<u>\$ 3,516</u>
Net Pension Liability as a Percentage of Covered Payroll	<u>564.61%</u>	<u>684.39%</u>	<u>399.93%</u>	<u>490.39%</u>	<u>757.37%</u>	<u>656.17%</u>	<u>592.97%</u>	<u>829.29%</u>	<u>599.09%</u>	<u>603.49%</u>

**STATE OF NEW MEXICO
SCHEDULE OF NET PENSION LIABILITY
VOLUNTEER FIREFIGHTERS RETIREMENT SYSTEM
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)**

	Fiscal Year Ended June 30, 2023	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	\$ 52,932	\$ 52,842	\$ 53,126	\$ 51,905	\$ 52,561	\$ 50,802	\$ 48,503	\$ 48,936	\$ 44,478	\$ 40,881
Plan Net Position	81,108	78,966	84,718	68,837	71,836	69,287	66,401	61,050	62,103	61,923
Net Pension Liability	<u>\$ (28,176)</u>	<u>\$ (26,123)</u>	<u>\$ (31,591)</u>	<u>\$ (16,932)</u>	<u>\$ (19,275)</u>	<u>\$ (18,485)</u>	<u>\$ (17,898)</u>	<u>\$ (12,114)</u>	<u>\$ (17,625)</u>	<u>\$ (21,042)</u>
Percentage of Plan Net Position to Total Pension Liability	<u>153.23%</u>	<u>149.44%</u>	<u>159.47%</u>	<u>132.62%</u>	<u>136.67%</u>	<u>136.39%</u>	<u>136.90%</u>	<u>124.76%</u>	<u>139.63%</u>	<u>151.47%</u>
Covered Payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Net Pension Liability as a Percentage of Covered Payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

**STATE OF NEW MEXICO
SCHEDULE OF NET PENSION LIABILITY
EDUCATIONAL EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)**

	Fiscal Year Ended June 30, 2023	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	\$ 24,946,080	\$ 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	<u>16,261,794</u>	<u>15,550,702</u>	<u>16,361,526</u>	<u>13,019,197</u>	<u>13,544,692</u>	<u>12,970,301</u>	<u>12,509,356</u>	<u>11,532,838</u>	<u>11,497,723</u>	<u>11,346,076</u>
Net Pension Liability	<u>\$ 8,684,286</u>	<u>\$ 8,421,712</u>	<u>\$ 7,087,466</u>	<u>\$ 20,265,890</u>	<u>\$ 7,577,302</u>	<u>\$ 11,891,331</u>	<u>\$ 11,113,468</u>	<u>\$ 7,196,433</u>	<u>\$ 6,477,266</u>	<u>\$ 5,705,731</u>
Percentage of Plan Net Position to Total Pension Liability	<u>65.19%</u>	<u>64.87%</u>	<u>69.77%</u>	<u>39.11%</u>	<u>64.13%</u>	<u>52.17%</u>	<u>52.95%</u>	<u>61.58%</u>	<u>63.97%</u>	<u>66.54%</u>
Covered Payroll	<u>\$ 3,645,973</u>	<u>\$ 3,214,178</u>	<u>\$ 3,057,979</u>	<u>\$ 3,048,404</u>	<u>\$ 2,797,686</u>	<u>\$ 2,678,215</u>	<u>\$ 2,728,362</u>	<u>\$ 2,740,527</u>	<u>\$ 2,730,320</u>	<u>\$ 2,718,101</u>
Net Pension Liability as a Percentage of Covered Payroll	<u>238.19%</u>	<u>262.02%</u>	<u>231.77%</u>	<u>664.80%</u>	<u>270.84%</u>	<u>444.00%</u>	<u>407.33%</u>	<u>262.59%</u>	<u>237.23%</u>	<u>209.92%</u>

**STATE OF NEW MEXICO
SCHEDULE OF NET OPEB LIABILITY
NEW MEXICO RETIREE HEALTH CARE AUTHORITY
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)**

	Ended June 30, 2023	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	\$ 3,049,663	\$ 3,467,299	\$ 4,409,850	\$ 5,028,581	\$ 3,999,138	\$ 5,006,012	\$ 5,111,142
Plan Net Position	<u>1,346,728</u>	<u>1,155,696</u>	<u>1,119,501</u>	<u>829,673</u>	<u>756,749</u>	<u>657,657</u>	<u>579,469</u>
Net OPEB Liability	<u>\$ 1,702,935</u>	<u>\$ 2,311,603</u>	<u>\$ 3,290,349</u>	<u>\$ 4,198,908</u>	<u>\$ 3,242,389</u>	<u>\$ 4,348,355</u>	<u>\$ 4,531,673</u>
Percentage of Plan Net Position to Total OPEB Liability	<u>44.16%</u>	<u>33.33%</u>	<u>25.39%</u>	<u>16.50%</u>	<u>18.92%</u>	<u>13.14%</u>	<u>11.34%</u>
Covered Payroll	<u>\$ 4,952,013</u>	<u>\$ 4,745,116</u>	<u>\$ 4,614,244</u>	<u>\$ 4,298,116</u>	<u>\$ 4,172,929</u>	<u>\$ 4,290,617</u>	<u>\$ 4,165,647</u>
Net OPEB Liability as a Percentage of Covered Payroll	<u>34.39%</u>	<u>48.72%</u>	<u>71.31%</u>	<u>97.69%</u>	<u>77.70%</u>	<u>101.35%</u>	<u>108.79%</u>

**STATE OF NEW MEXICO
SCHEDULE OF NET OPEB LIABILITY
THE UNIVERSITY OF NEW MEXICO
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)**

Amounts are in thousands

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service Cost	\$ 2,180	\$ 1,742	\$ 1,891	\$ 3,267	\$ 3,501	\$ 3,526	\$ 3,019
Interest	11,248	9,366	892	10,640	10,007	9,469	9,058
Changes of Benefit Terms	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	-	23,091	-	(38,575)	-	-	-
Changes of Assumptions	(3,057)	4,104	(6,534)	7,729	(7,105)	(6,444)	7,114
Benefit Payments	(5,415)	(5,444)	(5,296)	5,298	(4,913)	(4,841)	(4,818)
Net Change in Total OPEB Liability	4,956	32,859	(1,018)	(22,236)	1,490	1,710	14,373
Total OPEB Liability - Beginning	165,894	133,035	134,053	156,289	154,799	153,089	138,715
Total OPEB Liability- Ending (a)	\$ 170,850	\$ 165,894	\$ 133,035	\$ 134,053	\$ 156,289	\$ 154,799	\$ 153,089
Plan Fiduciary Net Position							
Contributions - Employer	\$ 7,383	\$ 7,490	\$ 7,460	\$ 7,513	\$ 7,322	\$ 7,467	\$ 7,675
Contributions - Member	1,967	2,047	2,164	2,215	2,408	2,625	2,856
Net investment Income	(10,734)	11,408	1,854	2,111	2,080	1,615	895
Benefit Payments	(5,415)	(5,444)	(5,296)	(5,298)	(4,913)	(4,841)	(4,818)
Administrative Expense	(6)	(9)	(3)	(5)	(5)	-	-
Net Change in Plan Fiduciary Net Position	(6,805)	15,492	6,179	6,536	6,892	6,866	6,608
Plan Fiduciary Net Position - Beginning	59,012	43,520	37,341	30,805	23,913	17,045	10,435
Plan Fiduciary Net Position- Ending (b)	\$ 52,207	\$ 59,012	\$ 43,520	\$ 37,341	\$ 30,805	\$ 23,913	\$ 17,045
University's Net OPEB Liability - Ending (a)-(b)	\$ 118,643	\$ 106,882	\$ 89,515	\$ 96,712	\$ 125,484	\$ 130,886	\$ 136,044
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.56%	35.57%	32.71%	27.86%	19.71%	15.45%	11.13%
Covered-Employee Payroll	\$ 262,303	\$ 272,863	\$ 288,544	\$ 295,345	\$ 321,166	\$ 350,452	\$ 383,432
University's net OPEB Liability as a Percentage of Covered-Employee Payroll	45.23%	39.17%	31.02%	32.75%	39.07%	37.35%	35.48%

Notes to the Schedule:

Benefit Changes: None

Differences between expected and actual experience: The \$23,091,200 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 premium rating being fully blended with the active employees. There is no change in the Total OPEB Liability from the fiscal year ended June 30, 2022 to the fiscal year ended June 30, 2023 due to differences in expected and actual experience.

Changes of assumptions: The \$4,104,100 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 and mortality assumptions. The \$3,057,100 decrease in the liability from June 30, 2022 to June 30, 2023 is due to the increase in the assumed discount rate from 6.80% as of June 30, 2022 to 6.90% as of June 30, 2023.

**STATE OF NEW MEXICO
SCHEDULE OF NET OPEB LIABILITY
NEW MEXICO STATE UNIVERSITY
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)**

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	\$ 3,955	\$ 6,726	\$ 6,497	\$ 5,787	\$ 5,127	\$ 4,936
Interest	4,627	3,802	3,745	5,208	5,268	5,291
Current Recognized Deferred Outflows/(Inflows):						
Difference Between Expected and Actual Experience	-	(20,103)	-	(13,724)	-	-
Changes in Assumptions or Other Inputs	(1,882)	(27,754)	1,340	28,160	7,135	(5,357)
Benefit Payments	(5,561)	(4,845)	(5,718)	(5,274)	(5,758)	(5,523)
Net Change in Total OPEB Liability	1,139	(42,174)	5,864	20,157	11,772	(653)
Total OPEB Liability - Beginning	129,519	171,693	165,829	145,672	133,899	134,552
Total OPEB Liability - Ending	<u>\$ 130,658</u>	<u>\$ 129,519</u>	<u>\$ 171,693</u>	<u>\$ 165,829</u>	<u>\$ 145,672</u>	<u>\$ 133,899</u>
Covered-Employee Payroll	\$ 119,786	\$ 116,865	\$ 135,947	\$ 131,987	\$ 153,961	\$ 150,205
University's Net OPEB Liability as a Percentage of Covered-Employee Payroll	109%	111%	126%	126%	95%	89%

STATE OF NEW MEXICO
SCHEDULE OF NET OPEB LIABILITY
NEW MEXICO INSTITUTE OF MINING AND TECHNOLOGY
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service Cost	\$ 5,036	\$ 2,993	\$ 2,182	\$ 1,999	\$ 2,317	\$ 2,697	\$ 2,149
Interest Cost	1,488	1,377	1,388	1,518	1,377	1,225	1,194
Changes of Benefit Terms	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	-	12,357	-	(5,898)	-	-	-
Changes of Assumptions	(15,164)	7,720	6,895	2,050	(1,486)	(3,354)	3,706
Benefit Payments	(1,545)	(1,477)	(1,273)	(61)	(649)	(1,490)	(930)
Net Change in Total OPEB Liability	(10,185)	22,970	9,192	(392)	1,559	(922)	6,119
Total OPEB Liability- Beginning	64,293	41,323	32,131	32,523	30,964	31,886	25,765
Total OPEB Liability- Ending (a)	\$ 54,108	\$ 64,293	\$ 41,323	\$ 32,131	\$ 32,523	\$ 30,964	\$ 31,886
Plan Fiduciary Net Position							
Contributions - Employer	\$ 803	\$ 689	\$ 705	\$ 2,239	\$ 3,997	\$ 4,998	\$ 4,936
Contributions - Member	780	735	650	1,632	3,386	3,706	3,628
Net Investment Income	(294)	715	85	149	173	208	29
Benefit Payments	(1,544)	(1,477)	(1,273)	(61)	(649)	(1,490)	(930)
Administrative Expense	(126)	(97)	(88)	(306)	(359)	(378)	(388)
Other	(280)	147	6	(3,714)	(5,899)	(6,132)	(5,963)
Net Change in Plan Fiduciary Net Position	(661)	712	85	(61)	649	912	1,312
Plan Fiduciary Net Position - Beginning	5,040	4,328	4,243	4,304	3,655	2,743	1,431
Plan Fiduciary Net Position - Ending (b)	4,379	5,040	4,328	4,243	4,304	3,655	2,743
University's Net OPEB Liability - Ending (a)-(b)	\$ 49,729	\$ 59,253	\$ 36,995	\$ 27,888	\$ 28,219	\$ 27,309	\$ 29,143
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	8.1%	7.8%	10.5%	13.2%	13.2%	11.8%	8.6%
Covered-Employee Payroll	\$ 50,301	\$ 48,653	\$ 30,619	\$ 29,916	\$ 28,337	\$ 28,142	\$ 27,958
University's Net OPEB Liability as a Percentage of Covered-Employee Payroll	99%	122%	121%	93%	100%	97%	104%

Notes to the Schedule:

Changes in Assumptions: The \$9,542,577 decrease in the liability from June 30, 2022 to June 30, 2023 is due mainly to the increase in the assumed discount rate, changes to the mortality table and trend rates.

Benefits changes: None

**STATE OF NEW MEXICO
SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)**

	Fiscal Year				
	2023	2022	2021	2020	2019
Statutory Required Contributions	\$ 599,244	\$ 531,398	\$ 379,185	\$ 368,425	\$ 339,676
Actual Employer Contributions	454,462	395,408	379,185	368,425	339,676
Annual Contribution Deficiency	\$ 144,782	\$ 135,990	\$ -	\$ -	\$ -
Covered Payroll	\$ 2,537,115	\$ 2,460,174	\$ 2,482,249	\$ 2,339,923	\$ 2,287,712
Annual Contribution as a Percentage of Covered Payroll	17.91%	16.07%	15.28%	15.75%	14.85%

**STATE OF NEW MEXICO
SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION
PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONTINUED)
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)**

	Fiscal Year				
	2018	2017	2016	2015	2014
Statutory Required Contributions	\$ 319,499	\$ 332,473	\$ 324,752	\$ 317,164	\$ 370,766
Actual Employer Contributions	319,499	332,473	324,752	317,164	370,766
Annual Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 2,265,036	\$ 2,193,889	\$ 2,326,943	\$ 2,248,254	\$ 2,102,265
Annual Contribution as a Percentage of Covered Payroll	14.11%	15.15%	13.96%	14.11%	17.64%

**STATE OF NEW MEXICO
SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION
JUDICIAL RETIREMENT SYSTEM
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)**

	Fiscal Year				
	2023	2022	2021	2020	2019
Statutory Required Contributions	\$ 7,186	\$ 7,205	\$ 5,858	\$ 6,045	\$ 5,881
Actual Employer Contributions	6,352	25,619	5,626	4,683	4,731
Annual Contribution Deficiency (Excess)	<u>\$ 834</u>	<u>\$ (18,414)</u>	<u>\$ 232</u>	<u>\$ 1,362</u>	<u>\$ 1,150</u>
Covered Payroll	<u>\$ 21,443</u>	<u>\$ 17,681</u>	<u>\$ 16,985</u>	<u>\$ 16,090</u>	<u>\$ 16,292</u>
Annual Contribution as a Percentage of Covered Payroll	<u>29.62%</u>	<u>144.90%</u>	<u>33.12%</u>	<u>29.11%</u>	<u>29.04%</u>

**STATE OF NEW MEXICO
SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION
JUDICIAL RETIREMENT SYSTEM (CONTINUED)
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)**

	Fiscal Year				
	2018	2017	2016	2015	2014
Statutory Required Contributions	\$ 4,908	\$ 4,975	\$ 4,816	\$ 4,919	\$ 6,413
Actual Employer Contributions	4,723	4,524	4,237	4,196	3,741
Annual Contribution Deficiency (Excess)	<u>\$ 185</u>	<u>\$ 451</u>	<u>\$ 579</u>	<u>\$ 723</u>	<u>\$ 2,672</u>
Covered Payroll	<u>\$ 15,126</u>	<u>\$ 15,493</u>	<u>\$ 15,612</u>	<u>\$ 15,084</u>	<u>\$ 13,163</u>
Annual Contribution as a Percentage of Covered Payroll	<u>31.22%</u>	<u>29.20%</u>	<u>27.14%</u>	<u>27.82%</u>	<u>28.42%</u>

**STATE OF NEW MEXICO
SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION
MAGISTRATE RETIREMENT SYSTEM
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)**

	Fiscal Year				
	2023	2022	2021	2020	2019
Statutory Required Contributions	\$ 2,724	\$ 2,396	\$ 2,306	\$ 1,923	\$ 1,862
Actual Employer Contributions	2,538	2,385	2,348	1,293	1,236
Annual Contribution Deficiency (Excess)	\$ 186	\$ 11	\$ (42)	\$ 630	\$ 626
Covered Payroll	\$ 7,212	\$ 6,289	\$ 6,092	\$ 6,025	\$ 6,025
Annual Contribution as a Percentage of Covered Payroll	35.18%	37.91%	38.53%	21.45%	20.52%

**STATE OF NEW MEXICO
SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION
MAGISTRATE RETIREMENT SYSTEM (CONTINUED)
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)**

	Fiscal Year				
	2018	2017	2016	2015	2014
Statutory Required Contributions	\$ 1,588	\$ 1,576	\$ 1,463	\$ 1,967	\$ 1,992
Actual Employer Contributions	1,232	1,282	1,280	937	793
Annual Contribution Deficiency (Excess)	<u>\$ 356</u>	<u>\$ 294</u>	<u>\$ 183</u>	<u>\$ 1,030</u>	<u>\$ 1,199</u>
Covered Payroll	<u>\$ 5,638</u>	<u>\$ 5,633</u>	<u>\$ 5,243</u>	<u>\$ 5,066</u>	<u>\$ 3,516</u>
Annual Contribution as a Percentage of Covered Payroll	<u>21.85%</u>	<u>22.76%</u>	<u>24.42%</u>	<u>18.49%</u>	<u>22.56%</u>

**STATE OF NEW MEXICO
SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION
VOLUNTEER FIREFIGHTERS RETIREMENT SYSTEM
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)**

	Fiscal Year				
	2023	2022	2021	2020	2019
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
SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION
VOLUNTEER FIREFIGHTERS RETIREMENT SYSTEM (CONTINUED)
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)

	Fiscal Year				
	2018	2017	2016	2015	2014
Statutory Required Contributions	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750
Actual Employer Contributions	750	750	750	750	750
Annual Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Annual Contribution as a Percentage of Covered Payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

**STATE OF NEW MEXICO
SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION
EDUCATIONAL EMPLOYEE RETIREMENT SYSTEM
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)**

	Fiscal Year				
	2023	2022	2021	2020	2019
Statutory Required Contributions	\$ 690,316	\$ 627,461	\$ 656,732	\$ 586,452	\$ 587,331
Actual Employer Contributions	662,750	511,944	452,872	451,556	406,549
Annual Contribution Deficiency (Excess)	<u>\$ 27,566</u>	<u>\$ 115,517</u>	<u>\$ 203,860</u>	<u>\$ 134,895</u>	<u>\$ 180,782</u>
Covered Payroll	<u>\$ 3,645,973</u>	<u>\$ 3,214,178</u>	<u>\$ 3,057,979</u>	<u>\$ 3,048,404</u>	<u>\$ 2,797,686</u>
Annual Contribution as a Percentage of Covered Payroll	<u>18.18%</u>	<u>15.93%</u>	<u>14.81%</u>	<u>14.81%</u>	<u>14.53%</u>

**STATE OF NEW MEXICO
SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION
EDUCATIONAL EMPLOYEE RETIREMENT SYSTEM (CONTINUED)
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)**

	Fiscal Year				
	2018	2017	2016	2015	2014
Statutory Required Contributions	\$ 546,593	\$ 477,840	\$ 465,341	\$ 450,951	\$ 479,884
Actual Employer Contributions	388,724	395,844	396,989	395,130	362,463
Annual Contribution Deficiency (Excess)	<u>\$ 157,869</u>	<u>\$ 81,996</u>	<u>\$ 68,352</u>	<u>\$ 55,821</u>	<u>\$ 117,421</u>
Covered Payroll	<u>\$ 2,678,215</u>	<u>\$ 2,728,362</u>	<u>\$ 2,740,527</u>	<u>\$ 2,730,320</u>	<u>\$ 2,718,101</u>
Annual Contribution as a Percentage of Covered Payroll	<u>14.51%</u>	<u>14.51%</u>	<u>14.49%</u>	<u>14.47%</u>	<u>13.34%</u>

**STATE OF NEW MEXICO
SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB
NEW MEXICO RETIREE HEALTH CARE AUTHORITY
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)**

	Fiscal Year						
	2023	2022	2021	2020	2019	2018	2017
Statutory Required Contributions	\$ 114,542	\$ 101,585	\$ 96,585	\$ 96,504	\$ 88,516	\$ 85,402	\$ 85,858
Actual Employer Contributions	<u>114,542</u>	<u>101,585</u>	<u>96,585</u>	<u>96,504</u>	<u>88,516</u>	<u>85,402</u>	<u>85,858</u>
Annual Contribution Deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 4,952,013</u>	<u>\$ 4,745,116</u>	<u>\$ 4,614,244</u>	<u>\$ 4,298,116</u>	<u>\$ 4,172,929</u>	<u>\$ 4,290,617</u>	<u>\$ 4,165,647</u>
Annual Contribution as a Percentage of Covered Payroll	<u>2.31%</u>	<u>2.14%</u>	<u>2.09%</u>	<u>2.25%</u>	<u>2.12%</u>	<u>1.99%</u>	<u>2.06%</u>

**STATE OF NEW MEXICO
SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB
THE UNIVERSITY OF NEW MEXICO
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)**

	2023	2022	2021	2020	2019	2018	2017
Actuarially Determined Contribution	\$ 7,302	\$ 7,383	\$ 7,490	\$ 7,459	\$ 7,513	\$ 7,322	\$ 7,467
Contributions in Relation to the Actuarially Determined Contribution	7,302	7,383	7,490	7,459	7,513	7,322	7,467
Contribution Deficiency (Excess)	-	-	-	-	-	-	-
Covered Employee Payroll	257,325	262,303	272,863	288,544	295,345	321,166	350,452
Contributions as a Percentage of Payroll	2.84%	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: 7.8% initially, reduced by decrements to a rate of 4.5% after nine years
 Medical Post-Medicare: 8.25% 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-2020.

STATE OF NEW MEXICO
SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB
NEW MEXICO INSTITUTE OF MINING AND TECHNOLOGY
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)

	2023	2022	2021	2020	2019	2018	2017
Actuarially Determined Contribution	755	803	689	705	2,239	3,997	4,998
Contributions in Relation to the Actuarially Determined Contribution	755	803	689	705	2,239	3,997	4,998
Contribution Deficiency (Excess)	-	-	-	-	-	-	-
Covered Employee Payroll	50,301	48,653	31,793	30,619	14,433	28,337	28,142
Contributions as a Percentage of Payroll	1.5%	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

Inflation 3.0%

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 5.25

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
 SCHEDULE OF INVESTMENT RETURNS - PENSION
 PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST TEN YEARS (A) ENDED JUNE 30,
 (IN THOUSANDS)**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual Money-Weighted Rate of Return, Net of Investment Expenses	<u>3.62%</u>	<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>

**STATE OF NEW MEXICO
 SCHEDULE OF INVESTMENT RETURNS - PENSION
 EDUCATIONAL EMPLOYEE RETIREMENT SYSTEM
 LAST TEN YEARS (A) ENDED JUNE 30,
 (IN THOUSANDS)**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual Money-Weighted Rate of Return, Net of Investment Expenses	<u>5.62%</u>	<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>

**STATE OF NEW MEXICO
 SCHEDULE OF INVESTMENT RETURNS - OPEB
 NEW MEXICO RETIREE HEALTH CARE AUTHORITY
 LAST TEN YEARS (A) ENDED JUNE 30,
 (IN THOUSANDS)**

	Fiscal Year						
	2023	2022	2021	2020	2019	2018	2017
Annual Money-Weighted Rate of Return, Net of Investment Expenses	5.99%	-0.86%	22.59%	1.43%	6.53%	9.06%	13.98%

* Information for prior years not available.

**STATE OF NEW MEXICO
 SCHEDULE OF INVESTMENT RETURNS - OPEB
 THE UNIVERSITY NEW MEXICO
 LAST TEN YEARS (A) ENDED JUNE 30,
 (IN THOUSANDS)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	9.83%	-17.43%	26.04%	4.55%	6.18%	6.77%	11.26%

* Information for prior years not available.

**STATE OF NEW MEXICO
SCHEDULE OF INVESTMENT RETURNS - OPEB
NEW MEXICO INSTITUTE OF MINING AND TECHNOLOGY
LAST TEN YEARS (A) ENDED 30,
(IN THOUSANDS)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	8.05%	-11.83%	36.75%	3.70%	7.10%	9.40%	11.30%

* Information for prior years not available.

**STATE OF NEW MEXICO
SCHEDULE OF ACTUARIAL METHODS AND ASSUMPTIONS
ALL RETIREMENT SYSTEMS
FISCAL YEAR ENDING JUNE 30, 2023
(IN THOUSANDS)**

	PERS	JRS	MRS	VFRS	EERS
Valuation date	June 30, 2022	June 30, 2022	June 30, 2022	June 30, 2022	June 30, 2022
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	25 Years	25 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	
Payroll Growth	3.00%	3.00%	3.00%	N/A	-
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%	5.68%	5.82%	7.25%	7.00%
Municipal Bond Rate		3.69%	3.69%		

All percentages are stated at an annual rate.
Investment rate of return is net of investment expenses.

**STATE OF NEW MEXICO
SCHEDULE OF ACTUARIAL METHODS AND ASSUMPTIONS
NEW MEXICO RETIREE HEALTH CARE AUTHORITY
FISCAL YEAR ENDING JUNE 30, 2023
(IN THOUSANDS)**

Valuation Date	June 30, 2023
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	6.22%
Health care cost trend rate:	8.00% graded down to 4.50% over 14 years for Non-Medicare medical plan costs and 8.50% graded down to 4.50% over 12 years for Medicare medical plan costs Actual premium increase for the first year, then 8.25% graded down the 4.50% over 15 years

STATE OF NEW MEXICO

The Following Presents Required Supplementary Information for the Employer Reporting of Pension and OPEB Amounts

STATE OF NEW MEXICO
SCHEDULE OF THE STATE OF NEW MEXICO'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS*
(IN THOUSANDS)

PERA - State-Funded Divisions	Measurement Date									
	June 30, 2022	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	53.83%	57.10%	51.17%	51.29%	52.74%	52.52%	51.25%	52.70%	54.10%	
State proportionate share of the net pension liability	\$ 3,890,088	\$ 2,996,326	\$ 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)	\$ 1,151,862	\$ 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	337.72%	263.87%	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	69.35%	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
SCHEDULE OF THE STATE OF NEW MEXICO'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)

PERA - Judicial Fund	Measurement Date									
	June 30, 2022	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%	100.00%
State proportionate share of the net pension liability	\$ 92,243	\$ 72,669	\$ 138,539	\$ 113,675	\$ 84,479	\$ 86,675	\$ 106,623	\$ 48,050	\$ 41,311	
State covered payroll (b)	\$ 17,681	\$ 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	521.71%	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	54.75%	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
SCHEDULE OF THE STATE OF NEW MEXICO'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)

PERA - Magistrate Fund	Measurement Date									
	June 30, 2022	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	0.00%	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	\$ 43,041	\$ 24,365	\$ 29,547	\$ 45,634	\$ 36,998	\$ 33,403	\$ 43,481	\$ 30,349	\$ 21,216	
State covered payroll (b)	\$ 6,290	\$ 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	684.28%	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	42.95%	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
SCHEDULE OF THE STATE OF NEW MEXICO'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)

PERA - Volunteer Firefighters Fund	Measurement Date									
	June 30, 2022	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 (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 asset	\$ (26,125)	\$ (31,593)	\$ (16,932)	\$ (19,276)	\$ (18,485)	\$ (17,898)	\$ (12,114)	\$ (17,625)	\$ (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	
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	

(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
SCHEDULE OF THE STATE OF NEW MEXICO'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)

ERB - State Agencies	Measurement Date									
	June 30, 2022	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%	0.26%	0.27%	0.29%	0.29%	0.27%	0.30%	0.34%	0.34%	
State proportionate share of the net pension liability	\$ 22,714	\$ 18,663	\$ 54,568	\$ 22,005	\$ 34,028	\$ 30,486	\$ 21,580	\$ 22,015	\$ 19,127	
State covered payroll (b)	\$ 8,924	\$ 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	254.52%	221.17%	634.46%	259.22%	425.35%	356.10%	223.35%	238.26%	206.96%	
Plan fiduciary net position as a percentage of the total pension liability	64.87%	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, 2022	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	26.29%	26.98%	26.80%	27.87%	28.73%	28.80%	28.65%	28.85%	29.19%	
State proportionate share of the net pension liability	\$ 2,214,431	\$ 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)	\$ 892,224	\$ 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	248.19%	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	64.87%	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
SCHEDULE OF THE STATE OF NEW MEXICO'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)

Retiree Health Care - State-Funded Divisions	Measurement Date					
	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
State proportion of the net OPEB liability	16.78%	24.12%	24.03%	24.22%	24.13%	24.12%
State proportionate share of the net OPEB liability	\$ 552,044	\$ 793,748	\$ 1,008,906	\$ 785,609	\$ 1,049,291	\$ 1,093,162
State covered payroll (b)	\$ 1,258,400	\$ 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	43.87%	66.68%	87.80%	75.88%	101.86%	105.56%
Plan fiduciary net position as a percentage of the total OPEB liability	33.33%	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
SCHEDULE OF THE STATE OF NEW MEXICO'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY (CONTINUED)
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)

<u>Retiree Health Care - Educational Institutions</u>	<u>Measurement Date</u>					
	<u>June 30, 2022</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	1.93%	2.75%	2.67%	2.73%	2.86%	2.89%
State proportionate share of the net OPEB liability	\$ 63,643	\$ 90,524	\$ 112,118	\$ 88,554	\$ 124,460	\$ 130,892
State covered payroll (b)	\$ 137,600	\$ 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	46.25%	69.98%	87.80%	72.17%	96.69%	105.56%
Plan fiduciary net position as a percentage of the total OPEB liability	33.33%	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

The Following Presents Required Supplementary Information for the State as Employer

**STATE OF NEW MEXICO
SCHEDULE OF THE STATE'S CONTRIBUTIONS
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

<u>PERA - State-Funded Divisions</u>	<u>FY2023</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	\$ 251,754	\$ 221,400	\$ 209,237	\$ 200,231	\$ 181,674	\$ 174,957	\$ 184,801	\$ 171,144	\$ 176,397
Contributions in relation to contractually required contributions	251,754	221,400	209,237	200,231	181,674	174,957	184,801	171,144	176,397
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State covered payroll	\$ 1,326,233	\$ 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	18.98%	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
SCHEDULE OF THE STATE'S CONTRIBUTIONS (CONTINUED)
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)

<u>PERA - Judicial Fund</u>	<u>FY2023</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	\$ 7,186	\$ 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	6,352	25,619	5,626	4,683	4,731	4,723	4,524	4,237	4,196	3,741
Contribution deficiency	<u>\$ 834</u>	<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	\$ 21,443	\$ 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	29.63%	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
SCHEDULE OF THE STATE'S CONTRIBUTIONS (CONTINUED)
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)**

<u>PERA - Magistrate Fund</u>	<u>FY2023</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	\$ 2,724	\$ 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	<u>2,538</u>	<u>2,385</u>	<u>2,348</u>	<u>1,293</u>	<u>1,236</u>	<u>1,232</u>	<u>1,282</u>	<u>1,280</u>	<u>937</u>	<u>793</u>
Contribution deficiency	<u>\$ 186</u>	<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	\$ 7,212	\$ 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	35.19%	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
SCHEDULE OF THE STATE'S CONTRIBUTIONS (CONTINUED)
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)

<u>PERA - Volunteer Firefighters Fund</u>	<u>FY2023</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>
Statutorily determined contribution *	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750
Contributions in relation to statutorily determined contributions	<u>750</u>	<u>750</u>	<u>750</u>	<u>750</u>	<u>750</u>	<u>750</u>	<u>750</u>	<u>750</u>	<u>750</u>	<u>750</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</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	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
SCHEDULE OF THE STATE'S CONTRIBUTIONS (CONTINUED)
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)

<u>ERB - State Agencies</u>	<u>FY2023</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	\$ 1,558	\$ 1,352	\$ 1,194	\$ 1,217	\$ 1,180	\$ 1,112	\$ 1,190	\$ 1,343	\$ 1,215
Contributions in relation to contractually required contributions	1,558	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>	<u>\$ -</u>
State covered payroll	\$ 10,284	\$ 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%	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>FY2023</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	\$ 168,175	\$ 135,172	\$ 121,043	\$ 121,126	\$ 113,215	\$ 111,586	\$ 113,728	\$ 113,979	\$ 105,788
Contributions in relation to contractually required contributions	168,175	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>	<u>\$ -</u>
Educational Institutions' covered payroll	\$ 1,110,066	\$ 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%	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
SCHEDULE OF THE STATE'S CONTRIBUTIONS (CONTINUED)
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)

Retiree Health Care - State-Funded Divisions	FY2023	FY2022	FY2021	FY2020	FY2019	FY2018
Contractually Required contribution	\$ 27,250	\$ 25,168	\$ 23,808	\$ 22,981	\$ 20,707	\$ 20,602
Contributions in relation to contractually required contributions	27,250	25,168	23,808	22,981	20,707	20,602
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State covered payroll	\$ 1,362,500	\$ 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%	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
SCHEDULE OF THE STATE'S CONTRIBUTIONS (CONTINUED)
LAST TEN YEARS (A) ENDED JUNE 30,
(IN THOUSANDS)

<u>Retiree Health Care - Educational Institutions</u>	<u>FY2023</u>	<u>FY2022</u>	<u>FY2021</u>	<u>FY2020</u>	<u>FY2019</u>	<u>FY2018</u>
Contractually Required contribution	\$ 3,060	\$ 2,752	\$ 2,587	\$ 2,554	\$ 2,454	\$ 2,575
Contributions in relation to contractually required contributions	<u>3,060</u>	<u>2,752</u>	<u>2,587</u>	<u>2,554</u>	<u>2,454</u>	<u>2,575</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
State covered payroll	\$ 153,000	\$ 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%	2.00%

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(b) Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.

OTHER SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
NONMAJOR GOVERNMENTAL FUNDS COMBINING FINANCIAL STATEMENTS**

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.

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.

Children's Trust Fund

The Children's Trust Fund is a permanent fund used to account for funds received through general fund appropriations and other fees for service. The funds are invested and the investment proceeds can be utilized by other funds for programs for children as described in the Children's Trust Fund Act, NMSA 1978 chapter 24, article 19.

STATE OF NEW MEXICO
COMBINING STATEMENT OF NET POSITION
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023
(IN THOUSANDS)

	Debt Service Fund	Capital Projects Fund	Children's Trust Fund	Nonmajor Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 13,977	\$ -	\$ -	\$ 13,977
Investment in the Local Government Investment Pool	-	-	-	-
Investment in the State General Fund Investment Pool	605,868	4,298,345	200	4,904,413
Prepaid Expenses	-	-	-	-
Due From Other Funds	402,578	13,706	-	416,284
Due From Educational Institutions Fund	-	-	-	-
Due from Component Units	-	-	-	-
Receivables, Net	8,995	2,271	4	11,270
Investments	35,339	-	8,992	44,331
Inventories	-	-	-	-
Other Assets	-	-	-	-
Total Assets	<u>1,066,757</u>	<u>4,314,322</u>	<u>9,196</u>	<u>5,390,275</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charges - Water Projects	-	-	-	-
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 1,066,757</u>	<u>\$ 4,314,322</u>	<u>\$ 9,196</u>	<u>\$ 5,390,275</u>
LIABILITIES				
Accounts Payable	\$ 538	\$ 108,094	\$ -	\$ 108,632
Accrued Liabilities	-	1,201	-	1,201
Due To Other Funds	-	6,431	-	6,431
Due to Brokers	-	-	-	-
Due To Educational Institutions Fund	-	35,129	-	35,129
Due to Component Units	-	15,169	-	15,169
Intergovernmental Payables	-	86,570	-	86,570
Funds Held For Others	-	292	-	292
Other Obligations	1	-	-	1
Unearned Revenue	-	207,296	-	207,296
Total Liabilities	<u>539</u>	<u>460,182</u>	<u>-</u>	<u>460,721</u>
DEFERRED INFLOWS OF RESOURCES				
Leases	-	83	-	83
Unavailable Revenues	-	352	-	352
Total Deferred Inflows of Resources	<u>-</u>	<u>435</u>	<u>-</u>	<u>435</u>
FUND BALANCES				
Nonspendable	-	-	2,000	2,000
Restricted	1,070,235	3,894,040	4,696	4,968,971
Committed	-	20	2,500	2,520
Assigned	-	-	-	-
Unassigned (Deficit)	(4,017)	(40,355)	-	(44,372)
Total Fund Balances	<u>1,066,218</u>	<u>3,853,705</u>	<u>9,196</u>	<u>4,929,119</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,066,757</u>	<u>\$ 4,314,322</u>	<u>\$ 9,196</u>	<u>\$ 5,390,275</u>

STATE OF NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

	Debt Service Fund	Capital Projects Fund	Children's Trust Fund	Nonmajor Governmental Funds
REVENUES				
Taxes:				
General and Selective Taxes	\$ 2,489,961	\$ 6,701	\$ -	\$ 2,496,662
Income Taxes	-	-	-	-
Total Taxes	<u>2,489,961</u>	<u>6,701</u>	<u>-</u>	<u>2,496,662</u>
Other Revenues:				
Federal Revenue	-	26,430	-	26,430
Investment Income (Loss)	118,384	563	1,067	120,014
Rentals and Royalties	-	22	-	22
Charges for Services	3,305	230	-	3,535
Licenses, Fees, and Permits	2,253	-	139	2,392
Assessments	-	-	-	-
Miscellaneous and Other	-	10,786	-	10,786
Total Revenues	<u>2,613,903</u>	<u>44,732</u>	<u>1,206</u>	<u>2,659,841</u>
EXPENDITURES				
Current:				
Culture, Recreation, and Natural Resources	-	26,398	-	26,398
Education	-	69,909	-	69,909
General Control	20,456	197,852	-	218,308
Health and Human Services	3,996	97,878	-	101,874
Highway and Transportation	-	145,331	-	145,331
Judicial	10	3,148	-	3,158
Legislative	-	-	-	-
Public Safety	-	414	-	414
Regulation and Licensing	-	10,736	-	10,736
Capital Outlay	344	214,783	-	215,127
Debt Service:				
Principal	1,271,217	-	-	1,271,217
Interest and Other Charges	73,426	-	-	73,426
Total Expenditures	<u>1,369,449</u>	<u>766,449</u>	<u>-</u>	<u>2,135,898</u>
EXCESS REVENUES OVER (UNDER)				
EXPENDITURES	1,244,454	(721,717)	1,206	523,943
OTHER FINANCING SOURCES (USES)				
Bonds Issued	-	1,539,199	-	1,539,199
Bond Premium	-	59,060	-	59,060
Refunding Bonds Issued	-	-	-	-
Proceeds from the Sale of Capital Assets	-	-	-	-
Transfers In	22,834	408,903	-	431,737
Transfers to Higher Ed	-	-	-	-
Transfers Out	(1,368,386)	(343,684)	-	(1,712,070)
Payment to Refunding Bond Escrow Agent	-	-	-	-
Leases and SIBTAs	-	-	-	-
Total Other Financing Sources (Uses)	<u>(1,345,552)</u>	<u>1,663,478</u>	<u>-</u>	<u>317,926</u>
NET CHANGE IN FUND BALANCES	(101,098)	941,761	1,206	841,869
Adjustments to Fund Balance, See Note 9	-	-	7,990	7,990
Fund Balance - Beginning	1,167,316	2,911,944	-	4,079,260
FUND BALANCES - ENDING	<u>\$ 1,066,218</u>	<u>\$ 3,853,705</u>	<u>\$ 9,196</u>	<u>\$ 4,929,119</u>

**STATE OF NEW MEXICO
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 278.

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 289.

STATE OF NEW MEXICO
NONMAJOR ENTERPRISE FUNDS COMBINING FINANCIAL STATEMENTS

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.

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 nonminers.

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.

**STATE OF NEW MEXICO
NONMAJOR ENTERPRISE FUNDS COMBINING FINANCIAL STATEMENTS**

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
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2023
(IN THOUSANDS)**

	Industries for the Blind	Corrections Industries Revolving Fund	Environment Department	New Mexico Magazine	New Mexico Public Schools Insurance Authority	State Infrastructure Bank
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ 1,006	\$ -
Cash and Cash Equivalents - Restricted	-	-	-	-	-	-
Investment in the State General Fund						
Investment Pool	208	2,143	202,401	462	692	12,229
Investment in the Local Government						
Investment Pool	-	-	-	-	69,000	-
Prepaid Expenses and Other Assets	-	-	-	35	256	-
Due From Other Funds	-	-	-	-	-	-
Receivables, Net	212	1,420	20,430	377	35,325	879
Investments	-	-	-	-	-	-
Inventories	-	910	-	33	-	-
Total Current Assets	<u>420</u>	<u>4,473</u>	<u>222,831</u>	<u>907</u>	<u>106,279</u>	<u>13,108</u>
Noncurrent Assets:						
Loans Receivable	-	-	195,034	-	-	9,631
Investments	-	-	-	-	44,315	-
Nondepreciable Capital Assets	-	-	-	-	237	-
Capital Assets, Net	7	704	-	6	15	-
Total Noncurrent Assets	<u>7</u>	<u>704</u>	<u>195,034</u>	<u>6</u>	<u>44,567</u>	<u>9,631</u>
Total Assets	427	5,177	417,865	913	150,846	22,739
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Outflows - OPEB	12	145	-	92	99	-
Deferred Outflows - Pension	47	611	-	379	393	-
Total Deferred Outflows	<u>59</u>	<u>756</u>	<u>-</u>	<u>471</u>	<u>492</u>	<u>-</u>

**STATE OF NEW MEXICO
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
JUNE 30, 2023
(IN THOUSANDS)**

	Unemployment Insurance Fund	Miners' Colfax Medical Center	State Fair Commission	Department of Cultural Affairs	Education Trust Board	Total
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 408,497	\$ 401	\$ 1,149	\$ -	\$ -	\$ 411,053
Cash and Cash Equivalents - Restricted	-	-	-	-	-	-
Investment in the State General Fund Investment Pool	(548)	437	2,076	813	554	221,467
Investment in the Local Government Investment Pool	-	-	-	-	10,345	79,345
Prepaid Expenses and Other Assets	-	-	-	-	-	291
Due From Other Funds	-	-	-	-	-	-
Receivables, Net	199,096	5,631	2,256	-	132	265,758
Investments	-	-	-	-	-	-
Inventories	-	619	-	-	-	1,562
Total Current Assets	<u>607,045</u>	<u>7,088</u>	<u>5,481</u>	<u>813</u>	<u>11,031</u>	<u>979,476</u>
Noncurrent Assets:						
Loans Receivable	-	-	61,249	-	-	265,914
Investments	-	1,005	-	-	-	45,320
Nondepreciable Capital Assets	-	709	819	-	-	1,765
Capital Assets, Net	-	20,715	36,426	266	202	58,341
Total Noncurrent Assets	<u>-</u>	<u>22,429</u>	<u>98,494</u>	<u>266</u>	<u>202</u>	<u>371,340</u>
Total Assets	607,045	29,517	103,975	1,079	11,233	1,350,816
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Outflows - OPEB	-	1,861	255	-	32	2,496
Deferred Outflows - Pension	-	7,361	1,014	-	126	9,931
Total Deferred Outflows	<u>-</u>	<u>9,222</u>	<u>1,269</u>	<u>-</u>	<u>158</u>	<u>12,427</u>

STATE OF NEW MEXICO
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
JUNE 30, 2023
(IN THOUSANDS)

	Industries for the Blind	Corrections Industries Revolving Fund	Environment Department	New Mexico Magazine	New Mexico Public Schools Insurance Authority	State Infrastructure Bank
LIABILITIES						
Current Liabilities:						
Accounts Payable	\$ 199	\$ 29	\$ -	\$ 124	\$ 49	\$ -
Accrued Liabilities	2	34	-	19	28	-
Unearned Revenue	-	-	-	235	171	-
Due to Other Funds	-	-	-	-	-	-
Due to Higher Education	-	-	-	-	-	-
Funds Held for Others	-	-	-	-	3	-
Bonds Payable - Current Portion	-	-	-	-	-	-
Other Liabilities - Current Portion	2	108	-	433	33,460	-
Total Current Liabilities	<u>203</u>	<u>171</u>	<u>-</u>	<u>811</u>	<u>33,711</u>	<u>-</u>
Noncurrent Liabilities:						
Bonds Payable	-	-	-	-	-	-
Net Pension Liability	275	3,553	-	2,207	2,290	-
Net OPEB Liability	39	479	-	304	328	-
Other Liabilities	5	1	-	260	87,494	-
Total Noncurrent Liabilities	<u>319</u>	<u>4,033</u>	<u>-</u>	<u>2,771</u>	<u>90,112</u>	<u>-</u>
Total Liabilities	522	4,204	-	3,582	123,823	-
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows - Pension	6	76	-	50	52	-
Deferred Inflows - OPEB	36	439	-	277	300	-
Deferred Inflows - Lease	-	886	-	-	-	-
Deferred Inflows - Other	-	-	-	-	-	-
Total Deferred Inflows	<u>42</u>	<u>1,401</u>	<u>-</u>	<u>327</u>	<u>352</u>	<u>-</u>
NET POSITION						
Net Investment in Capital Assets	-	700	-	-	246	-
Restricted for:						
Loans	-	10	445,263	-	6,790	22,739
Unemployment and Insurance	-	-	-	-	-	-
Other Purposes	218	3,411	-	-	22,148	-
Unrestricted (Deficit)	<u>(296)</u>	<u>(3,793)</u>	<u>(27,398)</u>	<u>(2,525)</u>	<u>(2,021)</u>	<u>-</u>
Total Net Position	<u>\$ (78)</u>	<u>\$ 328</u>	<u>\$ 417,865</u>	<u>\$ (2,525)</u>	<u>\$ 27,163</u>	<u>\$ 22,739</u>

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STATE OF NEW MEXICO
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
JUNE 30, 2023
(IN THOUSANDS)

	Unemployment Insurance Fund	Miners' Colfax Medical Center	State Fair Commission	Department of Cultural Affairs	Education Trust Board	Total
LIABILITIES						
Current Liabilities:						
Accounts Payable	\$ 237	\$ 1,944	\$ 401	\$ 63	\$ 324	\$ 3,370
Accrued Liabilities	17,741	405	59	-	9	18,297
Unearned Revenue	33,647	-	494	-	-	34,547
Due to Other Funds	968	-	-	-	-	968
Due to Higher Education	-	-	-	-	-	-
Funds Held for Others	204	67	81	-	-	355
Bonds Payable - Current Portion	-	1,141	1	-	-	1,142
Other Liabilities - Current Portion	1	1,093	162	-	68	35,327
Total Current Liabilities	<u>52,798</u>	<u>4,650</u>	<u>1,198</u>	<u>63</u>	<u>401</u>	<u>94,006</u>
Noncurrent Liabilities:						
Bonds Payable	-	3,600	-	-	-	3,600
Net Pension Liability	-	42,880	5,906	-	739	57,850
Net OPEB Liability	-	6,168	847	-	107	8,272
Other Liabilities	-	1,616	107	-	175	89,658
Total Noncurrent Liabilities	<u>-</u>	<u>54,264</u>	<u>6,860</u>	<u>-</u>	<u>1,021</u>	<u>159,380</u>
Total Liabilities	52,798	58,914	8,058	63	1,422	253,386
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows - Pension	-	965	133	-	17	1,299
Deferred Inflows - OPEB	-	5,643	775	-	97	7,567
Deferred Inflows - Lease	-	-	63,481	-	-	64,367
Deferred Inflows - Other	-	-	173	-	-	173
Total Deferred Inflows	<u>-</u>	<u>6,608</u>	<u>64,562</u>	<u>-</u>	<u>114</u>	<u>73,406</u>
NET POSITION						
Net Investment in Capital Assets	-	15,088	37,245	265	-	53,544
Restricted for:						
Loans	-	-	-	-	-	474,802
Unemployment and Insurance	554,686	-	-	-	-	554,686
Other Purposes	-	1,004	458	-	10,656	37,895
Unrestricted (Deficit)	<u>(439)</u>	<u>(42,875)</u>	<u>(5,079)</u>	<u>751</u>	<u>(801)</u>	<u>(84,476)</u>
Total Net Position	<u>\$ 554,247</u>	<u>\$ (26,783)</u>	<u>\$ 32,624</u>	<u>\$ 1,016</u>	<u>\$ 9,855</u>	<u>\$ 1,036,451</u>

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STATE OF NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

	Industries for the Blind	Corrections Industries Revolving Fund	Environment Department	New Mexico Magazine	New Mexico Public Schools Insurance Authority	State Infrastructure Bank
OPERATING REVENUES						
Charges for Services	\$ 7,947	\$ 3,958	\$ -	\$ 4,105	\$ 434,958	\$ -
Unemployment Insurance	-	-	-	-	-	-
Federal Revenue	-	-	-	-	-	-
Loan and Other Income	-	27	5,162	-	3,461	357
Other Operating Revenues	2	256	-	19	16	-
Total Operating Revenues	<u>7,949</u>	<u>4,241</u>	<u>5,162</u>	<u>4,124</u>	<u>438,435</u>	<u>357</u>
OPERATING EXPENSES						
Benefits, Claims, and Premiums	-	-	-	-	6,085	-
General and Administrative Expenses	148	2,471	4,452	10,663	436,827	-
Depreciation Expense	1	115	-	-	6	-
Other Operating Expenses	7,841	565	-	21	-	-
Total Operating Expenses	<u>7,990</u>	<u>3,151</u>	<u>4,452</u>	<u>10,684</u>	<u>442,918</u>	<u>-</u>
OPERATING INCOME (LOSS)	(41)	1,090	710	(6,560)	(4,483)	357
NONOPERATING REVENUES (EXPENSES)						
Interest and Investment Income	-	(27)	-	-	4,409	-
Interest Expense	-	-	-	-	-	-
Gain/(Loss) on Sale of Capital Assets	8	-	-	-	-	-
Government Grants and Contracts	-	-	14,419	6,229	-	-
Other Revenue (Expenses)	44	-	3,636	-	-	-
Total Nonoperating Revenues (Expenses)	<u>52</u>	<u>(27)</u>	<u>18,055</u>	<u>6,229</u>	<u>4,409</u>	<u>-</u>
INCOME (LOSS) BEFORE TRANSFERS	11	1,063	18,765	(331)	(74)	357
TRANSFERS						
Transfers In	-	-	10,000	-	-	-
Transfers Out	-	-	(1,253)	(52)	-	-
Total Transfers	<u>-</u>	<u>-</u>	<u>8,747</u>	<u>(52)</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	11	1,063	27,512	(383)	(74)	357
Net Position - Beginning, as Restated	(89)	(735)	390,353	(2,142)	27,237	22,382
NET POSITION - ENDING	<u>\$ (78)</u>	<u>\$ 328</u>	<u>\$ 417,865</u>	<u>\$ (2,525)</u>	<u>\$ 27,163</u>	<u>\$ 22,739</u>

STATE OF NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

	Unemployment Insurance Fund	Miners' Colfax Medical Center	State Fair Commission	Department of Cultural Affairs	Education Trust Board	Total
OPERATING REVENUES						
Charges for Services	\$ 1,332	\$ 26,974	\$ 13,637	\$ 20	\$ 2,564	\$ 495,495
Unemployment Insurance	130,506	-	-	-	-	130,506
Federal Revenue	-	-	-	-	-	-
Loan and Other Income	7,185	443	-	-	376	17,011
Other Operating Revenues	7,949	210	29	-	-	8,481
Total Operating Revenues	<u>146,972</u>	<u>27,627</u>	<u>13,666</u>	<u>20</u>	<u>2,940</u>	<u>651,493</u>
OPERATING EXPENSES						
Benefits, Claims, and Premiums	175,949	-	-	-	-	182,034
General and Administrative Expenses	-	42,981	14,087	102	2,878	514,609
Depreciation Expense	-	2,334	2,117	89	40	4,702
Other Operating Expenses	-	1	-	-	5	8,433
Total Operating Expenses	<u>175,949</u>	<u>45,316</u>	<u>16,204</u>	<u>191</u>	<u>2,923</u>	<u>709,778</u>
OPERATING INCOME (LOSS)	(28,977)	(17,689)	(2,538)	(171)	17	(58,285)
NONOPERATING REVENUES (EXPENSES)						
Interest and Investment Income	-	-	595	-	-	4,977
Interest Expense	-	(177)	-	-	(7)	(184)
Gain/(Loss) on Sale of Capital Assets	-	-	-	-	-	8
Government Grants and Contracts	6,356	770	-	-	-	27,774
Other Revenue (Expenses)	-	-	-	-	-	3,680
Total Nonoperating Revenues (Expenses)	<u>6,356</u>	<u>593</u>	<u>595</u>	<u>-</u>	<u>(7)</u>	<u>36,255</u>
INCOME (LOSS) BEFORE TRANSFERS	(22,621)	(17,096)	(1,943)	(171)	10	(22,030)
TRANSFERS						
Transfers In	-	9,099	2,439	-	-	21,538
Transfers Out	(1,189)	-	(99)	-	-	(2,593)
Total Transfers	<u>(1,189)</u>	<u>9,099</u>	<u>2,340</u>	<u>-</u>	<u>-</u>	<u>18,945</u>
CHANGE IN NET POSITION	(23,810)	(7,997)	397	(171)	10	(3,085)
Net Position - Beginning, as Restated	<u>578,057</u>	<u>(18,786)</u>	<u>32,227</u>	<u>1,187</u>	<u>9,845</u>	<u>1,039,536</u>
NET POSITION - ENDING	<u>\$ 554,247</u>	<u>\$ (26,783)</u>	<u>\$ 32,624</u>	<u>\$ 1,016</u>	<u>\$ 9,855</u>	<u>\$ 1,036,451</u>

**STATE OF NEW MEXICO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)**

	Industries for the Blind	Corrections Industries Revolving Fund	Environment Department	New Mexico Magazine	New Mexico Public Schools Insurance Authority	State Infrastructure Bank
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Received from:						
Fees for Service	\$ 7,932	\$ 3,847	\$ -	\$ -	\$ 428,935	\$ -
Sale of Products	-	-	-	4,228	-	-
Gifts, Grants, and Contracts	-	-	-	-	-	-
Loan and Note Repayments	-	-	15,844	-	-	-
Unemployment Insurance	-	-	-	-	-	-
Other Sources	-	-	3,970	-	19	347
Cash Payments to or for:						
Suppliers	(7,839)	(1,030)	(4,450)	(9,637)	(93,144)	-
Employees	(133)	(1,717)	-	(916)	-	-
Unemployment Benefits	-	-	-	-	-	-
Loans, Loan Losses, Insurance Losses	-	-	(24,810)	-	(348,255)	-
Other Payments	-	(180)	-	-	-	-
Net Cash Provided (Used) by Operating Activities	(40)	920	(9,446)	(6,325)	(12,445)	347
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers In	-	-	10,000	-	-	-
Transfers Out	-	-	(1,253)	(52)	-	-
Gifts for Other Than Capital Purposes	11	-	-	-	-	-
Intergovernmental Receipts	-	-	-	6,229	-	-
Other - Capital Asset Transfer In	-	-	-	-	-	-
Other - Capital Asset Transfer Out	-	-	-	-	-	-
Other Noncapital Financing	45	470	13,283	-	-	-
Net Cash Provided by Noncapital Financing Activities	56	470	22,030	6,177	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of Capital Assets	-	(92)	-	-	(7)	-
Capital Gifts, Grants, and Contracts	-	-	-	-	-	-
Capital Debt Service Payments - Principal	-	(5)	-	-	(3)	-
Capital Debt Service Payments - Interest	-	-	-	-	-	-
Capital Contributions and Debt Proceeds	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-	-
Other Capital Financing	-	-	-	-	7	-
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(97)	-	-	(3)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts of Interest and Dividends of Investments	-	34	-	-	-	-
Purchase of Investments	-	-	-	-	(46,035)	-
Receipts of Rent	-	-	-	-	-	-
Proceeds from Sale and Maturity of Investments	-	-	-	-	3,238	-
Net Cash Provided (Used) by Investing Activities	-	34	-	-	(42,797)	-
NET INCREASE (DECREASE) IN CASH	16	1,327	12,584	(148)	(55,245)	347
Cash and Cash Equivalents - Beginning of Year	192	816	189,817	610	79,908	11,882
Adjustments - Less LGIP balances previously included in Cash	-	-	-	-	(22,965)	-
Cash and Cash Equivalents - Beginning of Year, as adjusted	192	816	189,817	610	56,943	11,882
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 208	\$ 2,143	\$ 202,401	\$ 462	\$ 1,698	\$ 12,229
CASH AND CASH EQUIVALENTS						
Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ 1,006	\$ -
Restricted	-	-	-	-	-	-
Investment in State Gen. Fund Investment Pool	208	2,143	202,401	462	692	12,229
Total Cash and Cash Equivalents	<u>\$ 208</u>	<u>\$ 2,143</u>	<u>\$ 202,401</u>	<u>\$ 462</u>	<u>\$ 1,698</u>	<u>\$ 12,229</u>

**STATE OF NEW MEXICO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)**

	Unemployment Insurance Fund	Miners' Colfax Medical Center	State Fair Commission	Dept. of Cultural Affairs	Education Trust Board	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Received from:						
Fees for Service	\$ -	\$ 23,712	\$ -	\$ -	\$ -	\$ 464,426
Sale of Products	-	-	11,501	20	2,567	18,316
Gifts, Grants, and Contracts	-	1,002	-	-	-	1,002
Loan and Note Repayments	-	-	-	-	-	15,844
Unemployment Insurance	206,698	-	-	-	-	206,698
Other Sources	8,374	225	-	-	376	13,311
Cash Payments to or for:						
Suppliers	-	-	(13,916)	(40)	(2,580)	(132,636)
Employees	-	(18,579)	-	-	(479)	(21,824)
Unemployment Benefits	(176,748)	(22,558)	-	-	-	(199,306)
Loans, Loan Losses, Insurance Losses	-	-	-	-	-	(373,065)
Other Payments	-	-	-	-	-	(180)
Net Cash Provided (Used) by Operating Activities	38,324	(16,198)	(2,415)	(20)	(116)	(7,414)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers In	-	9,099	2,439	-	-	21,538
Transfers Out	(1,189)	-	(99)	-	-	(2,593)
Gifts for Other Than Capital Purposes	-	-	-	-	-	11
Intergovernmental Receipts	6,355	-	-	-	-	12,584
Other - Capital Asset Transfer In	-	-	-	-	-	-
Other - Capital Asset Transfer Out	-	-	-	-	-	-
Other Noncapital Financing	454	-	29	-	-	14,281
Net Cash Provided by Noncapital Financing Activities	5,620	9,099	2,369	-	-	45,821
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of Capital Assets	-	(971)	(1,568)	-	(43)	(2,681)
Capital Gifts, Grants, and Contracts	-	-	-	-	-	-
Capital Debt Service Payments - Principal	-	(1,380)	-	-	-	(1,388)
Capital Debt Service Payments - Interest	-	(178)	-	-	-	(178)
Capital Contributions and Debt Proceeds	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	279	-	-	279
Other Capital Financing	-	-	-	-	-	7
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(2,529)	(1,289)	-	(43)	(3,961)
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts of Interest and Dividends of Investments	-	438	-	-	-	472
Purchase of Investments	-	-	-	-	(5)	(46,040)
Receipts of Rent	-	-	2,864	-	-	2,864
Proceeds from Sale and Maturity of Investments	-	-	-	-	29	3,267
Net Cash Provided (Used) by Investing Activities	-	438	2,864	-	24	(39,437)
NET INCREASE (DECREASE) IN CASH	43,944	(9,190)	1,529	(20)	(135)	(4,991)
Cash and Cash Equivalents - Beginning of Year	364,005	10,028	1,696	833	11,062	670,849
Adjustments - Less LGIP balances previously included in Cash	-	-	-	-	(10,373)	(33,338)
Cash and Cash Equivalents - Beginning of Year, as adjusted	364,005	10,028	1,696	833	689	637,511
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 407,949</u>	<u>\$ 838</u>	<u>\$ 3,225</u>	<u>\$ 813</u>	<u>\$ 554</u>	<u>\$ 632,520</u>
CASH AND CASH EQUIVALENTS						
Unrestricted	\$ 408,497	\$ 401	\$ 1,149	\$ -	\$ -	\$ 411,053
Restricted	-	-	-	-	-	-
Investment in State Gen. Fund Investment Pool	(548)	437	2,076	813	554	221,467
Total Cash and Cash Equivalents	<u>\$ 407,949</u>	<u>\$ 838</u>	<u>\$ 3,225</u>	<u>\$ 813</u>	<u>\$ 554</u>	<u>\$ 632,520</u>

**STATE OF NEW MEXICO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)**

	Industries for the Blind	Corrections Industries Revolving Fund	Environment Department	New Mexico Magazine	New Mexico Public Schools Insurance Authority	State Infrastructure Bank
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ (41)	\$ 1,090	\$ 710	\$ (6,560)	\$ (4,483)	\$ 357
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation	-	115	-	-	6	-
Realized (Gain) Loss on Disposal of Assets	-	-	-	-	-	-
Change in net pension liability	-	111	-	639	479	-
Change in net OPEB liability	-	(133)	-	(120)	(161)	-
Change in deferred outflows of resources	-	200	-	(98)	(61)	-
Change in deferred inflows of resources	-	(38)	-	(243)	(307)	-
Bad Debt Expense	-	-	-	-	-	-
Net Changes in Assets and Liabilities Related to Operating Activities:						
Receivables/Due From Other Funds	(12)	(77)	(10,156)	203	(9,484)	(10)
Notes/Loans	-	-	-	-	-	-
Inventories	-	(159)	-	(32)	-	-
Prepaid Items/Other Assets	-	-	-	5	-	-
Claims Payable	-	-	-	-	-	-
Accounts Payable/Accrued Liabilities/Due To Other Funds	13	(179)	-	36	(4,596)	-
Loss Adjustments	-	-	-	-	6,086	-
Unearned Revenue	-	(10)	-	(155)	76	-
Net Cash Provided (Used) by Operating Activities	<u>\$ (40)</u>	<u>\$ 920</u>	<u>\$ (9,446)</u>	<u>\$ (6,325)</u>	<u>\$ (12,445)</u>	<u>\$ 347</u>

**STATE OF NEW MEXICO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)**

	Unemployment Insurance Fund	Miners' Colfax Medical Center	State Fair Commission	Dept. of Cultural Affairs	Education Trust Board	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ (28,977)	\$ (17,689)	\$ (2,538)	\$ (171)	\$ 17	\$ (58,285)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation	-	2,334	2,117	89	40	4,701
Realized (Gain) Loss on Disposal of Assets	-	-	-	-	-	-
Change in net pension liability	-	11,434	1,300	-	(22)	13,941
Change in net OPEB liability	-	(2,324)	(362)	-	(99)	(3,199)
Change in deferred outflows of resources	-	(1,749)	(183)	-	22	(1,869)
Change in deferred inflows of resources	-	(4,828)	(748)	-	(163)	(6,327)
Bad Debt Expense	-	1,159	-	-	-	1,159
Net Changes in Assets and Liabilities Related to Operating Activities:						
Receivables/Due From Other Funds	48,824	(3,116)	(2,215)	-	11	23,968
Notes/Loans	-	-	-	-	-	-
Inventories	-	126	-	-	-	(65)
Prepaid Items/Other Assets	-	-	-	-	-	5
Claims Payable	-	-	-	-	-	-
Accounts Payable/Accrued Liabilities/Due To Other Funds	18,477	(1,545)	(174)	62	78	12,172
Loss Adjustments	-	-	-	-	-	6,086
Unearned Revenue	-	-	388	-	-	299
Net Cash Provided (Used) by Operating Activities	<u>\$ 38,324</u>	<u>\$ (16,198)</u>	<u>\$ (2,415)</u>	<u>\$ (20)</u>	<u>\$ (116)</u>	<u>\$ (7,414)</u>

**STATE OF NEW MEXICO
NONMAJOR INTERNAL SERVICE FUNDS COMBINING FINANCIAL STATEMENTS**

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
COMBINING STATEMENT OF NET POSITION
NONMAJOR INTERNAL SERVICE FUNDS
JUNE 30, 2023
(IN THOUSANDS)

	Fleet Operations	Risk Management	Printing and Records	Communication Services	Information Processing	Eliminations	Total
ASSETS							
Current Assets:							
Investment in the State General Fund							
Investment Pool	\$ 5,533	\$ 50,508	\$ 3,655	\$ 23,084	\$ 42,410	\$ -	\$ 125,190
Due From Other Funds	-	-	-	-	13,438	(13,438)	-
Receivables, Net	6	22,334	23	5,388	36	-	27,787
Inventories and Other Assets	-	-	-	-	-	-	-
Total Current Assets	<u>5,539</u>	<u>72,842</u>	<u>3,678</u>	<u>28,472</u>	<u>55,884</u>	<u>(13,438)</u>	<u>152,977</u>
Noncurrent Assets:							
Nondepreciable Capital Assets	-	-	-	8,111	288	-	8,399
Capital Assets, Net	15,239	91	1,142	59,052	14,759	-	90,283
Total Noncurrent Assets	<u>15,239</u>	<u>91</u>	<u>1,142</u>	<u>67,163</u>	<u>15,047</u>	<u>-</u>	<u>98,682</u>
Total Assets	<u>20,778</u>	<u>72,933</u>	<u>4,820</u>	<u>95,635</u>	<u>70,931</u>	<u>(13,438)</u>	<u>251,659</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Outflows - OPEB	155	418	597	1,089	234	-	2,493
Deferred Outflows - Pension	606	1,658	2,367	4,417	915	-	9,963
Total Deferred Outflows	<u>761</u>	<u>2,076</u>	<u>2,964</u>	<u>5,506</u>	<u>1,149</u>	<u>-</u>	<u>12,456</u>
LIABILITIES							
Current Liabilities:							
Accounts Payable	466	38,659	310	974	1,520	-	41,929
Accrued Liabilities	30	91	82	235	36	-	474
Unearned Revenue	-	193	1	-	-	-	194
Due to Other Funds	-	-	-	13,438	-	(13,438)	-
Due To Higher Educational Institutions	-	-	-	-	-	-	-
Funds Held for Others	-	-	-	-	-	-	-
Other Liabilities	3,216	127,367	486	2,436	111	-	133,616
Total Current Liabilities	<u>3,712</u>	<u>166,310</u>	<u>879</u>	<u>17,083</u>	<u>1,667</u>	<u>(13,438)</u>	<u>176,213</u>
Noncurrent Liabilities:							
Net Pension Liability	3,530	9,657	13,789	25,732	5,330	-	58,038
Net OPEB Liability	512	1,386	1,980	3,611	776	-	8,265
Other Liabilities	3,777	108,888	457	6,136	-	-	119,258
Total Noncurrent Liabilities	<u>7,819</u>	<u>119,931</u>	<u>16,226</u>	<u>35,479</u>	<u>6,106</u>	<u>-</u>	<u>185,561</u>
Total Liabilities	<u>11,531</u>	<u>286,241</u>	<u>17,105</u>	<u>52,562</u>	<u>7,773</u>	<u>(13,438)</u>	<u>361,774</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows - Pension	80	217	310	579	119	-	1,305
Deferred Inflows - OPEB	469	1,268	1,811	3,303	709	-	7,560
Deferred Inflows - Lease	-	-	-	-	-	-	-
Total Deferred Inflows	<u>549</u>	<u>1,485</u>	<u>2,121</u>	<u>3,882</u>	<u>828</u>	<u>-</u>	<u>8,865</u>
NET POSITION							
Net Investment in Capital Assets	8,368	-	510	59,481	15,049	-	83,408
Restricted for Other Purposes	-	-	-	12,937	54,217	-	67,154
Unrestricted (Deficit)	1,091	(212,717)	(11,952)	(27,721)	(5,787)	-	(257,086)
Total Net Position	<u>\$ 9,459</u>	<u>\$ (212,717)</u>	<u>\$ (11,442)</u>	<u>\$ 44,697</u>	<u>\$ 63,479</u>	<u>\$ -</u>	<u>\$ (106,524)</u>

STATE OF NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

	Fleet Operations	Risk Management	Printing and Records	Communication Services	Information Processing	Eliminations	Total
OPERATING REVENUES							
Charges for Services	\$ 8,712	\$ 473,261	\$ 2,933	\$ 52,895	\$ 9,719	\$ -	\$ 547,520
Federal Revenues	-	-	-	-	-	-	-
Other Operating Revenues	-	-	-	-	-	-	-
Total Operating Revenues	<u>8,712</u>	<u>473,261</u>	<u>2,933</u>	<u>52,895</u>	<u>9,719</u>	<u>-</u>	<u>547,520</u>
OPERATING EXPENSES							
General and Administrative Expenses	4,511	578,018	7,124	41,478	6,002	-	637,133
Depreciation Expense	6,019	20	333	14,308	3,343	-	24,023
Other Operating Expenses	(221)	1,362	416	(74)	(61)	-	1,422
Total Operating Expenses	<u>10,309</u>	<u>579,400</u>	<u>7,873</u>	<u>55,712</u>	<u>9,284</u>	<u>-</u>	<u>662,578</u>
OPERATING INCOME (LOSS)	(1,597)	(106,139)	(4,940)	(2,817)	435	-	(115,058)
NONOPERATING REVENUES (EXPENSES)							
Interest and Investment Income	-	2,401	-	-	906	-	3,307
Gain (Loss) on Sale of Capital Assets	97	-	346	-	(9)	-	434
Nonoperating Revenues (Expenses)	<u>283</u>	<u>5,966</u>	<u>92</u>	<u>35</u>	<u>(838)</u>	<u>-</u>	<u>5,538</u>
Total Nonoperating Revenues (Expenses)	<u>380</u>	<u>8,367</u>	<u>438</u>	<u>35</u>	<u>59</u>	<u>-</u>	<u>9,279</u>
INCOME(LOSS) BEFORE TRANSFERS	(1,217)	(97,772)	(4,502)	(2,782)	494	-	(105,779)
TRANSFERS							
Transfers In	2,700	56,398	5,149	34,020	14,275	(41,212)	71,330
Transfers Out	(472)	(4,426)	(149)	(13,870)	(22,307)	41,212	(12)
Total Transfers	<u>2,228</u>	<u>51,972</u>	<u>5,000</u>	<u>20,150</u>	<u>(8,032)</u>	<u>-</u>	<u>71,318</u>
CHANGE IN NET POSITION	1,011	(45,800)	498	17,368	(7,538)	-	(34,461)
Net Position - Beginning	<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>
NET POSITION - ENDING	<u>\$ 9,459</u>	<u>\$ (212,717)</u>	<u>\$ (11,442)</u>	<u>\$ 44,697</u>	<u>\$ 63,479</u>	<u>\$ -</u>	<u>\$ (106,524)</u>

STATE OF NEW MEXICO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

	Fleet Operations	Risk Management	Printing and Records	Communication Services	Information Processing	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash Received from:							
Fees for Service	\$ 8,814	\$ 460,086	\$ 3,280	\$ 53,358	\$ 9,714	\$ -	\$ 535,252
Other Sources	312	10,079	128	-	-	-	10,519
Cash Payments to or for:							
Suppliers	(3,125)	(54,476)	(2,700)	(25,409)	(7,065)	-	(92,775)
Employees	(1,858)	(4,806)	(4,489)	(12,312)	(1,926)	-	(25,391)
Claims	-	(472,931)	-	-	-	-	(472,931)
Other Payments	-	-	-	-	(838)	-	(838)
Net Cash Provided (Used) by Operating Activities	<u>4,143</u>	<u>(62,048)</u>	<u>(3,781)</u>	<u>15,637</u>	<u>(115)</u>	<u>-</u>	<u>(46,164)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers In	558	56,398	4,999	173	14,275	(18,889)	57,514
Transfers Out	(442)	(4,396)	(149)	(13,870)	(44)	18,889	(12)
Other Noncapital Financing	-	-	-	-	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>116</u>	<u>52,002</u>	<u>4,850</u>	<u>(13,697)</u>	<u>14,231</u>	<u>-</u>	<u>57,502</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Other - Capital Asset Transfer In	2,142	-	150	33,847	-	(22,323)	13,816
Other - Capital Asset Transfer Out	(30)	(30)	-	-	(22,263)	22,323	-
Capital Debt Service Payments - Principal	-	-	(10)	(218)	-	-	(228)
Capital Debt Service Payments - Interest	-	-	(62)	-	-	-	(62)
Other Capital Financing	-	-	-	3,094	-	-	3,094
Acquisition of Capital Assets	(6,563)	(49)	(478)	(38,656)	(571)	-	(46,317)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(4,451)</u>	<u>(79)</u>	<u>(400)</u>	<u>(1,933)</u>	<u>(22,834)</u>	<u>-</u>	<u>(29,697)</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts of Interest and Dividends of Investments	-	-	-	-	906	-	906
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>906</u>	<u>-</u>	<u>906</u>
NET INCREASE (DECREASE) IN CASH	<u>(192)</u>	<u>(10,125)</u>	<u>669</u>	<u>7</u>	<u>(7,812)</u>	<u>-</u>	<u>(17,453)</u>
Cash and Cash Equivalents - Beginning of Year, as Restated	<u>5,725</u>	<u>60,633</u>	<u>2,986</u>	<u>23,077</u>	<u>50,222</u>	<u>-</u>	<u>142,643</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 5,533</u>	<u>\$ 50,508</u>	<u>\$ 3,655</u>	<u>\$ 23,084</u>	<u>\$ 42,410</u>	<u>\$ -</u>	<u>\$ 125,190</u>
CASH AND CASH EQUIVALENTS							
Investment in the State General Fund Investment Pool	<u>\$ 5,533</u>	<u>\$ 50,508</u>	<u>\$ 3,655</u>	<u>\$ 23,084</u>	<u>\$ 42,410</u>	<u>\$ -</u>	<u>\$ 125,190</u>
Total Cash and Cash Equivalents	<u>\$ 5,533</u>	<u>\$ 50,508</u>	<u>\$ 3,655</u>	<u>\$ 23,084</u>	<u>\$ 42,410</u>	<u>\$ -</u>	<u>\$ 125,190</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES							
Operating Income (Loss)	\$ (1,597)	\$ (106,139)	\$ (4,940)	\$ (2,817)	\$ 435	\$ -	\$ (115,058)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Depreciation	6,017	19	379	14,307	3,341	-	24,063
Change in Net Pension Liability	571	1,894	3,369	5,693	1,019	-	12,546
Change in Net OPEB Liability	(251)	(711)	(834)	(1,801)	(389)	-	(3,986)
Change in Deferred Outflows of Resources	(57)	(231)	(488)	(744)	(124)	-	(1,644)
Change in Deferred Inflows of Resources	(527)	(1,338)	(1,668)	(3,406)	(739)	-	(7,678)
Net Changes in Assets and Liabilities Related to Operating Activities:							
Receivables/Due From Other Funds	(3)	(4,783)	435	464	(4,740)	-	(8,627)
Inventories	-	-	-	-	-	-	-
Prepaid Items/Other Assets	-	-	-	-	-	-	-
Insurance Claims Payable	-	29,907	-	-	-	-	29,907
Accounts Payable/Accrued Liabilities/Due To Other Funds	(10)	19,334	(34)	3,941	1,082	-	24,313
Net Cash Provided (Used) by Operating Activities	<u>\$ 4,143</u>	<u>\$ (62,048)</u>	<u>\$ (3,781)</u>	<u>\$ 15,637</u>	<u>\$ (115)</u>	<u>\$ -</u>	<u>\$ (46,164)</u>

**STATE OF NEW MEXICO
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
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
JUNE 30, 2023
(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
ASSETS						
Cash and Short-Term Investments	\$ 918,132	\$ 243,424	\$ -	\$ -	\$ 61,433	\$ 1,222,989
Investment in State General Fund Investment Pool	54,327	121,849	100,982	48	-	277,206
Investment in Local Government Investment Pool	-	-	-	-	-	-
Investments:						
U.S. Gov't. and Agency Securities	2,980,853	-	-	-	-	2,980,853
International Securities	1,472,890	-	258,354	-	-	1,731,244
Corporate Equity Securities	2,565,895	4,307,536	233,709	-	-	7,107,140
Corporate and Municipal Bonds	360,448	853,745	199,628	-	-	1,413,821
Partnerships and Other Investments	8,465,639	10,704,058	569,898	-	-	19,739,595
Securities Lending Collateral Invest.	349,930	-	-	-	-	349,930
Deferred Comp. Plan Invest.	-	-	-	768,875	-	768,875
Long Term Investments	-	-	-	-	-	-
Receivables:						
Brokers	108,113	3,431	-	-	-	111,544
Accrued Interest and Other	-	9,187	-	-	-	9,187
Accounts Receivable	21,496	132,280	21,380	25	10	175,191
Other State Agencies	-	-	-	-	-	-
Component Units	-	-	-	-	-	-
Participant Loans	-	-	70	10,619	-	10,689
Long Term Receivables	-	-	545	-	-	545
Capital Assets, Net	11,107	3,235	1,726	-	-	16,068
Total Assets	<u>17,308,830</u>	<u>16,378,745</u>	<u>1,386,292</u>	<u>779,567</u>	<u>61,443</u>	<u>35,914,877</u>
LIABILITIES						
Accounts Payable	3,953	113,148	16,167	-	-	133,268
Accrued Liabilities	177	181	41	2	-	401
Due to Brokers	122,942	999	-	-	-	123,941
Unearned Revenue	-	-	307	-	-	307
Deposits Held in Trust	3,984	-	-	-	-	3,984
Other Liabilities	352,689	2,626	23,053	11	-	378,379
Total Liabilities	<u>483,745</u>	<u>116,954</u>	<u>39,568</u>	<u>13</u>	<u>-</u>	<u>640,280</u>
NET POSITION						
Restricted for:						
Pension Benefits	16,825,085	16,261,791	-	-	61,443	33,148,319
Other Employee Benefits	-	-	1,346,724	-	-	1,346,724
Defined Contribution	-	-	-	779,554	-	779,554
Net Position	<u>\$ 16,825,085</u>	<u>\$ 16,261,791</u>	<u>\$ 1,346,724</u>	<u>\$ 779,554</u>	<u>\$ 61,443</u>	<u>\$ 35,274,597</u>

STATE OF NEW MEXICO
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE TRUST FUNDS
YEAR ENDED JUNE 30, 2023
(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
ADDITIONS							
Contributions:							
Employee Contributions	\$ 376,251	\$ 395,822	\$ 174,522	\$ 46,278	\$ 1,939	\$ -	\$ 994,812
Employer Contributions	461,951	662,750	171,814	-	1,939	-	1,298,454
Other	9	-	-	-	-	-	9
Total Contributions	838,211	1,058,572	346,336	46,278	3,878	-	2,293,275
Investment Income (Loss):							
Net Increase in Fair Value of Investments	237,283	106,507	1,598	16,655	5,364	-	367,407
Interest and Dividends	737,925	1,081,454	70,274	54,169	-	-	1,943,822
Subtotal	975,208	1,187,961	71,872	70,824	5,364	-	2,311,229
Less: Investment Expense	64,265	151,721	-	-	-	-	215,986
Net Investment Income	910,943	1,036,240	71,872	70,824	5,364	-	2,095,243
Other Additions:							
Other Operating Revenues	4,587	498	111,922	100	-	-	117,107
Total Other Additions	4,587	498	111,922	100	-	-	117,107
Total Additions	1,753,741	2,095,310	530,130	117,202	9,242	-	4,505,625
DEDUCTIONS							
Benefits and Claims	1,437,899	1,317,588	-	51,974	-	-	2,807,461
Refunds	51,709	54,088	433	-	-	-	106,230
General and Administrative Expenses	15,774	12,284	338,243	2,024	6	-	368,331
Other Operating Expenses	886	261	425	-	-	-	1,572
Total Deductions	1,506,268	1,384,221	339,101	53,998	6	-	3,283,594
CHANGE IN NET POSITION	247,473	711,089	191,029	63,204	9,236	-	1,222,031
Net Position - Beginning	16,577,612	15,550,702	1,155,695	716,350	52,207	-	34,052,566
NET POSITION - ENDING	<u>\$ 16,825,085</u>	<u>\$ 16,261,791</u>	<u>\$ 1,346,724</u>	<u>\$ 779,554</u>	<u>\$ 61,443</u>	<u>\$ -</u>	<u>\$ 35,274,597</u>

**STATE OF NEW MEXICO
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
COMBINING STATEMENT OF FIDUCIARY NET POSITION
EXTERNAL INVESTMENTS TRUST FUNDS
JUNE 30, 2023
(IN THOUSANDS)

	State Investment Council	State Treasurer	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and Cash Equivalents	\$ 2,742	\$ -	\$ 2,742
Investment in Local Government			
Investment Pool	-	1,200	1,200
Investments	146,165	1,463,822	1,609,987
Receivables	1,787	3,512	5,299
Total Assets	<u>150,694</u>	<u>1,468,534</u>	<u>1,619,228</u>
LIABILITIES			
Other Liabilities	<u>2,124</u>	<u>51,793</u>	<u>53,917</u>
Total Liabilities	2,124	51,793	53,917
NET POSITION			
Held in Trust for			
External Investment Pool Participants	148,570	1,416,741	1,565,311
Net Position	<u>\$ 148,570</u>	<u>\$ 1,416,741</u>	<u>\$ 1,565,311</u>

STATE OF NEW MEXICO
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
EXTERNAL INVESTMENTS TRUST FUNDS
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

	State Investment Council	State Treasurer	Total
ADDITIONS			
Pool Participant Deposits	\$ 29,290	\$ 784,933	\$ 814,223
Investment Income (Loss):			
Net Increase (Decrease) in			
Fair Value of Investments	(25,299)	(6,562)	(31,861)
Interest and Dividends	42,284	31,571	73,855
Total Additions	46,275	809,942	856,217
DEDUCTIONS			
General and Administrative Expenses	-	-	-
Distributions	10,334	590,996	601,330
Total Deductions	10,334	590,996	601,330
CHANGE IN NET POSITION	35,941	218,946	254,887
Net Position - Beginning	112,629	1,197,795	1,310,424
NET POSITION - ENDING	<u>\$ 148,570</u>	<u>\$ 1,416,741</u>	<u>\$ 1,565,311</u>

**STATE OF NEW MEXICO
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.

STATE OF NEW MEXICO
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
JUNE 30, 2023
(IN THOUSANDS)

	Scholarship	Higher Education Savings	Bartlett Trust	Office of State Insurance	Total
ASSETS					
Cash and Cash Equivalents	\$ 20	\$ 6,890	\$ -	\$ 5,570	\$ 12,480
Investment in State General Fund Investment Pool	51	-	116	192,043	192,210
Investments:					
Investment Pools	-	2,278,316	-	618,801	2,897,117
Receivables:					
Accrued Interest and Other	-	8	-	-	8
Accounts Receivable	-	-	-	-	-
Other Receivables	-	-	-	-	-
Other Assets	-	-	-	-	-
Total Assets	<u>71</u>	<u>2,285,214</u>	<u>116</u>	<u>816,414</u>	<u>3,101,815</u>
LIABILITIES					
Accounts Payable	-	-	-	5,440	5,440
Accrued Liabilities	-	1,448	-	-	1,448
Other Liabilities	-	107	-	260,738	260,845
Total Liabilities	<u>-</u>	<u>1,555</u>	<u>-</u>	<u>266,178</u>	<u>267,733</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Resources	-	-	-	37,382	37,382
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,382</u>	<u>37,382</u>
NET POSITION					
Held in Trust for Other Purposes	71	2,283,659	116	512,854	2,796,700
Net Position	<u>\$ 71</u>	<u>\$ 2,283,659</u>	<u>\$ 116</u>	<u>\$ 512,854</u>	<u>\$ 2,796,700</u>

STATE OF NEW MEXICO
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

	Scholarship	Higher Education Savings	Bartlett Trust	Office of State Insurance	Total
ADDITIONS					
Member Contributions	\$ -	\$ 171,747	\$ -	\$ 271,029	\$ 442,776
Total Contributions	-	171,747	-	271,029	442,776
Investment Income:					
Net Increase (Decrease) in Fair Value of Investments	-	120,827	-	(72,098)	48,729
Interest and Dividends	2	43,705	3	2,848	46,558
	2	164,532	3	(69,250)	95,287
Less: Investment Expense	-	1,904	-	32	1,936
Net Investment Income	2	162,628	3	(69,282)	93,351
Other Additions:					
Other Operating Revenues	-	-	-	110,200	110,200
Total Other Additions	-	-	-	110,200	110,200
Total Additions	2	334,375	3	311,947	646,327
DEDUCTIONS					
Distributions	-	319,516	-	157,318	476,834
General and Administrative Expenses	-	7,764	-	115,003	122,767
Total Deductions	-	327,280	-	272,321	599,601
CHANGE IN NET POSITION	2	7,095	3	39,626	46,726
Net Position - Beginning	69	2,276,564	113	473,228	2,749,974
NET POSITION - ENDING	<u>\$ 71</u>	<u>\$ 2,283,659</u>	<u>\$ 116</u>	<u>\$ 512,854</u>	<u>\$ 2,796,700</u>

STATE OF NEW MEXICO
COMBINING STATEMENT OF NET POSITION
NONMAJOR COMPONENT UNITS
JUNE 30, 2023
(IN THOUSANDS)

Nonmajor Component Units

There were sixteen nonmajor component units at June 30, 2023. They are as follows: UNM Alumni Association; UNM Lobo Club; 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
COMBINING STATEMENT OF NET POSITION
NONMAJOR COMPONENT UNITS
JUNE 30, 2023
(IN THOUSANDS)**

	UNM Alumni Association	UNM Lobo Club	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	Northern New Mexico College Foundation
ASSETS									
Current Assets:									
Cash and Cash Equivalents	\$ 527	\$ 6,482	\$ 1,095	\$ 1,142	\$ 763	\$ 422	\$ 67	\$ 316	\$ 166
Investment in Local Government									
Investment Pool	-	-	-	-	-	-	-	-	-
Restricted Cash and Cash Equivalents	-	232	-	-	446	-	-	-	947
Investments	10,067	-	24,151	-	-	-	-	-	-
Due From Primary Government	-	-	-	-	-	-	-	-	-
Due From Other Components	-	-	-	-	-	-	-	-	-
Receivables, Net	43	73	220	495	4	13	-	24	5
Loans Receivable, Current	-	-	-	-	-	-	-	-	-
Other Current Assets	-	-	1	-	535	-	-	-	-
Prepaid Expenses	23	6	-	5	38	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Total Current Assets	10,660	6,793	25,467	1,642	1,786	435	67	340	1,118
Noncurrent Assets:									
Restricted Cash and Cash Equivalents	-	-	-	1,014	13,591	-	-	-	-
Restricted Investments	-	-	-	-	-	-	-	-	3,769
Loans Receivable, Net	-	-	-	-	-	-	-	-	-
Due From Primary Government	-	-	-	-	-	-	-	-	-
Investments	-	-	13,606	13,903	11,800	27,580	18,801	373	-
Other Noncurrent Assets	-	-	767	-	-	-	-	-	-
Nondepreciable Capital Assets	-	-	568	5,986	267	148	-	-	-
Other Capital Assets, Net	-	-	629	-	79	-	-	-	-
Total Noncurrent Assets	-	-	15,570	20,903	25,737	27,728	18,801	373	3,769
Total Assets	10,660	6,793	41,037	22,545	27,523	28,163	18,868	713	4,887
DEFERRED OUTFLOWS OF RESOURCES									
Deferred Charge on Refunding	-	-	-	-	-	-	-	-	-
Deferred Outflows - OPEB	-	-	-	-	-	-	-	-	-
Deferred Outflows - Pension	-	-	-	-	-	-	-	-	-
Total Deferred Outflows	-	-	-	-	-	-	-	-	-

**STATE OF NEW MEXICO
COMBINING STATEMENT OF NET POSITION
NONMAJOR COMPONENT UNITS (CONTINUED)
JUNE 30, 2023
(IN THOUSANDS)**

	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
ASSETS								
Current Assets:								
Cash and Cash Equivalents	\$ 98	\$ 19	\$ 3,188	\$ 297	\$ 19	\$ 94,950	\$ 149	\$ 109,700
Investment in Local Government								
Investment Pool	-	-	-	1,145	19,342	-	-	20,487
Restricted Cash and Cash Equivalents	4,056	-	-	48	-	21,054	-	26,783
Investments	-	-	-	-	28,797	1,221	-	64,236
Due From Primary Government	2	-	994	-	-	29,051	-	30,047
Due From Other Components	-	-	-	-	-	-	-	-
Receivables, Net	63	-	2,722	770	190	2,648	73	7,343
Loans Receivable, Current	-	-	-	-	-	-	-	-
Other Current Assets	1,548	-	-	-	-	944	-	3,028
Prepaid Expenses	12	-	34	3	16	735	-	872
Inventory	-	-	427	-	-	-	-	427
Total Current Assets	<u>5,779</u>	<u>19</u>	<u>7,365</u>	<u>2,263</u>	<u>48,364</u>	<u>150,603</u>	<u>222</u>	<u>262,923</u>
Noncurrent Assets:								
Restricted Cash and Cash Equivalents	-	-	-	-	-	-	-	14,605
Restricted Investments	-	-	-	-	-	-	-	3,769
Loans Receivable, Net	-	-	-	-	72,595	-	-	72,595
Due From Primary Government	-	-	-	-	-	-	-	-
Investments	63,610	233	-	-	2,276	-	2,593	154,775
Other Noncurrent Assets	9,288	-	-	10,949	604	507	-	22,115
Nondepreciable Capital Assets	-	-	1,244	-	-	60,625	-	68,838
Other Capital Assets, Net	-	-	19,658	31	-	204,914	-	225,311
Total Noncurrent Assets	<u>72,898</u>	<u>233</u>	<u>20,902</u>	<u>10,980</u>	<u>75,475</u>	<u>266,046</u>	<u>2,593</u>	<u>562,008</u>
Total Assets	78,677	252	28,267	13,243	123,839	416,649	2,815	824,931
DEFERRED OUTFLOWS OF RESOURCES								
Deferred Charge on Refunding	-	-	-	-	-	312	-	312
Deferred Outflows - OPEB	-	-	-	-	-	41,648	-	41,648
Deferred Outflows - Pension	-	-	-	-	-	137,835	-	137,835
Total Deferred Outflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>179,795</u>	<u>-</u>	<u>179,795</u>

**STATE OF NEW MEXICO
COMBINING STATEMENT OF NET POSITION
NONMAJOR COMPONENT UNITS (CONTINUED)
JUNE 30, 2023
(IN THOUSANDS)**

	UNM Alumni Association	UNM Lobo Club	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	Northern New Mexico College Foundation
LIABILITIES									
Current Liabilities:									
Accounts Payable	\$ 16	\$ 39	\$ 14	\$ 34	\$ 5	\$ 74	\$ -	\$ 27	\$ -
Accrued Liabilities	-	72	-	-	-	-	-	-	-
Unearned Revenue	-	549	-	-	-	-	-	-	5
Due to Primary Government	-	3,081	9	-	354	-	-	-	239
Due to Other Component Unit	-	-	-	-	-	-	-	-	-
Funds Held for Others	-	-	-	92	535	-	-	-	-
Bonds Payable	-	-	-	-	-	-	-	-	-
Other Liabilities	-	-	-	-	34	79	-	-	-
Total Current Liabilities	<u>16</u>	<u>3,741</u>	<u>23</u>	<u>126</u>	<u>928</u>	<u>153</u>	<u>-</u>	<u>27</u>	<u>244</u>
Noncurrent Liabilities:									
Bonds Payable	-	-	-	-	-	-	-	-	-
Due to Primary Government	-	-	-	3,031	-	-	-	-	-
Net Pension Liability	-	-	-	-	-	-	-	-	-
Net OPEB Liability	-	-	-	-	-	-	-	-	-
Other Liabilities	-	-	-	465	35	-	-	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,496</u>	<u>35</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	16	3,741	23	3,622	963	153	-	27	244
DEFERRED INFLOWS OF RESOURCES									
Deferred Inflow - Pension	-	-	-	-	-	-	-	-	-
Deferred Inflow - OPEB	-	-	-	-	-	-	-	-	-
Deferred Inflow - Leases	-	-	265	-	-	-	-	-	-
Deferred Inflow - Other	-	-	-	-	-	-	-	-	-
Total Deferred Inflows	<u>-</u>	<u>-</u>	<u>265</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION									
Net Investment in Capital Assets	-	-	1,197	5,429	278	-	-	-	-
Restricted:									
Nonexpendable	-	232	14,318	5,745	25,459	14,641	2,030	281	4,716
Expendable:									
Other Purposes	-	-	-	-	-	-	-	-	-
Unrestricted Net Position (Deficit)	<u>10,644</u>	<u>2,820</u>	<u>25,234</u>	<u>7,749</u>	<u>823</u>	<u>13,369</u>	<u>16,838</u>	<u>405</u>	<u>(73)</u>
Total Net Position (Deficit)	<u>\$ 10,644</u>	<u>\$ 3,052</u>	<u>\$ 40,749</u>	<u>\$ 18,923</u>	<u>\$ 26,560</u>	<u>\$ 28,010</u>	<u>\$ 18,868</u>	<u>\$ 686</u>	<u>\$ 4,643</u>

**STATE OF NEW MEXICO
COMBINING STATEMENT OF NET POSITION
NONMAJOR COMPONENT UNITS (CONTINUED)
JUNE 30, 2023
(IN THOUSANDS)**

	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
LIABILITIES								
Current Liabilities:								
Accounts Payable	\$ 525	\$ 3	\$ 889	\$ 31	\$ 25	\$ 7,808	\$ 28	\$ 9,518
Accrued Liabilities	-	-	83	-	-	14,588	-	14,743
Unearned Revenue	6	-	1,308	48	-	206	-	2,122
Due to Primary Government	517	-	-	-	1,726	140	-	6,066
Due to Other Component Unit	-	-	-	-	-	-	-	-
Funds Held for Others	-	-	-	-	-	-	-	627
Bonds Payable	-	-	-	-	-	9,853	-	9,853
Other Liabilities	21	-	124	59	-	8,992	-	9,309
Total Current Liabilities	<u>1,069</u>	<u>3</u>	<u>2,404</u>	<u>138</u>	<u>1,751</u>	<u>41,587</u>	<u>28</u>	<u>52,238</u>
Noncurrent Liabilities:								
Bonds Payable	-	-	-	-	-	185,862	-	185,862
Due to Primary Government	-	-	-	-	-	-	-	3,031
Net Pension Liability	-	-	-	-	-	279,098	-	279,098
Net OPEB Liability	-	-	-	-	-	50,698	-	50,698
Other Liabilities	-	-	7	-	207	42,064	-	42,778
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>207</u>	<u>557,722</u>	<u>-</u>	<u>561,467</u>
Total Liabilities	1,069	3	2,411	138	1,958	599,309	28	613,705
DEFERRED INFLOWS OF RESOURCES								
Deferred Inflow - Pension	-	-	-	-	-	173,137	-	173,137
Deferred Inflow - OPEB	-	-	-	-	-	49,447	-	49,447
Deferred Inflow - Leases	-	-	-	-	-	-	-	265
Deferred Inflow - Other	-	-	3,286	-	-	833	-	4,119
Total Deferred Inflows	<u>-</u>	<u>-</u>	<u>3,286</u>	<u>-</u>	<u>-</u>	<u>223,417</u>	<u>-</u>	<u>226,968</u>
NET POSITION								
Net Investment in Capital Assets	-	-	20,893	4	-	42,146	-	69,947
Restricted:								
Nonexpendable	31,513	-	-	-	121,879	-	-	220,814
Expendable:								
Other Purposes	-	-	-	-	-	-	-	-
Unrestricted Net Position (Deficit)	<u>46,095</u>	<u>249</u>	<u>1,677</u>	<u>13,101</u>	<u>2</u>	<u>(268,428)</u>	<u>2,787</u>	<u>(126,708)</u>
Total Net Position (Deficit)	<u>\$ 77,608</u>	<u>\$ 249</u>	<u>\$ 22,570</u>	<u>\$ 13,105</u>	<u>\$ 121,881</u>	<u>\$ (226,282)</u>	<u>\$ 2,787</u>	<u>\$ 164,053</u>

**STATE OF NEW MEXICO
COMBINING STATEMENT OF ACTIVITIES
NONMAJOR COMPONENT UNITS
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)**

	UNM Alumni Association	UNM Lobo Club	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	Northern New Mexico College Foundation
EXPENSES	\$ 726	\$ 6,721	\$ 3,669	\$ 1,167	\$ 989	\$ 2,505	\$ 267	\$ 145	\$ 698
REVENUES									
Program Revenues:									
Charges for Services	599	340	-	-	-	-	-	-	-
Operating Grants and Contributions	-	6,536	5,035	1,295	14,114	238	37	92	-
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-
Total Program Revenues	599	6,876	5,035	1,295	14,114	238	37	92	-
Nonoperating Revenues:									
Grant Revenue	-	-	-	-	-	-	-	-	-
Net (Expenses) Revenues	(127)	155	1,366	128	13,125	(2,267)	(230)	(53)	(698)
OTHER REVENUES AND EXPENSES									
Payment from State of New Mexico	-	-	-	-	-	-	-	-	-
Payment to State of New Mexico	(105)	-	-	-	-	-	-	-	-
Other	9	12	101	2,123	184	4,066	79	19	698
Investment Income	941	17	2,644	-	735	520	3,986	25	-
Total General Revenues	845	29	2,745	2,123	919	4,586	4,065	44	698
SPECIAL ITEM									
Gain (Loss) on Discontinuance of Operations	-	-	-	-	-	-	-	-	-
CHANGE IN NET POSITION	718	184	4,111	2,251	14,044	2,319	3,835	(9)	-
Net Position - Beginning	9,926	2,868	36,638	16,672	12,516	25,691	15,033	695	4,643
NET POSITION - ENDING (DEFICIT)	<u>\$ 10,644</u>	<u>\$ 3,052</u>	<u>\$ 40,749</u>	<u>\$ 18,923</u>	<u>\$ 26,560</u>	<u>\$ 28,010</u>	<u>\$ 18,868</u>	<u>\$ 686</u>	<u>\$ 4,643</u>

**STATE OF NEW MEXICO
COMBINING STATEMENT OF ACTIVITIES
NONMAJOR COMPONENT UNITS(CONTINUED)
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)**

	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	\$ 2,578	\$ 69	\$ 5,952	\$ 1,176	\$ 422	\$ 326,522	\$ 112	\$ 353,718
REVENUES								
Program Revenues:								
Charges for Services	-	-	9,088	532	-	2,339	132	13,030
Operating Grants and Contributions	3,054	61	4,417	-	-	92,938	-	127,817
Capital Grants and Contributions	-	-	-	-	-	-	-	-
Total Program Revenues	<u>3,054</u>	<u>61</u>	<u>13,505</u>	<u>532</u>	<u>-</u>	<u>95,277</u>	<u>132</u>	<u>140,847</u>
Nonoperating Revenues:								
Grant Revenue	-	-	-	-	-	-	-	-
Net (Expenses) Revenues	<u>476</u>	<u>(8)</u>	<u>7,553</u>	<u>(644)</u>	<u>(422)</u>	<u>(231,245)</u>	<u>20</u>	<u>(212,871)</u>
OTHER REVENUES AND EXPENSES								
Payment from State of New Mexico	-	-	-	-	6,197	212,905	-	219,102
Payment to State of New Mexico	-	-	(2,354)	-	-	-	-	(2,459)
Other	375	-	348	-	-	21,241	(7)	29,248
Investment Income	5,290	17	6	396	2,447	-	10	17,034
Total General Revenues	<u>5,665</u>	<u>17</u>	<u>(2,000)</u>	<u>396</u>	<u>8,644</u>	<u>234,146</u>	<u>3</u>	<u>262,925</u>
SPECIAL ITEM								
Gain (Loss) on Discontinuance of Operations	-	-	-	-	-	-	-	-
CHANGE IN NET POSITION	6,141	9	5,553	(248)	8,222	2,901	23	50,054
Net Position - Beginning	<u>71,467</u>	<u>240</u>	<u>17,017</u>	<u>13,353</u>	<u>113,659</u>	<u>(229,183)</u>	<u>2,764</u>	<u>113,999</u>
NET POSITION - ENDING (DEFICIT)	<u>\$ 77,608</u>	<u>\$ 249</u>	<u>\$ 22,570</u>	<u>\$ 13,105</u>	<u>\$ 121,881</u>	<u>\$ (226,282)</u>	<u>\$ 2,787</u>	<u>\$ 164,053</u>

STATISTICAL SECTION

STATISTICAL SECTION INFORMATION

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.

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Schedule A-4	Changes in Fund Balances, Governmental Funds	321

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

These schedules present information to help the reader understand and assess the State's levels of outstanding debt and the State's ability to issue additional debt in the future.

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Demographics and Economic Information

These schedules contain demographic and economic indicators to help the reader to understand the environment within which the State's financial activities take place.

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Schedule D-3	Composition of Labor Force	347
Schedule D-4	Public Higher Education Enrollment	349

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.

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Schedule E-2	Operating Indicators by Function	353
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STATISTICAL SECTION INFORMATION

Other Information

These graphs and schedules offer a historical view of expenditures in constant dollars.

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Schedule F-2	Per Capita Expenditures – Historical and Constant Dollars	362

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.

STATE OF NEW MEXICO
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2023	2022	2021	2020	2019
Governmental Activities					
Net Investment in Capital Assets	\$ 6,998,390	\$ 6,533,650	\$ 6,212,235	\$ 5,971,617	\$ 5,826,283
Restricted	53,960,311	42,996,897	37,944,662	30,024,134	27,579,790
Unrestricted	(3,536,668)	(3,860,356)	(4,103,700)	(4,658,434)	(3,216,115)
Total Governmental Activities					
Net Position	<u>\$ 57,422,033</u>	<u>\$ 45,670,191</u>	<u>\$ 40,053,197</u>	<u>\$ 31,337,317</u>	<u>\$ 30,189,958</u>
Business-Type Activities					
Net Investment in Capital Assets	\$ 2,238,573	\$ 2,031,156	\$ 1,845,399	\$ 1,808,184	\$ 1,770,690
Restricted	1,648,971	1,576,707	1,519,236	1,113,160	1,386,077
Unrestricted	(1,953,436)	(2,014,143)	(1,891,399)	(970,769)	(1,905,986)
Total Business-Type Activities					
Net Position	<u>\$ 1,934,108</u>	<u>\$ 1,593,720</u>	<u>\$ 1,473,236</u>	<u>\$ 1,950,575</u>	<u>\$ 1,250,781</u>
Primary Government					
Net Investment in Capital Assets	\$ 9,236,963	\$ 8,564,806	\$ 8,057,634	\$ 7,779,801	\$ 7,596,973
Restricted	55,609,282	44,573,604	39,463,898	31,137,294	28,965,865
Unrestricted	(5,490,104)	(5,874,499)	(5,995,099)	(5,629,204)	(5,122,101)
Total Primary Government					
Net Position	<u>\$ 59,356,141</u>	<u>\$ 47,263,911</u>	<u>\$ 41,526,433</u>	<u>\$ 33,287,891</u>	<u>\$ 31,440,739</u>

*Implementation of GASB 68 - Effective FY15

STATE OF NEW MEXICO
NET POSITION BY COMPONENT (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2018	2017	2016	2015	2014
Governmental Activities					
Net Investment in Capital Assets	\$ 5,866,806	\$ 5,904,225	\$ 5,930,820	\$ 5,356,468	\$ 5,164,435
Restricted	25,740,851	23,268,593	18,311,421	12,658,737	6,925,810
Unrestricted	(4,690,920)	(3,311,309)	(326,978)	7,158,005	1,464,494
Total Governmental Activities					
Net Position	<u>\$ 26,916,737</u>	<u>\$ 25,861,508</u>	<u>\$ 23,915,263</u>	<u>\$ 25,173,210</u>	<u>\$ 13,554,739</u>
Business-Type Activities					
Net Investment in Capital Assets	\$ 1,755,991	\$ 1,742,099	\$ 1,654,692	\$ 1,589,677	\$ 1,517,364
Restricted	1,319,357	1,251,369	1,317,251	987,021	2,919,494
Unrestricted	(1,547,653)	(846,457)	(975,829)	(827,718)	139,334
Total Business-Type Activities					
Net Position	<u>\$ 1,527,695</u>	<u>\$ 2,147,011</u>	<u>\$ 1,996,114</u>	<u>\$ 1,748,980</u>	<u>\$ 4,576,192</u>
Primary Government					
Net Investment in Capital Assets	\$ 7,622,797	\$ 7,646,323	\$ 7,585,511	\$ 6,946,145	\$ 6,681,799
Restricted	27,060,209	24,519,962	19,628,672	13,645,758	9,845,304
Unrestricted	(6,238,579)	(4,157,768)	(1,302,806)	6,330,287	1,603,828
Total Primary Government					
Net Position	<u>\$ 28,444,427</u>	<u>\$ 28,008,517</u>	<u>\$ 25,911,377</u>	<u>\$ 26,922,190</u>	<u>\$ 18,130,931</u>

**STATE OF NEW MEXICO
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year				
	2023	2022	2021	2020	2019
Program Expenses					
Governmental Activities:					
General Control	\$ 1,913,234	\$ 1,146,779	\$ 2,091,970	\$ 946,145	\$ 949,925
Culture, Recreation, and Natural Resources	259,482	326,191	260,481	294,254	263,383
Highway and Transportation	1,003,382	920,656	871,871	952,604	876,159
Judicial	385,550	358,032	313,217	367,458	341,818
Legislative	35,330	26,873	24,595	26,741	28,024
Public Safety	755,849	632,544	519,118	593,994	548,909
Regulation and Licensing	316,661	165,869	434,683	207,749	194,956
Health and Human Services	12,914,840	12,410,828	10,784,332	9,447,582	7,864,173
Education	5,236,537	4,654,985	3,989,681	3,929,465	3,483,071
Interest	63,668	135,183	132,809	112,126	130,183
Special Items					
Reduction of Receivable, Internal Service Fund	-	-	-	-	-
Total Governmental Activities Expenses	<u>22,884,533</u>	<u>20,777,940</u>	<u>19,422,757</u>	<u>16,878,118</u>	<u>14,680,602</u>
Business-Type Activities:					
Educational Institutions	4,244,860	4,012,425	4,881,052	2,802,996	3,844,396
Public Schools Insurance	442,918	439,580	404,049	397,157	370,389
Environmental Loans	4,452	5,466	2,638	1,387	2,726
Miners' Colfax Medical Center	45,316	41,055	32,893	40,490	37,506
Unemployment Insurance	175,949	425,382	2,716,542	1,547,564	137,995
State Fair	16,204	14,598	8,691	15,007	15,919
Other Business-Type Activities	24,939	20,122	16,479	19,248	22,845
Special Items -	-	-	-	-	-
Total Business-Type Activity Expenses	<u>4,954,638</u>	<u>4,958,628</u>	<u>8,062,344</u>	<u>4,823,850</u>	<u>4,431,776</u>
Total Primary Government Expenses	<u>\$ 27,839,172</u>	<u>\$ 25,736,568</u>	<u>\$ 27,485,101</u>	<u>\$ 21,701,968</u>	<u>\$ 19,112,379</u>

**STATE OF NEW MEXICO
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year				
	2018	2017 as Restated	2016	2015	2014 as Restated
Program Expenses					
Governmental Activities:					
General Control	\$ 1,244,170	\$ 1,722,398	\$ 1,706,181	\$ 993,220	\$ 918,870
Culture, Recreation, and Natural Resources	247,368	247,510	239,104	203,319	228,000
Highway and Transportation	805,736	824,522	987,512	1,051,567	1,230,707
Judicial	306,806	304,097	315,829	255,761	242,449
Legislative	24,068	26,834	23,184	29,626	23,751
Public Safety	534,228	552,421	498,391	480,286	457,119
Regulation and Licensing	175,084	124,269	118,405	126,917	112,770
Health and Human Services	7,982,533	8,008,413	8,008,413	7,401,005	6,284,737
Education	3,167,364	3,286,148	3,554,909	4,024,669	3,223,837
Interest	123,439	115,594	123,083	131,154	127,001
Special Items					
Reduction of Receivable, Internal Service Fund	-	-	-	977	-
Total Governmental Activities Expenses	<u>14,610,795</u>	<u>15,212,206</u>	<u>15,575,011</u>	<u>14,698,501</u>	<u>12,849,241</u>
Business-Type Activities:					
Educational Institutions	3,645,245	3,383,288	3,126,892	3,041,713	2,901,959
Public Schools Insurance	354,996	383,282	395,579	363,373	349,589
Environmental Loans	1,526	1,949	2,266	441	294
Miners' Colfax Medical Center	34,807	33,180	31,295	24,967	29,650
Unemployment Insurance	166,040	178,334	195,506	193,479	261,763
State Fair	16,357	16,124	14,841	15,417	14,671
Other Business-Type Activities	20,536	18,869	16,524	18,199	11,409
Special Items -	-	-	866	-	-
Total Business-Type Activity Expenses	<u>4,239,508</u>	<u>4,015,026</u>	<u>3,783,769</u>	<u>3,657,589</u>	<u>3,569,335</u>
Total Primary Government Expenses	<u>\$ 18,850,302</u>	<u>\$ 19,227,232</u>	<u>\$ 19,358,780</u>	<u>\$ 18,356,090</u>	<u>\$ 16,418,576</u>

**STATE OF NEW MEXICO
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year				
	2023	2022	2021	2020	2019
Program Revenues					
Governmental Activities:					
Charges for Services					
General Control	\$ 3,633,122	\$ 2,608,228	\$ 1,170,449	\$ 2,227,030	\$ 2,795,908
Culture, Recreation, and Natural Resources	2,793,054	2,461,709	1,297,090	66,086	57,330
Highway and Transportation	119,232	117,602	116,341	108,044	115,639
Judicial	15,220	13,584	12,505	15,655	17,873
Legislative	-	-	-	-	-
Public Safety	9,888	9,434	8,273	11,753	44,304
Regulation and Licensing	64,970	94,658	80,805	44,733	41,915
Health and Human Services	251,447	226,341	219,276	199,137	167,077
Education	8,529	11,515	7,383	6,464	6,474
Operating Grants and Contributions	12,445,085	11,394,256	10,609,948	7,750,233	6,453,390
Capital Grants and Contributions	482,551	484,294	480,552	462,264	376,591
Total Governmental Activities					
Program Revenues	19,823,098	17,421,621	14,002,622	10,891,399	10,076,501
Business-Type Activities:					
Charges for Services					
Educational Institutions	1,947,792	2,019,164	1,976,449	1,768,685	1,732,441
Public Schools Insurance	438,435	413,906	403,369	393,010	375,555
Environmental Loans	5,162	1,566	2,088	-	-
Miners' Colfax Medical Center	27,627	26,917	17,859	13,001	16,875
Unemployment Insurance	146,972	113,048	780,811	121,004	189
State Fair	13,666	8,773	390	10,239	12,182
Other Business-Type Activities	19,631	18,425	17,184	18,814	22,099
Nonmajor Enterprise Funds					
Operating Grants and Contributions	608,117	1,157,358	2,908,576	1,919,974	663,285
Capital Grants and Contributions	57,753	12,869	31,836	7,751	22,997
Total Business-Type Activities					
Program Revenues	3,265,155	3,772,026	6,138,562	4,252,478	2,845,623
Total Primary Government					
Program Revenues	<u>\$ 19,823,098</u>	<u>\$ 21,193,647</u>	<u>\$ 20,141,184</u>	<u>\$ 15,143,877</u>	<u>\$ 12,922,124</u>
Net (Expense)/Revenue					
Governmental Activities	\$ (3,061,435)	\$ (3,356,319)	\$ (5,420,135)	\$ (5,986,719)	\$ (4,693,510)
Business-Type Activities	(1,689,483)	(1,186,602)	(1,923,782)	(571,372)	(1,586,154)
Total Primary Government Net Expense	<u>\$ (4,750,918)</u>	<u>\$ (4,542,921)</u>	<u>\$ (7,343,917)</u>	<u>\$ (6,558,091)</u>	<u>\$ (6,279,664)</u>

**STATE OF NEW MEXICO
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year				
	2018	2017 as Restated	2016	2015	2014 as Restated
Program Revenues					
Governmental Activities:					
Charges for Services					
General Control	\$ 1,958,862	\$ 1,581,393	\$ 1,457,352	\$ 1,880,869	\$ 796,337
Culture, Recreation, and Natural Resources	70,071	64,956	63,474	59,392	94,694
Highway and Transportation	111,792	109,835	110,754	105,215	301,126
Judicial	17,706	17,011	15,620	6,243	5,040
Legislative	-	-	-	-	-
Public Safety	12,641	9,326	9,345	9,162	26,711
Regulation and Licensing	41,178	34,304	35,218	45,558	75,308
Health and Human Services	173,479	159,894	147,373	135,431	365,016
Education	6,862	7,346	7,362	8,726	7,535
Operating Grants and Contributions	6,850,440	6,595,050	6,855,527	6,356,248	4,932,895
Capital Grants and Contributions	-	-	-	-	400,212
Total Governmental Activities					
Program Revenues	9,243,031	8,579,115	8,702,025	8,606,844	7,004,874
Business-Type Activities:					
Charges for Services					
Educational Institutions	1,665,364	1,642,869	1,521,460	1,567,129	1,380,232
Public Schools Insurance	373,489	378,957	363,949	351,731	342,725
Environmental Loans	-	-	-	-	3,905
Miners' Colfax Medical Center	22,031	21,396	26,672	17,450	25,025
Unemployment Insurance	243	235	361	-	215,699
State Fair	11,469	11,722	11,928	11,556	12,142
Other Business-Type Activities	20,666	17,280	13,954	16,304	10,523
Nonmajor Enterprise Funds					
Operating Grants and Contributions	697,032	896,071	595,057	627,067	771,706
Capital Grants and Contributions	12,437	11,607	6,906	12,524	25,541
Total Business-Type Activities					
Program Revenues	2,802,731	2,980,137	2,540,287	2,603,761	2,787,498
Total Primary Government					
Program Revenues	<u>\$ 12,045,762</u>	<u>\$ 11,559,252</u>	<u>\$ 11,242,312</u>	<u>\$ 11,210,605</u>	<u>\$ 9,792,372</u>
Net (Expense)/Revenue					
Governmental Activities	\$ (5,367,765)	\$ (6,633,091)	\$ (6,872,986)	\$ (6,091,657)	\$ (5,844,367)
Business-Type Activities	(1,436,776)	(1,034,889)	(1,243,482)	(1,053,828)	(781,837)
Total Primary Government Net Expense	<u>\$ (6,804,541)</u>	<u>\$ (7,667,980)</u>	<u>\$ (8,116,468)</u>	<u>\$ (7,145,485)</u>	<u>\$ (6,626,204)</u>

**STATE OF NEW MEXICO
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year				
	2023	2022	2021	2020	2019
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes					
Individual Income Tax	\$ 1,621,993	\$ 1,424,390	\$ 1,837,492	\$ 1,715,499	\$ 1,713,643
Corporate Income Tax	440,208	335,978	147,434	63,000	179,781
Gross Receipts Taxes	4,224,494	3,640,515	3,000,606	3,115,214	2,869,466
Business Privilege	6,360,453	5,757,836	3,069,393	2,530,032	2,531,119
Unemployment Insurance	-	-	-	-	18,510
Other Taxes	70,450	48,333	15,087	35,080	4,849
Investment Income	2,873,705	(1,531,190)	6,671,245	316,768	1,407,043
Capital Gain	-	(35)	139	7,703	7,792
Nonoperating Investment Income and Other	-	-	-	-	-
Other Financing Sources(Uses) Related to Leases	-	201	-	-	-
Other Revenue (Expense)	612,743	267,488	298,326	298,789	201,773
Special Item - Potential Loss SGFIP	-	-	-	-	-
Special Item - Indian Water Rights Settlement	-	-	-	(15)	-
Special Item - AZ Water Settlement	-	-	-	-	-
Transfers	(1,390,769)	(907,838)	(914,694)	(940,448)	(843,055)
Total Governmental Activities	<u>14,813,277</u>	<u>9,035,678</u>	<u>14,125,028</u>	<u>7,141,622</u>	<u>8,090,920</u>
Business-Type Activities:					
Taxes					
Other Taxes	-	-	-	-	126,103
Investment Income (Loss)	98,625	(62,068)	125,456	22,741	23,776
Special Item loss of Discontinuance	-	(88,267)	(7,482)	-	-
Nonoperating Investment Income and Other	-	-	-	34,408	50,206
Other Financing Sources(Uses) Related to Leases	-	41	-	-	-
Other Revenue	540,319	566,280	415,326	275,299	258,532
Transfers	1,390,769	907,838	914,694	940,448	843,055
Total Business-Type Activities	<u>2,029,713</u>	<u>1,323,824</u>	<u>1,447,994</u>	<u>1,272,896</u>	<u>1,301,673</u>
Total Primary Government	<u>\$ 16,842,990</u>	<u>\$ 10,359,502</u>	<u>\$ 15,573,022</u>	<u>\$ 8,414,517</u>	<u>\$ 9,392,593</u>
Change in Net Position					
Governmental Activities	\$ 11,751,842	\$ 5,679,360	\$ 8,704,893	\$ 1,154,903	\$ 3,397,410
Business-Type Activities	340,230	137,222	(475,788)	701,524	(284,481)
Total Primary Government	<u>\$ 12,092,072</u>	<u>\$ 5,816,581</u>	<u>\$ 8,229,105</u>	<u>\$ 1,856,427</u>	<u>\$ 3,112,929</u>

**STATE OF NEW MEXICO
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year				
	2018	2017 as Restated	2016	2015	2014 as Restated
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes					
Individual Income Tax	\$ 1,581,590	\$ 1,418,070	\$ 1,320,154	\$ 1,451,288	\$ 1,236,674
Corporate Income Tax	(67,093)	76,274	118,502	262,600	196,762
Gross Receipts Taxes	2,541,586	2,168,168	2,109,889	4,238,670	2,133,540
Business Privilege	2,212,070	1,863,055	1,622,513	-	-
Unemployment Insurance	14,529	7,200	18,970	-	-
Other Taxes	7,154	3,545	7,055	33,424	2,048,944
Investment Income	1,949,319	2,548,331	909,846	1,212,060	1,351,182
Capital Gain	404	-	-	-	-
Nonoperating Investment Income and Other	155	68	34	-	-
Other Financing Sources(Uses) Related to Leases	-	-	-	-	-
Other Revenue (Expense)	234,541	629,959	629,959	129,035	355,202
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	(727,311)	(1,084,495)	(1,084,495)	(797,559)	(687,979)
Total Governmental Activities	<u>7,746,944</u>	<u>7,639,216</u>	<u>5,649,032</u>	<u>6,622,997</u>	<u>6,604,325</u>
Business-Type Activities:					
Taxes					
Other Taxes	167,975	205,143	342,488	269,593	-
Investment Income (Loss)	14,276	13,742	9,838	9,292	220,411
Special Item loss of Discontinuance	-	-	-	-	-
Nonoperating Investment Income and Other	27,865	47,929	21,465	-	-
Other Financing Sources(Uses) Related to Leases	-	-	-	-	-
Other Revenue	260,061	123,959	242,772	244,201	140,737
Transfers	727,311	831,243	831,243	797,559	687,979
Total Business-Type Activities	<u>1,197,489</u>	<u>1,222,016</u>	<u>1,447,806</u>	<u>1,320,645</u>	<u>1,049,127</u>
Total Primary Government	<u>\$ 8,944,432</u>	<u>\$ 8,861,232</u>	<u>\$ 7,096,838</u>	<u>\$ 7,943,642</u>	<u>\$ 7,653,452</u>
Change in Net Position					
Governmental Activities	\$ 2,379,179	\$ 1,006,124	\$ (1,223,955)	\$ 531,340	\$ 759,958
Business-Type Activities	(239,287)	187,127	204,324	266,817	267,290
Total Primary Government	<u>\$ 2,139,893</u>	<u>\$ 1,193,253</u>	<u>\$ (1,019,629)</u>	<u>\$ 798,157</u>	<u>\$ 1,027,248</u>

STATE OF NEW MEXICO
FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2023	2022	2021	2020	2019
General Fund					
Nonspendable	\$ 55,345	\$ 52,590	\$ 52,580	\$ 46,026	\$ 47,309
Restricted	13,913,099	8,791,420	4,556,671	3,389,316	1,389,540
Committed	93,045	37,390	48,062	45,460	35,352
Assigned	145,357	158,751	25,065	12,923	15,472
Unassigned	598,490	427,031	356,122	532,328	1,607,072
Total General Fund	<u>\$ 14,805,336</u>	<u>\$ 9,467,182</u>	<u>\$ 5,038,500</u>	<u>\$ 4,026,053</u>	<u>\$ 3,094,745</u>
All Other Governmental Funds					
Post-GASB 54 Implementation					
Nonspendable	\$ 2,000	\$ -	\$ -	\$ -	\$ -
Restricted	41,949,338	36,103,646	34,773,091	26,933,416	26,689,046
Committed	2,520	20	20	-	-
Assigned	-	-	-	41	150
Unassigned (Deficit)	(44,372)	(33,657)	(21,357)	(6,817)	(3)
Total All Other Governmental Funds	<u>\$ 41,909,486</u>	<u>\$ 36,070,010</u>	<u>\$ 34,751,754</u>	<u>\$ 26,926,640</u>	<u>\$ 26,689,193</u>
All Governmental Funds					
Post-GASB 54 Implementation					
Nonspendable	\$ 57,345	\$ 52,590	\$ 52,580	\$ 46,026	\$ 47,309
Restricted	55,862,437	44,895,066	39,329,762	30,322,732	28,078,586
Committed	95,565	37,410	48,082	45,460	35,352
Assigned	145,357	158,751	25,065	12,964	15,622
Unassigned (Deficit)	554,118	393,375	334,765	525,513	1,607,069
Total All Governmental Funds	<u>\$ 56,714,822</u>	<u>\$ 45,537,192</u>	<u>\$ 39,790,255</u>	<u>\$ 30,952,693</u>	<u>\$ 29,783,938</u>

* Implementation of GASB 54 - Effective FY10

STATE OF NEW MEXICO
FUND BALANCES – GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2018	2017	2016	2015	2014
General Fund					
Nonspendable	\$ 61,378	\$ 59,626	\$ 64,166	\$ 52,433	\$ 54,809
Restricted	1,159,544	835,483	890,206	916,201	864,359
Committed	38,294	388,030	250,021	695,182	220,535
Assigned	11,572	9,088	9,989	16,395	9,881
Unassigned	882,313	4,895	(120,451)	189,932	626,317
Total General Fund	<u>\$ 2,153,101</u>	<u>\$ 1,297,122</u>	<u>\$ 1,093,931</u>	<u>\$ 1,870,143</u>	<u>\$ 1,775,901</u>
All Other Governmental Funds					
Post-GASB 54 Implementation					
Nonspendable	\$ -	\$ -	\$ -	\$ 10,000,000	\$ 5,687,834
Restricted	24,609,102	22,503,741	20,783,582	10,987,671	318,808
Committed	514	1,959	11,315	10,758	1,190,318
Assigned	-	-	-	-	-
Unassigned (Deficit)	9,553	(3,329)	(9,342)	-	-
Total All Other Governmental Funds	<u>\$ 24,619,169</u>	<u>\$ 22,502,371</u>	<u>\$ 20,785,555</u>	<u>\$ 20,998,429</u>	<u>\$ 7,196,960</u>
All Governmental Funds					
Post-GASB 54 Implementation					
Nonspendable	\$ 61,378	\$ 59,626	\$ 64,166	\$ 10,052,433	\$ 5,742,643
Restricted	25,768,646	23,339,224	21,673,788	11,903,872	1,183,167
Committed	38,808	389,989	261,336	705,940	1,410,853
Assigned	11,572	9,088	9,989	16,395	9,881
Unassigned (Deficit)	891,866	1,566	(129,793)	189,932	626,317
Total All Governmental Funds	<u>\$ 26,772,270</u>	<u>\$ 23,799,493</u>	<u>\$ 21,879,486</u>	<u>\$ 22,868,572</u>	<u>\$ 8,972,861</u>

STATE OF NEW MEXICO
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2023	2022	2021	2020	2019
Revenues					
Taxes	\$ 12,697,561	\$ 11,163,043	\$ 8,020,634	\$ 7,402,984	\$ 7,096,167
Federal	12,502,598	11,913,097	11,028,954	8,207,807	6,734,473
Interest and Other Investment Income (Loss)	2,873,705	(1,531,551)	6,671,007	311,027	1,402,273
Rentals and Royalties	5,936,951	4,671,215	2,064,447	1,871,338	2,246,843
Charges for Services	209,754	193,778	177,892	165,893	168,392
Licenses, Fees, and Permits	366,838	348,939	338,765	310,474	318,456
Assessments *	52,420	47,430	43,215	46,289	14,983
Other Revenues	614,101	251,044	285,083	321,663	388,654
Total Revenues	<u>35,253,928</u>	<u>27,056,995</u>	<u>28,629,997</u>	<u>18,637,475</u>	<u>18,370,240</u>
Expenditures					
Current:					
Culture, Recreation, and Natural Resources	252,798	321,970	263,873	271,368	243,938
Education	5,238,143	4,441,370	3,995,767	3,926,195	3,480,930
General Control	1,161,992	828,625	1,546,468	414,139	467,422
Health and Human Services	12,952,559	12,395,672	10,880,703	9,408,746	7,855,655
Highways and Transportation	739,070	585,769	519,970	556,756	503,931
Judicial	393,753	372,489	345,789	347,330	325,644
Legislative	34,604	28,171	26,532	25,855	27,331
Public Safety	761,757	646,520	557,020	574,944	540,565
Regulation and Licensing	321,085	165,249	437,354	200,198	188,274
Unemployment Benefits	-	-	-	-	-
Land Grant	-	-	-	-	-
Severance Tax	-	-	-	-	-
Capital Outlay	872,681	792,061	649,771	543,938	487,503
Debt Service:					
Principal	1,461,940	858,409	730,374	892,163	567,644
Interest	126,590	119,189	94,305	114,062	120,424
Bond Issuance Costs	-	-	-	-	-
Provision for Potential Loss in the State General Fund Investment Pool	-	-	-	-	-
Total Expenditures	<u>24,316,972</u>	<u>21,555,494</u>	<u>20,047,926</u>	<u>17,275,695</u>	<u>14,809,261</u>
Excess (Deficiency) of Revenues Over Expenditures	10,936,956	5,501,501	8,582,071	1,361,780	3,560,979
Other Financing Sources (Uses)					
Bonds Issued	1,539,199	964,189	974,808	701,709	310,118
Bond Premium	59,060	100,393	130,009	17,947	7,170
Refunding Bond Issue	-	51,777	107,346	-	-
Proceeds from the Sale of Capital Assets	1,926	3,307	1,057	1,836	1,577
Operating Transfers In	5,878,981	5,292,395	3,095,754	1,502,549	2,172,675
Operating Transfers Out	(7,326,274)	(6,206,988)	(4,016,147)	(2,449,323)	(3,019,190)
Payment to Refunded Bond Escrow Agent	-	(51,981)	(113,803)	-	-
Miscellaneous Other Financing Sources (Uses)	87,120	111,735	-	-	-
Nonoperating Revenues (Expenditures)	-	-	-	-	-
Note Proceeds	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>240,012</u>	<u>264,827</u>	<u>179,024</u>	<u>(225,282)</u>	<u>(527,650)</u>
Special Item					
Reduction of Loss Contingency	-	-	-	-	-
Native American Water Rights Settlement	-	-	-	-	-
Arizona Water Settlement	-	-	-	-	-
Total Special Items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing and Special Items	<u>240,012</u>	<u>264,827</u>	<u>179,024</u>	<u>(225,282)</u>	<u>(527,650)</u>
Net Change in Fund Balances	<u>\$ 11,176,968</u>	<u>\$ 5,766,328</u>	<u>\$ 8,761,095</u>	<u>\$ 1,136,498</u>	<u>\$ 3,033,329</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>6.8%</u>	<u>4.7%</u>	<u>4.3%</u>	<u>6.0%</u>	<u>4.8%</u>

STATE OF NEW MEXICO
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2018	2017 Restated	2016	2015	2014
Revenues					
Taxes	\$ 6,401,737	\$ 5,472,102	\$ 5,197,084	\$ 5,923,849	\$ 5,626,421
Federal	6,848,354	6,595,840	6,856,707	6,363,684	5,338,059
Interest and Other Investment Income (Loss)	1,948,254	2,540,517	912,262	1,211,998	1,521,022
Rentals and Royalties	1,403,151	1,002,692	888,424	1,281,002	647,438
Charges for Services	173,087	164,565	119,509	124,674	162,757
Licenses, Fees, and Permits	319,293	294,482	307,532	295,282	364,594
Assessments *	12,803	13,820	14,389	-	-
Other Revenues	257,393	781,248	633,628	202,935	363,411
Total Revenues	<u>17,364,072</u>	<u>16,865,266</u>	<u>14,929,535</u>	<u>15,403,424</u>	<u>14,023,702</u>
Expenditures					
Current:					
Culture, Recreation, and Natural Resources	228,675	230,478	223,328	210,368	185,317
Education	3,166,486	3,285,298	3,554,249	4,025,302	3,220,213
General Control	550,302	981,271	1,600,674	487,468	403,590
Health and Human Services	7,975,718	7,737,341	7,996,609	7,355,734	6,270,002
Highways and Transportation	420,625	448,401	740,977	462,267	591,824
Judicial	300,587	298,224	306,727	250,360	236,575
Legislative	23,992	26,725	23,022	27,696	21,810
Public Safety	515,112	535,834	482,558	470,406	440,897
Regulation and Licensing	169,142	116,252	111,747	121,567	108,442
Unemployment Benefits	-	-	-	-	-
Land Grant	-	-	-	-	-
Severance Tax	-	-	-	-	183,216
Capital Outlay	405,338	352,204	118,018	444,308	507,435
Debt Service:					
Principal	382,549	298,168	282,120	284,766	407,074
Interest	190,182	123,810	109,886	128,197	150,738
Bond Issuance Costs	-	-	-	-	-
Provision for Potential Loss in the State General Fund Investment Pool	-	-	-	-	-
Total Expenditures	<u>14,328,708</u>	<u>14,434,007</u>	<u>15,549,915</u>	<u>14,268,439</u>	<u>12,727,133</u>
Excess (Deficiency) of Revenues Over Expenditures	3,035,364	2,431,259	(620,380)	1,134,985	1,296,569
Other Financing Sources (Uses)					
Bonds Issued	539,370	45,815	474,018	141,635	371,440
Bond Premium	154,128	5,463	82,239	43,146	50,051
Refunding Bond Issue	420,096	-	181,395	79,405	-
Proceeds from the Sale of Capital Assets	1,751	1,226	1,803	1,136	2,053
Operating Transfers In	8,604,858	8,030,490	7,182,543	7,233,253	6,789,132
Operating Transfers Out	(9,336,219)	(8,739,680)	(7,918,883)	(8,035,458)	(7,483,788)
Payment to Refunded Bond Escrow Agent	(450,865)	-	(208,143)	(96,083)	-
Miscellaneous Other Financing Sources (Uses)	-	-	-	-	-
Nonoperating Revenues (Expenditures)	-	-	-	-	-
Note Proceeds	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(66,881)</u>	<u>(656,687)</u>	<u>(205,028)</u>	<u>(632,966)</u>	<u>(271,112)</u>
Special Item					
Reduction of Loss Contingency	-	-	-	93,479	(30,000)
Native American Water Rights Settlement	-	-	(12,436)	-	-
Arizona Water Settlement	-	-	(9,040)	-	-
Total Special Items	<u>-</u>	<u>-</u>	<u>(21,476)</u>	<u>93,479</u>	<u>(30,000)</u>
Total Other Financing and Special Items	<u>(66,881)</u>	<u>(656,687)</u>	<u>(226,504)</u>	<u>(539,487)</u>	<u>(301,112)</u>
Net Change in Fund Balances	<u>\$ 2,968,483</u>	<u>\$ 1,774,572</u>	<u>\$ (846,884)</u>	<u>\$ 595,498</u>	<u>\$ 995,457</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>4.1%</u>	<u>3.0%</u>	<u>2.5%</u>	<u>3.0%</u>	<u>4.6%</u>

STATE OF NEW MEXICO
SCHEDULE OF REVENUES, STATE GENERAL FUND
LAST TEN FISCAL YEARS
(IN THOUSANDS)

	Fiscal Year				
	2023	2022 as Restated	2021 as Restated	2020 as Restated	2019 as Restated
REVENUES					
Taxes and License Fees					
General and Selective Sales Taxes:					
Gross Receipts	\$ 3,954,164	\$ 3,424,014	\$ 2,799,239	\$ 2,942,128	\$ 2,669,415
Compensating	93,866	63,139	63,893	63,578	78,380
Tobacco (Luxury)	81,140	82,813	90,529	88,809	75,424
Alcoholic Beverage	24,485	25,023	24,575	24,610	25,295
Insurance	390,850	320,850	292,664	259,170	216,347
Fire Protection	-	-	-	-	-
Racing	-	-	-	-	765
Private Car	-	999	762	552	931
Motor Vehicle and Other Excise Tax	164,724	155,261	174,061	137,769	152,523
Gaming Tax	72,062	68,365	24,655	46,005	64,886
Leased Vehicles Gross Receipts and Surcharge	3,709	3,286	3,099	4,711	5,727
Gasoline Tax	739	2,547	851	596	971
Telecommunications Relay Surcharge	13	95	203	113	66
Boat Excise Tax	368	360	441	290	282
Other Tax	-	-	-	-	-
Total General and Selective Sales Tax	4,786,120	4,146,752	3,474,972	3,568,332	3,291,012
Income Taxes					
Gross Withholding	183,429	198,996	159,802	100,329	166,318
Final Settlements	1,507,614	1,194,645	1,643,503	1,577,189	1,500,831
Less:					
Transfer - Retiree Health Care	-	-	-	-	-
Transfer - PIT Suspense and Others	-	-	-	-	-
Refunds - TAA Suspense	-	-	-	-	-
Net Personal Income Taxes	1,691,043	1,393,641	1,803,304	1,677,518	1,667,149
Corporate Taxes	439,140	343,853	149,666	63,198	22,808
Less Refunds	-	-	-	-	-
Net Corporate Income Taxes	439,140	343,853	149,666	63,198	22,808
Estate Taxes	-	-	-	-	-
Fiduciary Taxes	-	34,979	3,107	14,343	4,865
Total Income Taxes	2,130,182	1,772,471	1,956,077	1,755,060	1,694,822
Severance Taxes					
Oil and Gas School Tax	1,987,797	1,865,805	763,113	388,671	555,356
7% Oil Conservation	109,966	99,655	39,597	29,510	28,702
Resources Excise	9,200	8,716	6,751	7,148	7,834
Natural Gas Processors	35,120	10,195	10,504	14,764	15,125
Total Severance Taxes	2,142,083	1,984,370	819,965	440,093	607,017
Total Taxes	9,058,385	7,903,594	6,251,014	5,763,485	5,592,851

STATE OF NEW MEXICO
SCHEDULE OF REVENUES, STATE GENERAL FUND (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)

	Fiscal Year				
	2018 as Restated	2017 as Restated	2016	2015	2014
REVENUES					
Taxes and License Fees					
General and Selective Sales Taxes:					
Gross Receipts	\$ 2,381,082	\$ 2,013,548	\$ 1,975,416	\$ 2,095,153	\$ 1,992,035
Compensating	56,102	48,529	46,882	71,840	78,271
Tobacco (Luxury)	78,368	77,887	79,819	82,348	78,479
Alcoholic Beverage	23,811	7,376	6,732	26,263	26,357
Insurance	213,597	227,464	207,904	189,953	115,067
Fire Protection	1,020	-	15,069	15,156	16,082
Racing	1,084	1,096	1,130	670	821
Private Car	860	663	703	660	620
Motor Vehicle and Other Excise Tax	154,008	145,238	150,395	138,701	133,275
Gaming Tax	62,054	59,523	63,050	70,409	66,455
Leased Vehicles Gross Receipts and Surcharge	5,528	5,489	5,536	5,236	5,204
Gasoline Tax	358	(380)	867	(1,152)	1,227
Telecommunications Relay Surcharge	58	59	69	123	86
Boat Excise Tax	347	325	195	184	184
Other Tax	-	-	-	-	99
Total General and Selective Sales Tax	2,978,277	2,586,817	2,553,767	2,695,544	2,514,262
Income Taxes					
Gross Withholding	923,665	872,299	1,200,151	1,179,123	1,116,249
Final Settlements	614,620	504,741	508,566	535,298	506,245
Less:					
Transfer - Retiree Health Care	(26,507)	-	(29,519)	(26,678)	(24,141)
Transfer - PIT Suspense and Others	-	-	(359,043)	(355,541)	(351,365)
Refunds - TAA Suspense	-	-	-	-	-
Net Personal Income Taxes	1,511,778	1,377,040	1,320,155	1,332,202	1,246,988
Corporate Taxes	106,601	70,156	118,502	254,477	196,762
Less Refunds	-	-	-	-	-
Net Corporate Income Taxes	106,601	70,156	118,502	254,477	196,762
Estate Taxes	-	-	1	1	32
Fiduciary Taxes	7,180	3,635	7,053	7,510	7,951
Total Income Taxes	1,625,559	1,450,831	1,445,711	1,594,190	1,451,733
Severance Taxes					
Oil and Gas School Tax	450,787	304,262	236,818	375,423	500,659
7% Oil Conservation	22,885	17,368	11,375	20,091	27,244
Resources Excise	8,569	9,649	11,203	13,345	13,013
Natural Gas Processors	10,841	10,307	20,354	18,594	16,197
Total Severance Taxes	493,082	341,586	279,750	427,453	557,113
Total Taxes	5,096,918	4,379,234	4,279,228	4,717,187	4,523,108

STATE OF NEW MEXICO
SCHEDULE OF REVENUES, STATE GENERAL FUND (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)

	Fiscal Year				
	2023	2022 as Restated	2021 as Restated	2020 as Restated	2018 as Restated
REVENUES (CONTINUED)					
Taxes and License Fees (Continued)					
License Fees					
Manufactured Housing	\$ -	\$ -	\$ -	\$ 70	\$ 462
Trade and Professions License	26,128	-	-	23,457	-
Corporate Filing	4,400	5,103	4,278	4,176	3,881
Alcoholic Beverages and Gaming	456	-	-	-	4,960
Financial Institutions	-	-	-	3,396	3,747
Corporate Special	-	-	-	-	-
Construction Industries	(1)	(1)	-	4,890	4,909
Gaming License and Permit Fees	1,087	345	299	313	373
Securities Receipts	-	-	-	2,531	22,340
Public Utilities	17,051	15,545	17,067	11,464	14,493
Health Facilities Fees	-	-	-	-	-
Pipeline Fees	202	306	164	170	242
Motor Vehicles Miscellaneous Fees	-	(1,115)	368	228	596
Drivers Training Fees	-	-	-	-	-
MVD Penalty Assessments	556	3,600	3,323	3,771	4,484
State Engineers Fees	-	-	-	-	-
Total License Fees	49,881	23,785	25,499	54,464	60,487
Total Taxes and License Fees	9,108,266	7,927,379	7,929,094	6,305,477	5,823,972
Other Revenue Sources					
Investment Income					
State Land Grant Permanent Fund Income	-	-	-	-	-
Earnings on State Balances	181,378	(118,318)	5,348	91,751	86,880
Severance Tax Permanent Fund Earnings	-	-	-	-	-
Total Interest Earnings	181,378	(118,318)	5,348	91,751	86,880
Rents and Royalties					
Federal Mineral Leasing	3,192,349	2,256,717	811,496	817,116	1,146,800
Land Office	-	-	-	69,858	132,454
Tribal Revenue Sharing	78,163	71,434	48,166	51,677	78,430
Total Rents and Royalties	3,270,512	2,328,151	859,662	938,651	1,357,684

STATE OF NEW MEXICO
SCHEDULE OF REVENUES, STATE GENERAL FUND (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)

	Fiscal Year				
	2017 as Restated	2017	2016	2015	2014
REVENUES (CONTINUED)					
Taxes and License Fees (Continued)					
License Fees					
Manufactured Housing	\$ 432	\$ 419	\$ 375	\$ 753	\$ 357
Trade and Professions License	-	-	-	-	-
Corporate Filing	4,042	3,437	3,327	4,020	4,262
Alcoholic Beverages and Gaming	4,075	4,186	4,028	3,931	3,770
Financial Institutions	3,564	3,480	3,455	3,556	3,195
Corporate Special	-	2,984	2,955	3,308	3,672
Construction Industries	5,543	4,700	6,092	6,199	3,902
Gaming License and Permit Fees	6,365	577	353	416	373
Securities Receipts	22,267	22,399	22,016	21,267	20,201
Public Utilities	14,538	11,021	12,040	12,129	11,759
Health Facilities Fees	-	-	-	-	-
Pipeline Fees	207	137	153	196	65
Motor Vehicles Miscellaneous Fees	401	-	20	100	111
Drivers Training Fees	-	-	-	-	-
MVD Penalty Assessments	4,632	4,271	4,009	5,658	5,982
State Engineers Fees	-	-	-	-	-
Total License Fees	66,066	57,611	58,823	61,533	57,649
Total Taxes and License Fees	5,658,917	5,154,529	4,438,057	4,340,761	4,774,836
Other Revenue Sources					
Investment Income					
State Land Grant Permanent Fund Income	-	-	555,103	502,757	449,382
Earnings on State Balances	5,945	(3,230)	25,224	24,160	42,293
Severance Tax Permanent Fund Earnings	-	-	193,510	182,723	170,473
Total Interest Earnings	5,945	(3,230)	773,837	709,640	662,148
Rents and Royalties					
Federal Mineral Leasing	564,232	435,692	47,817	42,235	569,860
Land Office	111,845	71,490	390,005	542,184	47,481
Tribal Revenue Sharing	68,092	62,717	64,413	67,178	67,582
Total Rents and Royalties	744,169	569,899	502,235	651,597	684,923

STATE OF NEW MEXICO
SCHEDULE OF REVENUES, STATE GENERAL FUND (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)

	Fiscal Year				
	2023	2022 as Restated	2021 as Restated	2020 as Restated	2018 as Restated
Miscellaneous Receipts and Fees					
Environment Department Filing Fees	\$ 996	\$ 5,370	\$ 1,847	\$ 677	\$ 1,082
Administrative Fees	-	-	2,728	-	-
Media Lease Payments	-	-	-	-	-
Fines and Forfeitures	2,879	2,717	2,528	3,107	3,563
Birth and Death Certificates		1,203	1,232	1,192	1,175
District Judge Receipts	978	812	893	1,010	1,095
Notary Public Fees	923	(168)	653	46	683
Court of Appeals	-	-	-	-	-
Legislative Receipts	-	-	591	9	22
Workmen's Compensation Fees	660	578	751	884	699
Health Care Quality Surcharge		36	78	1,096	-
Payroll Administration Costs	-	-	-	-	-
Law Enforcement Protection	-	-	-	-	-
Small County Assistance	-	-	-	-	-
Supreme Court Fees	-	-	-	-	1
Unclaimed Property	36,587	27,111	29,481	15,565	28,089
Restitution Payments	(403)	291	251	204	91
Small Cities Assistance	-	-	-	-	-
Total Miscellaneous Receipts and Fees	<u>42,620</u>	<u>37,949</u>	<u>41,034</u>	<u>23,790</u>	<u>36,499</u>
Other Revenues					
Miscellaneous Nonrecurring	30	22	482	219	138
Transfers - Reversions	-	-	-	-	-
Total Other Revenues	<u>30</u>	<u>22</u>	<u>482</u>	<u>219</u>	<u>138</u>
Total Other Revenue Sources	<u>3,494,540</u>	<u>2,247,804</u>	<u>2,251,347</u>	<u>889,020</u>	<u>1,067,039</u>
Total Revenues	<u>\$ 12,602,805</u>	<u>\$ 10,175,182</u>	<u>\$ 10,178,725</u>	<u>\$ 8,818,114</u>	<u>\$ 7,372,516</u>

Source: General Fund Financial Audit (30600) - Schedule of Revenue by Source
Department of Finance and Administration General Fund Report

STATE OF NEW MEXICO
SCHEDULE OF REVENUES, STATE GENERAL FUND (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)

	Fiscal Year				
	2018	2017	2016	2015	2014
Miscellaneous Receipts and Fees					
Environment Department Filing Fees	\$ 1,260	\$ 747	\$ 1,241	\$ 4,212	\$ 1,322
Administrative Fees	-	-	-	-	-
Media Lease Payments	-	22	18	19	18
Fines and Forfeitures	3,932	4,241	4,514	5,241	5,567
Birth and Death Certificates	1,260	1,184	1,043	1,019	1,010
District Judge Receipts	1,146	1,096	947	925	936
Notary Public Fees	658	743	984	681	628
Court of Appeals	-	-	-	-	-
Legislative Receipts	13	26	14	28	18
Workmen's Compensation Fees	390	7	3	5	268
Health Care Quality Surcharge	-	-	-	-	-
Payroll Administration Costs	-	-	-	-	-
Law Enforcement Protection	-	-	15,297	7,641	3,936
Small County Assistance	-	-	11	5,809	3,748
Supreme Court Fees	1	1	1	1	-
Unclaimed Property	20,113	23,030	19,789	24,644	21,516
Restitution Payments	42	176	201	269	354
Small Cities Assistance	-	-	-	-	-
Total Miscellaneous Receipts and Fees	<u>28,815</u>	<u>31,273</u>	<u>44,063</u>	<u>50,494</u>	<u>39,321</u>
Other Revenues					
Miscellaneous Nonrecurring	173	970	39,616	36,136	29,509
Transfers - Reversions	-	366,208	56,367	59,163	101,751
Total Other Revenues	<u>173</u>	<u>367,178</u>	<u>95,983</u>	<u>95,299</u>	<u>131,260</u>
Total Other Revenue Sources	<u>1,473,552</u>	<u>1,148,565</u>	<u>706,714</u>	<u>1,421,865</u>	<u>1,531,818</u>
Total Revenues	<u>\$ 7,297,524</u>	<u>\$ 6,807,482</u>	<u>\$ 5,861,243</u>	<u>\$ 5,859,922</u>	<u>\$ 5,872,579</u>

**STATE OF NEW MEXICO
REVENUE BASE
LAST TEN CALENDAR YEARS
(IN THOUSANDS)**

	Fiscal Year				
	2023	2022	2021	2020	2019
Taxable Gross Receipts (in thousands)					
Agriculture, Forestry and Fishing	\$ 124,523	\$ 251,871	\$ 124,832	\$ 175,237	\$ 126,252
Mining	11,073,103	7,969,653	3,883,084	7,310,833	6,815,136
Construction	11,100,617	9,027,400	6,612,931	10,989,995	8,027,002
Manufacturing	3,147,379	3,649,339	1,549,363	2,306,998	2,084,012
Transportation	1,537,645	1,499,545	846,609	1,187,865	1,175,605
Communications and Utilities	3,235,541	4,589,831	3,723,750	6,120,717	5,384,324
Wholesale Trade	4,507,202	2,290,375	2,211,281	3,648,654	3,529,917
Retail Trade	19,520,364	17,011,431	11,334,814	16,425,084	14,780,421
Finance, Insurance and Real Estate	2,945,664	2,511,559	1,677,853	2,582,843	2,338,187
Services and Other	6,488,255	27,328,590	19,425,400	30,267,240	26,756,441
Public Administration	52,116	27,645	535,586	883,472	901,867
	<u>\$ 63,732,409</u>	<u>\$ 76,157,239</u>	<u>\$ 51,925,503</u>	<u>\$ 81,898,938</u>	<u>\$ 71,919,164</u>
Total Taxable Gross Receipts					
State Gross Receipts Tax Rate	5.1%	5.1%	5.1%	5.1%	5.1%
Personal Income by Industry (in millions)					
Federal Civilian	\$ 3,750	\$ 4,103	\$ 3,605	\$ 3,397	\$ 3,335
Federal Military	1,708	1,836	1,556	1,459	1,398
State and Local Government	11,454	13,522	10,572	10,470	9,976
Farm Earnings	884	1,527	1,227	1,036	767
Forestry, Fishing, and Related Activities	159	181	176	170	169
Mining	2,962	4,109	2,104	2,656	3,013
Utilities	559	842	566	522	511
Construction	3,926	4,132	3,981	4,001	3,659
Manufacturing	2,466	3,123	2,212	2,210	1,868
Wholesale Trade	1,744	1,856	1,533	1,569	1,538
Retail	4,361	5,632	4,048	3,669	3,599
Transportation and Warehousing	2,151	2,632	1,821	1,858	1,713
Information	1,056	1,863	875	829	914
Financial, Insurance, Real Estate, Rental, and Leasing	4,334	3,696	3,325	3,094	2,855
Services	332	24,562	22,874	21,959	21,462
Other'	58,985	47,233	41,089	35,532	32,843
	<u>\$ 100,831</u>	<u>\$ 120,849</u>	<u>\$ 101,564</u>	<u>\$ 94,431</u>	<u>\$ 89,620</u>
Total Personal Income					
Highest Income Tax Rate	4.9%	4.9%	4.9%	4.9%	4.9%

STATE OF NEW MEXICO
REVENUE BASE (CONTINUED)
LAST TEN CALENDAR YEARS
(IN THOUSANDS)

	Fiscal Year				
	2018	2017	2016	2015	2014
Taxable Gross Receipts (in thousands)					
Agriculture, Forestry and Fishing	\$ 126,940	\$ 111,430	\$ 106,156	\$ 84,720	\$ 54,047
Mining	4,834,724	2,213,846	2,328,158	4,144,544	2,998,455
Construction	7,428,957	6,312,982	6,537,914	6,331,176	4,257,409
Manufacturing	1,617,171	1,315,416	1,607,798	2,238,013	1,607,519
Transportation	836,920	571,482	668,207	867,443	543,996
Communications and Utilities	5,161,295	4,673,015	5,281,589	5,134,386	1,908,054
Wholesale Trade	2,698,455	1,786,231	2,030,984	2,544,689	1,790,115
Retail Trade	13,041,456	11,045,865	12,063,308	12,553,764	9,268,342
Finance, Insurance and Real Estate	2,032,733	1,559,574	1,613,419	1,630,999	1,106,612
Services and Other	22,338,845	17,675,223	19,824,081	19,219,587	15,112,166
Public Administration	425,736	587,747	665,833	673,442	378,243
Total Taxable Gross Receipts	\$ 60,543,232	\$ 47,852,811	\$ 52,727,447	\$ 55,422,763	\$ 39,024,958
State Gross Receipts Tax Rate	5.1%	5.1%	5.1%	5.1%	5.1%
Personal Income by Industry (in millions)					
Federal Civilian	\$ 3,373	\$ 3,220	\$ 3,103	\$ 3,110	\$ 2,948
Federal Military	1,323	1,321	1,265	1,215	1,268
State and Local Government	9,596	9,379	9,836	9,860	9,590
Farm Earnings	793	889	664	1,088	1,769
Forestry, Fishing, and Related Activities	163	170	142	145	150
Mining	2,638	2,532	2,393	3,035	3,167
Utilities	490	490	533	503	491
Construction	3,474	3,368	3,146	3,111	3,042
Manufacturing	1,717	1,372	1,606	2,118	2,089
Wholesale Trade	1,456	1,517	1,491	1,442	1,441
Retail	3,549	3,667	3,670	3,546	3,505
Transportation and Warehousing	1,578	1,550	1,503	1,569	1,508
Information	845	812	859	927	790
Financial, Insurance, Real Estate, Rental, and Leasing	2,721	2,732	2,652	2,725	2,448
Services	20,359	19,782	19,465	18,166	17,790
Other'	30,596	27,992	28,063	27,490	26,432
Total Personal Income	\$ 84,671	\$ 80,793	\$ 80,391	\$ 80,050	\$ 78,428
Highest Income Tax Rate	4.9%	4.9%	4.9%	4.9%	4.9%

**STATE OF NEW MEXICO
REVENUE PAYERS BY INDUSTRY – TAXABLE SALES, SERVICES, AND USE TAX PURCHASES
MOST CURRENT CALENDAR YEAR AND HISTORICAL COMPARISON
(IN THOUSANDS)**

	Fiscal Year 2023				Fiscal Year 2015			
	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	2,501	0.5%	\$ 124,523	0.2%	1,285	0.7%	\$ 84,720	0.2%
Mining	5,732	1.1%	11,073,103	17.4%	3,770	2.1%	4,144,544	7.5%
Construction	38,214	7.0%	11,100,617	17.4%	34,244	18.7%	6,331,176	11.4%
Manufacturing	64,610	11.8%	3,147,379	4.9%	14,560	7.9%	2,238,013	4.0%
Transportation	7,385	1.4%	1,537,645	2.4%	11,041	6.0%	867,443	1.6%
Communications and Utilities	3,448	0.6%	3,235,541	5.1%	2,341	1.3%	5,134,386	9.3%
Wholesale Trade	70,419	12.9%	4,507,202	7.1%	41,885	22.8%	2,544,689	4.6%
Retail Trade	277,964	51.0%	19,520,364	30.5%	36,007	19.6%	12,553,764	22.7%
Finance, Insurance and Real Estate	9,287	1.7%	2,945,664	4.6%	7,895	4.3%	1,630,999	2.9%
Services and Other	65,638	12.0%	6,488,255	10.1%	30,397	16.7%	19,219,587	34.7%
Public Administration	294	0.1%	52,116	0.1%	185	0.1%	673,442	1.2%
Total Number of Outlets and Total Taxable Gross Revenues	<u>545,492</u>	<u>100.0%</u>	<u>\$ 63,732,409</u>	<u>99.8%</u>	<u>183,610</u>	<u>100.2%</u>	<u>\$ 55,422,763</u>	<u>100.1%</u>
State Gross Receipts Tax Rate	<u>5.1%</u>				<u>5.1%</u>			

Source: 2015 New Mexico Department of Taxation and Revenue, Monthly RP-80 Reports: Gross Receipts by Geographic Area and 6-digit NAICS Code
 Source: 2023 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
MOST CURRENT CALENDAR YEAR AND HISTORICAL COMPARISON
(DOLLARS, EXCEPT FOR INCOME LEVEL, IN THOUSANDS)

Income Level	2012				2021*			
	Number of Returns	Percent of Total	Personal Income Tax Liability	Percent of Total	Number of Returns	Percent of Total	Personal Income Tax Liability	Percent of Total
\$200,000 and higher	19,740	2.2%	\$ 1,867,483	40.9%	41,520	5.6%	\$ 4,021,674	50.3%
\$100,000 - \$199,999	77,390	8.5%	1,162,986	25.4%	118,500	15.7%	1,984,266	24.8%
\$75,000 - \$99,999	67,740	7.5%	515,691	11.3%	80,200	10.6%	685,536	8.6%
\$50,000 - \$74,999	112,210	12.4%	536,639	11.7%	131,770	17.5%	667,681	8.3%
\$49,999 and lower	628,280	69.4%	488,835	10.7%	381,080	50.6%	641,181	8.0%
Total	905,360	100.0%	\$ 4,571,634	100.0%	753,070	100.0%	\$ 8,000,338	100%

* At the time of the preparation of the 2023 New Mexico State Annual Financial Report, the 2023 and 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**

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	
2023	4.9%	\$ 16,000	\$ 24,000	\$ 24,000	N/A
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

Source: New Mexico Department of Taxation and Revenue

STATE OF NEW MEXICO
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(IN THOUSANDS)

	Fiscal Year				
	2023	2022	2021	2020 as Restated	2019 as Restated
Governmental Activities					
General Obligation	\$ 541,270	\$ 414,365	\$ 505,295	\$ 421,700	\$ 350,925
Enhanced E-911 Revenue Bonds	-	-	-	-	-
Severance Tax Bonds	1,268,165	1,110,570	964,035	680,245	814,370
Revenue Bonds	892,555	1,053,950	958,018	1,094,670	1,221,323
Bond Premium, Discount, Net *	196,781	318,871	292,066	223,793	257,989
Lease Liabilities**	529,058	436,734	-	-	-
Total Government	<u>3,427,829</u>	<u>3,334,490</u>	<u>2,719,414</u>	<u>2,420,407</u>	<u>2,644,607</u>
Business-type Activities*					
General Obligation	720	1,260	2,130	-	-
Revenue Bonds	706,907	736,312	788,814	823,419	865,272
Bond Premium, Discount, Net*	-	23,788	28,564	39,278	41,791
Lease Liabilities**	-	54,106	-	-	-
Capital Leases**	-	-	173	546	938
Total Primary Government	<u>706,907</u>	<u>814,207</u>	<u>817,551</u>	<u>863,243</u>	<u>908,001</u>
Total Debt	<u>\$ 4,134,736</u>	<u>\$ 4,148,697</u>	<u>\$ 3,536,966</u>	<u>\$ 3,283,650</u>	<u>\$ 3,552,608</u>
New Mexico Personal Income	\$ 103,237,501	\$ 103,237,501	\$ 102,375,900	\$ 101,386,400	\$ 86,328,400
Debt as a Percentage of Personal Income	4.0%	4.0%	3.5%	3.2%	4.1%
New Mexico Population	2,113	2,113	2,116	2,101	2,095
General Obligation Debt Per Capita	\$ 256	\$ 196	\$ 239	\$ 201	\$ 167
Total Long-Term Debt Per Capita	\$ 1,956	\$ 1,963	\$ 1,672	\$ 1,563	\$ 1,675

Source:

Note: Total Printing Gov. is incorrect
This Line S/B Total BTA

STATE OF NEW MEXICO
RATIOS OF OUTSTANDING DEBT BY TYPE (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)

	Fiscal Year				
	2018 as Restated	2017 as Restated	2016 as Restated	2015 as Restated	2014
Governmental Activities					
General Obligation	\$ 260,760	\$ 260,760	\$ 389,270	\$ 311,270	\$ 372,700
Enhanced E-911 Revenue Bonds	-	-	-	-	-
Severance Tax Bonds	876,115	876,115	641,415	760,080	683,275
Revenue Bonds	1,367,542	1,367,542	1,558,689	1,520,839	1,562,240
Bond Premium, Discount, Net *	237,638	237,638	257,935	-	-
Lease Liabilities**	-	-	-	-	-
Total Government	<u>2,742,055</u>	<u>2,742,055</u>	<u>2,847,309</u>	<u>2,592,189</u>	<u>2,618,215</u>
Business-type Activities*					
General Obligation	-	-	-	-	-
Revenue Bonds	869,404	869,404	763,824	808,463	827,812
Bond Premium, Discount, Net*	46,147	43,961	42,649	31,519	-
Lease Liabilities**	-	-	-	-	-
Capital Leases**	1,054	1,054	1,502	1,919	1,060
Total Primary Government	<u>916,605</u>	<u>914,419</u>	<u>807,975</u>	<u>841,901</u>	<u>828,872</u>
Total Debt	<u>\$ 3,658,660</u>	<u>\$ 3,656,474</u>	<u>\$ 3,655,284</u>	<u>\$ 3,434,090</u>	<u>\$ 3,447,087</u>
New Mexico Personal Income	\$ 81,483,543	\$ 81,483,543	\$ 79,104,093	\$ 76,449,091	\$ 72,465,608
Debt as a Percentage of Personal Income	4.5%	4.5%	4.6%	4.5%	4.8%
New Mexico Population	2,088	2,088	2,080	2,083	2,085
General Obligation Debt Per Capita	\$ 125	\$ 125	\$ 187	\$ 149	\$ 179
Total Long-Term Debt Per Capita	\$ 1,752	\$ 1,751	\$ 1,757	\$ 1,649	\$ 1,653

**STATE OF NEW MEXICO
LONG TERM LIABILITIES
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

	Fiscal Year				
	2023	2022	2021	2020	2019
Governmental Activities					
General Obligation Bonds	\$ 541,270	\$ 414,365	\$ 505,295	\$ 421,700	\$ 350,925
Severance Tax Bonds	1,268,165	1,110,570	964,035	680,245	814,370
Revenue Bonds	908,875	1,053,950	958,018	1,094,669	1,221,323
Bond Premium, Discount, Net *	309,549	318,871	292,066	223,794	257,988
Notes Payable	-	-	-	-	1,250
Deferred Loss on Refunding, Net *	-	-	-	-	-
Claims and Judgments	235,940	206,032	167,336	152,392	166,593
Hedging Derivatives - Interest Rate Swaps	-	-	-	-	-
Native American Water Settlement Liability **	46,757	51,291	70,543	91,543	69,706
Contingent Liabilities	-	20,900	-	22	29,516
Compensated Absences	101,383	97,508	94,674	83,605	68,795
Pollution Remediation Obligation	53,733	41,608	41,067	41,666	27,457
Net Pension Liability	3,960,251	3,043,770	3,953,370	3,429,456	3,341,570
Net OPEB Liability	543,772	782,224	994,857	774,289	1,035,068
Capital Leases	-	-	-	-	-
Reserve for Losses	-	-	-	-	-
Lease Liabilities	529,020	436,734	-	-	-
Other Liabilities	17,090	550,945	648,370	578,826	451,647
Total Governmental Activities	<u>8,515,806</u>	<u>8,128,768</u>	<u>8,689,631</u>	<u>7,572,207</u>	<u>7,836,208</u>
Business-type Activities					
Revenue Bonds	\$ 672,469	\$ 736,314	\$ 788,814	\$ 823,419	\$ 865,272
Bond Premium, Discount, Net *	27,257	23,785	28,568	39,279	41,791
Compensated Absences	112,446	107,556	113,414	99,083	87,588
Reserve for Losses	110,900	104,813	107,531	101,940	98,169
Notes Payable	11,993	8,235	9,325	13,506	11,285
Insurance Claims Payable	8,151	11,651	5,662	9,953	-
Capital Leases	-	-	173	546	938
Net OPEB Obligation	370,945	397,667	424,370	385,030	432,298
Derivative Instruments - Interest Rate Swaps	1,059	2,129	6,001	8,375	7,186
Student Loans	8,421	9,433	11,371	12,069	15,060
Environmental Cleanup	5,434	5,434	5,434	5,434	5,434
Net Pension Liability	2,301,724	1,982,851	5,511,724	2,188,285	3,485,718
Lease Liabilities	66,109	54,106	-	-	-
Other Liabilities	322,564	207,474	198,810	174,049	56,714
Total Business-type Activities	<u>4,019,470</u>	<u>3,651,448</u>	<u>7,211,198</u>	<u>3,860,968</u>	<u>5,107,453</u>
Total Primary Government Long-term Liabilities	<u>\$ 12,535,276</u>	<u>\$ 11,780,216</u>	<u>\$ 15,900,829</u>	<u>\$ 11,433,175</u>	<u>\$ 12,943,661</u>

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
LONG TERM LIABILITIES (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

	Fiscal Year				
	2018 As Restated	2017	2016	2015 As Restated	2014
Governmental Activities					
General Obligation Bonds	\$ 260,760	\$ 326,755	\$ 429,764	\$ 311,270	\$ 372,700
Severance Tax Bonds	876,115	955,045	641,415	760,080	683,275
Revenue Bonds	1,367,542	1,281,950	1,423,069	1,520,839	1,562,240
Bond Premium, Discount, Net *	200,994	279,305	217,441	252,771	234,954
Notes Payable	-	14,000	5,755	1,581	1,598
Deferred Loss on Refunding, Net *	-	-	100,167	96,042	(91,257)
Claims and Judgments	180,149	195,471	100,461	259,855	348,753
Hedging Derivatives - Interest Rate Swaps	84,090	119,015	100,167	96,042	(91,257)
Native American Water Settlement Liability **	60,850	62,100	287,910	-	-
Contingent Liabilities	3,678	20,051	-	-	-
Compensated Absences	63,982	64,051	58,112	62,339	61,201
Pollution Remediation Obligation	42,651	44,278	287,910	47,129	53,373
Net Pension Liability	3,264,743	2,299,659	1,843,467	-	-
Net OPEB Liability	-	-	-	-	-
Capital Leases	51,690	53,045	53,199	-	-
Reserve for Losses	-	-	-	100,000	-
Lease Liabilities	-	-	-	-	-
Other Liabilities	-	-	52,307	212,200	252,003
Total Governmental Activities	<u>6,457,243</u>	<u>5,714,725</u>	<u>5,601,144</u>	<u>3,720,148</u>	<u>3,387,583</u>
Business-type Activities					
Revenue Bonds	\$ 899,736	\$ 653,372	\$ 695,552	\$ 808,463	\$ 827,812
Bond Premium, Discount, Net *	43,960	42,649	31,519	15,429	17,010
Compensated Absences	86,356	84,906	20,853	80,180	77,777
Reserve for Losses	89,501	87,453	-	69,988	65,471
Notes Payable	12,985	14,051	-	-	-
Insurance Claims Payable	-	-	-	-	-
Capital Leases	1,054	1,308	1,023	1,919	1,060
Net OPEB Obligation	67,969	61,333	-	-	-
Derivative Instruments - Interest Rate Swaps	8,604	13,350	-	-	-
Student Loans	15,726	18,592	-	-	-
Environmental Cleanup	5,434	5,434	-	-	-
Net Pension Liability	2,125,341	1,913,152	-	-	-
Lease Liabilities	-	-	-	-	-
Other Liabilities	11,076	-	56,579	184,094	79,083
Total Business-type Activities	<u>3,367,742</u>	<u>2,895,600</u>	<u>805,526</u>	<u>1,160,073</u>	<u>1,068,213</u>
Total Primary Government Long-term Liabilities	<u>\$ 9,824,984</u>	<u>\$ 8,610,325</u>	<u>\$ 6,406,670</u>	<u>\$ 4,880,221</u>	<u>\$ 4,455,796</u>

**STATE OF NEW MEXICO
LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

	Fiscal Year				
	2023	2022	2021	2020	2019
Net Taxable Value of Property Subject to Taxation	\$ 88,517,562	\$ 88,883,819	\$ 70,313,555	\$ 70,648,048	\$ 66,919,238
Statutory Debt Limit	1.0%	1.0%	1.0%	1.0%	1.0%
Debt Limit Amount	<u>885,176</u>	<u>888,838</u>	<u>703,136</u>	<u>706,480</u>	<u>669,192</u>
General Obligation Bonds	541,220	414,365	505,295	260,760	326,755
Total General Debt Outstanding	<u>541,220</u>	<u>414,365</u>	<u>505,295</u>	<u>260,760</u>	<u>326,755</u>
Legal Debt Margin	<u>\$ 343,956</u>	<u>\$ 474,473</u>	<u>\$ 197,841</u>	<u>\$ 445,720</u>	<u>\$ 342,437</u>
Legal Debt Margin as a Percentage of the Debt Limit	<u>38.9%</u>	<u>53.4%</u>	<u>28.1%</u>	<u>63.1%</u>	<u>51.2%</u>

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
LEGAL DEBT MARGIN (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

	Fiscal Year				
	2018	2017 As Restated	2016	2015	2014
Net Taxable Value of Property					
Subject to Taxation	\$ 60,698,949	\$ 57,451,756	\$ 56,625,171	\$ 58,412,965	\$ 56,473,465
Statutory Debt Limit	1.0%	1.0%	1.0%	1.0%	1.0%
Debt Limit Amount	<u>606,989</u>	<u>574,518</u>	<u>566,252</u>	<u>584,130</u>	<u>564,735</u>
General Obligation Bonds	<u>389,270</u>	<u>311,270</u>	<u>372,700</u>	<u>296,890</u>	<u>355,500</u>
Total General Debt Outstanding	<u>389,270</u>	<u>311,270</u>	<u>372,700</u>	<u>296,890</u>	<u>355,500</u>
Legal Debt Margin	<u>\$ 217,719</u>	<u>\$ 263,248</u>	<u>\$ 193,552</u>	<u>\$ 287,240</u>	<u>\$ 209,235</u>
Legal Debt Margin as a Percentage of the Debt Limit	<u>35.9%</u>	<u>45.8%</u>	<u>34.2%</u>	<u>49.2%</u>	<u>37.1%</u>

**STATE OF NEW MEXICO
STATUTORY DEBT LIMIT
SEVERANCE TAX BONDS
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

	Fiscal Year				
	2023	2022	2021	2020	2019
Annual Deposits into Severance Tax Bonding Fund	\$ 2,410,670	\$ 2,153,990	\$ 870,761	\$ 646,300	\$ 672,441
50.0% of Annual Deposits	1,205,335	1,076,995	435,381	323,150	336,221
Statutory Debt Limit Amount	<u>1,205,335</u>	<u>1,076,995</u>	<u>435,381</u>	<u>323,150</u>	<u>336,221</u>
Senior Bond Servicing Amount *	<u>226,530</u>	<u>208,274</u>	<u>428,500</u>	<u>146,965</u>	<u>129,737</u>
Statutory Debt Margin Amount	<u>\$ 978,805</u>	<u>\$ 868,721</u>	<u>\$ 6,881</u>	<u>\$ 176,185</u>	<u>\$ 206,484</u>
Statutory Debt Margin as a Percentage of Debt Limit	<u>81.2%</u>	<u>80.7%</u>	<u>1.6%</u>	<u>54.5%</u>	<u>61.4%</u>

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.
New Mexico Board of Finance, Severance Tax Bonds, Bond Series 2012A Official Statement.

**STATE OF NEW MEXICO
STATUTORY DEBT LIMIT
SEVERANCE TAX BONDS (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

	Fiscal Year				
	2018	2017	2016	2015	2014
Annual Deposits into Severance Tax Bonding Fund	\$ 511,115	\$ 342,317	\$ 254,966	\$ 426,331	\$ 414,956
50.0% of Annual Deposits	255,558	171,159	127,483	213,166	207,478
Statutory Debt Limit Amount	<u>255,558</u>	<u>171,159</u>	<u>127,483</u>	<u>213,166</u>	<u>207,478</u>
Senior Bond Servicing Amount *	<u>142,160</u>	<u>144,766</u>	<u>16,489</u>	<u>129,042</u>	<u>125,597</u>
Statutory Debt Margin Amount	<u>\$ 113,398</u>	<u>\$ 26,393</u>	<u>\$ 110,994</u>	<u>\$ 84,124</u>	<u>\$ 81,881</u>
Statutory Debt Margin as a Percentage of Debt Limit	<u>44.4%</u>	<u>15.4%</u>	<u>87.1%</u>	<u>39.5%</u>	<u>39.5%</u>

**STATE OF NEW MEXICO
PLEGGED REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

Fiscal Year	Pledged Revenues Received	Annual Debt Service		Coverage
		Principal	Interest	
Severance Tax Bonds (Including Supplemental Subordinate Liens)				
2023	\$ 2,410,670	\$ 135,715	\$ 44,914	13.3
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
Highway Infrastructure Bonds				
2023	\$ 996,818	\$ 133,329	\$ 41,195	5.7
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
Energy and Minerals Bonds				
2023	\$ 597	\$ 128	\$ 3	4.6
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
PLEDGED REVENUE BOND COVERAGE (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)

Fiscal Year	Pledged Revenues Received	Annual Debt Service		Coverage
		Principal	Interest	
Cultural Affairs Bonds and Loan				
2023	\$ 895	\$ 574	\$ 13	1.5
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
Miners' Colfax Medical Center Bonds				
2023	\$ 7,577	\$ 1,110	\$ 149	6.0
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
State Fair (EXPO) Bonds				
2023	\$ -	\$ -	\$ -	0.0
2022	-	-	-	0.0
2021	-	-	-	0.0
2020	-	-	-	0.0
2019	-	-	-	0.0
2018	-	-	-	0.0
2017	-	-	-	0.0
2016	448	689	12	0.6
2015	1,070	687	36	1.5
2014	1,070	628	70	1.5
Spaceport Authority Bonds				
2023	\$ 10,777	\$ 4,399	\$ 222	2.3
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
PLEDGED REVENUE BOND COVERAGE (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

Fiscal Year	Pledged Revenues Received	Annual Debt Service		Coverage
		Principal	Interest	
Bernalillo County Metropolitan Court				
2023	\$ 3,381	\$ 3,795	\$ 536	0.8
2022	2,533	3,933	698	0.5
2021	1,970	3,070	851	0.5
2020	3,922	2,925	997	1.0
Reported on NMFA in Prior Years				
Educational Institutions				
2023	\$ 640,000	\$ 52,688	\$ 22,490	8.5
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				
University of New Mexico Health Sciences				
2023	\$ -	\$ -	\$ -	0.0
2022	-	2,920	-	0.0
2021	-	2,919	735	0.0
2020	-	-	-	0.0
Reported on UNM in Prior Years				
General Services Department				
2023	\$ 11,726	\$ 5,639	\$ 6,084	1.0
2022	464,109	11,394	6,338	26.2
2021	6,809	4,549	6,560	0.6
2020	16,100	5,019	7,139	1.3
Reported on UNM in Prior Years				

**STATE OF NEW MEXICO
DEMOGRAPHIC AND ECONOMIC INDICATORS
LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>* Percent High School Grad or Higher (Pop=25 Yrs & >)</u>	<u>Public School Enrollment</u>
2023	2,114,371	\$ 116,432,000,000	\$ 55,067	38.3	87.1	316,660
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

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 2023 data.
 23 population data represents estimates based on the 2023 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
MOST CURRENT CALENDAR YEAR AND HISTORICAL COMPARISON**

Entity Name	Calendar Year 2022*			Calendar Year 2017**		
	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%	18,359	2	2.1%
Federal Government	28,900	2	3.2%	21,766	1	2.5%
Sandia National Laboratories	15,100	3	1.7%	12,206	4	1.4%
Walmart Corporate	14,725	4	1.6%	14,022	3	1.6%
Los Alamos National Laboratories	14,150	5	1.6%	10,086	8	1.2%
UNM University	11,875	6	1.3%	10,982	6	1.3%
Presbyterian Healthcare	11,575	7	1.3%	11,178	5	1.3%
Albuquerque Public Schools	10,150	8	1.1%	10,297	7	1.2%
City of Albuquerque	5,800	9	0.6%	5,800	9	0.7%
McDonalds	4,675	10	0.5%	N/A	NA	N/A
Total Employees of Principal Employers	143,897		15.9%	114,696		13.2%

Source: NM Partnership - New Mexico Largest Employers

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 2022, data for 2023 was not available.

** Used 2017, data for 2014-2016 was not available.

**STATE OF NEW MEXICO
COMPOSITION OF LABOR FORCE
LAST TEN CALENDAR YEARS**

	Calendar Year				
	2023	2022	2021	2020	2019
Nonagricultural Jobs					
Government	190,800	184,800	173,800	186,300	190,300
Mining	24,100	21,000	18,800	18,600	26,300
Construction	53,200	52,600	51,100	49,500	52,200
Manufacturing	30,700	29,400	29,600	26,300	27,700
Trade, Transportation and Utilities	146,500	139,900	139,000	135,400	140,900
Information	10,400	9,800	8,200	9,900	11,300
Financial Activity	33,500	32,500	33,800	32,300	36,000
Professional and Business Services	113,600	116,400	113,100	107,800	109,900
Education and Health Services	149,500	146,900	137,100	135,600	144,000
Leisure and Hospitality	99,100	99,300	94,600	67,600	99,800
Other Services	28,200	27,600	28,400	25,900	27,900
Total Nonagricultural Jobs	879,600	860,200	827,500	795,200	866,300
Civilian Labor Force	969,463	938,167	969,048	960,100	966,624
Total Employed	930,977	901,310	913,408	877,700	920,787
Unemployed	38,486	36,857	55,640	82,400	45,837
Unemployment Rate	4.0%	3.9%	4.8%	8.6%	4.7%
Seasonally Adjusted Rate	4.0%	3.7%	5.8%	8.6%	4.7%

Source: New Mexico Department of Workforce Solutions, U.S. Department of Labor Statistics 2023 Data unavailable

STATE OF NEW MEXICO
COMPOSITION OF LABOR FORCE (CONTINUED)
LAST TEN CALENDAR YEARS

	Calendar Year				
	2018	2017	2016 as Restated	2015 as Restated	2014 as Restated
Nonagricultural Jobs					
Government	183,600	186,500	188,900	189,300	194,700
Mining	20,300	20,800	19,800	25,600	28,400
Construction	46,900	45,700	43,400	43,500	43,300
Manufacturing	26,900	26,400	26,900	27,800	28,300
Trade, Transportation and Utilities	136,300	136,600	138,700	139,600	142,700
Information	11,100	12,300	13,000	12,700	12,700
Financial Activity	34,700	34,000	33,500	33,300	33,600
Professional and Business Services	103,200	104,300	101,300	99,700	100,300
Education and Health Services	140,200	139,000	138,200	133,300	131,900
Leisure and Hospitality	94,700	96,400	95,500	93,100	89,000
Other Services	27,600	28,600	28,500	28,500	28,300
Total Nonagricultural Jobs	825,500	830,600	827,700	826,400	833,200
Civilian Labor Force	949,047	929,567	928,732	927,999	927,142
Total Employed	904,196	872,382	866,704	867,387	865,229
Unemployed	44,851	57,185	62,028	60,612	61,913
Unemployment Rate	4.8%	6.2%	6.7%	6.5%	6.7%
Seasonally Adjusted Rate	4.7%	6.4%	6.7%	6.6%	6.7%

**STATE OF NEW MEXICO
PUBLIC HIGHER EDUCATION ENROLLMENT
LAST TEN ACADEMIC YEARS**

	Academic Year				
	2022-23	2021-22	2020-21	2019-20	2018-19
Eastern New Mexico University	4,849	4,490	4,958	5,519	4,791
New Mexico Highlands University	2,842	2,804	2,161	2,169	2,350
New Mexico Institute of Mining and Technology	2,000	1,734	1,482	1,517	1,614
New Mexico State University	26,514	27,854	17,518	18,458	18,592
Northern New Mexico College	1,904	1,453	761	768	804
University of New Mexico	33,410	34,368	21,273	22,568	22,812
Western New Mexico University	3,910	3,074	1,872	1,974	1,990
Total All Four-Year Institutions	75,429	75,777	50,025	52,973	52,953
Central New Mexico Community College ¹	27,684	18,563	10,600	11,612	12,000
Clovis Community College	3,245	3,408	1,291	1,461	1,509
Luna Community College	1,121	1,128	420	526	513
Mesalands Community College	1,286	1,198	280	346	413
New Mexico Junior College	2,385	2,500	1,352	1,591	1,464
New Mexico Military Institute	543	570	471	459	487
Northern New Mexico College	N/A	N/A	N/A	N/A	N/A
San Juan College	8,098	7,866	3,216	3,914	3,873
Santa Fe Community College	4,831	4,027	1,716	2,175	2,229
Total All Two-Year Institutions	49,193	39,260	19,346	22,084	22,488
Total All Institutions	124,622	115,037	69,371	75,057	75,441

¹ 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

As of 2022 the numbers reported are by total head counts not FTE . Branches must be included in totals.

STATE OF NEW MEXICO
PUBLIC HIGHER EDUCATION ENROLLMENT (CONTINUED)
LAST TEN ACADEMIC YEARS

	Academic Year				
	2017-18	2016-17	2015-16	2014-15	2013-14
Eastern New Mexico University	5,573	5,891	5,936	6,327	6,489
New Mexico Highlands University	2,348	2,438	2,653	2,626	2,742
New Mexico Institute of Mining and Technology	1,612	1,666	1,817	1,805	1,766
New Mexico State University	18,398	19,324	19,876	20,630	21,752
Northern New Mexico College	799	786	707	870	1,061
University of New Mexico	23,430	25,483	28,489	28,277	28,586
Western New Mexico University	2,072	2,045	2,169	2,222	2,223
Total All Four-Year Institutions	54,232	57,633	61,647	62,757	64,619
Central New Mexico Community College ¹	12,156	12,716	13,684	14,653	15,920
Clovis Community College	1,477	1,495	1,500	1,548	1,589
Luna Community College	505	614	709	757	856
Mesalands Community College	388	404	469	428	423
New Mexico Junior College	1,696	1,593	1,651	1,698	1,651
New Mexico Military Institute	487	492	511	550	588
Northern New Mexico College	N/A	N/A	N/A	N/A	N/A
San Juan College	3,672	3,538	4,409	4,619	4,901
Santa Fe Community College	2,252	2,391	2,648	2,899	3,003
Total All Two-Year Institutions	22,633	23,243	25,581	27,152	28,931
Total All Institutions	76,865	80,876	87,228	89,909	93,550

**STATE OF NEW MEXICO
FULL TIME EQUIVALENT STATE EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2023	2022	2021	2020	2019 As Restated
General Government					
Government Operations	1,467.8	1,416.0	1,353.1	1,380.0	1,336.5
Taxation and Revenue	1,058.0	1,063.0	1,054.2	1,072.8	1,066.8
Human Services and Youth Corrections	3,284.0	3,289.0	4,109.8	4,089.8	4,105.8
Adult Corrections	2,451.0	2,498.0	2,492.0	2,621.0	2,453.0
Public Safety	1,681.2	1,561.0	1,539.4	1,607.3	1,547.3
State Courts	4,195.8	4,009.0	3,574.4	3,542.6	3,473.4
Health and Environment					
Department of Health	3,909.0	4,003.0	3,992.0	3,769.5	3,551.5
Department of Environment	661.7	689.0	653.0	634.5	635.5
Miners Colfax Community Hospital	288.0	293.0	290.5	258.0	260.0
Employment and Family Services	2,235.6	2,166.0	2,222.8	1,405.8	1,418.3
Natural Resources	1,570.0	1,492.0	1,404.9	1,361.5	1,375.5
Cultural Affairs	568.0	502.0	485.8	509.3	487.9
Business, Labor and Agriculture	920.0	879.0	842.0	878.4	864.4
Education	358.7	411.0	394.5	387.2	384.2
Transportation	2,660.0	2,676.0	2,615.5	2,506.5	2,506.5
Total Full-Time Equivalent State Employees	27,308.8	26,947.0	27,023.9	26,024.2	25,466.6
Change	1.3%	-0.3%	3.7%	2.1%	0.4%

Source: Report of the Legislative Finance Committee to the 56th Legislature Second Session, January 2024, Vol. 2, Pg. 1-504

**STATE OF NEW MEXICO
FULL TIME EQUIVALENT STATE EMPLOYEES BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2018	2017	2016	2015	2014
General Government					
Government Operations	1,334.0	1,355.0	1,190.0	1,203.5	1,203.5
Taxation and Revenue	1,078.0	1,088.0	1,096.0	1,109.0	1,109.0
Human Services and Youth Corrections	3,909.0	4,320.0	4,540.0	4,384.1	4,384.1
Adult Corrections	2,443.0	2,409.0	2,447.0	2,453.0	2,453.0
Public Safety	1,535.0	1,545.0	1,499.7	1,452.7	1,452.7
State Courts	3,389.0	3,375.0	3,587.4	3,471.0	3,471.0
Health and Environment					
Department of Health	3,536.0	3,792.0	3,780.0	3,791.0	3,791.0
Department of Environment	638.0	637.0	660.5	660.5	660.5
Miners Colfax Community Hospital	258.0	224.0	224.0	224.0	224.0
Employment and Family Services	1,643.0	1,435.0	623.5	618.5	618.5
Natural Resources	1,366.0	1,389.0	1,005.8	967.8	967.8
Cultural Affairs	494.0	509.0	508.8	507.8	507.8
Business, Labor and Agriculture	860.0	900.0	1,809.5	1,813.6	1,813.6
Education	378.0	397.0	348.3	350.3	350.3
Transportation	2,503.0	2,488.0	2,487.5	2,489.5	2,489.5
Total Full-Time Equivalent State Employees	<u>25,364.0</u>	<u>25,863.0</u>	<u>25,808.0</u>	<u>25,496.3</u>	<u>25,496.3</u>
Change	<u>-2.0%</u>	<u>0.2%</u>	<u>1.2%</u>	<u>0.0%</u>	<u>-0.4%</u>

**STATE OF NEW MEXICO
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2023	2022	2021	2020	2019 as Restated
General Government					
Operations					
Public Employees' Retirement Fund's National Performance Ranking Percentile (Ten-Year Annualized) ^{8 11 24 39 43 50}	50 th	50 th	50 th	40 th	39 th
Taxation					
% of Electronically Filed Personal Income Tax Returns ^{9 14 15 19 23 37 44, 47}	90%	90%	82%	90%	88%
% of Motor Vehicle Registrations Issued (with Liability Insurance) ^{14 15 19 23 37 44 47}	91%	91%	92%	91%	90%
Amount of Delinquent Property Tax Collected and Distributed to Counties in millions ^{8 10 14 15 19 23 37 44 47}	\$13.9	\$12.0	\$11.0	\$10.4	\$12.9
Regulation					
# of Vehicular Port Traffic at New Mexico Ports ^{10 14 15 18 26 38 45 48}	1,206,104	1,988,283	766,671	937,119	1,548,500
Number of registered nurse licenses active on June 30 ^{10 15 18 25 40 46 49}	32,864	31,132	14,500	18,918	24,711
Tri-Annual Physician Licenses Issued ^{10 14 15 18 27 38 45 48}	5,911	5,269	3,000	4,303	4,086
Biennial Physician Assistant Licenses Issued ^{10 15 18 27 38 45 48}	598	621	225	629	556
Public Safety					
Inspection/Audit Hours by State Fire Marshall and Pipeline Safety Bureau ^{10 14 15 19 28 41 45 48}	9,000	10,822	37,919	NA	NA
# of Traffic Fatalities ^{9 14 15 18 23 37 44 47}	444	464	395	418	417
# of Driving While Intoxicated Fatalities ^{9 14 15 18 23 37 44 47}	119	133	169	142	157
# of Driving While Intoxicated Arrests ^{9 14 15 18 23 37 44 47}	2,588	2,809	2,479	1,647	2,171
Education					
Public					
# of High School Graduates (4 year) ^{1 29 42}	19,483	32,058	26,096	25,995	26,092
Student Dropout Rate for Grades 9 - 12 ^{2 30 42 52}	6.8%	4.4%	4.4%	NA	NA
Public School Capital Outlay Allocation (\$ Millions) ⁴	15.7	15.7	136	N/A	N/A
Higher					
Graduation Rate of Bachelor Degree Students (Period of Six Years for Completion) ^{8 10 14 15 38 45 48}	49%	48%	40%	56%	54%
% of First Time Freshman Lottery Scholarship Recipients at Four-Year Institutions Who Complete Within Six Years ^{8 10 14 15 21}	72%	73%	73%	N/A	N/A

STATE OF NEW MEXICO
OPERATING INDICATORS BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS

	2018 as Restated	2017 as Restated	Fiscal Year 2016 as Restated	2015 as Restated	2014 as Restated
General Government					
Operations					
Public Employees' Retirement Fund's National Performance Ranking Percentile (Ten-Year Annualized) ^{8 11 24 39 43 50}	39 th	39 th	30 th	36 th	30 th
Taxation					
% of Electronically Filed Personal Income Tax Returns ^{9 14 15 19 23 37 44, 47}	87%	86%	85%	92%	90%
% of Motor Vehicle Registrations Issued (with Liability Insurance) ^{14 15 19 23 37 44 47}	90%	90%	92%	91%	91%
Amount of Delinquent Property Tax Collected and Distributed to Counties in millions ^{8 10 14 15 19 23 37 44 47}	\$14.6	\$11.5	\$11.6	\$10.4	\$13.1
Regulation					
# of Vehicular Port Traffic at New Mexico Ports ^{10 14 15 18 26 38 45 48}					
Number of registered nurse licenses active on June 30 ^{10 15 18 25 40 46 49}	1,597,023	1,571,366	1,589,396	1,463,046	1,279,179
Tri-Annual Physician Licenses Issued ^{10 14 15 18 27 38 45 48}	19,340	16,872	16,251	14,854	14,551
Biennial Physician Assistant Licenses Issued ^{10 15 18 27 38 45 48}	487	455	451	476	436
Public Safety					
Inspection/Audit Hours by State Fire Marshall and Pipeline Safety Bureau ^{10 14 15 19 28 41 45 48}	19,500	16,590	10,408	14,775	18,202
# of Traffic Fatalities ^{9 14 15 18 23 37 44 47}					
# of Driving While Intoxicated Fatalities ^{9 14 15 18 23 37 44 47}	369	383	366	347	343
# of Driving While Intoxicated Arrests ^{9 14 15 18 23 37 44 47}	143	163	149	155	137
	2,574	N/A	N/A	N/A	N/A
Education					
Public					
# of High School Graduates (4 year) ^{1 29 42}					
Student Dropout Rate for Grades 9 - 12 ^{2 30 42 52}	26,288	26,587	25,926	25,863	25,170
Public School Capital Outlay Allocation (\$ Millions) ⁴	NA	3.8%	4.4%	4.4%	4.3%
	N/A	N/A	546	895	457
Higher					
Graduation Rate of Bachelor Degree Students (Period of Six Years for Completion) ^{8 10 14 15 38 45 48}	50%	49%	48%	48%	48%
% of First Time Freshman Lottery Scholarship Recipients at Four-Year Institutions Who Complete Within Six Years ^{8 10 14 15 21}	N/A	N/A	75%	72%	73%

STATE OF NEW MEXICO
OPERATING INDICATORS BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS

	Fiscal Year				
	2023	2022	2021	2020	2019 as Restated
Health and Human Services					
% of Children Receiving Services in Medicaid Managed Care ^{10 14 15 23 38 44 47}	69%	70%	70%	73%	75%
% of Child Support Collected of Support Owed ^{9 14 15 18 23 38 45 48}	58%	58%	57%	59%	58%
# of Homeless Veterans Provided Shelter ^{8 10 14 15 21 31}	71	173	173	N/A	N/A
% of Children Adopted within 24 Months of Entry into Foster Care ^{8 10 14 15 23 37 44 48 (Split into two time periods for 2020)}	31%	38%	35%	36%	27%
% of Abused Children with Repeat Maltreatment ^{9 14 15 23 38 45 48}	13%	14%	8%	14%	17%
% of Preschoolers Fully Immunized ^{9 14 15 18 45 48}	69%	66%	76%	63%	64%
# of Operating School-Based Health Centers ^{13 14 15 32}	78	91	82	79	73
Average Patient Length of Stay for Acute Care Facility (Miners' Colfax Hospital) ^{18 21 26 45 48}	3	5	4	4	5
Corrections					
Juvenile					
% Juveniles Earning Education Credits While Incarcerated ⁸	56%	56%	55%	NA	NA
% of Juveniles Who Complete Formal Probation ^{23 37 38 44 47}	93%	85%	90%	94%	86%
% of Juveniles Recommitted to a Youth Detention Facility ^{9 14 15 17 23 37 45 47}	13%	20%	12%	20%	20%
Adult					
Turnover Rate of Correctional Officers ^{9 14 15 18 23 38 45 48}	32%	28%	11%	2%	25%
Success Rate Recidivism of Offenders Enrolled in After Release Program (36 months) ^{9 14 15 23 37 45 48}	30%	35%	37%	46%	46%
% of Prisoners Reincarcerated within 36 Months After Release ^{10 14 15 17 23 37 44 45 48}	36%	37%	40%	54%	54%
Culture and Recreation					
# of Visits to Visitor Information Centers (Millions) ⁸	1.3	1.2	1.3	N/A	N/A
# of Unique Website Visitor Sessions (Millions) ^{8 23 45 48}	2	2	2	2.4	2.4
Circulation Rate for New Mexico Magazine ^{8 9 14 15 18 33 38 44 47}	100,000	80,000	94,221	70,000	70,000
Attendance to Museum Exhibitions, Performances, Films, Programs ^{8 10 14 15 34 38 45 48}	725,472	726,301	830,000	827,895	826,969
% of Public Hunting Licenses Drawn by New Mexico Resident Hunters ^{8 10 14 15 18 36 38 45 48}	84%	84%	80%	88%	84%
Fish Output from Hatchery System (in Pounds) ^{5 7 8 10 14 15 35 38 45 48}	640,000	672,642	592,247	666,738	670,851
# of Visitors to State Parks (Millions) ^{8 9 14 15 23 44 47}	5	5	4	4	5
Natural Resources, Environment					
# of Inspections of Oil and Gas Wells and Associated Facilities ^{8 14 15 23 37 44 47}	29,522	31,154	35,147	36,852	31,043
% of Required Mine Inspection Conducted ^{8 14 15 23 37 45 48}	99%	100%	100%	88%	88%
% of Abandoned Uranium Mines with Current Site Assessments ⁸	50%	50%	50%	N/A	N/A
% of Landfills Meeting Groundwater Monitoring Requirements ^{14 15 23 37 44 47}	97%	95%	95%	97%	99%
# of Wildlife Habitat Acres Conserved or Enhanced ^{8 20 35}	192,000	100,000	100,000	192,000	192,000
# of Threatened/Endangered Species Monitored/Involved in Recovery Process changed to % of Endangered Species in 2017 ^{8 10 14 15 38 45 48}	53%	45%	35%	51%	48%

STATE OF NEW MEXICO
OPERATING INDICATORS BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS

	2018	2017	Fiscal Year	2015	2014
	as Restated	as Restated	2016	as Restated	as Restated
Health and Human Services					
% of Children Receiving Services in Medicaid Managed Care ^{10 14 15 23 38 44 47}	72%	85%	85%	86%	80%
% of Child Support Collected of Support Owed ^{9 14 15 18 23 38 45 48}					
# of Homeless Veterans Provided Shelter ^{8 10 14 15 21 31}	57%	56%	56%	56%	56%
% of Children Adopted within 24 Months of Entry into Foster Care ^{8 10 14 15 23 37 44 48 (Split into two time periods for 2020)}	N/A	503	491	360	360
% of Abused Children with Repeat Maltreatment ^{9 14 15 23 38 45 48}	28%	25%	23%	32%	32%
% of Preschoolers Fully Immunized ^{9 14 15 18 45 48}	15%	15%	12%	11%	11%
# of Operating School-Based Health Centers ^{13 14 15 32}	61%	72%	NA	76%	72%
Average Patient Length of Stay for Acute Care Facility (Miners' Colfax Hospital) ^{18 21 26 45 48}	73	70	72	80	80
	5	5	3	3	3
Corrections					
Juvenile					
% Juveniles Earning Education Credits While Incarcerated ⁸					
% of Juveniles Who Complete Formal Probation ^{23 37 38 44 47}	NA	NA	NA	NA	NA
% of Juveniles Recommitted to a Youth Detention Facility ^{9 14 15 17 23 37 45 47}	86%	83%	85%	83%	NA
	20%	7%	10%	8%	10%
Adult					
Turnover Rate of Correctional Officers ^{9 14 15 18 23 38 45 48}					
Success Rate Recidivism of Offenders Enrolled in After Release Program (36 months) ^{9 14 15 23 37 45 48}	28%	2%	10%	13%	10%
% of Prisoners Reincarcerated within 36 Months After Release ^{10 14 15 17 23 37 44 45 48}	51%	50%	46%	47%	36%
	49%	50%	46%	23%	47%
Culture and Recreation					
# of Visits to Visitor Information Centers (Millions) ⁸					
# of Unique Website Visitor Sessions (Millions) ^{8 23 45 48}	N/A	N/A	N/A	N/A	NA
Circulation Rate for New Mexico Magazine ^{8 9 14 15 18 33 38 44 47}	0.4	0.4	0.6	0.8	NA
Attendance to Museum Exhibitions, Performances, Films, Programs ^{8 10 14 15 34 38 45 48}	70,000	70,000	75,000	92,148	89,556
% of Public Hunting Licenses Drawn by New Mexico Resident Hunters ^{8 10 14 15 18 36 38 45 48}	855,789	779,810	745,101	823,450	851,101
	84%	84%	84%	84%	87%
Fish Output from Hatchery System (in Pounds) ^{5 7 8 10 14 15 35 38 45 48}					
# of Visitors to State Parks (Millions) ^{8 9 14 15 23 44 47}	646,175	681,103	638,594	637,200	634,779
	5	5	5	4	4
Natural Resources, Environment					
# of Inspections of Oil and Gas Wells and Associated Facilities ^{8 14 15 23 37 44 47}					
% of Required Mine Inspection Conducted ^{8 14 15 23 37 45 48}	42,880	37,648	49,624	47,539	38,920
% of Abandoned Uranium Mines with Current Site Assessments ⁸	95%	97%	97%	97%	94%
% of Landfills Meeting Groundwater Monitoring Requirements ^{14 15 23 37 44 47}	N/A	N/A	N/A	N/A	N/A
	96%	97%	100%	95%	96%
# of Wildlife Habitat Acres Conserved or Enhanced ^{8 20 35}					
# of Threatened/Endangered Species Monitored/Involved in Recovery Process changed to % of Endangered Species in 2017 ^{8 10 14 15 38 45 48}	192,000	192,000	NA	NA	NA
	41%	52%	N/A	35	35

STATE OF NEW MEXICO
OPERATING INDICATORS BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS

	Fiscal Year				
	2023	2022	2021	2020	2019 as Restated
Business, Labor, and Agriculture					
% of Adults Who Entered Employment in 1 st Quarter of Receiving Training Services (Changed in 2013 to Percent of Individuals Who Have Received Employment Services Retaining Employment After Six Months) ^{9 14 15 17 19 23 37 45 48}	61%	61%	72%	69%	79%
# of Rural Jobs Created ^{9 14 15 23 37 45 48}	996	1,766	1,542	460	1,376
# of Media Industry Worker Days ^{9 14 15 18 37 45 48}	553,630	143,000	143,046	102,376	319,814
Changed to "Direct Spending by Industry productions (\$ Millions) 14 23 37 45 48	\$794	\$5,855	\$674	\$257	\$525
Highways and Transportation					
# of System wide Miles in Deficient Condition ^{9 14 15 23 37 45 48}	2,824	1,451	3,837	4,420	3,783
# of Traffic Fatalities per 100 Million Vehicle Miles Traveled ^{5 7 8 12 51}	1.77	1.75	1.43	1.53	1.30
# of Statewide Improved Pavement Surface Miles ^{5 6 9 14 15 23 37 45 48}	3,390	4,373	2,750	3,970	3,143

	Fiscal Year				
	2018 as Restated	2017 as Restated	2016 as Restated	2015 as Restated	2014 as Restated
Business, Labor, and Agriculture					
% of Adults Who Entered Employment in 1 st Quarter of Receiving Training Services (Changed in 2013 to Percent of Individuals Who Have Received Employment Services Retaining Employment After Six Months) ^{9 14 15 17 19 23 37 45 48}	79%	78%	80%	80%	75%
# of Rural Jobs Created ^{9 14 15 23 37 45 48}	2,414	775	641	726	1,562
# of Media Industry Worker Days ^{9 14 15 18 37 45 48}	259,961	448,304	260,307	298,398	189,782
Changed to "Direct Spending by Industry productions (\$ Millions) 14 23 37 45 48	\$234	\$505	\$387	\$286	\$162
Highways and Transportation					
# of System wide Miles in Deficient Condition ^{9 14 15 23 37 45 48}	4,675	4,675	4,515	4,250	3,896
# of Traffic Fatalities per 100 Million Vehicle Miles Traveled ^{5 7 8 12 51}	1.43	1.16	1.18	1.09	1.51
# of Statewide Improved Pavement Surface Miles ^{5 6 9 14 15 23 37 45 48}	2,854	3,668	2,457	2,611	2,889

STATE OF NEW MEXICO
OPERATING INDICATORS BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS

Sources: Various departments of the State of New Mexico

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2 [New Mexico Dropout Report published by New Mexico Public Education Department](#)
4 New Mexico Public Schools Finance Authority
8 [Report of the Legislative Finance Committee to the Legislature Second Session](#), Vol. II
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9 [Report of the Legislative Finance Committee to the 51th Legislature Second Session](#), January 2014, Vol. I, Pg. 89, 98, 99, 100, 101, 105, 108, 112, 115,
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10 [Report of the Legislative Finance Committee to the 51th Legislature Second Session](#), January 2014, Vol. II, Pg. 41, 59, 121, 150, 157, 159, 185, 230, 276,
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11 [Pension fund rankings by state-Crain's Chicago Bs](#), <http://www.chicagobusiness.com/article/20130110/NEWS07/130109847/pension-fund-rankings-by-state-were-no-50>
12 [New Mexico Transportation By The Numbers:](#)
http://www.tripnet.org/docs/NM_Transportation_By_The_Numb
13 [New Mexico Alliance for School-Based Health Care \(NMASBHC\):](#) <http://www.nmasbhc.org/index.html>
14 [Report of the Legislative Finance Committee to the 52th Legislature Second Session](#), January 2015, Vol. I, Pg. 88, 90, 98, 99, 100, 101, 105, 108, 112, 113,
116, 117, 121, 122, 123, 129, 130; Vol II pg. 126, 134, 136, 149, 156, 158, 176, 184, 226, 285, 307, 324, 342, 344
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16 [Report of the Legislative Finance Committee to the 53rd Legislature First Session](#), January 2017, Vol. I, Pg. 91, 103, 116
17 [Report of the Legislative Finance Committee to the 53rd Legislature First Session](#), January 2017, Vol. II, Pg. 115, 143, 145, 215, 237, 243, 264, 277, 283, 293
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20 [Mercatus Center - George Mason University, www.mercatus.org/statefiscalrankings](#)
21 [Report of the Legislative Finance Committee to the 54rd Legislature First Session](#), January 2018, Vol. I, Pg. 36, 94-98, 100-101, 103-104, 114, 119-120,
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22 [Pension Fund Programs Worsen in 43 States](#), by Laurie Meisler, www.bloomberg.com/graphics/2017-state-pension-funding
23 [New Mexico Board of Nursing - Annual Governor's Report FY 2017, Pg 12](#)
24 [Report of the Legislative Finance Committee to the 54rd Legislature First Session, January 2018, Vol. II, Pg. 121, 240](#)
25 [New Mexico Medical Board - E-mailed](#)
26 [New Mexico Public Regulation Commission - Annual Report FY 2017, Pg. 14, 16](#)
27 [New Mexico Public Education Website - New Mexico High School Graduation - Graduation Rates \\$ Year Graduation Rate Cohort 2017](#)
28 [New Mexico Public Education E-Mail - CFO](#)
29 [New Mexico Veterans' Services Department Performance Measures Summary, Pg. 1](#)
30 [New Mexico Alliance for School Based Health Care, www.nmasbhc.org/SBHC_Locator](#)
31 [New Mexico Magazine - E-Mail Circulation Manager](#)
32 [New Mexico Department of Cultural Affairs - E-mail CIO](#)
33 [New Mexico Department of Game and Fish Annual Report, Pg. 6, 9](#)
34 [New Mexico Department of Game & Fish - Website, www.wildlife.state.nm.us/hunting/applications-and-draws-information](#)
35 [Report of the Legislative Finance Committee to the 54th Legislature First Session, January 2019, Vol. I, Pg. 107, 109-110, 114, 127, 135-136, 145](#)
36 [147, 155, 156](#)
37 [Report of the Legislative Finance Committee to the 54th Legislature First Session, January 2019, Vol. II, Pg. 118, 120, 136, 144, 146, 169, 177, 218,](#)
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40 [New Mexico Board of Nursing - Annual Report FY 2018, Pg 4](#)
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42 [New Mexico Public Education Website - New Mexico High School Graduation - Graduation Rates \\$ Year Graduation Rate Cohort 2019](#)
43 [Money - Is your money safe? These states are getting hit hardest by pension crisis. 10/15/2019.](#)
44 [Report of the Legislative Finance Committee to the 54th Legislature Second Session, January 2020, Vol. I, Pg. 109-110, 121-122, 127, 134, 143,](#)
45 [148-149, 156-158](#)
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52 [181 188, 237, 242, 259, 266, 289, 300, 303, 326, 356](#)
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54 https://ipfusa.org/wp-content/uploads/2019/08/Public-Pension-Performance_IPFI_August2019.pdf pg. 10-12
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Note: The State of New Mexico passed the Accountability in Government Act, NMSA 6-3A, in 1999. 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 ¹ 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				
	2023	2022	2021	2020	2019
General Government					
Buildings	110	110	110	110	110
Vehicles	51	40	N/A	N/A	N/A
Public Safety					
Buildings (not inc. POE'S)	29	29	29	29	29
Vehicles	823	920	846	846	1,275
Ports of Entry	13	8	8	8	8
Health and Human Services					
Buildings - General Administrative	302	302	302	302	302
Buildings - Program					
Juvenile Reintegration Center	2	4	4	4	4
Medical Center/Hospital	55	55	55	55	54
Rehabilitation Facility	6	5	5	5	5
Veterans' Center	6	16	16	16	16
Vehicles	483	620	511	511	871
Corrections					
Buildings	406	406	406	406	406
Vehicles	260	302	257	257	439
Culture and Recreation					
Vehicles	60	60	60	60	55
Museums	15	14	14	14	13
Monuments	8	8	8	8	8
Natural Resources, Environment					
Vehicles	194	261	196	196	261
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
Education Vehicles					
Vehicles	5	5	N/A	N/A	N/A
Highways and Transportation					
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

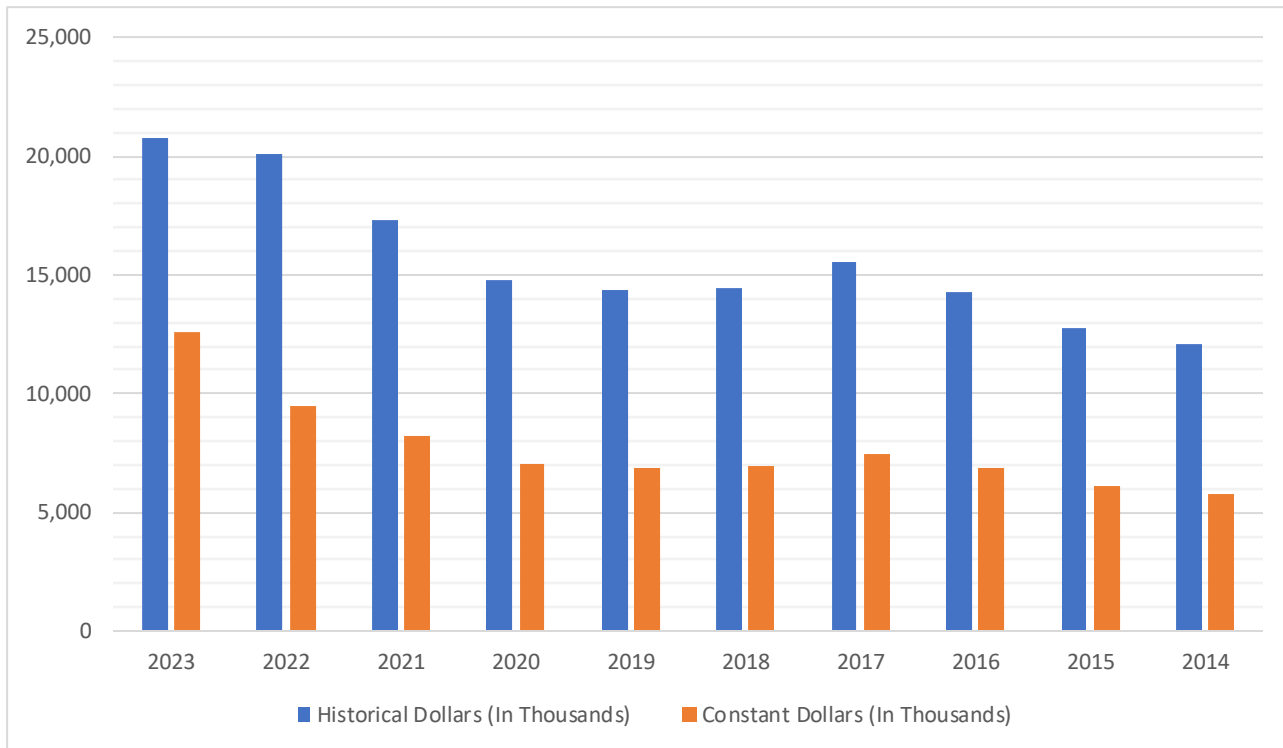
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New Mexico Department of Transportation, ; dot.state.nm.us/content/nmdot/en/Operations.html
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New Mexico Corrections Department, Administrative Services Division;
New Mexico Children, Youth and Families Department, Administrative Services Division;
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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
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
CAPITAL ASSETS STATISTICS BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS

	Fiscal Year				
	2018	2017	2016	2015	2014
General Government					
Buildings	110	110	110	110	110
Vehicles	N/A	N/A	N/A	N/A	N/A
Public Safety					
Buildings (not inc. POE'S)	29	29	29	29	29
Vehicles	1,256	900	921	921	921
Ports of Entry	8	8	6	6	6
Health and Human Services					
Buildings - General Administrative	34	34	4	4	4
Buildings - Program					
Juvenile Reintegration Center	4	4	3	3	3
Medical Center/Hospital	57	58	53	53	53
Rehabilitation Facility	5	5	7	7	7
Veterans' Center	16	16	1	1	1
Vehicles	871	400	426	426	426
Corrections					
Buildings	330	330	330	330	330
Vehicles	347	320	355	355	355
Culture and Recreation					
Vehicles	54	40	45	45	45
Museums	9	9	4	4	4
Monuments	7	7	6	6	6
Natural Resources, Environment					
Vehicles	280	340	380	380	380
State Parks	35	35	35	35	35
Wildlife Management Areas (Acres)	192,000	192,000	171,241	171,241	171,241
Fish Hatcheries	6	6	6	6	6
Education Vehicles					
Vehicles	N/A	N/A	N/A	N/A	N/A
Highways and Transportation					
Highway Lane Miles	12,272	12,272	26,598	26,598	26,598
Vehicles/Heavy Equipment	6,500	6,500	6,417	6,417	6,417

**STATE OF NEW MEXICO
EXPENDITURES – HISTORICAL AND CONSTANT DOLLARS
ALL GOVERNMENT FUND TYPES
LAST TEN FISCAL YEARS**

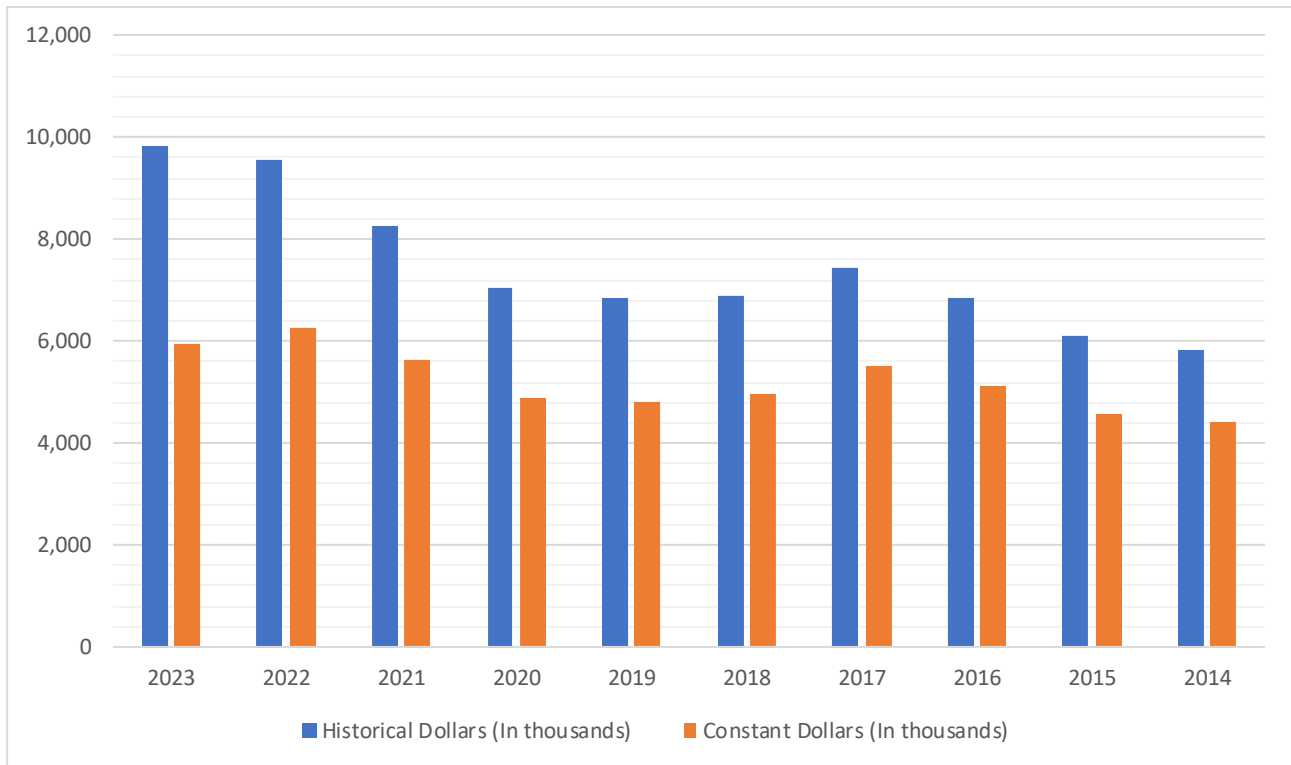


Expenditures

Fiscal Year	Historical Dollars		Constant Dollars	
	(in Millions)	Change	(in Millions)	Change
2023	\$ 20,782	3.6%	\$ 12,576	32.7%
2022	20,055	16.1%	9,478	15.2%
2021	17,276	16.7%	8,224	16.4%
2020	14,809	3.3%	7,067	3.3%
2019	14,329	-0.7%	6,838	-1.1%
2018	14,434	-7.2%	6,913	-7.5%
2017	15,550	9.0%	7,472	8.9%
2016	14,268	12.1%	6,859	12.4%
2015	12,727	5.1%	6,102	5.0%
2014	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
LAST TEN FISCAL YEARS**



Expenditures

Fiscal Year	Historical Dollars		Constant Dollars	
	(in Thousand)	Change	(in Thousands)	Change
2023	\$ 9,834	2.7%	\$ 5,951	-4.9%
2022	9,571	16.1%	6,255	10.9%
2021	8,244	16.9%	5,642	15.5%
2020	7,050	3.1%	4,884	1.3%
2019	6,838	-0.7%	4,823	-3.1%
2018	6,888	-7.5%	4,977	-9.4%
2017	7,447	8.6%	5,495	7.3%
2016	6,856	12.1%	5,123	11.9%
2015	6,118	5.3%	4,577	3.6%
2014	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, PE, CFE 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, 2023, 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 April 25, 2024. 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.

Report on 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 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, PE, CFE, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2023-001 that we consider to be a material weakness.

Report on 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 2023-002.

State of New Mexico's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the State of New Mexico's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. State of New Mexico's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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
April 25, 2024

**STATE OF NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2023**

Section I – Summary of Auditors’ Results

Financial Statements

- | | | | |
|--|-----------------------|--------------------------------|--|
| 1. Type of auditors’ report issued: | Unmodified | | |
| 2. Internal control over financial reporting: | | | |
| • Material weakness(es) identified? | <u> x </u> yes | <u> </u> no | |
| • Significant deficiency(ies) identified? | <u> </u> yes | <u> x </u> none reported | |
| 3. Noncompliance material to financial statements noted? | <u> </u> yes | <u> x </u> no | |

**STATE OF NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings

2023 – 001 (2022-002) Internal Control over Financial Reporting (Material Weakness)

Condition: During the audit we identified the following issues related to the State’s internal controls over financial reporting:

- Fund mapping – A key component of the State’s ACFR level mapping structure is that each fund number is associated with a single fund type. While there might be duplicate funds across business units, it is essential they have a common fund type. The State has an instance in which a common fund number in 2 separate business units have different fund types, debt service fund and general fund. As a result, an ACFR adjustment to reclassify debt service activity to the debt service fund from the general fund was required, which also led to an additional elimination entry that was not identified timely by the State.
- Due to challenges encountered by the State when reconciling intra-entity transfers, a reclassifying entry in the amount of \$92M to move transfer activity from the capital projects fund to the general fund was needed to fairly reconcile this activity at the statewide level. Additionally, a reclassifying entry of \$1.5B was needed between Transfers-In and Transfers-Out to remove the grossed-up, initial balances. There was no overall impact to fund balance or net position, as a result, of these reclassifications.
- During our review of the trial balance reconciliation of the Department of Transportation and their respective component financial statements, it was noted that the account codes for federal grants operating and capital were not correctly used. The financial statements properly reflected the activity on the statement of activities, however, the incorrect coding could lead to the incorrect classification of revenues on the ACFR.

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 or specific requirement: 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.

**STATE OF NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings

2023 – 001 Internal Control over Financial Reporting (Material Weakness) (Continued)

Effect: Untimely identification of misstatements or potential misstatements not detected by the State.

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.

Recommendation: We recommend the State continue to evaluate the approach of producing the State’s financial statements and 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 continue it’s efforts of communicating enhanced policies, procedures, and directives to the components that are included in this statewide report.

Views of responsible officials and planned corrective actions: Management acknowledges and agrees with this finding. While the state has made enormous progress in the last few years by updating policies and procedures and working more closely with individual state agencies, there are still areas that need work. The state is committed to investing in additional staffing, updated systems, and increased training to ensure internal controls and processes are adequate and conducive to productive and efficient state government. The State Controller and ACFR Bureau Chief assume responsibility for this action plan and will work closely with the state legislature to request additional funding in subsequent fiscal years for increased staffing and modernized software. This is an ongoing process. The state currently has 3-year plan and hopes to resolve this issue by no later than fiscal year 2027.

**STATE OF NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2023**

Section III – Section 12-6-5 NMSA 1978 findings

2023 – 002 (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, 2023 was not submitted by Regulatory due date of December 31, 2023.

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 non-compliance with the requirements of Section 2.2.2.9.A of the State Audit Rule.

Effect: Non-compliance with the State Audit Rule.

Cause: Numerous reports were not submitted by respective due dates, nor released by the NM Office of the State Auditor prior to December 31, 2023. This impacts the State's ability to perform timely reconciliations at the Statewide level for audit procedures. It should also be noted that the financial statements of one component of the reporting entity were not issued by the issuance date of this report. However, the activities and balances from this component was not considered to be significant to the report as a whole.

Recommendation: We recommend the State continue to 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.

Views of responsible officials and planned corrective actions: Management acknowledges and agrees with this finding. While the state has made tremendous progress in improving the timeliness of the ACFR, there are still constraints place on DFA that continue to prevent completion by the date set forth in the audit rule. The controller and ACFR bureau chief will continue to work towards improving processes and procedures to complete the ACFR as soon as possible after year end. This is an ongoing process. Timeline for the correction of this finding depends on a partnership between The State Controller and State Auditor working along with State Legislature to draft legislative changes that will improve the state's ability to issue an ACFR in a timely manner. This would tentatively be slated for the 2026 session. In the short-term, the ACFR team will work closely with agencies to provide training and guidance on the year-end close process to ensure all agency audits are submitted timely, which will help improve the timeliness of the ACFR. This process will begin in fiscal year 2024 and be overseen by the ACFR Bureau Chief.

**STATE OF NEW MEXICO
STATUS OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2023**

Financial Statement Findings

2022-001 – Component Financial Reporting – Resolved

2022-002 – Internal Control over Financial Reporting – Repeated and Modified

Section 12-6-5 NMSA 1978 findings

2022-003 – Late Submission of Audit Report – Repeated and Modified

**STATE OF NEW MEXICO
EXIT CONFERENCE
YEAR ENDED JUNE 30, 2023**

An exit conference was held with the State on April 29, 2024, 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

Renee Ward, Deputy Cabinet Secretary

Mark S Melhoff, Financial Control Division/Acting State Controller

Heather Kent, Cash Control Manager/Acting Deputy Director

John Severns, SFRAB Bureau Chief

CLIFTONLARSONALLEN LLP

Matt Bone, Principal

Laura Beltran-Schmitz, Principal

Andres Gamez, Director

PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements were prepared by CliftonLarsonAllen LLP with assistance provided by the State's personnel. The State is responsible for the fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. The State has reviewed and approved the financial statements and notes to the financial statements.